

Karnataka Sales Tax Act, 1957

25 of 1957

[29 September 1957]

CONTENTS

CHAPTER 1 :- PRELIMINARY

1. Short Title, Extent And Commencement
2. Definitions

CHAPTER 2 :- AUTHORITIES AND APPELLATE TRIBUNAL

3. Appointment Of Commissioner, Additional Commissioner, Joint Commissioners Of Commercial Taxes, Deputy Commissioners Of Commercial Taxes, Assistant Commissioner Of Commercial Taxes, A State Representative And Commercial Tax Officer
- 3A. Instructions To Subordinate Authorities
- 3B. Jurisdiction Of Officers
- 3C. Change Of Incumbent Of An Office
4. Omitted

CHAPTER 3 :- INCIDENCE AND LEVY OF TAX

5. Levy Of Tax On Sale Or Purchase Of Goods
- 5A. Taxation Of Industrial Inputs
- 5B. Levy Of Tax On Transfer Of Property In Goods (Whether As Goods Or In Some Other Form) Involved InThe Execution Of Works Contracts
- 5C. Levy Of Tax On The Transfer Of The Right To Use Any Goods
6. Levy Of Purchase Tax Under Certain Circumstances
- 6A. Burden Of Proof
- 6B. Levy Of Turnover Tax
- 6BB. Omitted
- 6C. Omitted
- 6D. Levy Of Cess
7. Liability To Taxation Under This Act Of Transactions
8. Exemption Of Tax
- 8 A . Power Of State Government To Notify Exemptions And Reductions Of Tax
- 9 . A c t To Apply To Non--Resident Dealers With Certain Modifications And Additions

CHAPTER 4 :- REGISTRATION AND GRANT OF LICENSES

- 10. Registration Of Dealers, Commission Agents, Etc
- 10A. Procedure For Registration
- 10B. Suo Motu Registration
- 11. Agents Liable To Pay Tax

CHAPTER 5 :-RETURNS,ASSESSMENT, PAYMENT, RECOVERY, COMPOSITION AND COLLECTION OF TAX

- 12. Returns And Assessment
- 12A. Assessment Of Escaped Turnover
- 12AA. Assessment In Cases Of Price Variation Or Price Revision
- 12B. Payment Of Tax In Advance
- 12C. Summary Assessment Of Certain Dealers
- 12D. Cancellation Of Assessment In Certain Cases
- 12E. Assessment Of Corporate Bodies
- 13. Payment And Recovery Of Tax
- 13A. Payment Of Interest
- 13B. Power To Withhold Refund In Certain Cases
- 13C. Purchase By The State Government In Auction Of Property
- 13D. Special Powers For Recovery Of Amounts Due To Government
- 14. Recovery Of Tax Or Penalty Or Any Other Amount From Certain Other Persons
- 14A. Issuance Of Clearance Certificates To Registered Dealers
- 15. Tax Payable On Transfer Of Business, Etc
- 16. Assessment Of Legal Representatives
- 17. Composition Of Tax [X X X]
- 17A. Rounding Off Of Tax, Etc.
- 18. Collection Of Tax By Dealers
- 18A. Penalty For Collection In Contravention Of Section 18
- 19. Certain Dealers To Collect And Pay Tax
- 19A. Deduction Of Tax At Source In Case Of Works Contract
- 19B. Power Of Government To Notify Deferred Payment Of Tax, Etc., For Sick Industries And Riot Affected Industries
- 19C. Power Of Government To Notify Exemption Of Tax Or Deferred Payment Of Tax For New Industries

CHAPTER 6 :- APPEAL AND REVISION

- 20. Appeals
- 21. Revisional Powers Of [X X X] Joint Commissioners
- 21A. Deferment Of Refund In Certain Cases
- 22. Appeal To The Appellate Tribunal
- 22 A . Revisional Powers Of Additional Commissioner And Commissioner
- 22 B. Limitation In Regard To Passing Of Orders In Respect Of Certain Proceedings
- 23. Revision By High Court In Certain Cases
- 24. Appeal To High Court
- 24A. Objections To Jurisdiction

CHAPTER 7 :- MISCELLANEOUS

- 25. Petitions, Applications And Appeals To High Court To Be Heard By A Bench Of Not Less Than Two Judges
- 25A. Rectification Of Mistakes
- 25B. Levy Of Tax On Sugarcane
- 26. Accounts To Be Maintained By Dealers
- 26A. Audit Of Account
- 27. Certain Dealers To Issue 1[And Obtain] Bill Or Cash Memorandum
- 28. Powers To Order Production Of Accounts And Powers Of Entry, Inspection And Seizure
- 28A. Establishment Of Checkpost Or Barrier And Inspection Of Goods While In Transit
- 28AA. Transit Of Goods By Road Through The State And Issue Of Transit Pass
- 28AAA. Power To Purchase In Case Of Under Valuation Of Goods To Evade Tax
- 28B. Forwarding Agency, Etc., To Declare And Submit Returns
- 1 [28B. Forwarding Agency, Etc., To Declare And Submit returns
- 28C. Submission Of Certain Records, By Owners, Etc., Of Goods Vehicles And Boats
- 29. Offences And Penalties
- 30. Cognizance Of Offences
- 31. Summary Disposal Of Certain Cases
- 31A. Offences By Companies
- 32. Assessment, Etc., Not To Be Questioned In Prosecution
- 33. Bar Of Certain Proceedings
- 34. Limitation For Certain Suits And Prosecutions
- 35. Courts Not To Set Aside Or Modify Assessments Except As Provided In This Act
- 36. Appearance Before Any Authority In Proceedings
- 36A. Power To Summon Persons To Give Evidence
- 37. Disclosure Of Information Respecting Assessee
- 38. Power To Make Rules
- 39. Laying Of Rules And Notifications Before The State Legislature
- 40. Repeal And Savings
- 41. Power To Remove Difficulties
- 42. Provisions Relating To Appellate Tribunal
- 43. Assessments To Tax Or Taxes In Certain Cases

SCHEDULE 1 :- FIRST SCHEDULE

SCHEDULE 2 :- SECOND SCHEDULE

SCHEDULE 3 :- THIRD SCHEDULE

SCHEDULE 4 :- FOURTH SCHEDULE

SCHEDULE 5 :- FIFTH SCHEDULE

SCHEDULE 6 :- SIXTH SCHEDULE

SCHEDULE 7 :- SEVENTH SCHEDULE

SCHEDULE 8 :- EIGHTH SCHEDULE

Karnataka Sales Tax Act, 1957

25 of 1957

[29 September 1957]

An Act to consolidate and amend the laws relating to the levy of tax on the purchase or sale of goods. WHEREAS it is expedient to consolidate and amend the laws relating to the levy of tax on the purchase or sale of goods in the1[State of Karnataka]; BE it enacted by the1[Karnataka State] Legislature in the Eighth Year of the Republic of India as follows:-- 1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

CHAPTER 1 PRELIMINARY

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the1[Karnataka] Sales Tax Act, 1957.
- (2) It extends to the whole of the1[State of Karnataka].
- (3) This section shall come into force at once, and the rest of the Act shall come into force on such2[date] as the State Government may by notification in the official Gazette appoint.
1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.
2. All the provisions of the Act (except section 1) came into force on 1.10.1957 by notification. Text of the notification is at page 428.

2. Definitions :-

- (1) In this Act, unless the context otherwise requires,--
 - (a) "agriculture" with its grammatical variations includes horticulture, the raising of crops, grass or garden produce and grazing but does not include dairy farming, poultry farming, stock breeding and mere cutting of wood;
 - (b) "agriculturist" means a person who cultivates land personally;
 - (c) "agricultural produce or horticultural produce" shall not be deemed to include tea, 1 [beedi leaves, raw cashew, timber, wood, tamarind] 2 [and such produce 3 [except coffee] as has been subject to any physical, chemical or other process for being made

fit for consumption, save mere cleaning, grading, sorting or drying;]

(d) "Appellate Tribunal" means 4 [the Karnataka Appellate Tribunal constituted under the Karnataka Appellate Tribunal Act, 1976;]

(e) "assessee" means a person by whom a tax is payable;

5 [(f) "assessing authority" means an 6 [Commercial Tax Officer] or 6[Assistant Commissioner of Commercial Taxes] or any other officer of the Commercial Taxes Department authorised to make any assessment by or under this Act;]

7 [8 [(f-1)]["Deputy Commissioner"] means any person appointed to be an 6 [Deputy Commissioner of Commercial Taxes] under section 3;]

9 [(f-1a) "body corporate" means a corporation, a company as defined under the Companies Act, 1956 (Central Act 1 of 1956) and a Company incorporated outside India but does not include,--

(i) a corporation sole;

(ii) a co-operative society registered under any law relating to cooperative societies; and

(iii) any other body corporate, not being a company as defined in the Companies Act, 1956, which the State Government may, by notification in the official Gazette, specify in this behalf.]

10 [(f-1b) "Brand name" means a name or trade mark registered under the Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958);]

11 [12 [(f-2) business includes,--

(i) any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit and whether or not any profit accrues from such trade, commerce, manufacture, adventure or concern; and

(ii) any transaction in connection with, or incidental or ancillary to such trade, commerce, manufacture, adventure or concern;]

(f-3) "casual trader" means a person who has, whether as principal, agent or in any other capacity, occasional transactions of a business nature involving the buying, selling, supply or distribution of goods in the State, whether for cash or for deferred payment, or for commission, remuneration, or other valuable consideration;]

(g) "Commissioner" means any person appointed to be a Commissioner of Commercial Taxes under section 3;

(h) "6 [Assistant Commissioner of Commercial Taxes]" or "6 [Commercial Tax Officer]" means any person appointed to be a 6

[Assistant Commissioner of Commercial Taxes] or 6 [Commercial Tax Officer] respectively under section 3;

13 [(h-1) "Company" shall have the meaning assigned to it in the Companies Act, 1956 (Central Act 1 of 1956);]

(i) "to cultivate" with its grammatical variations and cognate expressions means to carry on any agricultural operation;

(j) "to cultivate personally" means to cultivate on ones own account,-

(i) by ones own labour, or

(ii) by the labour of ones own family, or

(iii) by servants on wages payable in cash or kind but not in crop share, or by hired labour under ones personal supervision or the personal supervision of any member of ones family;

Explanation I.-- A person who is a widow or a minor or is subject to any physical or mental disability shall be deemed to cultivate the land personally if it is cultivated by her or his servants or by hired labour.

Explanation II.--In the case of undivided family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family.

14 [(k) "dealer" means any person who carries on the business of buying, selling, supplying or distributing goods, directly or otherwise, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes,--

(i) 15 [an industrial, commercial or trading undertaking of the 16[Government of Karnataka], the Central Government, a State Government of any State, other than the 16 [State of Karnataka]], a local authority, company, a Hindu undivided family, an Aliyasanthana family, a firm, a society, a club or an association which carries on such business;

(ii) a casual trader;

(iii) a commission agent, a broker or del credere agent or an auctioneer or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying, or distributing goods on behalf of any principal;

(iv) a non-resident dealer or an agent of a non-resident dealer, a local branch of a firm or company or association situated outside the State;

(v) a person who sells goods produced by him by manufacture or otherwise; 17 [(vi) a miller who carries on such business;]

18 [(vii) a person engaged in the business of transfer otherwise

than in pursuance of a contract of property in any goods for cash, deferred payment or other valuable consideration;

(viii) a person engaged in the business of transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;

(ix) a person engaged in the business of delivery of goods on hire purchase or any system of payment by instalments;

(x) a person engaged in the business of transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.]

19 [Explanation 1].--A society (including a co-operative society), club or firm or an association which, whether or not in the course of business, buys, sells, supplies or distributes goods from or to its members for cash, or for deferred payment or for commission, remuneration or other valuable consideration, shall be deemed to be a dealer for the purposes of this Act;

20 [Explanation 2.--The Central Government or 21 [a State Government or a local authority or a statutory body] which whether or not, in the course of business, buy, sell, supply or distribute goods, directly or otherwise, for cash or deferred payment or for commission, remuneration or other valuable consideration shall be deemed to be a dealer for the purposes of this Act;]

9 [Explanation 3.--In respect of the transfer of the right to use feature films, the person who transfers such right to the exhibitor and from whom the exhibitor derives the right to make such use shall be deemed to be the dealer under this clause;]

Exception.-- An agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally 22 [or a person who is exclusively engaged in poultry farming and sells the products of such poultry farm] shall not be deemed to be a dealer within the meaning of this clause:]

13 [Provided that where the agriculturist is a company 23 [x x x] and is selling pepper, 24 [cardamom, rubber 1 [timber, wood, raw cashew] or coffee] grown on land cultivated by it personally, directly or otherwise, such company 23 [x x x] shall be deemed to be a dealer in respect of turnovers relating to sales of such produce.]

(l) "6 [Joint Commissioner]" means any person appointed to be a 6 [Joint Commissioner] of Commercial Taxes under section 3;

14 [(m) "goods" means all kinds of movable property (other than newspapers, actionable claims, stocks and shares and securities) and includes livestock, all materials, commodities, and articles 4

[(including goods, as goods or in some other form involved in the execution of a works contract or those goods to be used in the fitting out, improvement or repair of movable property)] and all growing crops, grass or things attached to, or forming part of the land which are agreed to be severed before sale or under the contract of sale;]

2 [(m-1) "goods vehicle" means any kind of vehicle used for carriage of goods either solely or in addition to passengers (other than aeroplanes and rail coaches) and includes push cart, animal drawn cart, tractor-trailer and the like;]

25 [26 [(m-2)] "6 [Additional Commissioner]" means any person appointed to be a 6 [Additional Commissioner] of Commercial Taxes under section 3;]

27 [(n) x x x]

28 [(o) x x x]

29 [(o-1) "miller" means a person who engages himself in rice milling operations in a rice mill or in causing operations in an oil mill 20 [or in a saw mill] or in dehushing in a decortivating 4 [factory or ginning and pressing operation in a ginning factory 30 [curing of coffee seeds in a coffee curing works] and includes a person] who, or the authority which, has the ultimate control over the affairs of 4 [such mill or such factory] 30 [or such works] and when the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;

Explanation.--For the purpose of this clause,--

(i) "rice mill" means the plant and machinery with which, and the premises including the precincts thereof in which or in any part of which, rice milling operation is carried on;

(ii) "oil mill" means the plant and machinery with which oil is extracted from oil seeds; 31 [x x x]

20 [(iii) "saw mill" means the plant and machinery with which and the premises including the precincts thereof in which or in any part of which, sawing operation is carried on;

32 [x x x]]

[(iiia) "Coffee curing works" means the plant and machinery with which and the premises including the precincts thereof in which or in any part of which, curing of coffee seeds is carried on.]

33 [(iv)] "decortivating factory" means any machinery with which the groundnut seeds are separated from groundnuts (with husk);]

18 [and]

18 [(v) "ginning factory" means the plant and machinery with which cotton is ginned and pressed into bales.]

(p) "notification" means a notification published in the Official Gazette;

14 [(q) "place of business" means any place where a dealer purchases or sells goods and includes,--

(i) any warehouse, godown or other place where a dealer stores or processes his goods;

(ii) any place where a dealer produces or manufactures goods;

(iii) any place where a dealer keeps his books of account;

(iv) in any case where a dealer carries on business through an agent (by whatever name called), the place of business of such agent;]

(r) "prescribed" means prescribed by rules made under this Act;

(s) "registered dealer" means a dealer registered under this Act;

14 [(t) "sale" with all its grammatical variations and cognate expressions means every transfer of the property in goods 18 [(other than by way of a mortgage, hypothecation, charge or pledge)] by one person to another in the course of trade or business for cash or for deferred payment or other valuable consideration, 4 [and includes,--

34 [(i) a transfer otherwise than in pursuance of a contract of property in any goods for cash, deferred payment or other valuable consideration;]

(ii) a transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;

(iii) a delivery of goods on hire purchase or any system of payment by instalments.

(iv) a transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration;]

Explanation 1.--A transfer of property involved in the supply or distribution of goods by a society (including a co-operative society), club, firm or any association to its members, for cash, or for deferred payment or other valuable consideration, whether or not in the course of business, shall be deemed to be a sale for the purposes of this Act.

35 [Explanation 2.-- x x x]

Explanation 3.--

(a) The sale or purchase of goods 35 [other than in the course of inter-State trade or commerce or in the course of import or export] shall be deemed, for the purposes of this Act, to have taken place in the State wherever the contract of sale or purchase might have been made, if the goods are within the State,--

(i) in the case of specific or ascertained goods, at the time the contract of sale or purchase is made; and
(ii) in the case of unascertained or future goods, at the time of their appropriation to the contract of sale or purchase by the seller or by the purchaser, whether the assent of the other party is prior or subsequent to such appropriation.

(b) where there is a single contract of sale or purchase of goods situated at more places than one, the provisions of clause (a) shall apply as if there were separate contracts in respect of the goods at each of such places.

18 [(c) Notwithstanding anything contained in the Sale of Goods Act, 1930 (Central Act 3 of 1930), for the purpose of this Act, the transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract shall be deemed to have taken place in the State, if the goods are within the State at the time of such transfer, irrespective of the place where the agreement for works contract is made, whether the assent of the other party is prior or subsequent to such transfer;

(d) Notwithstanding anything contained in the Sale of Goods Act, 1930 (Central Act 3 of 1930), for the purpose of this Act, the transfer of the right to use any goods for any purpose (whether or not for a specified period) shall be deemed to have taken place in the State, if such goods are for use within the State, irrespective of the place where the contract of transfer of the right to use the goods is made.]

37 [Explanation 3-A.--Every transaction of supply by way of or as a part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration, shall be deemed to be a sale of those goods by the person making the supply and purchase of those goods by the person to whom such supply is made;]

Explanation 4.--Notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, two independent sales or purchases shall, for the purposes of this Act, be deemed to have taken place,--

(a) when the goods are transferred from a principal to his selling agent and from the selling agent to the purchaser, or

(b) when the goods are transferred from the seller to a buying agent and from the buying agent to his principal, if the agent is found in either of the cases aforesaid,--

- (i) to have sold the goods at one rate and to have passed on the sale proceeds to his principal at another rate, or
- (ii) to have purchased the goods at one rate and to have passed them on to his principal at another rate, or
- (iii) not to have accounted to his principal for the entire collections or deductions made by him in the sales or purchases effected by him on behalf of his principal, or
- (iv) to have acted for a fictitious or non-existent principal;]

38 [Explanation 4-A.--Every transfer of property in goods by the Central Government, any State Government, a statutory body or a local authority for cash or for deferred payment or other valuable consideration, whether or not in the course of business, shall be deemed to be a sale for the purposes of this Act.]

39 [Explanation 5.-x x x]

29 [(t-1) "State Representative" means any person appointed to be the State Representative under section 3;] 22 [and includes an officer empowered by the Commissioner under section 3 to perform the functions of a State Representative;]

(u) "tax" means a tax leviable under the provisions of this Act;

11 [(u-1) "taxable turnover" means the turnover on which a dealer shall be liable to pay tax as determined after making such deductions from his total turnover and in such manner as may be prescribed, but shall not include the turnover of purchase or sale in the course of inter-State trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India;

(u-2) "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, including the turnover of purchase or sale in the course of inter-State trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India;]

(v) "turnover" means the aggregate amount for which goods are bought or sold, or supplied or distributed 18 [or delivered or otherwise disposed of in any of the ways referred to in clause (t)] by a dealer, either directly or through another, on his own account or on account of others, whether for cash or for deferred payment or other valuable consideration;

40 [Proviso x x x]

Explanation.--Subject to such conditions and restrictions, if any, as may be prescribed, in this behalf--

35 [(i) x x x]

(ii) the amount for which goods are sold include any sums charged for anything done by the dealer in respect of the goods sold at the time of or before the delivery thereof;

41 [(iii) x x x]

(iv) where for accommodating a particular customer, a dealer obtains goods from another dealer and immediately disposes of the same to the said customer, the sale in respect of such goods shall be included in the turnover of the latter dealer but not in that of the former;

18 [(v-i) "works contract" includes any agreement for carrying out for cash, deferred payment or other valuable consideration, the building, construction, manufacture, processing, fabrication, erection, installation, fitting out, improvement, modification, repair or commissioning of any movable or immovable property;]

42 [(w) x x x]

43 [(x) "year" means the year commencing on the first day of April.]

(2) The 16 [Karnataka] General Clauses Act, 1899 (16 [Karnataka] Act III of 1899), shall apply for the interpretation of this Act as it applies for the interpretation of a 16 [Karnataka] Act.

1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

2. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

3. Inserted by Act 16 of 1989 w.e.f. 18.10.1983.

4. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.

5. Substituted by Act 9 of 1964 w.e.f. 1.4.1964, by Notification. Text of notification is at p. 429.

6. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

7. Inserted by Act 29 of 1961 w.e.f. 7.12.1961.

8. Re-lettered by Act 9 of 1964 w.e.f. 1.4.1964.

9. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

10. Inserted by Act 4 of 1992 w.e.f. 1.4.1992 & substituted by Act 5 of 2000 w.e.f. 1.4.2000.

11. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.

12. Substituted by Act 17 of 1976 w.e.f. 1.4.1976.

13. Inserted by Act 15 of 1991 w.e.f. 1.4.1991.

14. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

15. Substituted by Act 7 of 1966 w.e.f. 1.4.1966.

16. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 1.11.1973.

17. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

18. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

19. Renumbered by Act 17 of 1976 w.e.f. 1.4.1976.
20. Inserted by Act 17 of 1976 w.e.f. 1.4.1976.
21. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
22. Inserted by Act 36 of 1986 w.e.f. 8.10.1986.
23. Inserted by the Act 6 of 1995 and omitted by Act 1 of 1996 w.e.f. 1.4.1995.
24. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.
25. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.
26. Re-numbered as (m-2) by Act 23 of 1983 w.e.f. 18.11.1983.
27. Omitted by Act 29 of 1961 w.e.f. 7.12.1961.
28. Omitted by Act 9 of 1986 w.e.f. 1.4.1986.
29. Inserted by Act 9 of 1970 w.e.f. 1.4.1970.
30. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.
31. Omitted by Act 17 of 1976 w.e.f. 1.4.1976.
32. Omitted by Act 27 of 1985 w.e.f. 1.8.1985.
33. Re-numbered by Act 17 of 1976 w.e.f. 1.4.1976.
34. Clause (i) brought into force by Act 14 of 1987 w.e.f. 2.2.1983.
35. Omitted by Act 7 of 1966 w.e.f. 1.4.1966.
36. Inserted by Act 9 of 1986 w.e.f. 1.4.1986.
37. Inserted by Act 23 of 1983 w.e.f. 1.10.1957
38. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
39. Inserted by Act 10 of 1983 w.e.f. 2.2.1983 & omitted by Act 23 of 1983 w.e.f. 2.2.1983.
40. Proviso Inserted by Act 23 of 1983 w.e.f. 18.11.1983 & omitted by Act 7 of 1997 and Act 3 of 1998 w.e.f. 1.4.1994.
41. Omitted by Act 23 of 1983 w.e.f. 18.11.1983.
42. Omitted by Act 9 of 1964 w.e.f. 1.4.1964.
43. Substituted by Act 15 of 1988 w.e.f. 1.4.1989.

CHAPTER 2

AUTHORITIES AND APPELLATE TRIBUNAL

3. Appointment Of Commissioner, Additional Commissioner, Joint Commissioners Of Commercial Taxes, Deputy Commissioners Of Commercial Taxes, Assistant Commissioner Of Commercial Taxes, A State Representative And Commercial Tax Officer :-

3. Appointment of Commissioner, 1 [2 [Additional Commissioner]], 2 [Joint Commissioners] of Commercial Taxes, 2 [Deputy Commissioners] of Commercial Taxes, 2 [Assistant Commissioner of Commercial Taxes], a 3[State Representative] and 2 [Commercial Tax Officer]

4 [(1)] The State Government may appoint a Commissioner of Commercial Taxes and as many 1 [2 [Additional Commissioner]] of Commercial Taxes, 2[Joint Commissioners] of Commercial Taxes, 2 [Deputy Commissioner] of Commercial Taxes, 3 [Assistant Commissioner of Commercial Taxes], 3 [a State Representative] and 2 [Commercial Tax Officers], as they think fit for the purpose of performing the functions respectively conferred on them by or under this Act 5 [or by or under any other law for the time being in force.] 6[x x x]

7 [(1-A) The Commissioner may, empower an officer not below the rank of a2 [Assistant Commissioner of Commercial Taxes] 8 [or an Advocate or a Chartered Accountant or a Sales Tax Practitioner enrolled in the prescribed manner] to perform the functions of a State Representative.]

3 [(2) In proceedings before the Appellate Tribunal, the State Representative shall be competent,--

- (i) to prepare and sign applications, appeals and other documents;
- (ii) to appear, represent, act and plead;
- (iii) to receive notices and other processes; and
- (iv) to do all other acts connected with such proceedings, on behalf of the State Government or any officer appointed under this Act.]

1. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.

2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

3. Inserted by Act 9 of 1970 w.e.f. 1.4.1970.

4. Re-numbered by Act 9 of 1970 w.e.f. 1.4.1970.

5. Inserted by Act 30 of 1962 w.e.f. 1.10.1962 by notification. Text of the notification is at page 429.

6. Omitted by Act 9 of 1964 w.e.f. 27.2.1964.

7. Inserted by Act 36 of 1986 w.e.f. 8.10.1986.

8. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

3A. Instructions To Subordinate Authorities :-

1 [2 [3A. Instructions to subordinate authorities

(1) The State Government and the Commissioner may from time to time, issue such orders, instructions and directions to all officers and persons employed in the execution of this Act as they may deem fit for the administration of this Act, and all such officers and persons shall observe and follow such orders, instructions and directions of the State Government and the Commissioner: Provided that no such orders, instructions, or directions shall be issued so as to interfere with the discretion of any Appellate Authority in the exercise of its appellate functions.

(2) Without prejudice to the generality of the foregoing power, the Commissioner may, on his own motion or on an application by a registered dealer liable to pay tax under the Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue, clarify the rate of tax payable under this Act in respect of goods liable to

tax under the Act, and all officers and persons employed in the execution of this Act shall observe and follow such clarification.

3 [Provided that no such application shall be entertained unless it is accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.]

(3) All officers and persons employed in the execution of this Act, shall observe and follow such administrative instructions as may be issued to him for his guidance by the 4 [Joint Commissioner] within whose jurisdiction he performs his functions.]]

1. Sections 3A, 3B, 3C inserted by Act 9 of 1964 w.e.f. 27.2.1964.

2. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.

3. Inserted by Act 15 of 1988 w.e.f. 1.4.1988.

4. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

3B. Jurisdiction Of Officers :-

1 [3B. Jurisdiction of officers

(1) 2 [(a) The 3 [Additional Commissioners] shall perform their functions in respect of such areas or of such dealers or classes of dealers or of such cases or classes of cases as the 4 [Commissioner] may direct.]

5 [(b) x x x]

6 [(c)] The 3 [Joint Commissioners] shall perform their functions in respect of such areas or of such dealers or classes of dealers or of such cases or classes of cases as the 7 [Commissioner] may direct.

6 [(d)] Where any directions issued under 8 [clause (c)] have assigned to two or more 3 [Joint Commissioners], the same area or the same dealers or classes of dealers, or the same cases or classes of cases, they shall perform their functions in accordance with any orders which the Commissioner may make for the distribution and allocation of the work to be performed.

(2) (a) The 3 [Deputy Commissioners] shall perform their functions in respect of such areas or of such dealers or classes of dealers or of such cases or classes of cases as the 7 [Commissioner] may direct.

(b) Where any directions issued under clause (a) have assigned to two or more 3 [Deputy Commissioners], the same area or the same dealers or classes of dealers or the same cases or classes of cases, they shall perform their functions in accordance with any orders the Commissioner may make for the distribution and allocation of the work to be performed.

(3) (a) The 3 [Commercial Tax Officers] and the 3 [Assistant Commissioner of Commercial Taxes] shall perform their functions in respect of such areas or of such dealers or classes of dealers or such cases or classes of cases as the Commissioner may direct.

(b) Where any directions issued under clause (a) have assigned to two or more 3 [Commercial Tax Officers] or 3 [Assistant Commissioner of Commercial Taxes], as the case may be, the same area or the same dealers or classes of dealers or the same cases or classes of cases, they shall perform their functions in accordance with any orders which the Commissioner may make for the distribution and allocation of the work to be performed.

(4) (a) The Commissioner may, by general or special order in writing, direct that the powers conferred on the 3 [Assistant Commissioner of Commercial Taxes] by or under this Act, shall, in respect of any specified case or classes of cases or any specified dealers or classes of dealers be exercised by the 3 [Deputy Commissioner.]

(b) Where an order under clause (a) is issued, then for the purposes of any case or dealer in respect of which any such order applies, reference in this Act or in any rule made there under to the 3 [Assistant Commissioner of Commercial Taxes] or assessing authority shall be deemed to be references to the 3 [Deputy Commissioner.]

Explanation.--In this section, the word "case" in relation to any dealer specified in any order or direction issued there under means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction or

which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order or direction in respect of any year.]

1. Sections 3A, 3B, 3C inserted by Act 9 of 1964 w.e.f. 27.2.1964.

2. Inserted by Act 10 of 1983 w.e.f. 1.4.1983 & substituted by Act 9 of 1986 w.e.f. 1.4.1986.

3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

4. Substituted by Act 15 of 1996 w.e.f. 5.9.1996.

5. Inserted by Act 9 of 1986 w.e.f. 1.4.1986 & omitted by Act 15 of 1996 w.e.f. 5.9.1996.

6. Re-lettered by Act 9 of 1986 w.e.f. 1.4.1986.

7. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

8. Substituted by Act 9 of 1986 w.e.f. 1.4.1986.

3C. Change Of Incumbent Of An Office :-

1 [3C. Change of incumbent of an office]

Whenever in respect of any proceeding under this Act, an assessing authority or any officer ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the authority or officer so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the assessee concerned may demand that before the proceeding is so continued the previous proceeding or any part thereof be re-opened or that before any order of assessment is passed against him, he be re-heard.]

1. Sections 3A, 3B, 3C inserted by Act 9 of 1964 w.e.f. 27.2.1964.

4. Omitted :-

1[4. x x x]

1. Omitted by Act 27 of 1985 w.e.f. 1.8.1985.

CHAPTER 3

INCIDENCE AND LEVY OF TAX

5. Levy Of Tax On Sale Or Purchase Of Goods :-

1 [(1) Every dealer shall pay for each year tax on his taxable turnover at the rate of 2 [ten percent] at the point of first sale.]

3 [Provisos x x x]

4 [(1-A) x x x]

5 [(1-B) Notwithstanding anything contained in sub-section (1), in the case of 6 [x x x] glass bottles, the tax shall be payable by a dealer, at every point of sale at the rate of 2 [ten per cent] on the taxable turnover, in each year relating to such goods.]

7 [2 [(1-C) Notwithstanding anything contained in sub-section (1), in the case of silk fabrics, the tax shall be payable by a dealer, at every point of sale at the rate of four percent on the taxable turnover in each year relating to such goods:

Provided where the own manufactured silk fabrics are sold to a dealer liable to tax under this Act, the sale of such silk fabrics shall

not be deemed to be a sale by a dealer liable to tax under this Act.]

Explanation.--For the purpose of this sub-section and sub-section (8) of section 17, "silk fabrics" means 8 [silk fabrics in which the proportion of silk is sixty percent or more by weight of the total fibre content] but excluding any cloth on which a duty under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (Central Act 58 of 1957), has been levied.]

9 [(1-D x x x]

10 [(2) Notwithstanding anything contained in sub-section (5), 1 [every dealer,] shall, whatever be the quantum of his total turnover, be liable to pay tax at the rate specified in this Act, 11 [on the sale of any goods which he has purchased in the course of inter-State trade or commerce in respect of which the concessional rate of tax under clause (b) of sub-section (1) of section 8 of the Central Sales Tax Act, 1956, has been levied.]]

(3) Notwithstanding anything contained in sub-section (1), the tax under this Act shall be levied--

(a) in the case of the sale of any of the goods mentioned in column(2) of the Second Schedule, by the first or the earliest of successive dealersin the State who is liable to tax under this section, a tax at the rate specified in the corresponding entry of column (3) of the said Schedule, on the 12 [taxable turnover] of sales of such dealer in each year relating to such goods:

13 [Provided that in respect of sale by the State Government of any of the goods mentioned in 14 [Serial Number 6 of Part L and Serial Number 2 of Part O] of the Second Schedule, the State Government shall be deemed to be the first dealer in the State and shall be entitled to collect the tax under section 19:]

15 [2nd proviso x x x]

15 [Explanation x x x]

16 [Proviso x x x]

17 [Provided also that in respect of sale of goods mentioned in 18[Serial Number 11-A of Part F, Serial Number 12 of Part M and 19[Serial Number 5 of Part P and Serial Number 1 of Part K],] of the Second Schedule, the sale by one oil company to another oil company shall not be deemed to be a sale by the first or the earliest of successive dealers in the State but the sale by the latter company to another person not being an oil company shall be deemed to be the sale by the first or the earliest of successive dealers in the State liable to tax.]

20 [21 [Provided further that where any goods liable to tax under

this Act are produced or manufactured by a dealer with the 22 [brand name or trade mark], of any other dealer and which are not used by the latter as 23 [raw materials, component parts or packing materials] as defined under the explanation to section 5-A, the sale of such goods by the dealer who has produced or manufactured to the dealer who is the brand name or trade mark holder, shall not be deemed to be, but the subsequent sale of such goods by the dealer having the right either as proprietor or otherwise to use the said name or the trade mark, either directly or through another, on his own account or on account of others shall be deemed to be the sale by the first dealer liable to tax under this section.]

Illustration.--A has registered a Trade Mark for manufacture of certain goods. He gets the said goods manufactured by B under the said Trade Mark. The sale by B to A of the said goods is not the first sale but the sale by A or by any other person on his account is the first sale.]

24 [Provided also that no tax under this sub-section shall be payable on the currency notes printed by the Bharatiya Reserve Bank Note Mudrana Limited, Mysore and sold to the Reserve Bank of India.]

25 [Provided also that where for any reason, the goods sold under the brand name have been subjected to tax at the hands of the producer or the manufacturer of such goods the tax payable under clause (a) on subsequent sale of such goods by the trademark holder or the brand name holder or any other dealer having the right either as proprietor or otherwise to use the said name or trade mark either directly or through another on his own account or on account of others, shall be reduced by the amount of tax already paid on the sale of such goods by such producer or the manufacturer and the said producer or manufacturer shall not be entitled to refund of such tax paid by him.]

(b) in the case of purchase of any of the goods mentioned in column (2) of the Third Schedule, at the rate and only at the point specified in the corresponding entries of columns (4) and (3) of the said Schedule, on the dealer liable to tax under this Act, on his 12 [taxable turnover] of purchases in each year relating to such goods.

26 [Proviso x x x]

27 [(c) x x x]

17 [Explanation II.-- For the purpose of the 19 [second] proviso to clause (a), the expression "oil company" namely means:--

(a) The Indian Oil Corporation Limited;

(b) The Bharath Petroleum Corporation Limited;

(c) The Hindustan Petroleum Corporation Limited;

28 [(d) Indo-Burma Petroleum Company;

(e) Mangalore Refinery and Petrochemicals Limited;] and includes any other oil company which the Government of Karnataka may by notification, specify.]

29 [(3A) Notwithstanding anything contained in clause (a) of sub-section (3) of this section, in the case of sale of Indian made liquor (other than beer) held in opening stock as on the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 2000 by a dealer holding licence in CL-I under the Karnataka Excise (Sale of Indian and Foreign liquor) Rules, 1968, tax at the rate of sixty per cent shall be levied on the taxable turnover of sales of such dealer relating to such goods :

Provided that the tax payable on the sale of such liquor shall be reduced by an amount of tax paid on such liquor at the immediately preceding point of sale.]

30 [(3B) x x x]

31 [(3-C) Notwithstanding anything contained in sub-section (3), in the case of sale of any of the goods mentioned in column (2) of the Eighth Schedule which has already been subjected to tax under 4 [x x x] clause (a) of subsection (3) by a dealer liable to tax under this Act, a tax at the rate specified in the corresponding entry of column (3) of the said schedule shall be levied at the point of last sale in the State on the taxable turnover of sales of such dealer in each year relating to such goods.]

32 [Explanation.--For the purposes of this sub-section last sale shall be the sale by the retailer to a consumer and shall not include the first sale in the State.]

33 [(3-D) Notwithstanding anything contained in this Act, where goods sold or purchased are contained in containers or are packed in any packing materials liable to tax under this Act, the rate of tax and the point of levy applicable to turnover of such containers or packing materials as the case may be, shall, whether the containers or the packing materials have already been subjected to tax under this Act or not or whether the price of the containers or of the packing materials is charged for separately or not, be the same as those applicable to goods contained or packed:

Provided that no tax under this sub-section shall be leviable if the sale or purchase of goods contained in such containers or packed in such packing materials is exempt from tax under this Act.]

29 [(3E) Notwithstanding anything contained in sub-section (1) or

(3), every dealer who purchases goods without a brand name or a trade mark assigned to such goods and sells such goods after assigning a brand name or a trade mark either directly or through another on his own account or on account of others, shall, irrespective of the goods so purchased without a brand name or a trade mark have already been subjected to tax under the said sub-sections, be liable to pay tax at such rates as applicable to such goods under the Act on the turnover relating to sale of such goods: Provided that the tax payable under this sub-section shall be reduced by an amount of tax which is already paid or has become payable under any of the said sub-sections on the corresponding value of the goods so purchased without the brand name or the trade mark:

Provided further that the burden of proving that the tax under any of the said sub-sections has already been paid or has become payable and of establishing the exact quantum of tax so paid or payable as the case may be, on goods purchased without a brand name or a trade mark shall be on the dealer claiming reduction.]

10 [(4) Notwithstanding anything contained in sub-section (1) 17 [or section 5-B or section 5-C] a tax under this Act shall be levied in respect of the sale or purchase of any of the declared goods mentioned in column (2) of the Fourth Schedule at the rate and only at the point specified in the corresponding entries of columns (4) and (3) of the said Schedule on the dealer liable to tax under this Act on 12 [his taxable turnover] of sales or purchases in each year relating to such goods:

Provided that where tax has been paid in respect of the sale or purchase of any of the declared goods under this sub-section and such goods are subsequently sold in the course of inter-State trade or commerce, 34[and tax has been paid under the Central Sales Tax Act, 1956 (Central Act 74 of 1956), in respect of the sale of such goods in the course of inter-State trade or commerce, the tax paid under this Act] 35 [36 [shall be reimbursed to the person making such sale in the course of inter-State trade or commerce,] in such manner and subject to such condition as may be prescribed.]

37 [Proviso x x x]

38 [Provisoes x x x]

39 [Provided further that in respect of the sale of cereals mentioned in Serial Number 9 of the Fourth Schedule, made by any person to a procurement agent appointed by the Government of Karnataka or to any sub-agent of such procurement agent in

pursuance of the Karnataka Rice Procurement (Levy) Order, 1981 or any other Foodgrains Procurement (Levy) Order of the Government of Karnataka for the time being in force, such sale shall not be deemed to be, but the subsequent sale by the said procurement agent or sub-agent shall be and shall be deemed to be the point at which the tax under this Act shall be levied:]

40 [Provided also that where tax has been paid under this subsection on the purchase of paddy and such paddy is either subsequently sold to or is hulled and the resultant rice is sold to a procurement agent appointed by the Government of Karnataka or to any sub-agent of such procurement agent in pursuance of the Karnataka Rice Procurement (Levy) Order, 1984 or any other Foodgrains Procurement (Levy) Order of the Government of Karnataka for the time being in force, the tax paid under this Act on the purchase of such paddy shall be reimbursed to the person making such sale to such procurement agent or his sub-agent, as the case may be, in such manner and subject to such conditions as may be prescribed.]

Explanation.--The expression "declared goods" means goods declared under section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), to be of special importance in inter-State trade or commerce.]

41 [Provided also that in respect of goods specified at sub-item (i) of item

(a) of serial number 5 of Fourth Schedule and on purchase of which no tax under this Act is leviable or levied on or before first day of April 1992 on the ground that such purchase was not the last purchase in the State, a dealer holding such goods in stock on the said date shall be deemed to be the last purchaser in the State liable to tax at the rates applicable as on the first day of April 1992 on such goods irrespective of the fact whether such stock of goods held as on the first day of April 1992 attained the character of last purchase in the State or otherwise.]

42 [Proviso x x x]

43 [(5)(a) A dealer whose total turnover in any year is less than 44 [two lakh] rupees shall not be liable to pay tax for that year.

45 [(b) Notwithstanding anything contained in clause (a),--

(i) every casual trader in any of the goods other than those specified in the Fifth Schedule shall be liable to pay tax at the rate specified in this Act on his taxable turnover of sales or purchases in each year whatever his total turnover during the year may be;

(ii) every 46 [x x x] manufacturer, dealer in liquor and beer and

dealer who brings any goods into the State or to whom any goods are dispatched from any place outside the State shall be liable to pay tax at the rate specified in this Act on his taxable turnover of sales or purchases in each year if his total turnover during the year is not less than one lakh rupees.]]

47 [(5A), (5B) x x x]

(6) For the purposes of this section and other provisions of this Act, 12 [the total turnover, taxable turnover or turnover] shall be determined in accordance with such rules as may be prescribed.

(7) The tax shall be assessed, levied and collected in such manner and in such instalments, if any, as may be prescribed:

Provided that in respect of the same transaction of sale, the buyer or the seller, but not both, as determined by such rules as may be prescribed, shall be taxed:

48 [Proviso x x x]

49 [(8) x x x]

(9) Subject to such rules as may be prescribed, the assessing authority may assess a dealer for any year as if his transactions in such year had been the same as in the previous year.

1. Substituted by Act 11 of 1993 w.e.f. 1.4.1993.

2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

3. Provisoes were inserted and omitted by Acts 18 of 1994 and 6 of 1995 w.e.f. different dates.

4. Inserted by Act 15 of 1988 w.e.f. 1.4.1988 & omitted by Act 5 of 2000 w.e.f. 1.4.2000.

5. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

6. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.

7. Inserted by Act 1 of 1996 w.e.f. 1.4.1995.

8. Substituted by Act 15 of 1996 w.e.f. 1.4.1995.

9. Inserted by Act 4 of 1999 w.e.f. 1.4.1999 & Omitted by Act 5 of 2000 w.e.f. 1.4.2000.

10. Substituted by Act 31 of 1958 w.e.f. 1.1.1959.

11. Substituted by Act 3 of 1966 w.e.f. 1.3.1966 by notification.

Text of notification is at page 430

12. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

13. Inserted by Act 32 of 1958 w.e.f. 1.10.1957.

14. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.

15. Omitted by Act 15 of 1988 w.e.f. 1.4.1988.

16. Inserted by Act 7 of 1981 and Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

17. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

18. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

19. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
20. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.
21. Substituted by Act 4 of 1992 w.e.f. 1.4.1987.
22. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
23. Substituted by Act 4 of 1992 w.e.f. 1.4.1990.
24. Inserted by Act 18 of 1999 w.e.f. 1.4.1996.
25. Inserted by Act 18 of 1999 w.e.f. 1.9.1999 by notification. Text of notification is at p 431.
26. Inserted by Act 4 of 1992 w.e.f. 3.3.1992 & omitted by the same Act w.e.f. 31.3.1992.
27. Inserted by Act 30 of 1987 w.e.f. 21.4.1987 & omitted by Act 4 of 1992 w.e.f. 1.4.1992.
28. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.
29. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.
30. Omitted by Act 10 of 1983 w.e.f. 1.4.1983.
30. Inserted by Act 27 of 1985 w.e.f. 1.8.1985 & substituted by Act 9 of 1986 w.e.f. 1.4.1986
31. Inserted by Act 4 of 1992 w.e.f. 1.4.1992 & substituted by Act 5 of 2000 w.e.f. 1.4.2000.
32. Inserted by Act 9 of 1986 w.e.f. 1.4.1986.
33. Substituted by Act 7 of 1973 w.e.f. 1.1.1959.
34. Substituted by Act 29 of 1961 w.e.f. 7.12.1961.
35. Substituted by Act 7 of 1973 w.e.f. 1.4.1973.
36. Omitted by Act 9 of 1970 w.e.f. 1.4.1970.
37. Omitted by Act 30 of 1962 w.e.f. 1.10.1962.
38. Inserted by Act 3 of 1983 w.e.f. 1.1.1959.
39. Inserted by Act 30 of 1987 w.e.f. 1.4.1987..
40. Inserted by Act 4 of 1999 w.e.f. 2.4.1992.
41. Inserted by Act 4 of 1999 w.e.f. 1.4.1998 & omitted by same Act w.e.f. 24.11.1998.
42. Sub-section (5) Substituted by Act 9 of 1964 w.e.f. 1.4.1964.
43. Substituted by Act 4 of 1992 w.e.f. 1.10.1991.
44. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
45. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.
46. Omitted by Act 7 of 1966 w.e.f. 1.4.1966.
47. Omitted by Act 9 of 1964 w.e.f. 1.10.1957.
48. Omitted by Act 12 of 1961 w.e.f. 8.6.1961.

