

COMMERCIAL TAXES DEPARTMENT

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

To
 Tvl. Radice Ispat (India) Limited,
 No. 234/2B, Vanagaram Road,
 Athipet, Chennai – 600 058.

Lr. No. VAT Cell / 35947/ 2007 (VCC No. 1218), dated 17.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Certain clarification under TNVAT Act 2006 regarding availing of input tax credit – Requested by Tvl. Radice Ispat (India) Limited, Athipet, Chennai – Regarding.

Ref: Letter dated 21.6.2007 from Tvl. Radice Ispat (India) Limited, Athipet, Chennai-58.

Tvl. Radice Ispat (India) Limited, Athipet, Chennai-58 have requested clarification under the TNVAT Act, 2006 for availing input tax credit .

It is clarified as follows:

S.No.	Clarification sought	Reply
1.	We have submitted a statement showing details of stock held by us as on 31.12.2006 in the forms stipulated under the Act for availment of input tax credit. The above closing stock consists of raw materials purchased after 1.1.2006 (purchased locally) and finished goods held by us out of the procurement of raw materials after 1.1.2006. Since the Act says, goods purchased on or after 1.1.2006 and held in stock as on 31.12.2006 are eligible for input tax credit, kindly clarify for the eligible for input tax credit in full for raw materials as well as the finished stock manufactured out of the raw materials purchased after 1.1.2006.	They are eligible for input tax credit for raw materials purchased within the State held stock on 31.12.2006. They are also eligible for input tax credit for finished goods manufactured out of such intra-state purchases to the extent of tax paid on raw materials not on value of finished goods.
2.	Our marketing network through out the country is through our	If they purchase goods within the State from non-paid sources, they have to pay

	<p>branches situated in various States. We are also procuring the raw materials from outside the State of Tamil Nadu (interstate purchases) and rerolled at our works in Tamil Nadu and the finished goods were stock trasnferred to our branches for further onwards sales. We are not availing input tax credit such of those inter-state purchases. Since the stock transfer are effected out of goods procured from interstate, kindly clarify the tax liability (VAT) if any on the stock transfer to our branches situated in other States.</p>	<p>tax on the value of such purchases under section 12 of the TNVAT Act 2006. They are entitled for input tax credit i.e. first they have to pay purchase tax and deduct the same from the tax payable on such value.</p>
3.	<p>Kindly let us also know the details to be filed in Form I VAT monthly return) under item Sl.No.2(d) purchased under sec. 12.</p>	<p>The goods purchased or received as stock transfer from outside the State are converted into finished goods and same are transported to outside the State, there is no tax liability.</p>

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)