



ABSTRACT

Commercial Taxes Department – Premature Payment of the amount of deferred taxes at Net Present Value (NPV) Scheme – Rate of discount for the financial year 2015-2016 - Orders – Issued.

COMMERCIAL TAXES AND REGISTRATION (F1) DEPARTMENT

G.O (Ms.) No.24

Dated 12.04.2017.
Thurmugi, Panguni, 30,
Thiruvalluvar Aandu 2048.
Read:

1. G.O. (Ms.) No.60, Commercial Taxes and Registration (F1) Department, dated 28.2.2007.
2. Government letter No.6192/F1/2007-3, Commercial Taxes and Registration (F1) Department, dated 10.8.2007.
3. G.O. (Ms.) No.137, Commercial Taxes and Registration (F1) Department, dated 8.9.2009.
4. G.O. (Ms.) No.167, Commercial Taxes and Registration (F1) Department, dated 18.11.2009.
5. G.O. (Ms.) No.27, Commercial Taxes and Registration (F1) Department, dated 24.2.2011.
6. G.O. Ms. No.121, Commercial Taxes and Registration (E1) Department, dated 28.9.2011.
7. G.O. Ms. No.24, Commercial Taxes and Registration (E1) Department, dated 13.3.2013,
8. From the Principal Secretary/Commissioner of Commercial Taxes letter No.D4/22753/2015, dated 7.9.2015.

ORDER:

In the Government Order first read above, the Government have formulated a scheme for premature payment of deferred taxes for benefit of industrial units who have been allowed the benefit of deferment, subject to certain conditions and restrictions and ordered to calculate the premature payment of deferred taxes at a discount rate of 5% per annum in the year 2007. Subsequently, in Government letter second read above, the rate of discount was enhanced from 5% to 7.5% per annum and simultaneously decided to reset the rate every financial year based on the cost of borrowing of the Government in the respective year.

2. The rate of payment of premature payment of the amount of deferred taxes as fixed from the year 2008-2009 to 2012-2013 is as follows:

S. No	Year	G.O Number & Date	Rate fixed (%)
1.	2008-2009	G.O.(Ms.) No.167, C.T & R Department, dated 18.11.2009.	7.5
2.	2009-2010	G.O.(Ms.) No.137, C.T & R Department, dated 8.9.2009	8
3.	2010-2011	G.O.(Ms.)No.27, C.T & R Department, dated 24.2.2011	8
4.	2011-2012	G.O.(Ms.)No.121, C.T & R Department, dated 28.9.2011	7.5
5.	2012-2013	G.O.(Ms.) No.24, C.T & R Department, dated 13.03.2013	7.5

3. The Principal Secretary / Commissioner of Commercial Taxes in his letter, eighth read above has stated that the Tvl.Comstar Automotive Technologies Private Limited has come forward to pay under the scheme and therefore suggested the rate could be revised in consonance with the deposit rates offered by the banks. He has furnished the rates offered by the following banks for deposits upto Rs.1 crore as detailed below:-

(Applicable to deposits upto Rs.1 Crore)

Name of the Bank	Interest	Tenure
IDBI	8%	5 years
SBI	7.25%	5 years
Canara Bank	8%	5 years
Indian Bank	8%	5 years
Punjab National Bank	7.75%	5 years

4. The Principal Secretary / Commissioner of Commercial Taxes has therefore requested the Government for issue of orders prescribing the rate

of discount on the premature payment of deferred taxes at Net Present Value Scheme for the financial year 2015-2016.

5. During the years 2011-2012 and 2012-2013, the rate of discount on the premature payment of the deferred taxes at Net Present Value (NPV) scheme was fixed at 7.5% per annum. At that time, the interest rates offered by the banks for deposits upto Rs.1 crore had prevailed at an average of 8.7% and 8.85% respectively for the years 2011-2012 and 2012-2013. As the banks have considerably reduced the interest rate for deposits upto Rs. 1 crore, i.e. upto 1%, the Government considered that the rate of discount on the premature payment of deferred taxes at Net Present Value (NPV) Scheme be correspondingly reduced by 1% and the rate of discount at 6.5% be fixed under the Net present Value Scheme for the financial year 2015-16.

6. The Government, after careful examination, order that the rate of discount be fixed @6.5% per annum on the premature payment of deferred taxes under the Net Present Value (NPV) Scheme for the Financial Year 2015-2016.

7. This order issues with the concurrence of the Finance Department, vide its U.O. No.26583/Rev/16, dated 06.07.2016.

(BY ORDER OF THE GOVERNOR)

Dr.C.CHANDRAMOULI
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To

The Additional Chief Secretary/Commissioner of Commercial Taxes, Chennai-5.

Copy to:

The Chief Minister's Office, Chennai-9.

The Senior Personal Assistant to Minister (Commercial Taxes and Registration), Chennai-9.

The Commercial Taxes and Registration (B/C/D) Department, Chennai-9.

National Informatics Centre, Chennai-9 (with a request to publish the G.O. in the Tamil Nadu Government Website www.tn.gov.in)

The Finance Department, Chennai-9.

Stock file/spare copy.

// FORWARDED / BY ORDER //


SECTION OFFICER
12/14/17