5A. Taxation Of Industrial Inputs :-

1 [5A. Taxation of Industrial Inputs

(1) Notwithstanding anything contained in section 5 the tax payable by a registered dealer in respect of the sale of any industrial input liable to tax under the Act to

another registered dealer for use by the latter as a component part or raw material 2 [or packing material] of any other goods 3[x x x] which he intends to manufacture inside the State for sale 4 [or in respect of sale of consumables liable to tax under the Act to another registered dealer for use in such manufacture], shall be at the rate of 5[three percent] or the rate specified in section 5 whichever is lower, on the turnover relating to such sale:

Provided that where the rate of tax in respect of such industrial input as specified in section 5 is 6 [5 [three percent] and above], the provisions of this sub-section shall not apply, unless the dealer selling the industrial inputs furnishes to his assessing authority in the prescribed manner a declaration by the buying dealer in the prescribed form obtained from the prescribed authority:

Provided further that if any dealer, after purchasing any inputs, in respect of which he has furnished a declaration under the first proviso to this subsection fails to make use of the whole or part of such inputs in the manufacture of 7 [other goods] specified in the declaration before the expiry of the accounting year immediately succeeding the one in which such inputs are purchased, either due to cessation of his manufacturing activity or for any other reason, but has not sold away such inputs, he shall be liable to pay the difference between the tax payable at the rate specified under 8 [section 5] and the tax computed at the rate of 5[three percent] on the turnover relating to the sale of such quantity of these inputs to him as have remained unutilised with him for the declared purpose at the end of the period specified above.

(2) If any person,--

(i) not having his manufacturing unit inside the State, purchases any inputs by furnishing a declaration under the first proviso to subsection (1); or

9 [(ii) x x x]

3 [(iii) x x x]

(iv) having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under the first proviso to sub-section (1), sells away such inputs contrary to such declaration, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum, which shall not be less than the amount of tax leviable 10 [under sections 5] on the sale of the inputs so purchased, but which shall not exceed double the amount of such tax.

11 [(v) having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under first proviso to subsection (1), uses such inputs contrary to such declaration, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum which shall not be less than twice the amount of tax leviable under section 5 but not exceeding thrice the amount of such tax on the sale of the inputs so purchased.]

(3)(a) Every dealer who, during the course of the year, purchases any inputs by furnishing a declaration under the first proviso to sub-section (1), shall maintain in the prescribed manner a regular account of the receipt and issue of such declaration forms as and when the same are received or issued by him.

(b) Every such dealer shall also maintain in the prescribed manner a day to day account of the opening balance, purchases, consumption and closing balance of every input, which is purchased by him by furnishing a declaration under the first proviso to sub-section (1).

(c) If any dealer fails to maintain, in the prescribed manner, true and complete accounts as required by clause (a) or clause (b) of this subsection, the assessing authority shall, after giving such dealer a reasonable opportunity of being heard pass an order,--

(i) disentitling such dealer from making use of any declaration forms prescribed under the first proviso to sub-section (1) and requiring him to surrender forthwith the declaration forms already issued to him, if any; and

(ii) imposing upon him a penalty not exceeding the amount of tax leviable under the provisions of 8 [section 5] on the sale value of the inputs already purchased by him against prescribed declaration forms upto the date of surrender of the unused

forms by him.

(d) If any dealer, in respect of whom an order has been passed under clause (c) of this sub-section, pays the penalty and complies with other terms of such order, the assessing authority may, in his discretion, permit such dealer to obtain the prescribed declaration forms afresh and to make use of the same for the purchase of inputs in the State at concessional rates of tax.

12 [Explanation I].--(1) For the purpose of this section, the expressions "industrial inputs" or "inputs", mean either a "component part" or "raw material" 2 [or packing material] but do not include, 13[cement] 14 [x x x] 15 [wood, bamboo and timber 16 [x x x] 17 [(other than veneer)] 4 [casuarina, eucalyptus and pulpwood] 18 [and packing shooks] and] inputs-falling under 19 [Serial Number 12 of Part "S" and Serial Number 10 of Part "M"] of the Second Schedule 9 [x x x].

(2) The expression "component part" means an article which forms an identifiable constituent of the finished product and which, along with others, goes to make up the finished product.

(3) The expression "raw material" means any material,--

(a) from which another product can be made, through the process of manufacture, either by itself or in combination with other raw materials; or

(b) a processing or any other chemical (including chemicals used for testing, analysis or research) solvent used in the solvent extraction process or a catalyst required in the manufacturing process, but it does not include 20 [x x x] fuels, 21 [x x x] and consumable stores of similar type.]

22 [(4) The expression "consumables" does not include petroleum products falling under serial number 11A of Part "F" serial number 12 of Part M and serial number 5 of Part "P" of the Second Schedule.]

23 [Explanation II.--For the purposes of this section, the expression "tax payable" shall not include the tax payable under section 6-B of the Act.]

1. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.

2. Inserted by Act 36 of 1986 w.e.f. 1.4.1983.

3. Omitted by Act 9 of 1986 w.e.f. 1.4.1986.

4. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

5. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

6. Substituted by Act 15 of 1996 w.e.f. 5.9.1996.

7. Substituted by Act 15 of 1988 w.e.f. 1.4.1986.

8. Substituted by Act 9 of 1986 w.e.f. 1.4.1986.

9. Omitted by Act 23 of 1983 w.e.f. 1.4.1983.

10. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

11. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.

12. Renumbered by Act 4 of 1992 w.e.f. 1.4.1983.

13. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

14. Inserted by Act 9 of 1986 w.e.f. 1.4.1986 & omitted by Act 7 of 1997 w.e.f. 1.4.1997.

15. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

16. Inserted by Act 18 of 1994 w.e.f. 18.11.1983 & omitted by the same Act w.e.f. 1.4.1988.

17. Inserted by Act 15 of 1988 w.e.f. 1.4.1988.

18. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

19. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.

20. Omitted by Act 14 of 1987 w.e.f. 8.10.1986.

21. Omitted by Act 15 of 1996 w.e.f. 5.9.1996.

22. Inserted by Act 5 of 2000 w.e.f. 1.4.2000 & substituted by Act 25 of 2000 w.e.f. 1.4.2000.

23. Inserted by Act 4 of 1992 w.e.f. 1.4.1983.

5B. Levy Of Tax On Transfer Of Property In Goods (Whether As Goods Or In Some Other Form) Involved In The Execution Of Works Contracts :-

1 [5-B. Levy of tax on transfer of property in goods (whether as goods or in some other form) involved in the execution of works contracts

Notwithstanding anything contained in sub-section (1) or 2 [sub-section (3) or sub-section (3-C) of section 5, but subject to sub-section (4), (5) or (6)] of the said section, every dealer shall pay for each year, a tax under this Act on his taxable turnover of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract mentioned in column (2) of the Sixth Schedule at the rates specified in the corresponding entries in column (3) of the said Schedule.

1. Sections 5B and 5C inserted by Act 27 of 1985 w.e.f. 1.4.1986 by notification. Text of the notification is at page 431.

2. Substituted by Act 4 of 1992 w.e.f. 1.4.1986.

5C. Levy Of Tax On The Transfer Of The Right To Use Any Goods :-

1 [5C. Levy of tax on the transfer of the right to use any goods

Notwithstanding anything contained in sub-section (1) or sub-section (3) of section 5, but subject to sub-sections (4), (5) and (6) of the said section, every dealer shall pay for each year a tax under this Act on his taxable turnover in respect of the transfer of the right to use any goods mentioned in column (2) of the Seventh Schedule for any purpose (whether or not for a specified period) at the rates specified in the corresponding entries in column (3) of the said Schedule:]]

2 [Provided that no tax shall be levied under this section if the goods in respect of which the right to use is transferred, have been subjected to tax under section 5.]

1. Substituted by Act 5 of 1996 w.e.f. 1.4.1986.

2. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

6. Levy Of Purchase Tax Under Certain Circumstances :-

1 [6. Levy of purchase tax under certain circumstances

Subject to the provisions of sub-section (5) of section 5, every dealer who in the course of his business purchases any taxable goods in circumstances in which no tax under section 5 is leviable on the sale price of such goods and,

(i) either consumes such goods in the manufacture of other goods for sale or otherwise 2 [or consumes otherwise,] or disposes of such goods in any manner other than by way of sale in the State, or

(ii) despatches them to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce, shall be liable to pay tax on the purchase price of such goods at the same rate at which it would have been leviable on the sale price of such goods under section 5:

Provided that this section shall not apply,--

3 [(i) in respect of sale or purchase of goods specified in the Fourth Schedule,--

(a) which are taxable at the point of purchase; and

(b) which have already been subjected to tax under sub-section (4)

of section 5.]

(ii) in respect of sale or purchase of goods specified in the Second Schedule which have already been subject to tax under clause (a) of subsection (3) of section 5.]

4 [x x x]

5 [Explanation.--For the purpose of this section "consumes such goods in the manufacture" shall include goods consumed for ancillary purposes in or for such manufacture.]

1. Substituted by Act 9 of 1970 w.e.f. 1.4.1970.

2. Inserted by Act 8 of 1989 w.e.f. 8.9.1988.

3. Substituted by Act 78 of 1976 w.e.f. 7.12.1976.

4. Clauses (iia), (iii), (iv), (v) and proviso inserted and omitted by Acts 6 of 1995, 27 of 1985 and 14 of 1987 w.e.f. different dates.

5. Inserted by Act 8 of 1989 w.e.f. 1.4.1970.

6A. Burden Of Proof :-

1 [6A. Burden of proof

(1) For purposes of assessment of tax under this Act, the burden of proving that any transaction or any turnover of a dealer is not liable to tax shall lie on such dealer.

(2) Notwithstanding anything contained in this Act or in any other law, a dealer in any of the goods liable to tax in respect of the first sale or first purchase in the State shall be deemed to be the first seller or first purchaser, as the case may be, of such goods and shall be liable to pay tax accordingly on his turnover of sales or purchases, relating to such goods, unless he proves that the sale or purchase, as the case may be, of such goods had already been subjected to tax under this Act.]

2 [Provided that where goods liable to tax are iron and steel mentioned in serial number 2 of the Fourth Schedule, oil seeds mentioned in serial number 5 of the Fourth Schedule, bauxite, chromite, iron, manganese and other ores mentioned in serial number 1 of Third Schedule or hydrogenated oils and cooking medium mentioned in serial number 1 of Part E of Second Schedule, 3 [or any other goods liable to tax as may be notified by the Commissioner] every dealer in such goods shall furnish a declaration duly filled and signed by the registered dealer from whom such goods are purchased containing the prescribed particulars in a prescribed form obtained from the assessing authority to prove that the sale or purchase, as the case may be, of such goods had already been subjected to tax and the seller of such goods shall issue the declaration to the buying dealer;]

4 [(3) Where a dealer knowingly issues or produces a false bill, voucher, declaration, certificate or other document with a view to support or make any claim that a transaction of sale or purchase effected by him or any other dealer, is not liable to be taxed, 5 [or liable to tax at a lower rate] the assessing authority shall, on detecting such issue or production, direct the dealer issuing or producing such document to pay as penalty,--

(i) in the case of first such detection, three times the tax due in respect of such transaction; and

(ii) in the case of second or subsequent detection, five times the tax due in respect of such transaction:

Provided that before issuing any direction for the payment of the penalty under this section, the assessing authority shall give to the dealer an opportunity of making representation against the levy of such penalty.]

1. Inserted by Act 9 of 1964 w.e.f. 1.10.1957.

2. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.
3. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.
4. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.
5. Inserted by Act 18 of 1994 w.e.f. 18.11.1983.

6B. Levy Of Turnover Tax :-

1 [6B. Levy of turnover tax

2 [(1) Every registered dealer and every dealer who is liable to get himself registered under sub-sections (1) and (2) of section 10 whose total turnover in a year is not less than the turnovers specified in the said sub-section 5 whether or not the whole or any portion of such turnover is liable to tax under any other provisions of this Act, shall be liable to pay tax,--

(i) at the rate of one and half per cent of the total turnover, if the total turnover is not more than one thousand lakh rupees in a year; or

(ii) at the rate of three per cent of the total turnover, if the total turnover is more than one thousand lakh rupees in a year:

Provided that the rate of tax payable for any year shall be at one and half per cent on the turnovers upto one thousand lakh rupees and at three per cent on the turnovers exceeding one thousand lakh rupees, if the total turnover in the year immediately preceding that year was not more than one thousand lakh rupees]

2 [Provided further that] no tax under this sub-section shall be payable on that part of such turnover which relates to,--

(i) sale or purchase of goods specified in the Fifth Schedule;

(ii) sale or purchase of goods specified in the Fourth Schedule;

(iii) sale or purchase of goods in the course of inter-State trade or commerce;

(iv) sale or purchase of goods in the course of export out of the territory of India or sale or purchase in the course of import into the territory of India;

(v) all amounts collected by way of tax under the provisions of this Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

(vi) all amounts falling under the head "freight", when specified and charged for by the dealer separately without including such amounts in the price of the goods sold; and

3 [(vii) x x x]

4 [(viii) turnover relating to sales of agricultural produce by a commission agent or broker on behalf of principals who are agriculturists;]

5 [(ix) all amounts allowed as discount, provided that such discount is allowed in accordance with the regular practice of the dealer or is in accordance with the terms of a contract or agreement entered into in a particular case and provided also that the accounts show that the purchaser has paid only the sum originally charged less discount;

(x) (a) all amounts allowed to purchases in respect of goods returned by them to the dealer when the goods are taxable on sales provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was made;

(b) all amounts received from the sellers in respect of goods returned to them by the dealer; when the goods are taxable on the purchase value provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was received;]

6 [(xi) such amounts towards labour charges and other like charges not involving any transfer of property in goods, actually incurred in connection with the execution of works contract, or calculated at the rates prescribed;]

7 [(xii) all amounts realised by a dealer by the sale of his business as a whole;]

8 [(xiii) x x x]

9 [(xiv) the total amount paid or payable by the dealer as a consideration for the purchase of any of the goods in respect of which tax is leviable at the point of sale;

(xv) the total amount paid or payable to the dealer as a consideration for the sale of any of the goods in respect of which tax is leviable at the point of purchase;]

10 [(xvi) x x x] 11 [(xvii) the turnover relating to the currency notes printed by the Bharatiya Reserve Bank Note Mudrana Limited, Mysore and sold to the Reserve Bank of India.] 12[Provided also that] save as otherwise provided in this sub-section, no other deduction shall be made from the total turnover of a dealer for the purposes of this section:

13 [Provisos x x x]

(2) The provisions of this Act and the rules made there under shall, so far as may be, apply in relation to the assessment, collection or refund of the turnover tax, as they apply in relation to the assessment, collection or refund of tax under the other provisions of this Act.]

1. Inserted by Act 16 of 1975 w.e.f. 1.4.1975 & substituted by Act 13 of 1982 w.e.f. 29.3.1981.

2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

3. Omitted by Act 11 of 1993 w.e.f. 1.4.1993.

4. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

5. Inserted by Act 27 of 1985 w.e.f. 1.8.1985 and by Act 9 of 1986 brought into force from 18.11.1983

6. Inserted by Act 30 of 1987 w.e.f. 1.4.1986.

7. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

8. Inserted by Act 4 of 1999 and omitted by Act 5 of 2000 w.e.f. 1.4.2000.

9. Inserted by Act 18 of 1999 w.e.f. 29.3.1981.

10. Inserted by Act 18 of 1999 w.e.f. 1.4.1986 & omitted by the same Act w.e.f. 1.4.1998.

11. Inserted by Act 18 of 1999 w.e.f. 1.4.1996.

12. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

13. Provisos inserted and omitted by Acts 18 of 1994, 4 of 1992, 30 of 1987, 27 of 1985, 6 of 1995 and 5 of 2000 w.e.f. different dates.

6BB. Omitted :-

1 [6BB. x x x]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994 and omitted by Act 1 of 1996 w.e.f. 13.10.1995.

6C. Omitted :-

1 [6C. x x x]

1. Inserted by Act 13 of 1994 and omitted by Act 7 of 1997 w.e.f. 1.4.1997.

6D. Levy Of Cess :-

1 [6D. Levy of cess]

(1) In addition to the tax payable under sections 5, 5-B, 5-C and 6, there shall be levied and collected by way of cess 2 [for a period of 3 [four years] with effect from the first day of April, 1998 for the purpose of equity investment in Karnataka Infrastructure Development and Finance Corporation] a tax, on sale or purchases effected 4 [5 [x x x] by any dealer], at the rate of five percent of tax payable under the said sections:

Provided that where a dealer is selling to any person goods specified in Serial Number 12 of Part M of the Second Schedule 5 [x x x] such dealer shall pay the cess on the sale of,--

(i) petrol at the rate of twenty-five paise per litre; and

(ii) diesel at the rate of ten paise per litre.

(2) Nothing contained in this section shall apply to the goods specified in the Fourth

Schedule.

(3) The provision of this Act and the rules made there under including those relating to refund or exemption from tax shall, so far as may be, apply in relation to the levy, assessment and collection of the cess payable under sub-section (1) as they apply in relation to the levy, assessment and collection of sales tax or purchase tax under this Act.

5 [Explanation.--x x x]]

1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.
2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.
3. Substituted by Act 9 of 2000 w.e.f. 1.4.1998.
4. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
5. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.

7. Liability To Taxation Under This Act Of Transactions :-

The tax under this Act shall be levied on any transaction of sale or purchase deemed to take place inside the State under this Act or any other law for the time being in force. 1 [The provisions of this Act relating to taxation on sales or purchases inside the State only at a single point or only at one or more stages apply to sales or purchases inside the State.]

1. Substituted by Act 26 of 1962 w.e.f. 1.10.1957.

8. Exemption Of Tax :-

1[(1)] No tax shall be payable under this Act on the sale of goods specified in the Fifth Schedule subject to the conditions and exceptions, if any, set out therein.

2[(2) x x x]

3[(3) x x x]

1. Re-numbered by Act 9 of 1958 w.e.f. 14.12.1957.
2. Inserted by Act 9 of 1958 w.e.f. 14.12.1957 & omitted by Act 7 of 1966 w.e.f. 1.4.1966.
3. Inserted by Act 12 of 1961 w.e.f. 1.3.1961 & omitted by Act 7 of 1966 w.e.f. 1.4.1966.

8A. Power Of State Government To Notify Exemptions And Reductions Of Tax :-

1 [8A. Power of State Government to notify exemptions and reductions of tax

(1) The State Government may, by notification, make an exemption, or reduction in rate, in respect of any tax payable under this Act,--

(a) on the sale or purchase of any specified goods or class of goods, at all points in the series of sales by successive dealers; or

(b) by any specified class of persons, in regard to the whole or any part of their turnover; 2 [or]

2 [(c) on the sale or purchase of any specified class of goods by any specified class of dealers in regard to the whole or part of their turnover.][(c) on the sale or purchase of any specified class of goods by any specified class of dealers in regard

to the whole or part of their turnover.]

(2) Any exemption from tax or reduction in the rate of tax, notified under sub-section (1) may be subject to such restrictions and conditions as may be specified in the notification.

3 [(2A) The State Government may, by notification, transpose any entry or part thereof from one schedule to another schedule and alter the point of levy of sale or purchase, but not so as to enhance the rate of tax in any case:

Provided that where the point of levy is altered under this sub-section in respect of any goods and if such goods have been subjected to tax under the unaltered entry, then such goods shall not be subjected to tax under the transferred entry.]

(3) The State Government may, by notification, cancel or vary any notification issued under sub-section (1) 4 [or sub-section (2-A)].

5 [(3A) x x x]

6 [Proviso x x x]

(4) If any restriction or condition specified under sub-section (2) is contravened or is not observed by a dealer, the sales or purchases of such dealer may, with effect from the commencement of the year in which such contravention or non-observance took place, be assessed to tax or taxes under the appropriate provisions of this Act as if the provisions of the notification under sub-section (1) did not apply to such sales or purchases.]

7 [(5)(a) Where any restriction or condition specified under subsection (2) in respect of goods taxable at the point of sale is contravened or is not observed by the purchaser of such goods, notwithstanding that such a purchaser is not a dealer or that the sale value of such goods is less than the turnover specified in sub-section (5) of section 5, such purchaser shall be liable to pay an amount equal to the difference between the tax payable at the rates specified under the Act and the tax paid at the rates specified under the notification on the goods purchased in respect of which such contravention or non-observance has taken place, as if the provision of the notification under sub-section (1) did not apply to such purchases and in addition, such purchaser shall also be liable to pay by way of penalty a sum not exceeding the amount equivalent to the amount of tax leviable on the sale price of such goods.

(b) The difference of the tax amount and the penalty levied under this sub-section shall be recovered in the manner specified under section 13.]

8 [(6) Any notification issued under sub-section (1) or sub-section (2-A) shall be valid until it is cancelled under sub-section (3), notwithstanding that the tax payable in accordance with such notification in respect of any specified goods or class of goods or by any specified class of persons or on the sale or purchase of any specified class of goods by any specified class of dealers, is modified by an amendment to this Act.]

9 [Explanation.--x x x]

1. Inserted by Act 16 of 1967 w.e.f. 1.1.1968 by notification. Text of Notification is at page 430.

2. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

3. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.

