

COMMERCIAL TAXES DEPARTMENT

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

To
Thiru V. Lakshminarayanan,
Prop. , Anand Kumar Trading Company,
No. 109, Subramaniapuram Road,
Palani – 624 601.

Lr. No. VAT Cell / 41191/ 2007 (VCC No. 1225), dated 17.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Certain clarification under TNVAT Act 2006 for availing input tax credit - Requested by Tvl. Anand Kumar Trading Company, Palani – Regarding.

Ref: E.mail dated 19.7.2007 from Tvl. Anand Kumar Trading Company, Palani-624 601.

With reference to the letter cited, Thiru V. Lakshminarayanan, Proprietor, Anand Kumar Trading Company, Palani – 624 601 is informed the following.

1. For interstate purchases, the dealer cannot claim any input tax credit .
2. When the dealer has not reached the threshold limit viz total turnover of Rs. 10 lakhs, he is not eligible to avail any input tax credit, as there is no output tax and whatever amount collected by the dealer as output tax has to be paid to the Government which shall be forfeited.
3. The dealer is eligible to avail input tax credit sooner the turnover reaches the threshold limit of Rs. 10 lakhs on intra-state purchases.
4. Though the dealer had not reached threshold limit, whatever sales realised on the inter-state purchases, he has to pay tax irrespective of such turnover.

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)