

Commercial Taxes Department

From Thiru T. Jacob, I.A.S., Commissioner of Commercial Taxes, Chepauk, Chennai – 600 005	To Tvl. Minerva Trade Link Pvt. Limited, 84/2, Moore Street, Chennai - 1
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Lr.No. K.Dis.Acts Cell - I /2226 /2006 dt. 18.1.2007

Sir,

Sub: TNGST Act 1959 – Granting of exemption for vegetable oils when total turnover does not exceed Rs.300 crores per year under TNGST Act – Total turnover under TNGST Act not to include total turnover under TNVAT Act- Certain clarification requested - Regarding

Ref: Tvl. Minerva Trade Link Pvt.Ltd., Chennai –1 letter dt. 29.12.2006

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In the reference cited, the petitioner has requested to clarify whether the rupees three hundred crores limit would be applicable to TNGST sales alone upto 31.12.2006 or it would include the sales of refined oils from 1.1.2007 to 31.3.2007 also.

The request for clarification under TNGST Act was examined with reference to G.O.Ms.No.71 CT(B2) dt. 22.7.2006 and entry No.65 of Part-B of First Schedule to TNVAT Act 2006 and informed as below:

In exercise of the powers conferred by sub-section (1) of Section 17 of the Tamil Nadu General Sales Tax Act 1959, exemption was granted in respect of tax payable under the said Act on the sale of coconut oil, gingelly oil, ground nut oil, sunflower oil, cotton seed oil, rice-bran oil and all refined oils including refined palm oil, refined cotton seed oil and refined rice bran oil by any dealer whose total turnover on the sale of all these goods does not exceed rupees three hundred crores per year, by issue of Notification No.II(1)/CTR/29(b-2)/06 in G.O.Ms.No.71 CT & (B2) dt. 22.7.2006.

“Total turnover” means the aggregate turnover in all goods of a dealer at all places of business in the State, whether or not, the whole or any portion of such turnover is liable to tax. Eventhough “year” means the financial year, the “total turnover for a year” under Section 3(1) of the TNGST Act and the “total turnover of a dealer” under Rule 5(1) of the TNGST Rules, has to be reckoned upto 31.12.2006 as the TNGST Act 1959 has been repealed and order of assessment for the year has to be passed for the period from 1.4.2006 to 31.12.2006. The “total turnover for a year” under Section 3(1) of Tamil Nadu

VAT Act 2006 and the “total turnover of a dealer” under Rule 8(2) of the Tamil Nadu VAT Rules has to be reckoned for the period from 1.1.2007 to 31.3.2007 for making assessment for the year. Hence the total turnover limit of rupees three hundred crores has to be worked out separately (i) for the period from 1.4.2006 to 31.12.2006 for granting exemption under TNGST Act 1959 and (ii) for the period from 1.1.2007 to 31.3.2007 for granting exemption under TNVAT Act 2006, as these are two different enactments and the exemption granted by issue of notification under TNGST Act 1959, has been again granted by making a fresh entry No.65 in Part-B of the Schedule for exempted goods (Fourth Schedule) under the TNVAT Act 2006.

Sd/- R. Chandrakanthan,
for Commissioner of Commercial Taxes,