4. Inserted by Act 16 of 1989 w.e.f. 1.4.1985.

5. Inserted by Act 7 of 1981 w.e.f. 1.1.1968 & omitted by Act 8 of 1984 w.e.f. 1.4.1984.

6. Inserted by Act 10 of 1983 w.e.f. 1.4.1983 & omitted by Act 8 of 1984 w.e.f. 1.4.1984.

7. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

8. Inserted by Act 5 of 1993 w.e.f. 1.4.1984.

9. Inserted by Act 36 of 1986 w.e.f. 8.5.1975 & omitted by the same Act w.e.f. 1.4.1984.

9. Act To Apply To Non--Resident Dealers With Certain Modifications And Additions :-

In the case of any person carrying on the business of buying or selling goods¹ [or of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract or of delivery of goods on hire purchase or any system of payment of instalments or of transfer of the right to use any goods for any purpose] in the ² [State of Karnataka] but residing outside the ³ [State of Karnataka] (hereinafter in this section referred to as a "non-resident"), the provisions of this Act shall apply subject to the following modifications and additions, namely:--

(i) In respect of the business of the non-resident, his manager or agent residing in the ² [State of Karnataka] shall be deemed to be the dealer;

(ii) The manager or agent of a non-resident shall be assessed to tax under this Act at the rate or rates leviable thereunder in respect of the business of such non-resident in which the manager or agent is concerned, irrespective of the amount of the turnover of such business being less than the minimum specified in sub-section (5) of section 5 ³ [or section 6B;]

(iii) Without prejudice to his other rights, any manager or agent of a non-resident who is assessed under this Act in respect of the business of such non-resident may retain out of the moneys payable to the non-resident by the manager or agent a sum equal to the amount of tax assessed on or paid by the manager or agent.

1. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

2. Adapted by the Karnataka Adaptation of Laws Order, 1973 w.e.f. 1.11.1973.

3. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

CHAPTER 4

REGISTRATION AND GRANT OF LICENSES

10. Registration Of Dealers, Commission Agents, Etc :-

¹ [10. Registration of dealers, commission agents, etc

(1) Every dealer whose total turnover in any year is not less than ² [two lakh] rupees shall, and any other dealer may, get himself registered under this Act:

³ [Provided that every ⁴ [x x x] manufacturer, ⁵ [x x x] or dealer who brings any goods into the State or to whom any goods are despatched from any place outside the State shall get himself registered under this Act, if his total turnover is not less than one lakh rupees in any year;]

(2) Notwithstanding anything contained in sub-section (1),--

(i) every casual trader 6 [x x x];
 (ii) every dealer registered under the Central Sales Tax Act, 1956 (Central Act 74 of 1956);
 (iii) every dealer residing outside the State but carrying on business in the State; 7 [(iii-a) every dealer in liquor and/or beer and every dealer in jewellery;]
 (iv) every manager or agent of a non-resident dealer; and
 (v) every commission agent, broker, del credere agent, auctioneer or any other mercantile agent, by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal,
 shall get himself registered under this Act, irrespective of the quantum of his total turnover in such goods.

8 [(3) Every miller whether he is a dealer or not shall get himself registered under this Act.]

9 [(4) Nothing contained in this section shall apply to any State Government or the Central Government] 3 [or a statutory body or a local authority except when they buy, sell, supply or distribute goods directly or otherwise for cash or deferred payment or for commission or remuneration or other valuable consideration in the course of business.]

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.
2. Substituted by Act 4 of 1992 w.e.f. 1.10.1991
3. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
4. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.
5. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.
6. Omitted by Act 8 of 1984 w.e.f. 1.4.1984.
7. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.
8. Inserted by Act 9 of 1970 w.e.f. 1.4.1970.
9. Inserted by Act 23 of 1983 w.e.f. 1.4.1976.

10A. Procedure For Registration :-

(1) An application for registration under section 10 shall be made to such authority, in such manner and within such period as may be prescribed and shall be accompanied by a fee of 1 [five hundred rupees.]

(2) If the prescribed authority after making such enquiries as it may consider necessary is satisfied that the application is in order and that the particulars furnished therein are correct, it shall register the applicant and issue to him a certificate in the prescribed form.

(3) Where a dealer has more than one place of business, the registration certificate shall cover all such places of business. The prescribed authority shall issue copies of the registration certificate to the dealer for exhibition at each of his places of business and the dealer shall pay a fee of 1 [five hundred rupees] for each copy.

2 [(4) 3 [(a) The prescribed authority shall for good and sufficient reasons demand from any dealer who is registered or has applied for registration under sub-section

(1) or has applied for renewal of registration under this Act, security for proper payment of tax by him or for the proper custody and use of the forms referred to in 4 [section 5-A , proviso to sub-section(2) of section 6-A and sub-section (2) of section 28-A or any of these provisions] and on such demand such dealer shall furnish the same.]

5 [Provided that in the case of different categories of dealers in liquor and/ or beer, the prescribed authority shall demand security, for proper payment of tax as the State Government may fix from time to time by notification.]

(b) The amount of security payable under clause (a) shall not exceed,--

(i) in the case of dealers who have opted to pay tax under section 17, an amount equivalent to three months compounded rate fixed for that year, and

(ii) in other cases, an amount equivalent to one-half of the tax anticipated to be payable by the dealer for that year:

Provided that the assessing authority shall have power to demand at any time additional security if such authority has reason to believe that the security fixed was too low.

(c) The security paid under this sub-section in any year shall be maintained in full until it is dispensed with by the assessing authority on being satisfied that the reasons for its demand no longer exist or until the registration certificate is cancelled, whichever is earlier.]

6 [(d) The assessing authority may by order and for good and sufficient cause forfeit the whole or any part of the security furnished by a dealer,--

(i) for realising any amount of tax or penalty payable by the dealer;

(ii) if the dealer is found to have mis-used any of 7 [the forms referred to in clause (a) or to] have failed to keep them in proper custody:

Provided that no order shall be passed under this clause without giving the dealer an opportunity of being heard;

(e) The assessing authority issuing the forms referred to in clause (a) may refuse to issue such forms to a dealer who has failed to comply with a demand under that clause or under clause (b), until the dealer has complied with such demand.]

8 [(5) A certificate issued under sub-section (2) shall be renewed from year to year on payment of the fee specified in sub-section (1) until it is cancelled.]

(6) A dealer registered under sub-section (1) of section 10 shall be entitled to have his registration cancelled if he is able to prove to the satisfaction of the prescribed authority that his turnover in each of the two consecutive years immediately preceding the application was less than the limit mentioned in the said sub-section.

(7) The prescribed authority shall have power, for good and sufficient reasons, to cancel, modify or amend any registration certificate issued by it.

(8) No application for registration and no renewal under this section shall be refused and no order under sub-section (4) or sub-section (7) shall be made, unless the dealer concerned has been given a reasonable opportunity of being heard.

(9) When a dealer has ceased to do business in any year and gives notice of that fact to the prescribed authority, he shall not be liable to pay any registration fee from the commencement of the following year unless he resumes business.

(10) The dealer shall exhibit the certificate of registration granted under subsection (1) at the place of business mentioned in the certificate. Where the dealer has more than one place of business, he shall exhibit the certificate of registration at the principal place of business mentioned in the certificate and a copy of such certificate granted under sub-section (3) at every other place of business within the State mentioned in the certificate.]

1. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Substituted by Act 9 of 1970 w.e.f. 1.4.1970.

3. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.

4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

5. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

6. Inserted by Act 15 of 1988 w.e.f. 1.4.1988.

7. By Errata No. 525 Karnataka Gazette (Extraordinary) dated 5.9.1988.

8. Substituted by Act 23 of 1983 w.e.f. 18.11.1983.

10B. Suo Motu Registration :-

1 [10B. Suo moturegistration

Any person who is liable to get himself registered under this Act fails to do so, the prescribed authority may after conducting such survey, inspection or inquiry as may be prescribed, proceed to register such person under the Act and the provisions of section 10-A shall apply mutatis mutandis.]

1. Inserted by Act 18 of 1999 w.e.f. 1.4.1999.

11. Agents Liable To Pay Tax :-

1 [11. Agents liable to pay tax

(1) Notwithstanding anything contained in any law for the time being in force including this Act, every person who for an agreed commission or brokerage buys or sells on behalf of any principal who is a resident of the State of Karnataka shall, subject to the provisions of sub-section (5) of section 5 or section 6B be assessed to tax or taxes under this Act at the rate or rates leviable thereunder in respect of such purchase or sale notwithstanding that such principal is not a dealer or that the turnover of sale or purchase relating to such principal is less than the minimum specified in sub-section (5) of section 5 or section 6B:

Provided that the principal, shall not be assessed to tax on his turnover in respect of which, the agent is liable to tax or taxes under sub-section (1) and the burden of proving that the turnover has been effected through an agent liable to tax under the said sub-section, shall be on such principal.

(2) Notwithstanding anything contained in sub-section (1), in respect of goods taxable at the point of purchase by the last dealer in the State liable to tax under this Act, the agent (other than the agent of a non-resident principal) purchasing such goods shall not be assessed to tax but the principal who has effected such purchases through the agent shall be assessed to tax as if he is the last dealer in the State.

(3) Without prejudice to his other rights, the agent who is assessed under sub-section (1), may retain out of the moneys payable to his principal other than a principal who is an agriculturist a sum equal to the amount of tax assessed on or paid by the agent.]

2 [(4) x x x]

1. Substituted by Act 23 of 1983 w.e.f. 18.11.1983.

2. Inserted by Act 8 of 1984 w.e.f. 18.11.1983 & omitted by the same Act w.e.f. 1.12.1983.

CHAPTER 5

RETURNS, ASSESSMENT, PAYMENT, RECOVERY, COMPOSITION AND COLLECTION

12. Returns And Assessment :-

1 [(1) Notwithstanding anything contained in section 12-B, every registered dealer and every dealer who is liable to get himself registered under sub-section (1) or (2) of section 10, shall submit such return or returns relating to his turnover, in such manner and within such period as may be prescribed.]

2 [(1A) Before any dealer submits any return under sub-section (1), he shall, in the prescribed manner, pay in advance the full amount of tax payable by him on the basis of such return as reduced by any tax already paid under section 12B and shall furnish along with the return satisfactory proof of the payment of such tax, 3 [and the tax so payable shall for the purposes of section 13 be deemed to be the tax due under this Act from such dealer]. After the final assessment is made, the amount of tax so paid shall be deemed to have been paid towards the tax finally assessed.]

(2) If the assessing authority is satisfied that any return submitted under sub-section (1) is correct and complete, he shall assess the dealer on the basis thereof.

(3) If no return is submitted by the dealer under sub-section (1) before the date prescribed or specified in that behalf, or if the return submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority shall assess the dealer to the best of his judgment, recording the reasons for such assessment:

Provided that before taking action under this sub-section the dealer shall be given a reasonable opportunity of proving the correctness and completeness of the return submitted by him.

4 [(4) When making an assessment under sub-section (3), the assessing authority may also direct the dealer to pay in addition to the tax assessed, a penalty,--

(a) not exceeding one and a half times 5 [but not less than one half of] the amount of tax due on the turnover that was not disclosed by the dealer in his return; or

(b) not exceeding one and a half times the tax assessed in the case of failure to submit a return; or

(c) not exceeding one and a half times 5 [but not less than one half of] the amount of tax due on the turnover which in the opinion of the assessing authority would not have been disclosed voluntarily

by the dealer in his return if such turnover was not noticed by any of the authorities empowered under this Act.

(5) No assessment under this section for any year shall be made after a period of 6 [three years] from the date on which the return under subsection (1) for that year is submitted by a dealer:

7 [8 [Provided that assessment proceedings relating to any year ending before the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 1997 in respect of which a return under sub-section (1) has been submitted before such commencement, shall be completed within a period of 6 [three years] from the date of such commencement.]

Provided further that nothing in this sub-section limiting the time within which assessment may be made, shall apply to an assessment made in consequence of, or to give effect to, any findings, directions or orders made under section 20, 21, 22 or 22A or any judgment or order made by any Court.]

(6) In computing the period of limitation for assessment under this section,--

(a) the time during which the proceedings for assessment in question have been deferred on account of any stay order granted by any Court or any other authority shall be excluded;

(b) the time during which the assessment has been deferred in any case or class of cases by the 9 [Joint Commissioner] for reasons to be recorded in writing shall be excluded:

10 [(c) in the case of a dealer who has been issued with eligibility certificate extending tax concessions under any of the package of incentives and concessions offered by the State and where such certificate issued is under dispute and such dispute has been referred to the authority constituted to resolve such disputes or the authority issuing such certificate, the time taken in such case to resolve such dispute shall be excluded.]

11 [Provisos x x x]

12 [(7) Where an assessment under this section is not concluded within the time specified in sub-section (5), the total and the taxable turnover declared by a dealer in his annual return shall be deemed to have been assessed for that year on the basis of the said return and the provisions of this Act relating to assessment of escaped turnover, payment and recovery, appeal and revision shall mutatis mutandis apply to such deemed assessment.]]

1. Substituted by Act 8 of 1990 w.e.f. 1.4.1990.

2. Inserted by Act 5 of 1972 w.e.f. 14.8.1972.

3. Inserted by Act 8 of 1984 w.e.f. 1.4.1984.

4. Sub-sections (4), (5), (6) and (7) substituted by Act 27 of 1985 w.e.f. 1.8.1985.
5. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.
6. Substituted by Act 4 of 1999 w.e.f. 1.4.1997.
7. Provisos inserted by Act 8 of 1989 w.e.f. 1.8.1985.
8. Proviso substituted by Act 7 of 1997 w.e.f. 1.4.1997.
9. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
10. Inserted by Act 5 of 2000 w.e.f. 1.4.1997.
11. Omitted by Act 8 of 1989 w.e.f. 1.8.1985.
12. Substituted by Act 8 of 1989 w.e.f. 1.8.1985.

12A. Assessment Of Escaped Turnover :-

1 [12A. Assessment of escaped turnover

2 [(1) If the assessing authority has reason to believe that the whole or any part of the turnover of a dealer in respect of any period has escaped assessment to tax or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable under this Act or any deductions or exemptions have been wrongly allowed in respect thereof, the assessing authority may, notwithstanding the fact that the whole or part of such escaped turnover was already before the said authority at the time of the original assessment or re-assessment but subject to the provisions of sub-section (2), at any time within a period of 3 [eight years] from the expiry of the year to which the tax relates, proceed to assess or re-assess to the best of its judgment the tax payable by the dealer in respect of such turnover after issuing a notice to the dealer and after making such enquiry as it may consider necessary.]

(1-A) In making an assessment under sub-section (1) the assessing authority may, if it is satisfied that the escape from assessment is due to wilful non-disclosure of assessable turnover by the dealer, direct the dealer to pay, in addition to the tax assessed under sub-section (1), a penalty not exceeding one and a half times the tax so assessed:

Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.

(2) In computing the period of limitation for assessment of the escaped turnover under this section, the time during which an assessment has been deferred on account of any stay order granted by any Court or other authority in any case, or by reason of the fact that an appeal or other proceeding is pending before the Appellate Tribunal or the High Court or the Supreme Court, shall be excluded:

Provided that nothing contained in this section limiting the time within which any action may be taken or any order, assessment or re-assessment may be made, shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, direction or order made under section 20, 21, 22, 4 [22A], 23 or 24 or any judgment, or order made by the Supreme Court, the High Court, or any other Court.]

1. Section 12A inserted by Act 9 of 1970 w.e.f. 1.10.1957.
2. Substituted by Act 10 of 1983 w.e.f. 1.4.1983.
3. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.
4. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.

12AA. Assessment In Cases Of Price Variation Or Price Revision :-

1 [12AA. Assessment in cases of price variation or price revision

(1) Notwithstanding anything contained in sub-section (1) of section 12A,--

(a) If a dealer receives or pays in any year any amount due to price variations or price revisions which would have been included in his turnover for any previous year, if it had been received or paid during that year he shall, within thirty days from the date on which such amount is received or paid submit a return in the prescribed form to the assessing authority and pay the full amount of tax payable by him 2 [at such rate as was applicable during such previous year on such turnover]:

Provided that if the amount so received or paid in any year relates to two or more previous years, separate returns shall be submitted for each such year.

(b) If the assessing authority is satisfied that any return submitted under clause (a) is correct and complete, he shall assess the dealer on the basis thereof;

(c) If the return submitted by a dealer under clause (a) appears to the assessing authority to be incorrect or incomplete, the assessing authority shall, after making such inquiry as he may consider necessary and after taking into account all relevant materials gathered by him, assess the dealer to the best of his judgment:

Provided that before taking action under this clause the dealer shall be given a reasonable opportunity to prove the correctness and completeness of the return:

(2) In making an assessment under this section the assessing authority may also direct the dealer to pay in addition to the tax assessed, a penalty not exceeding one and a half times the amount of tax due on the turnover not disclosed by the dealer in his return or in the case of failure to submit the return, a penalty not exceeding one and a half times the tax assessed as the case may be:

Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.]

1. Section 12AA inserted by Act 27 of 1985 w.e.f. 1.8.1985.

2. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

12B. Payment Of Tax In Advance :-

1 [12B. Payment of tax in advance

2 [(1) Subject to such rules as may be prescribed, every dealer shall send every month to the assessing authority a statement containing such particulars as may be prescribed including the taxable turnover during the preceding month and shall pay in advance the full amount of 3 [tax payable by him 4 [under this Act within twenty days after the close of the preceding month to which such tax relates on the basis of the turnover particulars shown in the statement]] and the amount so payable shall for the purposes of 5 [x x x] section 13 be deemed to be an amount due under this Act from such dealer.]

6 [7 [Provided that,--

(i) in the case of a dealer where payment by way of composition under sub-section (1) of section 17 is accepted, the provisions of sub-section (1) shall not apply; and

(ii) in the case of a dealer being a small scale industry registered with the Director of Industries and Commerce, Government of Karnataka, such dealer shall send such a statement in accordance with sub-section (1) but shall pay in advance the full amount of tax payable for every quarter within twenty days after the close of that quarter.]

8 [(iii) in the case of a dealer whose total turnover in any year is not more than seven lakh fifty thousand rupees shall submit statements for each month in accordance with sub-section (1) once in a quarter and pay in advance the full amount of tax payable for every quarter within twenty days after the close of that quarter to which such tax relates.]

Provided further that the full amount of tax payable by a dealer in advance for the year as reduced by the amount of tax already paid under this section shall be paid within thirty days after the close of the year to which such tax relates.]

9 [Provided also that where the tax payable for any quarter by a small scale

industrial undertaking is not paid within thirty days after the close of the quarter to which such tax relates, such undertaking shall be liable to pay tax thereafter as provided under this sub-section excluding the first proviso.]

10 [(2) If default is committed in the payment of tax for any month or quarter as the case may be, beyond ten days, whether or not a statement as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax payable for any month or quarter as the case may be, the dealer defaulting payment of tax or making short payment of tax shall in addition to the tax, pay interest calculated at the rate of two per cent per month from the date of such default or short payment to the date of payment of such tax.]

11 [12 [(3)] If no such statement is submitted by a dealer under sub-section (1) before the date prescribed or if the statement submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority may assess the dealer provisionally for that month to the best of his judgment, recording the reasons for such assessment, and proceed to demand and collect the tax on the basis of such assessment :

Provided that before taking action under this sub-section the dealer shall be given a reasonable opportunity of being heard.]

13 [12 [(4)] If at the end of the year it is found that the amount of tax paid in advance by any dealer for any month or quarter or for the whole year in the aggregate was less than the tax payable for that month or quarter or the tax for the whole year as finally assessed, as the case may be, by more than fifteen per cent, the assessing authority may direct such dealer to pay, in addition to the tax, a penalty 14 [calculated at the rate of two per cent per month of the tax paid in short from the date of expiry of thirty days after the close of the month or the quarter or the year as the case may be, to which such tax relates] of the tax payable for the month or quarter or for the whole year as the case may be:]

Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.]

15 [Explanation.-For the purpose of this section "quarter" means the period of three months ending on 31st day of May, 31st day of August, 30th day of November and 28th day (or 29th day) of February.]

1. Section 12B inserted by Act 12 of 1961 w.e.f. 8.6.1961 & substituted by Act 9 of 1970 w.e.f. 1.4.1970.

2. Substituted by Act 5 of 1972 w.e.f. 14.8.1972.

3. Substituted by Act 7 of 1981 w.e.f. 4.4.1981.

4. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.

5. Omitted by Act 23 of 1983 w.e.f. 18.11.1983.

6. Provisos inserted by Act 9 of 1986 w.e.f. 1.4.1986.

7. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

8. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

9. Inserted by Act 15 of 1988 w.e.f. 1.4.1988.

10. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 & substituted by Act 5 of 2000 w.e.f. 1.4.2000.

11. Inserted by Act 7 of 1981 w.e.f. 4.4.1981.

12. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.

13. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

14. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

15. Inserted by Act 9 of 1986 w.e.f. 1.4.1986.

12C. Summary Assessment Of Certain Dealers :-

1 [12C. Summary assessment of certain dealers

(1) 2 [Notwithstanding anything contained in sub-section (3) of section 12, the assessing authority shall assess,-

(a) a dealer whose total turnover in any year is not more than forty lakh rupees; and

(b) a dealer who is a small scale industry registered with the Director of Industries and Commerce, Government of Karnataka and whose total turnover in a year is not more than fifty lakh rupees, on the basis of return submitted in accordance with sub-section (1) of section 12, without requiring his presence or production of books of accounts, provided that such dealer furnishes the following compliances, as applicable, within six months from the close of the year or before the completion of assessment whichever is later, namely:--]

(i) proof of payment of tax for the year as envisaged in sub-section(1-A) of section 12.

(ii) in case of claim to exemption from tax on turnovers relating to goods taxable at the point of sale, statement containing particulars of corresponding purchases with complete details as per bills of sale of the previous selling registered dealers.

(iii) in case of claim to exemption from tax on turnovers relating to purchases of goods taxable at the point of first or last purchase (other than the goods specified in the proviso to sub-section (2) of section 6-A), statement containing particulars of such purchases with complete details as per bills of sale of the previous selling registered dealers.

