



ABSTRACT

Police – Announcement made by the Hon'ble Chief Minister during the Collectors / Superintendents of Police Conference held on 28.08.2010 – Grant of exemption of VAT on procurement of goods by Central Police Canteen Network as well as State Police Canteen and subsequent sale by them to serving and retired police personnel both Central and State – Orders - Issued

Home(Pol.XIII)Department

Date: 21.02.2011

G.O.(Ms).No.125

- 1) From the Home Secretary, Government of India, Ministry of Home Affairs D.O.No.27023/70/2008 dated 02.06.2008.
- 2) From the Additional Director General of Police Cum Chairperson, Central Police Canteen, Ministry of Home Affairs, Government of India, New Delhi letter No.T.III.1/2010/DA-IV/PC dated 17.02.2010.
- 3) From the Director General of Police, Chennai letter R.C.No.030427/SG.t(1)/2010, dated 01.04.2010 and 13.09.2010.
- 4) From the Group Commandant, CISR Group HR, Chennai letter No.4-2099/VAT/GHO/2010-4356, dated 10.08.2010.

ORDER

The Union Home Secretary, Ministry of Home Affairs in his letter first read above has stated that, the Central Police Force (CPF) personnel are performing highly arduous and life threatening duties while maintaining vigil on the borders and carrying out operations against militants / extremists and terrorists for internal security all over the country round the year. They have been requesting the extension of Canteen Stores Department facilities as available to the Defence Forces to their organizations but it has not been feasible to extend them. The Ministry of Home Affairs have,

7 (55)
2153
I R MPP
[Signature]

therefore, setup Central Police Canteens for the Central Police Forces. Management Committees of Central Police Canteen have found though substantial discount is offered by manufacturers by bulk purchase of the goods to be sold in the Central Police Canteens, their rates are still not compared with those in Canteen Stores Department. This is so because the items sold in the Canteen Stores Department outlet are getting Value Added Tax (VAT) / Octroi exemption from the respective State Government / Union Territories.

2) The Additional Director General of Police-cum- Chairperson, Central Office, Central Police canteen, Ministry of Home Affairs, Government of India in the letter 2nd read above has also conveyed the intention of applying this facility to State Police. In order to have a price pattern as in the Canteen Service Department it is proposed to exempt VAT for the goods of the 212 firms / Companies manufacturing and supplying to Central Police Canteen at best negotiated rates as done in Bihar State. The approximate financial commitment will be around Rs.2.50 Crores per annum taking the number of Police personnel serving at about 1 lakh, retired police personnel of about 60,000 and about 18,000 Central Forces Personnel.

3) The Hon'ble Chief Minister, in his reply, during the Collectors / District Superintendents of Police conference held on 28.08.2010 has made the following announcement:

“காவல் துறையினருக்கு இராணுவத்தில் பணி புரிவோர்க்கு உள்ளது போல, குறைந்த விலையில் பொருட்களைப் பெறுவதற்கு வசதியாக, மதிப்புக் கூட்டு வரி விலக்கு பெற்ற கேள்விகள் வசதி செய்து தரப்படும்”

4) Accordingly the Director General of Police has sent a proposal to Government and requested to grant exemption from payment of VAT to the goods purchased for Central Police Force Canteen as well as on sale by the Central Police Force Canteen to all Central Police Force Personnel and State Police Personnel (both serving and retired) in Tamil Nadu.

9 (5)

At present 3 centres of Central Police Force Canteen are functioning in Tamil Nadu and all types of house hold items like kitchen need, toiletry, food products, readymade garments, electronic goods, automobiles, etc. are being procured and supplied through these centers. The financial implications by way of VAT exemption involved in these 3 centres are tabulated as follows:

Place where the centers now situated	Procurement of commodities for each centre per month	Exemption of VAT required for each centre	Total procurement and total VAT exemption required	
			Total procurement approx.	VAT exemption approx
i) CTC-II CRPF, Sanjeev Hills, PO-Thoppampatti, Coimbatore-17.	Monthly Average procurement Rs.1,00,000/- Per Month	Full VAT Exemption at Par with CSD @ 12.5 %	Rs.15,00,000/- p.m.	Rs.1,87,500/- p.m.
ii) GC CRPF, Avadi, Chennai -65.	Rs.9,00,000/- Per Month			
iii) CISF Unit, NDRF Bn. PO., Suraksha Campus, Arakkonam, Vellore - 152.	Rs.5,00,000/- Per Month			
	Rs. 15,00,000			

5) Based on the proposal of the Director General of Police and the announcement made by the Hon'ble Chief Minister, the Government grant VAT exemption to the purchase of goods by Central Police canteen network in the state as well as on subsequent sale to both serving and retired Central police forces and State Police personnel. Government also grant VAT exemption to any State Police canteen on the lines of Central

Police canteen network which may be established in our State in a course for sale to serving and retired Tamil Nadu State Police personnel.

6) Necessary notification regarding exemption of VAT ordered in para-5 will be issued by Commercial Taxes and Registration Department to this effect.

7) This order issues with the concurrence of Finance Department vide their U.O.No.555/FS/P/2011 dated 17.02.2011 and Commercial Taxes and Registration Department vide their U.O.No.2536/B2/11 dated 18.02.2011.

K. GNANADESIKAN
PRINCIPAL SECRETARY TO GOVERNMENT


To

The Director General of Police, Chennai-4.
The Additional Director General of Police Cum Chairperson,
Central Police Canteen, Ministry of Home Affairs,
Government of India, New Delhi.
The Group Commandant, CISR Group HR, Chennai-4.
The Finance Department, Chennai-9.
The Commercial Taxes and Registration Department, Chennai-9.
The Accountant General, Chennai-18.
The Pay and Accounts Officer, Chennai-5.

Copy to:

The Secretary to Hon'ble Chief Minister (SR), Chennai-2.
The Private Secretary to Principal Secretary,
Home Department, Chennai-2.
The Public (Special-B) Department, Chennai-2.
The Public (SC) Department, Chennai-2.
The Special P.A to Hon'ble Minister,
Commercial Taxes Department, Chennai-2.
The Private Secretary to Principal Secretary,
Finance Department, Chennai-9.

// Forwarded By Order //


21/2/2011
SECTION OFFICER