

COMMERCIAL TAXES DEPARTMENT

From  
**THIRU T. JACOB, I.A.S.,**  
Commissioner of Commercial Taxes,  
Chepauk, Chennai-5.

To  
Tvl. Whitestar Engg. Co.,  
No. 219, Linghi Chetty Street (New No. 204)  
P.B.No. 5048, Chennai-600 001.

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Lr. No. VAT Cell / 41925/ 2007 (VCC No. 1193), dated 11.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Certain rate of tax clarification under TNVAT Act 2006 requested by Tvl. Whitestar Engg. Co., Chennai-1 - Regarding.

Ref: Letter dated 20.7.2007 from Tvl. Whitestar Engg Co., Chennai-1.

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Tvl. Whitestar Engg co., Chennai-1 are hereby informed as detailed below:

1.	Sales to dealers outside the State of Tamil Nadu to registered as well as to unregistered dealers rate of tax	Sales to interstate registered dealers against 'C' form 3% and if it not covered by 'C; form local VAT rate of the selling dealer.
2.	Sales to educational institutions but registered in Tamil Nadu Education Department. (machineries)	Sales to Educational Institution is recognised in Tamil Nadu therefore taxable at 4%.
3.	Sales of capital goods to registered dealers as well as unregistered dealer	Entry 25 of part B to First Schedule it is noted as capital goods as described in section 2(11) of the Act.

Capital goods may be defined as follows:

Section 2(11) – “capital goods” means –

(a) plant, machinery, equipment, apparatus, tools, appliances or electrical installation for producing, making, extracting or processing of any goods or for extracting or for bringing about any change in any substance for the manufacture of final products;

(b) pollution control, quality control, laboratory and cold storage equipments;

(c) components, spare parts and accessories of the goods specified in (a) and (b) above;

(d) moulds, dies, jigs and fixtures;

(e) refractors and refractory materials;

(f) storage tanks; and

(g) tubes, pipes and fittings thereof

used in the State for the purpose of manufacture, processing, packing or storing of goods in the course of business excluding civil structures and such goods as may be notified by the Government;

4.	Sales to Government Departments and Educational Institutions are eligible to 4% rate	Sales to Educational Institutions recognised in Tamil Nadu eligible for 4% tax as per G.O.P.No. 595, CT&RE, dated 15.4.1988 – Notification No. II(1)CT&RE/75/88
5.	What are the requirements to collect 4%VAT for industrial input.	If any goods sold as industrial input a certificate under rule 6(3) of TNVAT Rules, 2007 to be furnished. For items taxable at 4% certificate may not be required.

Sd./ G. Shanmugam,  
For Commissioner of Commercial Taxes

Copy submitted to the Secretary to Government, Commercial Taxes and Registration Department, Fort St. George, Chennai-9.

// Forwarded // By Order //

COMMERCIAL TAX OFFICER (VAT)