(iv) in case of claim to exemption from tax on turnovers relating to purchases of goods specified in the proviso to sub-section (2) of section 6-A, statement of the purchases and proof of declarations in original as prescribed in Rule 26(9).

(v) in case of claim to concessional rate of tax on turnovers relating to sales in terms of section 5-A, statement of the sales and declarations in original as prescribed in Rule 38-A (1).

(vi) in case of claim to exemption from tax or concessional rate of tax on turnovers as covered by notifications issued under section 8-A or section 19-C, statement containing details as per the sale bills, reference number and date of the notification and declarations in original, if any, prescribed in the related notification.

(vii) in case of claim to exemption from tax, concessional rate of tax or non-liability to tax on sales or purchases or despatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956) - Separate statements for the different nature of purchases or sales or despatches containing all the relevant details and originals of certificates/declarations/copies of bills of lading, as prescribed in the notifications issued under section 8(5) or in the Central Sales Tax (Registration and Turnover) Rules, 1957 or in the Central Sales Tax (Karnataka) Rules, 1957, as applicable.

(viii) Utilisation statements of the statutory forms availed, containing such particulars as may be prescribed.

3 [(1-A) Notwithstanding anything contained in sub-section (1), in the case of a dealer whose total turnover in a year is not more than seven lakh and fifty thousand rupees, the assessing authority shall assess the dealer on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that,-

(i) the tax payable for the year as declared by such dealer is not less than the tax assessed for the immediately preceding year plus not less than fifteen per cent of the tax so assessed or where the dealer gives his consent in such form and in such manner as may be prescribed for assessing the tax for that year at not less than fifteen per cent over and above the tax assessed for the proceeding year;

(ii) such dealer has not utilised any of the statutory forms prescribed under the provisions of this Act and rules made thereunder or Central Sales Tax Act, 1956 (Central Act 74 of 1956) during the year;

(iii) the goods held in stock on the first day of the year do not relate to the purchases made against declaration under the provisions of this Act or the Central Sales tax Act, 1956]

(2) Where before completion of the summary assessment, return submitted or any compliance furnished under sub-section (1) 1 [or subsection 1-A] is found to involve mistake apparent on record, the assessing authority shall afford opportunity to the dealer to submit revised return or to rectify such mistake.

(3) Summary assessment under sub-section (1) 1 [or sub-section (1A)] shall not be made in respect of a dealer for any year if,-

- (i) the return filed or any compliances furnished as required by sub-section (1) for any year is incomplete or incorrect or defective, save for mistakes apparent on record,
 - (ii) it is found that the dealer attempted to conceal any turnover to evade tax, for that year and for subsequent two years,
 - (iii) the dealer has ceased to do any business or has closed down business, for that year.
- (4) Notwithstanding anything contained in sub-section (1), the Joint Commissioner shall select either at his discretion or as directed by the Commissioner, twenty-five percent of the total number of such assessments completed by each assessing authority in a year for the purpose of scrutiny in entirety of the assessment records and in respect of any assessment so found warranted, shall direct the assessing authority concerned to make re-assessment under section 12-A or rectification under section 25-A, as the case may be.
- (5) Every assessment completed under sub-section (1) 3 [and sub-section (1A)] shall be subject to the provisions of sections 12-A, 21, 22-A and 25-A].
1. Section 12C inserted by Act 10 of 1983 w.e.f. 1.4.1983 & substituted by Act 7 of 1997 w.e.f. 1.4.1997.
 2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.
 3. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

12D. Cancellation Of Assessment In Certain Cases :-

- 1 [12D. Cancellation of assessment in certain cases
- (1) Where an assessee within one month from the service of a notice of demand makes an application and satisfies the assessing authority that he was prevented by sufficient cause from appearing as required under section 12, or that he did not receive the notice issued under that section 2 [x x x] the assessing authority shall cancel the assessment and proceed to make a fresh assessment in accordance with the provisions of section 12:
- 3 [Provided that no application under this sub-section shall be entertained by the assessing authority if tax admitted in the return of turnover is not paid;]
- (2) Nothing contained in sub-section (1) shall apply to an assessment which has been made the subject-matter of an appeal under section 20.
- (3) No appeal shall lie under section 20 against an order passed under this section.
- (4) Every order passed under this section shall, subject to the provisions of sections 22 to 24 and 25-A, be final.]
1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
 2. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.
 3. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

12E. Assessment Of Corporate Bodies :-

- 1 [12E. Assessment of corporate bodies
- Notwithstanding anything contained in this Act, where a dealer is a body corporate and has more than one place of business, Commissioner may, subject to such conditions as may be prescribed and with the consent of the dealer, treat each of such places of business as a separate unit for the purposes of levy, assessment and collection of tax and thereupon all the provisions of this Act regarding registration, filing of returns, assessment and collection of tax, shall apply as if each of such places of business is a separate unit.]
1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

13. Payment And Recovery Of Tax :-

- 1 [(1) The Tax 2 [or any other amount due] under this Act shall be

paid in such manner 3 [in such instalments, subject to such conditions, on payment of such interest] and within such time, as may be prescribed.]

(2) 1 [If default is made in making payment in accordance with sub-section (1),]-

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the person or persons liable to pay the tax 4 [or any other amount due] under this Act; and

5 [(ii) the person or persons liable to pay the tax or any other amount due under this Act shall pay a penalty equal to two per cent of the amount of tax or any other amount due remaining unpaid for each month after the expiry of the time specified under sub-section (1)]

6 [Explanation.--For purposes of clause (ii), the penalty payable for a part of a month shall be proportionately determined.]

7 [(2A) Notwithstanding anything contained in sub-section (2), 8 [where the amount of penalty does not exceed rupees five lakh the Commissioner and in other cases the State Government] may, subject to such conditions as may be prescribed, remit the whole or any part of the penalty payable in respect of any period by any person or class of persons.]

(3) Any tax assessed, or any other amount due under this Act from a dealer 9 [or any other person] may without prejudice to any other mode of collection be recovered--

(a) as if it were an arrear of land revenue, or 10 [(aa) by attachment and sale or by sale without attachment of any property of such dealer or any other person by the assessing authority or the prescribed officer in accordance with such rules as may be prescribed;] 11 [(aaa) as if it were an arrear of excise revenue under the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) in the case of a dealer engaged in the manufacture or sale of liquor including beer, spirit and alcohol; or]

(b) 12 [notwithstanding anything contained in 13 [the Code of Criminal Procedure, 1973 (Central Act 2 of 1974)], on application to any Magistrate] by such Magistrate as if it were a fine imposed by him:

14 [Provided that where a dealer or other person who has appealed or applied for revision of any order made under this Act and has complied with an order made by the appellate or the revising authority in regard to the payment of the tax or other amount, no proceedings for recovery under this sub-section shall be taken or

continued until the disposal of such appeal or application for revision.]

15 [(4) The High Court may either suo motu or on an application by the Commissioner or any person aggrieved by the order revise any order made by a Magistrate under clause (b) of sub-section (3).]

1. Substituted by Act 32 of 1958 w.e.f. 1.1.1959.
2. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.
3. Substituted by Act 13 of 1982 w.e.f. 1.4.1982.
4. Inserted by Act 8 of 1984 w.e.f. 1.4.1984.
5. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.
6. Inserted by Act 16 of 1967 w.e.f. 1.1.1968.
7. Inserted by Act 3 of 1966 w.e.f. 1.3.1966.
8. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
9. Inserted by Act 9 of 1970 w.e.f. 1.10.1957.
10. Inserted by Act 5 of 1972 w.e.f. 14.8.1972.
11. Inserted by Act 21 of 2000 w.e.f. 11.1.2001 by notification. Text of the notification is at page 432.
12. Substituted by Act 7 of 1972 w.e.f. 29.9.1972.
13. Substituted by Act 18 of 1978 w.e.f. 1.9.1978.
14. Substituted by Act 9 of 1964 w.e.f. 1.10.1957.
15. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.

13A. Payment Of Interest :-

1 [13A. Payment of interest

Where any amount refundable to any person under an order made under any provision of this Act is not refunded to him within ninety days,--

(a) of the date of such order, if that order is made by the refunding authority; or
(b) of the date of receipt of such order by the refunding authority, if that order is made by an authority other than the refunding authority, the refunding authority shall pay such person simple interest at the rate of 2[twelve percent] per annum on the said amount from the day immediately following the expiry of the said ninety days to the day of the refund:

Provided that the interest calculable shall be on the balance of the amount remaining after adjusting out of the refundable amount any tax, penalty or other amount due under this Act, for any year by the person on the date from which such interest is calculable.

Explanation I.--If the delay or any part thereof in granting the refund within the aforesaid period of ninety days is attributable to the person to whom the refund is payable the period of such delay shall be excluded for the purpose of calculation of interest.

Explanation II.--The expression "refunding authority" means an 3 [Commercial Tax Officer] or 3 [Assistant Commissioner of Commercial Taxes] or any other officer of the Commercial Taxes Department authorised to make any assessment or to levy penalty or both by or under this Act.

Explanation III.--The interest payable for a part of a month shall be proportionately determined.]

1. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

13B. Power To Withhold Refund In Certain Cases :-

1 [13B. Power to withhold refund in certain cases

(1) Where an order giving rise to refund is the subject-matter of an appeal or further proceeding or where any other proceeding under this Act is pending, and the authority competent to grant such refund is of the opinion that the grant of refund is likely to adversely affect the revenue, such authority may, with the previous approval of the Commissioner, withhold the refund till such time as the Commissioner may determine.

(2) Where a refund is withheld under sub-section (1), the State Government shall pay interest in accordance with section 13-A on the amount of refund ultimately determined to be due to the person as a result of the appeal or further proceeding, for the period from the date immediately following the expiry of ninety days from the date of the order referred to in sub-section (1) to the date of refund.]

1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

13C. Purchase By The State Government In Auction Of Property :-

1 [13C. Purchase by the State Government in auction of property

(1) When any immovable property is brought for sale by auction for recovery of any dues under this Act, then notwithstanding anything contained in this Act, the Deputy Commissioners of the Revenue District or any officer authorised by the State Government, subject to any general or special order of the State Government in this behalf, be entitled to bid at such auction and purchase the property on account of the State Government.

(2) Where any property is purchased by the State Government under sub-section (1), then, notwithstanding anything in the Karnataka Land Revenue Act, 1964 or any other law, it shall be lawful for the State Government to dispose of such property in such manner as it deems fit.

(3) The purchase and disposal of the property under this section shall not be questioned in any court of law.]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

13D. Special Powers For Recovery Of Amounts Due To Government :-

1 [13D. Special powers for recovery of amounts due to Government

Notwithstanding anything contained in this Act and the rules made there under, where any tax payable under this Act by a dealer has been deferred under section 19-C and where such deferred tax has been converted into loan by the Department of Industries and Commerce, Government of Karnataka, and upon such amounts becoming due, the assessing authority or any other officer exercising powers under section 13 may recover such amounts from such dealer as if it were an amount due under this Act.]

1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

14. Recovery Of Tax Or Penalty Or Any Other Amount From Certain Other Persons :-

14. Recovery of tax¹[or penalty or any other amount] from certain

other persons

(1) The assessing authority may at any time or from time to time, by notice in writing (a copy of which shall be forwarded to the dealer at his last address known to the assessing authority) require any person from whom money is due or may become due to the dealer or any person who holds or may subsequently hold money for or on account of the dealer to pay to the assessing authority, either forthwith upon the money becoming due or being held at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the dealer in respect of arrears of tax or penalty or the whole of the money when it is equal to or less than that amount.

(2) The assessing authority may at any time or from time to time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the dealer and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount referred to in the receipt.

(4) Any person discharging any liability to the dealer after receipt of the notice referred to in this section shall be personally liable to the assessing authority to the extent of the liability discharged or to the extent of the liability of the dealer for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent objects to it on the ground that the sum demanded or any part thereof is not due by him to the dealer or that he does not hold any money for or on account of the dealer, then nothing contained in this section shall be deemed to require such person to pay the sum demanded or any part thereof, to the assessing authority.

(6) Any amount which a person is required to pay to the assessing authority or for which he is personally liable to the assessing authority under this section shall, if it remains unpaid, be a charge on the properties of the said person and may be recovered as if it were an arrear of land revenue.

2[Explanation I].--For the purposes of this section, the amount due to a dealer or money held for or on account of a dealer by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such dealer to such

person and as may be lawfully subsisting.

3[Explanation II.--Notwithstanding anything contained in this Act, for the purpose of this section, the expression "assessing authority" shall include¹[any officer empowered to levy tax or penalty under any of the provisions of this Act, or] any other officer exercising powers under clause (aa) of sub-section (3) of section 13.]

1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

2. Re-numbered by Act 14 of 1987 w.e.f. 1.4.1987.

3. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

14A. Issuance Of Clearance Certificates To Registered Dealers :-

¹ [14A. Issuance of Clearance Certificates to registereddealers

Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a registered dealer makes an application to the assessing authority of the area, the assessing authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the provisions of sub-section (1) of section 12-B is outstanding from such registered dealer, issue a clearance certificate in the prescribed form.]

1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.

15. Tax Payable On Transfer Of Business, Etc :-

¹ [15. Tax payable on transfer of business,etc.

² [(1) When the ownership of the business of a dealer is transferred, the transferor and the transferee shall jointly and severally be liable to pay any tax or penalty or any other amount remaining unpaid at the time of transfer or that may become payable in respect of such business after the date of transfer but relating to the years upto the date of transfer and for the purpose of recovery from the transferee, such transferee shall be deemed to be the dealer liable to pay the tax or penalty or other amount due under this Act.]

(2) When a firm liable to pay the tax, or penalty is dissolved, theassessment of the tax and imposition of penalty shall be made as if no dissolution of the firm had taken place, and every person who was at the time of dissolution a partner of the firm and the legal representative of any such person who is deceased, shall be jointly and severally liable to pay the tax or penalty assessed or imposed.

³ [(2A) Where any firm is liable to pay any tax or penalty or any other amount under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

(2B) Where a partner of a firm liable to pay any tax or penalty or any other amount under this Act retires, he shall, notwithstanding any contract to the contrary, be liable to pay any tax or penalty or any other amount remaining unpaid at the time of his retirement and any tax or penalty or any other amount due upto the date of retirement, though unassessed.]

(3) When an undivided Hindu family or Aliyasanthana family liable to pay the tax or penalty is partitioned, the assessment of the tax and the imposition of penalty shall be made as if no partition of the family had taken place, and every person who was a member of the family before the partition shall be jointly and severally liable to pay the tax or penalty assessed or imposed.]

1. Substituted by Act 5 of 1972 w.e.f. 1.10.1957

2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

3. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

16. Assessment Of Legal Representatives :-

Where a dealer dies, his executor, administrator or other legal representative shall be deemed to be the dealer for the purposes of this Act and the provisions of this Act shall apply to him in respect of the business of the said deceased dealer, provided that, in respect of 1[any tax, penalty or fee] assessed as payable by any such dealer or 1[any tax, penalty or fee] which would have been payable by him under this Act if he had not died, the executor, administrator or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.

1. Substituted by Act 17 of 1976 w.e.f. 1.10.1957.

17. Composition Of Tax [X X X] :-

1 [17. Composition of Tax 2 [x xx]

3 [(1) Subject to such conditions and in such circumstances as may be prescribed, the assessing authority may, if a dealer whose total turnover in a year is not exceeding 4 [rupees ten lakh] and who is liable to tax under sections 5 [5, 5-A, 6 and 6-B], so elects, accept in lieu of the amount of tax payable by him under this Act, during any year, by way of composition, an amount at the following rates, namely:--

TABLE

Sl. No.	Total Turnover	Rates
(i)	Where the total turnover does not exceed	One thousand five hundred

	Where the total turnover does not exceed three lakh rupees.	One thousand five hundred rupees.
(ii)	Where the total turnover exceeds three lakh rupees but does not exceed five lakh rupees.	One thousand five hundred rupees plus two per cent of the turnover exceeding three lakh lakh rupees.
(iii)	Where the total turnover exceeds five lakh rupees but does not exceed ten lakh rupees	Five thousand five hundred rupees plus three percent of the turnover exceeding five lakh rupees.]

Provided that this sub-section shall not apply to,-

- (i) dealers in liquor and/or beer;
- (ii) dealers operating hotels, restaurants or bars and restaurants;
- (iii) dealers purchasing goods in the course of inter-State trade or commerce against declarations in Form-C, or obtaining goods from sources outside the State against declarations in Form-F;
- (iv) dealers whose total turnover in the immediately proceeding year as declared in the return or determined in the assessment order was more than 7 [ten lakh rupees].

(2) (a) Any dealer eligible for composition of tax under sub-section (1) and who estimates his total turnover for a year to be not more than 7 [ten lakh rupees], may apply to the assessing authority to permit him to pay the amount under this section and on being so permitted, he shall pay the amount due in advance during the year in quarterly instalments and shall submit a return as specified in sub-section (1) of section 12.

(b) The amount paid under clause (a) shall be subject to such adjustment as may be prescribed on the completion of final assessment.

(3) Every dealer complying with the provisions of clause (a) of sub-section (2) shall be assessed on the basis of return submitted in accordance with sub-section (1) of section 12, and such dealer shall not be required to appear or produce the books of accounts before the assessing authority.]

7 [Explanation.---x x x]] [Explanation.---x x x]]

8 [(3A) x x x]

9 [(4) 10 [(i) Notwithstanding anything contained in sub-sections (1) to (3), but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a hotelier or a restaurateur (other than a hotelier or a restaurateur engaged in reselling of goods purchased by him in the course of inter-State trade or commerce or a dealer engaged in vending of liquor including beer 11 [a dealer running a sweet meat stall or ice cream parlour] 12 [or a dealer being a woman catering food and drinks]), whose total turnover in a year is not exceeding 13 [one hundred lakh rupees], so elects, accept in lieu of the amount of tax payable by him under this Act during any year, by way of composition, an amount at the rate of 13 [two per cent] of his total turnover.] [(4) 10 [(i) Notwithstanding anything contained in sub-sections (1) to (3), but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a hotelier or a restaurateur (other than a hotelier or a restaurateur engaged in reselling of goods purchased by him in the course of inter-State trade or commerce or a dealer engaged in vending of liquor including beer 11 [a dealer running a sweet meat stall or ice cream parlour] 12 [or a dealer being a woman catering food and drinks]), whose total turnover in a year is not exceeding 13 [one hundred lakh rupees], so elects, accept in lieu of the amount of tax payable by him under this Act during any year, by way of composition, an amount at the rate of 13 [two per cent] of his total turnover.]

(ii) Any hotelier or restaurateur 11 [or a dealer running a sweet stall or ice cream parlour] 12 [or a dealer being a woman catering food and drinks] may apply to the

assessing authority to be permitted to pay the amount under clause (i) and, on being so permitted, he shall pay the amount due in advance during the year in equal monthly instalments on or before the 14 [20th] of the month following each month and for that purpose shall submit such statements or returns in such manner as may be prescribed;

(iii) The amount paid under clause (ii) shall be subject to such adjustment as may be necessary on the completion of final assessment.]¹⁵ [(iv) x x x]

16 [(5) Notwithstanding anything contained in this Act, where a dealer has opted for payment of tax by way of composition in any year, the rate at which such tax is payable shall be the rate provided for such payment in this section at the commencement of the year.]

17 [(6)¹⁸ [(i) Notwithstanding anything contained in section 5-B, but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer liable to tax under section 5-B so elects, accept in lieu of the amount of tax payable by him during the year under this Act, by way of composition an amount on the total consideration for the works contracts executed by him in that year in the State in respect of Works contract specified in column (2) of the Sixth Schedule 10 [at the rate of four per cent.]] [(6)¹⁸ [(i) Notwithstanding anything contained in section 5-B, but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer liable to tax under section 5-B so elects, accept in lieu of the amount of tax payable by him during the year under this Act, by way of composition an amount on the total consideration for the works contracts executed by him in that year in the State in respect of Works contract specified in column (2) of the Sixth Schedule 10 [at the rate of four per cent.]]

(ii) Any dealer may apply to the assessing authority to be permitted to pay the amount under clause (i) and, on being so permitted he shall pay tax in advance as provided for under section 12-B and all the provisions of section 12-B mutatis mutandis shall apply to this sub-section.]

19 [(iii) the amount paid under clause (ii), shall be subject to such adjustment as may be necessary on completion of final assessment.] [(iii) the amount paid under clause (ii), shall be subject to such adjustment as may be necessary on completion of final assessment.]

20 [Explanation.--No tax shall be payable under this sub-section on the turnovers relating to amounts paid to sub-contractors as consideration for execution of works contract whether wholly or partly subject to production of proof that such sub-contractor is a registered dealer liable to tax under the Act and that the turnover of such amounts is included in the monthly statements or return of turnover, as the case may be, filed by such sub-contractor.][Explanation.--No tax shall be payable under this sub-section on the turnovers relating to amounts paid to sub-contractors as consideration for execution of works contract whether wholly or partly subject to production of proof that such sub-contractor is a registered dealer liable to tax under the Act and that the turnover of such amounts is included in the monthly statements or return of turnover, as the case may be, filed by such sub-contractor.]

11 [(7) Nothing contained in sub-section (6) shall apply to a dealer registered under the Central Sales tax Act, 1956 (Central Act 74 of 1956) and has furnished a declaration in Form "C" under the said Act in respect of goods purchased by him for the purposes of using such goods in the execution of works contract.]

