

COMMERCIAL TAXES DEPARTMENT

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

To
Tvl Almech Engineers Pvt.Ltd,
2, Rayala Nagar Annexe,
Ramapuram , Chennai 600 089

Lr. No. VAT Cell / 40797 / 2007 (VCC No 1275), dated 22.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Rate of tax clarification under
TNVAT Act 2006 for works contract under TNVAT Act
2006 - requested - Regarding.

Ref: Letter dated 12.7.2007 from Tvl. Almech Engineers
Pvt.Ltd, Chennai 600 089

Tvl. Almech Engineers Pvt.Ltd, Chennai 89 have requested rate of tax
clarification for works contract under TNVAT Act 2006

It is clarified as follows:

- i) For supply contract, they have to pay tax entirely on sale value of electro
mechanical items. They are entitled for Input tax credit, if they purchase
goods within the State. If they purchase from outside the State, they are
not entitled for Input tax credit. They have to file return in form I.
- ii) For works contract in which both supply and labour involved, they
can opt for composition, if they do not make interstate purchases.
- iii) For compounding, they have to file return in form 'L'
- iv) They cannot opt for composition project wise.

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)