

VAT Cell No.39734/2007  
Circular No.14 /2007

Office of the Commissioner of  
Commercial Taxes, Chepauk,  
Chennai-600 005.

Dated: 16.8.2007

**CIRCULAR**

Sub:- Tamil Nadu General Sales Tax Act 1959-Rate of tax clarification under Section 28-A printing and supply of Bus Tickets, Books and stationery items to State Transport Corporation-Revised clarification-Regarding.

Ref:- This office D.Dis.Acts Cell-II/75970/02 Dated 28.2.2003 (Clarification No.45/03)

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Kind attention is invited to this office clarification Number 45/03 issued in D.Dis.Acts Cell-II/75970/02 Dated 28.2.2003. In this clarification in Sl.No.4 it has been clarified that printer paying tax under Section 3-G is not eligible to issue Form-XVII in respect of purchases for use in works contract.

It has been brought to the notice that based on this clarification some of the officers are revising the assessment wherever Form-XVII are issued by the printers. Section 3(3) contemplates that any goods can be sold to the manufacturers for manufacture and sale of other goods. Before printing materials are produced, the printing process does undergo a lot of process such as designing, negative exposing in the plate etc. The paper is converted into printed material and therefore the entire process is to be constituted as manufacture. So, the printers, manufacturers are entitled to purchase inputs against Form XVII.

The 3(3) does not contemplate how the tax has to be imposed on the sale of resultant product as it is not charging section.

Charging section 3-G specifies the liability of printer in case they are not paying the tax on regular basis. The printers are given an option to pay tax at the compounded rate on the total turnover. The total turnover is nothing but aggregate turnover of all goods whether or not the whole or any portion of such turnover is liable to tax. Works Contract is also a deemed sale.

Section 3-G only contemplates the imposition of tax on sale. Section 3(3) permits manufacturer to purchase inputs at concessional rate of tax against form XVII. Therefore these two sections are very independent and they are not inter-dependent.

In these circumstances the printers who opt for Section 3(G) are also entitled to purchase inputs against Form-XVII. In view of the above, the above clarification issued is modified to this extent retrospectively i.e. from 28.02.2003.

Sd/- G.Shanmugam,  
for Commissioner of Commercial Taxes.

To  
Joint Commissioner (CT), Chennai(North) Division, Chennai.6  
All Deputy Commissioners (CT) including Enforcement, ISIC  
Copy to the Director, Commercial Taxes. Staff Training Institute, Chennai.6  
Copy to all Joint Commissioners and Deputy Commissioners in the office of the  
Commissioner of Commercial Taxes including  
Deputy Commissioner (Computer System), Chennai.6  
Copy to the Chief Executive Officer, Traders Welfare Board, Chennai.