21 [(8) Subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer carrying on the business in silk fabrics so elects, accept in lieu of the amount of tax payable by him, during any year, under this Act, by way of composition, an amount at the rate of half percent of his total turnover in respect of silk fabrics;]

22 [Explanation I.-- x x x [Explanation I.-- x x x
Explanation II.-- x x x]

12 [(9) (i) Notwithstanding anything contained in sub-sections (1) to (3), but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer being mechanized crushing unit

producing granite metals so elects, accept in lieu of the amount of tax payable by him under any other provisions of this Act, during any year, by way of composition, an amount at the following rates, namely:-

Sl. No.	Capacity	Rates
(i)	For each crushing machine of size 36" x9"	Rs. 1,00,000 per annum
(ii)	For each crushing machine of size 16" x 9"	Rs. 50, 000 per annum
(iii)	For each crushing machine of size 12" x 9"	Rs. 25, 000 per annum

1. Substituted by Act 32 of 1958 w.e.f. 1.4.1959.
2. Omitted by Act 9 of 1970 w.e.f. 1.4.1970.
3. Sub-sections (1), (2), (3) substituted by Act 7 of 1997 w.e.f. 1.4.1997.
4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.
5. Substituted by Act 18 of 1997 w.e.f. 1.4.1997.
6. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.
7. Omitted by Act 18 of 1994 w.e.f. 1.4.1994.
8. Inserted by Act 9 of 1986 w.e.f. 1.10.1978 & omitted by the same Act w.e.f. 31.3.1981.
9. Inserted by Act 7 of 1981 w.e.f. 4.4.1981.
10. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
11. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.
12. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.
13. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
14. Substituted by Act 9 of 1986 w.e.f. 1.4.1986.
15. Inserted by Act 27 of 1985 w.e.f. 7.9.1978 & omitted by the same Act w.e.f. 2.2.1983.
16. Inserted by Act 9 of 1986 w.e.f. 1.4.1986.
17. Inserted by Act 14 of 1987 w.e.f. 1.4.1988 by notification. Text of the notification is at page 431.
18. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
19. Inserted by Act 8 of 1990 w.e.f. 1.4.1990.
20. Inserted by Act 15 of 1991 w.e.f. 1.4.1991.
21. Inserted by Act 1 of 1996 w.e.f. 1.4.1995 & substituted by Act 3 of 1998 w.e.f. 1.4.1998.
22. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.

17A. Rounding Off Of Tax, Etc. :-

1 [17A. Rounding off of tax, etc.

The amount of tax (including tax payable in advance), penalty or any other amount payable and the amount of refund due, under this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.]

1. Inserted by Act 5 of 1972 w.e.f. 14.8.1972.

18. Collection Of Tax By Dealers :-

1 [18. Collection of tax by dealers

(1) (a) A person who is not a registered dealer liable to pay tax shall not collect any amount by way of tax or purporting to be by way of tax under this Act; nor shall a registered dealer collect any

amount by way of tax or purporting to be by way of tax at a rate or rates exceeding the rate or rates² [at which he is liable to pay tax under the provisions of this Act.] ³ [x x x]

(b) No person shall collect any amount by way of tax or purporting to be by way of tax in respect of sales of any goods on which no tax is payable by him under the provisions of this Act.

(2) Notwithstanding anything contained in sub-section (1), a dealer who has been permitted to pay any amount by way of composition ⁴ [under subsection (1) ⁵ [x x x] ⁶ [7 [x x x] or sub-section (8)] of section 17] or a dealer who is exempted from sales tax by virtue of recognition granted under the provisions of this Act, shall not collect any amount by way of tax or purporting to be by way of tax on the sales or purchases of goods made during the period to which such composition or recognition applies.

⁸ [(3) Notwithstanding anything contained in sub-sections (1) and (2), no dealer who is liable to pay turnover tax under section 6-B shall collect any amount by way of such turnover tax or purporting to be by way of such turnover tax payable by him.]

1. Substituted by Act 18 of 1978 w.e.f. 1.9.1978.

2. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

3. Inserted by Act 8 of 1984 w.e.f. 1.4.1984 & omitted by Act 9 of 1986 w.e.f. 1.4.1986.

4. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.

5. Omitted by Act 5 of 2000 w.e.f. 1.4.2000.

6. Inserted by Act 1 of 1996 w.e.f. 5.3.1996.

7. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

8. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

18A. Penalty For Collection In Contravention Of Section 18

:-

If any person contravenes any of the provisions of section 18, the assessing authority may, after giving such person reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one and a half times such amount:

¹ [Proviso x x x]

Provided further that no prosecution for an offence under section 29 shall be instituted in respect of the same facts on which a penalty has been imposed under this section.]

1. Omitted by Act 23 of 1983 w.e.f. 18.11.1983.

19. Certain Dealers To Collect And Pay Tax :-

¹ [19. Certain dealers to collect and pay tax

Notwithstanding anything contained in this Act, the Central

Government, a State Government, a statutory body or a local authority shall in respect of any sale of goods effected by them be entitled to collect by way of tax any amount which a registered dealer effecting such sale would have been entitled to collect by way of tax under this Act and shall pay the tax so collected into the Government Treasury.]

1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

19A. Deduction Of Tax At Source In Case Of Works Contract

:-

1 [19A. Deduction of tax at source 2 [in case of works contract]

(1) Notwithstanding anything contained in this Act, the Central Government, or any State Government, or an industrial, commercial or trading undertaking of the Central Government or of any State Government 3 [or any such undertaking in Joint Sector] 2 [or any other industrial, commercial or trading undertaking as may be notified by the Commissioner from time to time], or a local authority or a statutory body, shall deduct out of the amounts payable by them to a dealer in respect of works contracts of the nature specified in the Sixth Schedule executed for them, in the State, an amount calculated,--

(a) in the case of a dealer who is permitted to pay amount by way of composition under sub-section (6) of section 17, at the rate of four percent of the total amount payable to such dealer,

(b) in the case of a dealer other than the dealer referred to in clause (a), at the rates specified in the Sixth Schedule: Provided that,--

(i) no such deduction shall be made if the amount payable to a dealer by the authorities mentioned in sub-section (1), is less than one lakh rupees in a year; or

4 [(ii) subject to such conditions and in such circumstances as may be prescribed, the Commissioner may notify on application made by any dealer that no deduction shall be made in respect of such dealer;]

5 [(iii)] if any works contract for execution for the authorities mentioned in sub-section (1), involves only labour or service but does not involve transfer of property in goods and it is certified to be so by the assessing authority or by the assessing authority of the area on an application made by any dealer, the provisions of sub-section (1) shall not apply and every such application shall be disposed of by the assessing authority within one month from the date of receipt, either by issue of a certificate as aforesaid or by endorsement intimating ineligibility to such a certificate to the dealer, as the case may be;

5 [(iv)] in case of a dealer mentioned in clause (b), in respect of any other works contract which involves partly labour or service and partly transfer of property in goods, the total amount on which tax is calculable under sub-section (1), shall be the total amount payable to the dealer as reduced by twenty-five percent thereof as tentatively representing cost of labour or service.

(2) The authority making deduction under sub-section (1), shall send every month to the Prescribed Authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deductions were made and the amount so payable shall for the purposes of section 13 be deemed to be an amount due under this Act:

Provided that where default is made in complying with the provisions of this sub-section, the prescribed authority may, after such enquiry as it deems fit and after giving opportunity to the concerned authority of being heard, determine to the best of its judgment, the amount payable under this sub-section by such authority and the amount so determined shall be deemed to be an amount due under the Act for the purposes of section 13.

6 [(2A) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified under sub-section (2), the authority making deductions under sub-section (1) shall pay, by way of penalty, a sum equal to the penalty specified under clause (ii) of sub-section

(2) of section 13 during the period in which such default is continued.]

(3) The authority making deduction under sub-section (1) shall furnish to the dealer from whom such deduction is made, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(4) Payment by way of deduction in accordance with sub-section (2), shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the works contract.

(5) Where tax in respect of the works contract is remitted under sub-section (2), the tax payable by the dealer for any month, quarter or for the whole year, as the case may be in respect of such works contract shall be reduced by the amount of tax already remitted under the said sub-section:

Provided that the burden of proving that the tax on such works contract has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction.]

1. Inserted by Act 15 of 1988 w.e.f. 1.4.1988 & substituted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.

3. Inserted by Act 18 of 1997 w.e.f. 1.4.1997.

4. Inserted by Act 4 of 1999 w.e.f. 1.4.1999 & substituted by Act 5 of 2000 w.e.f. 1.4.2000.

5. Renumbered by Act 4 of 1999 w.e.f. 1.4.1999.

6. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

19B. Power Of Government To Notify Deferred Payment Of Tax, Etc., For Sick Industries And Riot Affected Industries :-

1 [19B. Power of Government to notify deferred payment of tax, etc., for sick industries 2 [and riot affected industries]

Notwithstanding anything contained in this Act or in the rules made thereunder, but subject to such conditions as may be specified, the State Government may, by notification issued prospectively or retrospectively, in respect of 3 [any industry which is declared by the State Government as riot affected industrial unit or any industry considered] as a sick unit under the Sick Industrial Companies (Special Provision) Act, 1985, grant permission to pay in instalments the whole or any part of the tax payable by such unit for any period or defer payment of such tax.]

1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

2. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

3. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

19C. Power Of Government To Notify Exemption Of Tax Or Deferred Payment Of Tax For New Industries :-

1 [19C. Power of Government to notify 2 [exemption of tax or] deferred payment of tax for new industries

(1) The Government may, in such circumstances and subject to such conditions as may be prescribed, by notification defer payment by any new industrial unit of the whole or any part of the tax payable in respect of any period 2 [or exempt the whole or any part of the tax payable by a new industrial unit in respect of any period.]

2 [Provided that notwithstanding anything contained in this Act or in the rules made there under but subject to such conditions as the State Government may, by general or special order specify, where a dealer to whom incentives by way of

deferment offered by the State Government in its orders issued from time to time has been granted by virtue of eligibility certificate and where liability equal to the amount of any such tax payable by such dealer has been created as loan by the Department of Industries and Commerce. Government of Karnataka, then such tax shall be deemed, in public interest, to have been paid.]

(2) Notwithstanding anything contained in this Act, the deferred payment of tax under sub-section (1) shall not attract penalty under clause (ii) of sub-section (2) of section 13, provided the conditions laid down for payment of the tax deferred are satisfied.]

3 [Explanation.--For the purpose of this section, New Industrial unit⁴ [shall not include a new industrial unit which uses trade mark or the brand name of any product of an existing industrial unit, but includes],--

(i) an industrial unit undertaking investment in expansion, diversification or modernisation;

(ii) an Oil Company marketing products manufactured in the State by another Oil Company, the latter being a new industrial unit.]

1. Inserted by 18 of 1994 w.e.f. 1.4.1994.

2. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

3. Inserted by Act 6 of 1995 w.e.f. 1.4.1994 & substituted by Act 7 of 1997 w.e.f. 1.4.1997.

4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

CHAPTER 6

APPEAL AND REVISION

20. Appeals :-

1 [20. Appeals

2 [(1) Any person objecting to an order affecting him passed under the provisions of this Act by any officer not above the rank of a Deputy Commissioner may appeal to the Joint Commissioner:]

3 [Provided that no such appeal shall lie against an order in respect of which an application under section 12-D has been made.]

(2) The appeal shall be preferred within thirty days,--

(i) in respect of an order of assessment, from the date on which the notice of assessment was served on the appellant, and

(ii) in respect of any other order, from the date on which the order was communicated to the appellant:

Provided that the appellate authority may admit an appeal preferred after the period of thirty days aforesaid, ⁴ [but within a further period of one hundred and eighty days] if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

5 [(3) (a) No appeal against an order of assessment shall be entertained by the appellate authority unless it is accompanied by satisfactory proof of the payment of the tax and penalty not disputed in the appeal.

(b) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount shall be paid in accordance

with the order against which the appeal has been preferred:

Provided that the appellate authority may, in its discretion, give such directions as it thinks fit in regard to the payment of tax or other amount payable under clause (b), if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed.]

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

5 [(5) In disposing of an appeal, the appellate authority may, after giving the appellant a reasonable opportunity of being heard,--

(a) in the case of an order of assessment or penalty,--

(i) confirm, reduce, 6 [x x x] or annul the assessment or penalty or both;

7 [(ia) enhance the assessment including any part thereof whether or not such part is objected to in the appeal;]

(ii) set-aside the assessment and direct the assessing authority to make a fresh assessment after such further enquiry as may be directed; or

(iii) pass such other orders as it may think fit; and

(b) in the case of any other order, confirm, cancel or vary such order.]

(6) Every order passed on appeal under this section shall be subject to the provisions of 8 [9 [sections 22 to 24] and section 25-A], be final.]

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

3. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

4. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

5. Substituted by Act 9 of 1970 w.e.f. 1.4.1970.

6. Omitted by Act 16 of 1989 w.e.f. 1.4.1989.

7. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.

8. Substituted by Act 15 of 1970 w.e.f. 1.4.1964.

9. Substituted by Act 18 of 1978 w.e.f. 1.9.1978.

21. Revisional Powers Of [X X X] Joint Commissioners :-

1 [21. Revisional powers of 2 [x x x] 3 [Joint Commissioners].

2 [(1) x x x]

(2) The 3 [Joint Commissioner] may of his own motion call for and examine the record of any order passed or proceeding recorded under the provisions of this Act by a 4 [any officer not above the rank of Deputy Commissioner] 5[x x x], for the purpose of

satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding 6 [in so far as it is prejudicial to the interests of the revenue] and pass such order with respect thereto as he thinks fit.

(3) In relation to an order of assessment passed under this Act, the power under sub-sections (1) and (2) shall be exercisable only within a period of four years from the date on which the order was passed.

(4) No order shall be passed under sub-section (1) or sub-section (2) enhancing any assessment, unless an opportunity has been given to the assessee to show cause against the proposed enhancement.]

7 [(5) The power under this section shall not be exercisable in respect of matters subjected to appeal under section 20.]

8 [(6) Every order passed in revision under this section shall subject to the provisions of sections 22 to 24 and 25-A, be final.

Explanation.--For the purposes of this section, record shall include all records relating to any proceedings under this Act available at the time of examination by 2 [x x x] the Joint Commissioner.]

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

2. Omitted by Act 4 of 1999 w.e.f. 1.4.1999.

3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

4. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

5. Omitted by Act 9 of 1986 w.e.f. 1.4.1986.

6. Inserted by Act 18 of 1978 w.e.f. 1.9.1978.

7. Inserted by Act 9 of 1986 w.e.f. 1.4.1986.

8. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

21A. Deferment Of Refund In Certain Cases :-

1 [21A. Deferment of refund in certain cases

Where any amount is refundable to any person by an order passed under sections 20, 21 or 22A, such refund shall not be made within the period stipulated for filing of an appeal against such order under section 22 or section 24 has expired.]

1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

22. Appeal To The Appellate Tribunal :-

1 [(1) Any officer empowered by the State Government in this behalf or any other person objecting to an order passed, 2 [under section 12-D or an order passed] by the 3 [Deputy Commissioner] or the 3 [Joint Commissioner] under 4 [5 [x x x] section 20 or section 21] may appeal to the Appellate Tribunal within a period of sixty days from the date on which the order was communicated to

him.]

(2) The Appellate Tribunal may admit an appeal preferred after the period of sixty days referred to in sub-section (1), 6 [but within a further period of one hundred and eighty days] if it is satisfied that the 1 [appellant] had sufficient cause for not preferring the appeal within that period.

7 [(2A) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, as the case may be, on receipt of notice that an appeal against the order of the 3 [Deputy Commissioner] or the 3 [Joint Commissioner] has been preferred under sub-section (1) by the other party, may, notwithstanding that he has not appealed against such order or any part thereof, file 8 [at any time before the appeal is finally heard], a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the 3 [Deputy Commissioner] or the 3 [Joint Commissioner], as the case may be, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1).]

(3) The appeal 7 [or the memorandum of cross-objections] shall be in the prescribed form, shall be verified in the prescribed manner, and 7 [in the case of an appeal preferred by any person other than an officer empowered by the State Government under sub-section (1)] shall be accompanied by a fee equal to two percent of the amount of assessment objected to, provided that the sum payable shall in no case be less than 9 [two hundred rupees or more than one thousand rupees]

10 [(3A) Notwithstanding that an appeal has been preferred under subsection (1), the payment of tax or penalty or any other amount, payable, in accordance with any order passed by the 3 [Deputy Commissioner] or the 11 [Joint Commissioner] under section 20 shall not, pending disposal of the appeal be stayed by the Appellate Tribunal.]

(4) The Appellate Tribunal shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such orders thereon as it thinks fit:

Provided that if the appeal involves a question of law on which the Appellate Tribunal has previously given its decision in another appeal and either a revision petition in the High Court against such decision or an appeal in the Supreme Court against the order of the High Court thereon is pending, the Appellate Tribunal may defer the hearing of the appeal before it till such revision petition in the

High Court or the appeal in the Supreme Court is disposed of.

10 [Provided further that if as a result of the appeal any change becomes necessary in the assessment, which is the subject matter of the appeal, the Appellate Tribunal may authorise the Assessing authority to amend the assessment, and the assessing authority shall amend the assessment accordingly and thereupon, any amount overpaid by the assessee shall be refunded to him without interest, or any additional amount of tax due from him shall be collected in accordance with the provisions of the Act, as the case may be.]

(5) Notwithstanding that an appeal has been preferred under subsection(1), tax shall be paid in accordance with the assessment made in the case:

Provided that the Appellate Tribunal may, 10 [except in case of an appeal against an order passed by the 3 [Deputy Commissioner] or 3 [Joint Commissioner] under section 20] in its discretion, give such directions as it thinks fit, in regard to the payment of tax, if the appellant furnishes sufficient security to its satisfaction in such form and manner as may be prescribed:

11 [Proviso x x x]

(6) (a) The Appellate Tribunal may, on the application 1 [either of the appellant or of the respondent] review any order passed by it under sub-section (4) on the basis of facts which were not before it when it passed the order:

Provided that no such application shall be preferred more than once in respect of the same order.

(b) The application for review shall be preferred in the prescribedmanner within six months from the date on which the order to which the application relates was communicated to the applicant; and where the application is preferred by 1 [any person other than an officer empowered by the State Government under sub-section (1),] it shall be accompanied by a fee equal to that which had been paid in respect of the appeal:

Provided that if the application for review is preferred within ninety days from the date on which the order to which the application relates is communicated to the applicant, the application shall be accompanied by half the fee which had been paid in respect of the appeal.

12 [(6A) With a view to rectifying any mistake apparent from the record, the Appellate Tribunal may, at any time, within five years from the date of any order passed by it under sub-section (4) or sub-section (6),amend such order:

Provided that no order under this sub-section shall be made without giving both parties affected by the order a reasonable opportunity of being heard.]

(7) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have powers to award costs to either of the parties to the appeal or review.

(8) Every order passed by the Appellate Tribunal under 14 [sub-section (4) or sub-section (6) or sub-section (6-A)] shall be communicated to 1 [the appellant, the respondent, the authority on whose order the appeal was preferred, the 11 [Joint Commissioner] concerned if he is not such authority, and the Commissioner.]

(9) Every order passed by the Appellate Tribunal under sub-section (4) shall 13 [subject to the provisions of sub-section (6), sub-section (6A)] and section 23, be final and every order passed by it under sub-section (6) shall, 13 [subject to the provisions of sub-section (6A) and section 23] be final.

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

2. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

4. Substituted by Act 3 of 1966 w.e.f. 1.3.1966.

5. Omitted by Act 9 of 1970 w.e.f. 1.4.1970.

6. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

7. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.

8. Substituted by Act 15 of 1991 w.e.f. 1.4.1991.

9. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

10. Inserted by Act 15 of 1998 w.e.f. 1.4.1988.

11. Omitted by Act 15 of 1988 w.e.f. 1.4.1988.

12. Inserted by Act 15 of 1970 w.e.f. 1.10.1957.

13. Substituted by Act 15 of 1970 w.e.f. 1.10.1957.

22A. Revisional Powers Of Additional Commissioner And Commissioner :-

1 [22A. Revisional powers of 2 [Additional Commissioner] and Commissioner

(1) The 2 [Additional Commissioner] may on his own motion call for and examine the record of any proceeding under 3 [section 20 or section 21 of] this Act and if he considers that any order passed therein by any officer who is not above the rank of a 2 [Joint Commissioner], is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment or directing a fresh assessment.

(2) The Commissioner may on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by

any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment or directing a fresh assessment.

(3) The 2 [Additional Commissioner] or the Commissioner shall not 4 [exercise any power] under sub-section (1) or sub-section (2), as the case may be, if,--

(a) the time for appeal against the order has not expired;

5 [(b) the matter has been subject to an appeal under section 22 or a revision in the High Court; or]

(c) more than four years have expired after the passing of the ordersought to be revised.

(4) Notwithstanding anything contained in sub-section (3), the 2 [Additional Commissioner] or the Commissioner, may pass an order under subsection

(1) or (2), as the case may be, on any point which has not been raisedand decided in an appeal or revision referred to in clause (b) of sub-section (3), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section whichever is later.]

6 [(5) Every order passed in revision under sub-section (1) shall, subject to the provisions of sub-section (2) of this section, sections 23, 24 and 25A, be final.

(6) Every order passed in revision under sub-section (2) shall, subjectto the provisions of sections 23, 24 and 25-A, be final.]

7 [Explanation I.--If the order passed or proceedings recorded by the appropriate authority referred to in sub-sections (1) or (2), involves an issue on which the High Court has given its decision adverse to the revenue in some other proceedings and an appeal to the Supreme Court against such decision of the High Court is pending, the period spent between the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period referred to in clause (c) of sub-section (3).

Explanation II.--In computing the period of limitation for the purpose of sub-section (3), any period during which any proceeding under this section is stayed by an order of injunction of any court shall be excluded.]

6 [Explanation III.--For the purposes of this section, record shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner or the Commissioner.]

1. Inserted by Act 9 of 1964 w.e.f. 1.4.1964 & substituted by Act 4 of 1992 w.e.f. 1.4.1992.

2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

3. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

4. Substituted by Act 5 of 1993 w.e.f. 1.4.1992.

5. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

6. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

7. Inserted by Act 5 of 1993 w.e.f. 9.11.1992.

22B. Limitation In Regard To Passing Of Orders In Respect Of Certain Proceedings :-

1 [22B. Limitation in regard to passing of orders in respect of certain proceedings

(1) Notwithstanding anything contained in sections 12-A, 21 and 22-A, where any proceedings are initiated under section 12A or any records have been called for under sections 21 or 22-A, the authorities concerned shall pass orders referred to in the said sections, within a period of 1 [four years] from the date of initiation of such proceedings or calling for the records, as the case may be:

Provided that in respect of proceedings initiated or records called for before the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 1997,

orders shall be passed within a period of 2 [four years] from such commencement.
(2) In computing the period specified in sub-section (1), the period during which a proceeding has been deferred on account of any stay granted by any court or any other authority shall be excluded.]

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Substituted by Act 5 of 2000 w.e.f. 1.4.1997.

23. Revision By High Court In Certain Cases :-

(1) Within 1 [one hundred and twenty days] from the date on which an order² [under subsection (4) or sub-section (6) or sub-section (6A)] of section 22 was communicated to him, 3 [the appellant or the respondent] may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law:

Provided that the High Court may admit a petition preferred after the, period of 1 [one hundred and twenty days] aforesaid if it is satisfied that the petitioner had sufficient cause for not preferring the petition within that period.

(2) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, when it is preferred by 3 [any person other than an officer empowered by the State Government under sub-section (1) of section 22], be accompanied by a fee of one hundred rupees.

(3) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily:

Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(4) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter to the Appellate Tribunal under clause (a) with its opinion on questions of law raised, the latter shall amend the order passed by it in conformity with such opinion.

(5) Before passing an order under sub-section (4) the High Court may, if it considers necessary so to do remit the petition to the

Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under subsection(1), the tax shall be paid in accordance with the assessment made in the case:

Provided that if as a result of the petition, any change becomes necessary in such assessment, the High Court may authorise the assessing authority to amend the assessment and the assessing authority shall amend the assessment accordingly and thereupon the amount overpaid by the assessee shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(7) (a) The High Court may, on the application of 3 [either party to the petition], review any order passed by it under subsection (4) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within such time and insuch manner as may be prescribed, and shall, where it is preferred by 3[any person other than an officer empowered by the State Government under sub-section (1) of section 22], be accompanied by a fee of one hundred rupees.

4 [(7A) With a view to rectifying any mistake apparent from the record, the High Court may, at any time, within five years from the date of the order passed by it under sub-section (4) amend such order:

Provided that no order under this sub-section shall be made without giving both parties affected by the order a reasonable opportunity of being heard.]

(8) In respect of every petition preferred under sub-section (1) or (7),the costs shall be in the discretion of the High Court.

1. Substituted by Act 5 of 2000 w.e.f. 1.4.1997.

2. Substituted by Act 15 of 1970 w.e.f. 1.10.1957.

3. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

4. Inserted by Act 15 of 1970 w.e.f. 1.10.1957.

24. Appeal To High Court :-

(1) Any assessee objecting to1[an order passed by the Commissioner2[or the3[Additional Commissioner]]4[x x x] under section 22A] may appeal to the High Court within sixty days from the date on which the order was communicated to him:

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid, if it is satisfied that the assessee had sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in the prescribed form, shall be verified in the prescribed manner, and shall be accompanied by a fee of 5 [five hundred rupees].

(3) The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such order thereon as it thinks fit.

(4) The provisions of sub-sections (6) to (8) of section 23, shall apply in relation to appeals preferred under sub-section (1) as they apply in relation to petitions preferred under sub-section (1) of section 23.

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

2. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.

3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

4. Omitted by Act 9 of 1970 w.e.f. 1.4.1970.

5. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

24A. Objections To Jurisdiction :-

1 [24A. Objections to Jurisdiction

No objection as to the territorial or pecuniary jurisdiction of any assessing authority shall be entertained or allowed by any Court, Tribunal or Authority in an appeal or revision, unless such objection was taken before the assessing authority at the earliest possible opportunity.]

1. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.

CHAPTER 7

MISCELLANEOUS

25. Petitions, Applications And Appeals To High Court To Be Heard By A Bench Of Not Less Than Two Judges :-

Every Petition, application or appeal preferred to the High Court under section 23 or 24 shall be heard by a bench of not less than two Judges, and in respect of such petition, application or appeal, the provisions of section 98 of the Code of Civil Procedure, 1908 (Central Act V of 1908), shall, so far as may be, apply.

25A. Rectification Of Mistakes :-

1 [25A. Rectification of mistakes

(1) With a view to rectifying any mistake apparent from the record, the assessing authority, appellate authority or revising authority, may, at any time, within five

years from the date of an order passed by it, amend such order:

Provided that an amendment which has the effect of enhancing an assessment or otherwise increasing the liability of the assessee shall not be made unless the assessing authority, appellate authority or revising authority, as the case may be, has given notice to the assessee of its intention to do so and has allowed the assessee a reasonable opportunity of being heard.

(2) Where an order has been considered and decided in any proceedings by way of appeal or revision relating to an order referred to in sub-section (1), the authority passing such order may, notwithstanding anything contained in any law for the time being in force, amend the order under that sub-section in relation to any matter other than the matter which has been so considered and decided.

(3) An order passed under sub-section (1), shall be deemed to be an order passed under the same provision of law under which the original order, the mistake in which was rectified, has been passed.]

1. Inserted by Act 15 of 1970 w.e.f. 1.10.1957.

25B. Levy Of Tax On Sugarcane :-

1 [25B. Levy of tax on Sugarcane

(1) Notwithstanding anything contained in section 5 there shall be levied and collected a tax on the last purchase of sugarcane in the State at the rate of,--

(i) rupees sixty five per tonne, when purchased by a manufacturer of sugar (including khandasari sugar) whose rate of recovery of sugar exceeds 10.5 percent;

(ii) rupees fifty per tonne, when purchased by a manufacturer of sugar (including khandasari sugar) whose rate of recovery of sugar does not exceed 10.5 percent.

(2) In addition to the tax payable under sub-section (1) there shall be levied and collected each year by way of cess for the purpose of improvement of roads in sugarcane growing areas reserved for any factory, a tax at the rate of rupees ten per tonne on the purchase of sugarcane by manufacturers of sugar (including khandasari sugar).

(3) Every person liable to pay tax under sub-section (1) and cess under sub-section (2) shall furnish such return or returns in such manner and within such period as may be prescribed.

(4) Every purchaser shall pay in advance every month the tax payable under sub-section (1) and cess payable under sub-section (2) on the quantity of sugarcane purchased by him during the preceding month.

(5) The provisions of this Act relating to assessment, payment, recovery, appeal and revision, and refund and exemption shall mutatis mutandis apply in respect of tax and cess payable under this section.]

1. Inserted by Act 1 of 1996 w.e.f. 13.10.1995.

26. Accounts To Be Maintained By Dealers :-

(1) 1 [Every person registered or licensed under this Act and every dealer or other person liable to get himself registered under this Act shall keep and maintain true and correct accounts and such other records as may be prescribed] in Kannada or English or Hindi or Marathi or in such other language as the State Government may by notification specify, 1 [relating to his business, showing such particulars as may be prescribed, and such particulars may be different for different classes of persons or dealers;] and in case the accounts maintained in the ordinary course, do not show the same

in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf:

2 [Proviso x x x]

(2) The Commissioner may, subject to such conditions or restrictions as may be prescribed in this behalf, by notice in writing direct any dealer or by notifications direct any class of dealers to maintain accounts and records showing the details regarding their purchases, sales or deliveries of goods in such form and in such manner as may be specified by him.

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

2. Omitted by Act 7 of 1966 w.e.f. 1.4.1966.

26A. Audit Of Account :-

1 [26A. Audit of account

Every dealer whose total turnover in a year exceeds fifty lakh rupees shall get his accounts audited by a Chartered Accountant 2 [or a Sales Tax Practitioner subject to the prescribed limits] and shall submit to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner.]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

2. Inserted by Act 18 of 1999 w.e.f. 1.9.1999 by notification. Text of notification is at page 431.

27. Certain Dealers To Issue 1[And Obtain] Bill Or Cash Memorandum :-

27. Certain dealers to issue 1[and obtain] Bill or Cash Memorandum

(1) Every dealer whose turnover exceeds 2[fifty thousand rupees] in any year shall, in respect of all goods sold by him, issue a bill or a cash memorandum to the purchaser, signed and dated by him or his servant, manager, or agent showing such particulars as may be prescribed and shall keep the counterfoil or duplicate of such bill or cash memorandum duly signed and dated and preserve it for a period of not less than five years from such date.

3[Provided that, unless the purchaser so requires, it shall not be necessary for a dealer to issue a bill or cash memorandum in respect of a transaction whose total value does not exceed 4[one hundred rupees] in each case but the dealer shall, in respect of all such transactions, prepare at the close of each day, a consolidated bill or cash memorandum and include them in his books of accounts and statements or returns in accordance with the provisions of this Act.]

1[(1A) Every dealer who purchases goods from another dealer shall obtain a bill or cash memorandum in respect of a transaction whose total value exceeds 4[one hundred rupees] in each case.]

(2) Any person who contravenes the provisions of sub-section (1)¹[or sub-section (1A)] shall, on conviction, be punishable with a fine equal to double the amount of the bill or the cash memorandum in respect of which such contravention has occurred⁵[or⁴[one thousand rupees] whichever is more.]

1. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

2. Substituted by Act 8 of 1984 w.e.f. 1.4.1984.

3. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

4. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

5. Substituted by Act 7 of 1981 w.e.f. 4.4.1981.

28. Powers To Order Production Of Accounts And Powers Of Entry, Inspection And Seizure :-

(1) Any officer empowered by the State Government ¹ [or the Commissioner] in this behalf, may for the purpose of this Act, require any dealer carrying on business in any kind of goods ² [or a miller, whether he is a dealer or not] to produce before him the accounts and other documents, and to furnish any information relating to the stocks of goods of, or purchases, sales and deliveries of goods by, the dealer and also any other information relating to his business.

³ [(2) (i) All accounts and registers maintained by dealers in the ordinary course of their business and documents relating to the stock of goods of, or purchases, sales and deliveries of goods by any dealer, ¹ [computer hardware and software used for data inputting, processing and storage, of all such information] the goods in their possession and their offices, shops, godowns, vessels, receptacles or vehicles, shall be open to inspection at all reasonable times by ⁴ [the officer empowered under sub-section (1)].

(ii) For the purpose of inspection referred to in clause (i), any such officer shall have power to enter and search any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place where such officer has reason to believe that the dealer keeps, or is for the time being keeping, any accounts, registers or documents of his business:

Provided that no residential accommodation (not being a place of business-cum-residence) shall be entered into and searched by such officer except on the authority of a search warrant issued by a Magistrate having jurisdiction over the area, and all searches under this sub-section shall, so far as may be, be made in accordance

with the provisions of 5 [the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).]

6 [(iii) The power conferred by sub-clause (ii) shall also include,--

(a) the power to seal any box or receptacle, godown or building or any part of the godown or building in which accounts or taxable goods are suspected to be kept or stored, where the owner or the person in charge of the business or any other person in occupation either leaves the premises or is not available or fails or refuses to open any box or receptacle, godown or building or any part of the godown or building when called upon to do so.

(b) the power to break open the receptacle, godown or building or part of the godown or building where the owner or the person in charge of the business or the person in occupation leaves the premises or, after an opportunity having been given to him to do so, fails to open the receptacle, godown or building or part of the godown or building. The officer acting under this sub-clause shall prepare a list of the goods and documents found therein.]

6 [(2A) No person shall tamper with any seal put under clause (iii) of subsection (2).]

(3) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax, fee or other amount due from him under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, records ¹ [computer hardware and software] or other documents of the dealer as he may consider necessary, and shall give the dealer a receipt for the same. The accounts, registers, records ¹ [computer hardware and software] and documents, so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

7 [Provided that accounts, registers, records ¹ [computer hardware and software] and other documents so seized shall not be retained by such officer for a period exceeding one hundred eighty days from the date of seizure, unless the reasons for retaining the same beyond the said period are recorded by him, in writing and the approval of the next higher authority is obtained and such approval in any case shall not be for more than sixty days at a time.]]

8 [(3-A). (i) If any such officer empowered to enter into such office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, has reason to believe that such dealer or miller is attempting to evade payment of any tax either on his own or in collusion with owner of the goods, he may direct the dealer or miller or the person-in-charge of such

office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, to produce the details regarding the ownership of the goods so stocked and that after verification of the said information if he is of the opinion that further verification is necessary with respect to the accuracy of the particulars furnished in the documents produced, he may verify the particulars himself or, if it is necessary, cause it to be verified by referring the matter to any other officer and if such verification is not likely to be completed within a reasonable time, he may direct in writing the dealer or miller or the person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, not to deliver such goods until permitted to do so by him or such other officer to whom the matter is referred for verification.

9 [Provided that the officer shall order for detention of such quantity of goods as in his opinion would be equivalent to three times the amount of tax leviable on such goods.]

(ii) The verification under clause (i) shall be completed within a period of one month from the date of direction issued under clause (i). Where such verification is not completed within the aforesaid period, the officer who has issued such direction, or the officer to whom the matter is referred for verification, as the case may be, shall obtain the permission in writing of the next higher authority to extend such period for completion of the verification, however such extension shall not be permitted for a period exceeding fifteen days at a time.

(iii) Where such officer or other officer to whom the matter is referred under clause (i), upon such verification is of the opinion that the particulars furnished are incorrect, he may proceed against such goods in the custody of the dealer or miller in accordance with clause (iv).

(iv) If the empowered officer or the officer to whom the matter is referred under clause (i), upon such verification is of the opinion that the particulars furnished at the time of verification are incorrect and incomplete for which sufficient cause is not furnished, he may levy a penalty, which,--

(a) shall not be less than one half of the amount of tax leviable and not exceeding the amount equivalent to the amount of tax leviable in respect of the goods stocked, if a dealer registered under the Act accepts that he is the owner of the goods.

(b) in case other than those falling under sub clause (a), shall not be less than double the amount of tax leviable and not exceeding

three times the amount of tax leviable in respect of the goods stocked:

Provided that before levying penalty under this clause, the officer shall give the dealer or miller or person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, a reasonable opportunity of being heard.

(v) Where the penalty levied under clause (iv) is not paid, the dealer or miller or person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, shall jointly and severally be liable to pay such penalty and such amount of penalty shall for the purposes of section 13 be deemed to be an amount due under the Act.

(vi) Any person aggrieved by the levy of penalty under clause (iv) may, appeal within thirty days from the date on which the notice of penalty was served on the person 9 [to the appellate Joint Commissioner]:

10 [(a), (b) x x x]

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate authority of the area in which he is registered.

(vii) Such appeal shall be dealt with as if it were an appeal filed under section 20 and all the provisions of the said section shall mutatis mutandis apply to such appeal;]

11 [(4) x x x]

12 [(5) It shall be open to the State Government to authorise different classes of officers for the purpose of taking action under 13 [sub-section (1) or sub-section (2).]]

14 [(6) Where such officer, upon examining the accounts registers, records, or other documents seized under sub-section (3), has reason to believe that in respect of any year, the dealer has,-

(i) either failed to declare the whole or part of the turnovers recorded in such accounts, registers, records or other documents in the return or the statements submitted in Form-3; or

(ii) failed to account for any turnover in the accounts, registers, records or other documents maintained in the regular course of his business, where the return or the statement in Form-3 is not submitted; or

(iii) claimed exemption on the turnovers liable to tax in the return or the statements submitted in Form-3; or

(iv) admitted to pay a lower rate of tax than that applicable under

this Act on the turnovers declared in the return or the statements submitted in Form-3, he may, notwithstanding anything contained in section 12, 12-A or 12-B and without prejudice to the imposition of such tax or penalty or both in the assessment or re-assessment, as the case may be, that may be completed by the assessing authority for that year under the said sections, provisionally assess such turnovers to tax recording reasons for such assessment:

Provided that before taking action under this sub-section, the officer shall obtain permission in writing of the 15 [Joint Commissioner] or the Commissioner:

Provided further that before taking action under this sub-section, the dealer shall be given a reasonable opportunity of showing cause against such assessment:

Provided also that no provisional assessment under this section for any year shall be made if assessment or re-assessment for that year cannot be made under any of the provisions of this Act.

(7) Such officer shall send a copy of the provisional assessment order to the assessing authority concerned along with such documents as may be necessary, whereupon the assessing authority shall complete the assessment or re-assessment, as the case may be, and impose tax or penalty or both for the year to which such provisional assessment relates on the basis of such materials as are before him.

(8) The tax payable under sub-section (6) for any year shall be subject to such adjustments as may be necessary on the completion of final assessment by the assessing authority under section 12 or re-assessment under section 12-A for that year.

(9) The provisions of this Act and the rules made thereunder relating to assessment, payment and recovery of tax and appeal, shall mutatis mutandis apply in respect of the tax assessed provisionally under this section.]

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

3. Sub-section (2) and (3) 13. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

5. Substituted by Act 18 of 1978 w.e.f. 1.9.1978.

6. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

7. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.

8. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.

9. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

10. Omitted by Act 4 of 1999 w.e.f. 1.4.1999.

11. Omitted by Act 16 of 1967 w.e.f. 1.1.1968.
12. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.
13. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.
14. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
15. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

28A. Establishment Of Checkpost Or Barrier And Inspection Of Goods While In Transit :-

1 [28A. Establishment of checkpost or barrier and inspection of goods while in transit

(1) If the State Government ² [or the Commissioner] consider it necessary that with a view to prevent or check evasion of tax under this Act in any place or places in the State, it is necessary so to do, they may, by notification, direct the establishment of a check post or the erection of a barrier, or both, at such place or places as may be notified.

³ [(2) The owner or person in charge of a goods vehicle or boat shall,-

(a) carry with him a goods vehicle record, a trip sheet or a log book, as the case may be; and

(b) carry with him a bill of sale or a delivery note obtained from the prescribed authority or such other documents containing such particulars as may be prescribed, in respect of the goods other than those mentioned in sub-clause (c) carried in the goods vehicle or boat; and

(c) carry with him in addition to a bill of sale, a delivery note obtained from such authority containing such particulars as may be prescribed, if the goods carried in the goods vehicle or boat are arecanut, cardamom, cashew, coconut, coffee, copra, ⁴ [cotton,] edible oil including vanaspathi, iron and steel, liquor, oil seeds, pepper, ⁴ [rectified spirit,] rubber, timber or or such other goods as may be notified by the Commissioner; and

(d) produce the documents referred to in sub-clauses (b) and (c) before any officer-in-charge of check post or barrier or any other officer as may be empowered by the State Government in this behalf and obtain seal of such officer affixed thereon, and in respect of a bill of sale, shall give one copy thereof and in respect of a delivery note, shall give a copy marked as original, to such officer and carry and retain with him the other copy until termination of movement of the goods; and

(e) on entering the State limits, report at the first suitable check post or barrier and on leaving the State limits report at the last suitable check post or barrier and shall give a declaration containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle or boat, before any officer in charge of the check-post or barrier or any other officer as may be empowered by the State Government in this behalf.]

(3) At every checkpost or barrier, or at any other place when so required by any officer empowered by the State Government in this behalf, the driver or any other person-in-charge of a goods vehicle or boat shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may be required by the officer-in-charge of the check post or barrier or the officer empowered as aforesaid, to examine the contents in the vehicle or boat and inspect all records relating to the goods carried, which are in the possession of such driver or other person-in-charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle or boat.

⁵ [Provided that where any goods vehicle is intercepted by the officer empowered at any place other than a checkpost or barrier, such officer may, if he deems it necessary, direct the owner or person in charge of the goods vehicle to take it to the nearest checkpost or police station and such owner or person-in-charge of goods vehicle shall comply with such direction.]

⁶ [Explanation.--For purposes of sub-sections (2) and (3), the officer-in-charge of

checkpoint or barrier shall be an officer not below the rank of an 7 [Commercial Tax Officer] and not higher in rank than an 8 [Joint Commissioner of Commercial Taxes], 9 [and any other officer not below the rank of a Commercial Tax Inspector as may be empowered by the Commissioner.]]

10 [(3A) Where goods are delivered to a carrier or other bailee for transmission, the movement of the goods shall be deemed to commence at the time of such delivery and terminate at the time when delivery is taken from such carrier or bailee. Where before delivery is taken from him a carrier or bailee to whom goods are delivered for transmission, keeps the said goods in any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place, any officer empowered 11 [to exercise the powers under sub-section (3)] shall have power to enter into and search such office, shop, godown, vessel, receptacle, vehicle or other place of business or building or place, and to examine the goods and inspect all records relating to such goods. The carrier or bailee or the person-in-charge of the goods and records shall give all facilities for such examination or inspection and shall, if so required, produce the bill of sale or delivery note or other documents referred to in sub-section (2) and give a declaration containing such particulars as may be prescribed regarding the goods and give his name and address and the name and address of the carrier or the bailee and the consignee.]

12 [(3AA)(i) If any officer empowered to enter into and search any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place where a carrier or bailee keeps the goods delivered to him for transmission, has reason to suspect that such carrier or bailee has colluded with the owner of the goods in evading payment of any tax, he may for reasons to be recorded in writing, seize accounts, registers, records or other documents of the bailee or carrier as he may consider necessary and shall give a receipt for the same. The accounts, registers, records and other documents so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

Provided that all searches and seizures under sub-section (3-A) or (3AA) shall, so far as may be, made in accordance with the provisions of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974):

Provided further that accounts, registers, records and other documents so seized shall not be retained by such officer for a period exceeding one hundred eighty days from the date of seizure, unless the reasons for retaining the same beyond the said period are recorded by him in writing and the approval of the next higher authority is obtained and such approval in any case shall not be for more than sixty days at a time.

(ii) Where such officer, upon examining the accounts registers, records or other documents seized under clause (i) has reason to believe that any dealer has attempted to evade payment of any tax, he may assess such dealer to tax provisionally in accordance with sub-sections (6), (7), (8) and

(9) of section 28 wherever they apply.] 13 [(3B) Where the officer-in-charge of the checkpoint, or barrier, or the officer empowered as aforesaid on interception of the goods vehicle or inspection of any godown, is of the opinion that further verification is necessary with respect to either accuracy of the particulars furnished in the documents accompanying the goods under transport or in transit, or as to the sufficiency and the cause adduced in respect of any contravention of sub-section (2), he may verify the particulars himself or if it is necessary cause it to be verified by referring the matter to any other officer and if such verification is not likely to be completed within a reasonable time, he may direct in writing the carrier or the person-in-charge of the goods vehicle or the godown not to deliver the goods until permitted to do so by him or such other officer to whom the matter is referred for verification and allow the intercepted vehicle, if any, to pass through. (3C) The verification under sub-section (3B) shall be completed within a period of fifteen days from the date of the direction issued under that sub-section and where such verification cannot be completed within the aforesaid period the officer who has issued such direction, or, as the case may be, the officer to whom the matter is

referred for verification shall obtain the permission in writing of the next higher authority to extend such period for completion of the verification, so however such extension shall not be permitted for a period exceeding fifteen days at a time. (3D) Where such officer or other officer to whom the matter is referred, upon such verification is of the opinion that there is a noncompliance with sub-section (2), punishable under sub-section (4), he may, proceed against such goods in the custody of the carrier, or the person-in-charge of vehicle or the godown in accordance with subsections (4), 14 [x x x] and (6) of this section.]

15 [(3E) Where the officer-in-charge of the checkpost or any empowered officer has issued a notice for contravention of any of the provisions of this section, further proceedings in pursuance to such notice may, subject to such conditions and in such manner as may be prescribed, be continued by any other officer empowered by the Commissioner in this behalf, from the stage at which it is pending.]

3 [(4) The officer-in-charge of a checkpost or a barrier or any other officer not below the rank of a Commercial Tax Inspector and not higher in rank than a Deputy Commissioner of Commercial Taxes in respect of any contravention of, or non-compliance with the provisions of sub-section (2) or (3) or (3A) or (3B), for which sufficient cause is not furnished, levy a penalty which,-

(a) shall not be less than 16 [one fourth of the amount of tax leviable and not exceeding one half of the amount] of tax leviable in respect of the goods under transport, if a dealer registered under the Act accepts that he is the consignor or consignee of the goods, as the case may be,

(b) in cases other than these falling under clause (a) shall not be less than double the amount of tax leviable and not exceeding three times the amount of tax leviable in respect of the goods under transport.

Provided that,--

(i) Where the amount of penalty leviable is more than the value of the goods, the amount of penalty leviable shall be restricted to such value;

(ii) no penalty shall be leviable on the goods under transport liable to single point tax under the Act, if the owner or person-in-charge of the goods vehicle or boat produces proof at the time of interception of the goods vehicle or boat that such goods had already been subjected to tax under this Act;

(iii) in respect of contravention of sub-section (3-B), where the penalty levied is not paid, the carrier or bailee or person-in-charge of the goods vehicle shall jointly and severally be liable to pay such penalty and such amount of penalty shall for the purpose of section 13 be deemed to be an amount due under the Act;

(iv) before levying any penalty under this sub-section, the officer shall give the person-in-charge of the goods vehicle or boat or carrier, or bailee, or a dealer registered under the Act, as the case may be, a reasonable opportunity of being heard.

Explanation.--Where the destination of the goods to be delivered in the State is not less than one hundred kilometers, from the checkpost or barrier or any other place at which the goods vehicle or boat is intercepted, reasonable opportunity of being heard shall be a period of not less than ten days.]

14 [(5) x x x]

3 [(6) (a) Where the penalty levied is not paid, the officer levying the penalty shall have power to take possession of so much of the goods as in his opinion would be sufficient to meet the amount of penalty levied and retain the same with him until the penalty levied is paid or for ten days, whichever is earlier: Provided that where it is not practicable to take possession of only so much of the goods as would be sufficient to meet the amount of penalty levied for the reason that the goods vehicle is a tanker carrying goods in liquid or gaseous form or that the goods is a single unit not separable into any part or parts thereof, the officer levying the penalty shall have power to take possession of the goods vehicle or the entire goods, as the case may be, and retain the same with him until the penalty levied is paid or for ten days, whichever is earlier.

(b) After the expiry of the period of ten days, if the penalty is not paid the officer shall dispose of the goods in public auction and adjust the sale proceeds towards penalty. If the sale proceeds are more than the penalty, the excess amount shall,

after deducting the charges incurred by the State, be refunded in the manner prescribed:

Provided that before taking possession or within ten days after taking possession of the goods or the goods vehicle, as the case may be, if the owner or person in-charge of the goods vehicle or the dealer registered under the Act, furnishes for the amount of penalty a Bank guarantee having validity until realisation of the penalty or disposal of an appeal, if any, made under section 20, the officer taking such possession shall forthwith return the goods or the goods vehicle to the person furnishing such bank guarantee:

Provided further that in the case of perishable goods, the officer may dispose of the same before the expiry of the period of ten days, if in his opinion such disposal is necessary.]]

1 [(6A) x x x]

2 [(7) 3 [(a) The person aggrieved by the levy of penalty under this section may, appeal within thirty days from the date on which the order of penalty was served on the person, to the appellate Joint Commissioner of the area:

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate Joint Commissioner of the area in which he is registered.]

(b) Such appeal shall be dealt with as if it were an appeal filed under section 20 and all the provisions of the said section shall mutatis mutandis apply to such appeal.]]

1. Inserted by Act 28 of 1961 w.e.f. 7.12.1961.

2. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

3. Substituted by Act 15 of 1996 w.e.f. 5.9.1996.

4. Inserted by Act 18 of 1997 w.e.f. 20.9.1997.

5. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

6. Explanation and Sub-sections (4) to (7) Inserted by Act 27 of 1969 w.e.f. 2.10.1969.

7. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

8. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

9. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

10. Inserted by Act 18 of 1978 w.e.f. 1.9.1978.

11. Substituted by Act 9 of 1986 w.e.f. 1.9.1978.

12. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

13. Inserted by Act 15 of 1991 w.e.f. 1.4.1991.

14. Omitted by Act 15 of 1996 w.e.f. 5.9.1996.

15. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

16. Substituted by Act 5 of 2000 w.e.f. 1.4.2000

28AA. Transit Of Goods By Road Through The State And Issue Of Transit Pass :-

1 [28AA. Transit of goods by road through the State and issue of transit pass

2 [(1) Where a vehicle is carrying goods taxable under this Act,-

(a) from any place outside the State and bound for any place outside the State and passes through this State; or

(b) and which goods are imported into the State from any place outside the country and such goods are being carried to any place outside the State, the driver or any other person-in-charge of such vehicle shall furnish the necessary information and obtain a transit pass in duplicate containing such particulars as may be prescribed from the officer-in-charge of the first checkpost or barrier after his entry into the State or after movement has commenced from the State as the case may be, or from the officer empowered for the purposes of sub-section (3) or section 28-A, upon interception of the goods vehicle after its entry into the State or after movement has commenced as the case may be].

(2) The driver or the person-in-charge of the vehicle shall deliver within the stipulated time a copy of the transit pass obtained under sub-section

(1) to the officer-in-charge at the last check post or barrier before his exit from the

State.

(3) If for any reason, the goods carried in a goods vehicle are, after entry into the State 3 [or after commencement of movement, as the case may be], not moved out of the State within the time stipulated in the transit pass, the owner of the goods vehicle shall furnish to the officer empowered in this behalf the reasons for such delay and other particulars, if any, thereof and such officer shall after due enquiry extend the time of exist by suitably amending the transit pass:

Provided that where the goods carried by a vehicle are, after their entry into the State 3 [or after commencement of movement, as the case may be], transported outside the State by any other vehicle or conveyance, the onus of proving that the goods have actually moved out of the State shall be on the owner of the vehicle who originally brought the goods into the State.

(4) If the driver or any other person-in-charge of the vehicle does not comply with sub-section (2), it shall be presumed that the goods carried thereby have been sold within the State by the owner of the vehicle and shall, notwithstanding anything contained in sub-section (5) of section 5, be assessed to tax by the officer empowered in this behalf in the prescribed manner.

(5) If the owner of the vehicle 4 [having obtained the transit pass as provided under sub-section (1)] fails to deliver the same as provided under sub-section (2), he shall be liable to pay by way of penalty a sum not exceeding double the amount of tax leviable on the goods transported.

(6) The amount of tax and the penalty levied under this section shall berecovered in the prescribed manner.

5 [(7) Where the owner of the vehicle who is assessed to tax under subsection (4), is carrying after such assessment, any goods taxable under this Act in a goods vehicle from any place outside the State 3 [or movement from within the State, as the case may be] and bound for any other place outside the State and is passing through the State, the prescribed authority may demand from such owner an amount equivalent to two times the tax leviable on such goods under this Act as security.

(8) The prescribed authority after being satisfied that the goods carried in the goods vehicle in respect of which the security amount under subsection (7) was collected, has passed through the State, shall refund such security amount to the owner.

(9) The prescribed authority may by an order adjust the whole or any part of security amount towards any amount of tax or penalty payable under this section by such owner.]

Explanation.--In case where a vehicle owned by a person is hired for transportation of goods by some other person, the hirer of the vehicle shall for the purposes of this section, be deemed to be the owner of the vehicle.]

1. Inserted by Act 14 of 1987 w.e.f. 1.4.1988.

2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

3. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

4. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

5. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

28AAA. Power To Purchase In Case Of Under Valuation Of Goods To Evade Tax :-

1 [28AAA. Power to purchase in case of under valuation of goods to evade tax

(1) Where in respect of goods liable to tax under this Act, carried in a goods vehicle or boat or held in stock by any dealer or on his behalf by any other person, or held in custody of any transporter, the assessing authority or any officer empowered under sections 28 or 28-A, has reason to believe that the value shown in the document accompanying the goods in transit or the purchase invoice, is lower than the prevailing market price or fair market value or MRP by a difference of thirty percent or more, such authority or officers, for reasons to be recorded in writing, may purchase such goods.

(2) The power under sub-section (1) shall not be exercisable unless the person or dealer being dispossessed of such goods, is afforded reasonable opportunity of being heard.

(3) The price payable for purchase of such goods shall be the total price as mentioned in the Invoice, Challan, Delivery Note, Stock Transfer Memo, or any other related document plus the cost of transportation of the goods incurred up to the time of purchase, if any.

(4) In determining whether or not the price shown in the Invoice, Challan, Delivery Note, Stock Transfers Memo, or any other related document involves under valuation, in the case of owner of the goods other than an owner carrying on business in packaged goods, the authority exercising the power under sub-section (1) shall apply the prevailing market price or fair market value and in the case of an owner carrying on business in packaged goods, shall apply the Maximum Retail Price.

(5) Any person objecting to an order affecting him under this section by,--

2 [(i) x x x]

3 [(ii) any officer not below the rank of Deputy Commissioner may appeal to the Joint Commissioner;]

(iii) a Joint Commissioner of Commercial Taxes, may appeal to the Appellate Tribunal.

(6) Such appeal shall be dealt with as if it were an appeal filed under section 20 or section 22, as the case may be, and all the provisions of that section shall mutatis mutandis apply to such appeal.

(7) The authority or officer purchasing goods in exercise of the powers of sub-section (1) subject to provisions of sub-section (6), shall dispose of the goods in public auction within thirty days from the date of such purchase and for value not less than the price paid to the owner of the goods. The sale proceeds so realised should forthwith be paid into the Government Treasury.

Explanation.--For the purpose of this section,--

(i) Prevailing market price shall mean the published wholesale price in force in the market at about the time proceedings are taken to purchase such goods.

(ii) Fair market value shall mean the price at which the goods are generally bought or sold in the market by dealers in such goods at about the time proceedings are taken to purchase such goods.

(iii) MRP or Maximum Retail Price shall mean the price marked on the package in which the goods are contained.

(iv) Published shall mean published in any newspaper, journal or periodical or notified by a market committee or any such authority.]

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Omitted by Act 4 of 1999 w.e.f. 1.4.1999.

3. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

28B. Forwarding Agency, Etc., To Declare And Submit Returns

1 [28B. Forwarding Agency, Etc., To Declare And Submit returns :-

(1) Every clearing or forwarding house or agency, transporting agency, shipping agency, shipping out-agency or steamer agency in the State shall,-

(a) declare all places of its business in the State including offices, shops and godowns to the prescribed authority and shall obtain a certificate containing such particulars as may be prescribed;

(b) submit to the assessing authority of the area such return as maybe prescribed of all goods cleared, forwarded, transported or shipped by it.

(2) The assessing authority concerned shall have the power to call for and examine the books of account or other documents in the possession of such agency with a view to verify the correctness of the return submitted;]

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

28C. Submission Of Certain Records, By Owners, Etc., Of Goods Vehicles And Boats :-

1 [28C. Submission of certain records, by owners, etc., of goods vehicles and boats The owner or other person-in-charge of a goods vehicle or boat shall in respect of the goods under transport submit to the 2 [Assistant Commissioner of Commercial Taxes] having jurisdiction over the area in which the goods are delivered, the documents referred to in sub-section (2) of section 28-A, or copies thereof within such time as may be prescribed.]

1. Inserted by Act 27 of 1969 w.e.f. 2.10.1969.

2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

29. Offences And Penalties :-

1 [29. Offences and penalties

(1) Any person who,--

(a) fails to submit a return as required by the provisions of this Act, or the rules made thereunder; or

(b) fails to submit a statement as required by sub-section (1) of section 12-B; or

(c) fails to pay within the time allowed any tax assessed on him or any penalty levied on him under this Act; or

(d) dishonestly objects to or fails to comply with the terms of a notice issued to him under sub-section (1) of section 14; or

(e) fails to keep true and complete accounts; or

(f) being a dealer or a miller, whether he is a dealer or not, fails to comply with a notice issued under sub-section (1) of section 28, shall on conviction be 2 [liable in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both and in other cases liable to fine] which shall not be less than five hundred rupees but which may extend to five thousand rupees.

(2) Any person who,--

(a) being a person obliged to register himself under section 10 does not get himself registered; or

(b) carries on business as a dealer without furnishing the security demanded under sub-section (4) of section 10-A; or

(c) wilfully submits an untrue return, or not being already an assessee under this Act, fails to submit a return as required by the provisions of this Act or the rules made thereunder; or

(d) wilfully submits an untrue statement under sub-section (1) of

section 12-B; or

(e) fraudulently evades the payment of any tax or other amount payable by him under this Act; or

(f) collects any amount by way of tax or purporting to be by way of tax in contravention of sub-section (1) or sub-section (2) of section 18; or

(g) collects any amount by way of turnover tax or purporting to be by way of turnover tax in contravention of sub-section (3) of section 18; or

(h) fails to deduct the tax as required under section 19-A or after so deducting fails to deposit such tax as required under sub-section (2) of that section, or having deducted, fails to issue the certificate referred to in sub-section (3) of section 19-A; or

(i) fails to deduct the tax as required under section 19-AA or after so deducting fails to deposit such tax as required under sub-section (2) of that section, or having deducted, fails to issue the certificate referred to in sub-section (3) of section 19-AA; or

(j) prevents or obstructs inspection, entry, search or seizure by an officer empowered under this Act: or

(k) tampers with any seal put under clause (iii) of sub-section (2) of section 28; or

(l) prevents or obstructs inspection of any vehicle or boat or goods transported otherwise or seizure of goods by an officer-in-charge of a check post or barrier or any officer empowered under this Act; or

(m) wilfully acts in contravention of any of the provisions of this Act or the rules made thereunder

shall, on conviction, in addition to the recovery of any tax or other amount that may be due from him, be punishable with simple imprisonment which may extend to twelve months or with a fine which shall not be less than five thousand rupees but which may extend to twenty-five thousand rupees or with both and when the offence is a continuing one, with a daily fine not exceeding two hundred rupees during the period of continuance of the offence.]

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

30. Cognizance Of Offences :-

(1) No Court shall take cognizance of any offence punishable under sub-section (2) of section 29 except with the previous sanction of the¹[Joint Commissioner] and no Court inferior to that of a Magistrate of the First Class shall try any such offence.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Central Act 2 of 1974), all offences punishable under sub-section (2) of section 29 shall be cognizable and bailable.

1. Substituted by Act 20 of 1998 w.e.f. 28.5.1998.

2. Substituted by Act 15 of 1991 w.e.f. 1.4.1991.

31. Summary Disposal Of Certain Cases :-

1 [30A. Summary disposal of certain cases

(1) A Court taking cognizance of an offence under sub-section (1) of section 29 shall state upon the summons to be served on the accused person that he may, by a specified date prior to the hearing of the charge plead guilty to the charge by registered letter and remit to the Court 2 [such sum which shall not be less than 3 [five hundred rupees but which may extend to five thousand rupees]] as the Court may specify.

(2) Where an accused person pleads guilty and remits the sum specified under sub-section (1), the Court may proceed to hear and dispose of the case in the absence of the accused, whether or not the prosecutor is also absent in like manner as if both parties had appeared and the accused had pleaded guilty.]

1. Inserted by Act 31 of 1969 w.e.f. 20.11.1969.

2. Substituted by Act 7 of 1981 w.e.f. 4.4.1981.

3. Substituted by Act 18 of 1997 w.e.f. 20.9.1997.

31A. Offences By Companies :-

1 [31A. Offences by Companies

(1) If the person committing an offence under this Act is a company, the company as well as every person-in-charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, managing agent or any other officer of the company, such director, manager, managing agent or such other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.--For the purposes of this section,-

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director" in relation to a firm means a partner in the firm.]

1. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.

32. Assessment, Etc., Not To Be Questioned In Prosecution :-

The validity of the assessment of any tax or of the levy of any fee or other amount, made under this Act, or the liability of any person to pay any tax, fee or other amount so assessed or levied shall not be questioned in any Criminal Court in any prosecution or other proceeding whether under this Act or otherwise.

33. Bar Of Certain Proceedings :-

(1) No suit, prosecution or other proceeding shall lie against any officer or servant of the State Government, for any act done or purporting to be done under this Act without the previous sanction of the State Government.

(2) No officer or servant of the State Government shall be liable in respect of any such act in any civil or criminal proceeding if the act was done in good faith in the course of the execution of duties or the discharge of the functions imposed by or under the Act.

34. Limitation For Certain Suits And Prosecutions :-

No suit shall be instituted against the State Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the State Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

35. Courts Not To Set Aside Or Modify Assessments Except As Provided In This Act :-

No suit or other proceeding shall except as expressly provided in this Act, be instituted in any Court to set aside or modify any assessment made under this Act.

36. Appearance Before Any Authority In Proceedings :-

Any person who is entitled to appear before any authority other than the High Court in connection with any proceeding under this Act, may be represented before such authority--

(a) by his relative or a person regularly employed by him if such

relative or person is duly authorised by him in writing in this behalf;

(b) by a legal practitioner; or

1[(c) subject to such conditions as may be prescribed, by an Accountant or by a person enrolled in the prescribed manner as a Sales Tax Practitioner by the Commissioner, and duly authorised by the person whom he represents.]

1. Substituted by Act 3 of 1966 w.e.f. 1.3.1966.

36A. Power To Summon Persons To Give Evidence :-

1 [36A. Power to summon persons to give evidence

The officers empowered by rules made in this behalf shall have all the powers conferred on a Court by the Code of Civil Procedure, 1908 (Central Act V of 1908), for the purpose of securing attendance of persons or the production of documents in any enquiry under this Act.]

1. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

37. Disclosure Of Information Respecting Assessee :-

1 [37. Disclosure of information respecting assessee

(1)(a) The Commissioner may furnish or cause to be furnished to,--

(i) any officer, authority or body performing any functions under any law relating to the imposition of any tax, duty, cess or fee; or

(ii) such officer, authority or body performing any functions under any other law as the State Government, if in its opinion it is necessary so to do in the public interest, specify by notification in this behalf;

any such information relating to any assessee in respect of any assessment made under this Act as may, in the opinion of the Commissioner be necessary for the purpose of enabling the officer, authority or body to perform his or its functions under that law.

(b) Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any Court of law.

(2) Notwithstanding anything contained in sub-section (1) or, any other law for the time being in force, the State Government may, having regard to the practices and usages customary or any other relevant factors, by order notified in the Official Gazette, direct that no information or document shall be furnished or produced by a

public servant in respect of such matters relating to such classes of assesseees or except to such authorities as may be specified in the order.]

2 [(3) If the State Government is of the opinion that it is necessary or expedient in the public interest to publish names of any assesseees 3 [along with his photograph] or any other particulars relating to any proceeding under this Act in respect of such assesseees, it may cause to be published such names 3 [along with their photograph] and particulars in such manner as it thinks fit.

(4) No publication under this section shall be made relating to any penalty imposed or any conviction for any offence connected with any proceedings under this Act, until the time for presenting an appeal to the Appellate Authority has expired without any appeal having been presented or the appeal, if presented, has been disposed of.]

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

2. Inserted by Act 17 of 1976 w.e.f. 1.4.1976.

3. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

38. Power To Make Rules :-

(1) The State Government may, subject to the condition of previous publication, make rules, by notification, to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for.--

(a) all matters expressly required or allowed by this Act to be prescribed;

1 [(a-1) estimation of turnovers for purposes of registration on the basis of inventory of goods found at the time of inspection or during survey;]

(b) the assessment to tax under this Act of business which are discontinued or the ownership of which has changed;

2 [(b1) the procedure for assessment of Central and State Government Departments, 3 [Statutory Bodies and Local Authorities];]

(c) the assessment to tax under this Act of business owned by minors and other incapacitated persons or by persons residing outside the 4[State of Karnataka];

(d) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of 5 [the Court of Wards, the Administrator-General, the Official Trustee or]

any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court;

5 [(d-1) the administration of the checkpoints set up and the barriers erected under this Act and the regulation of work therein; (d-2) the disposal of goods confiscated under this Act and the proceeds thereof;]

(e) the assessment to tax under this Act of any turnover which has escaped assessment; 6 [x x x]

7 [(f) x x x]

(g) compelling the submission of returns and the production of documents and enforcing the attendance of persons and examining them on oath or affirmation;

8 [(g-1) specifying the classes of dealers who need not furnish returns under section 12;]

(h) securing that returns furnished or accounts or documents produced or evidence of any kind given under this Act before any assessing authority or an appeal or revision from any decision of such authority are kept confidential;

9 [(h-1) the procedure to be followed and the powers exercisable in proceedings for recovery under clause (aa) of sub-section (3) of section 13;]

(i) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(j) the term of office and the conditions of service of the members of the Appellate Tribunal;

10 [(j-1) the fees payable for the grant of duplicate certificates of registration or licences or copies of such certificates and licences or of any other document;]

5 [(j-2) the maintenance of purchase bills or accounts of purchases and sales by dealers and the time for which they should be preserved;

(j-3) the issue of delivery notes or way bills in respect of goods delivered or transferred to retail dealers in pursuance of sales effected to them, the form and manner of their issue and the time for which they should be preserved;

(j-4) the extent of liability of commission agent, broker, del credere agent, auctioneer or any other mercantile agent, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;]

11 [(j-5) the qualifications and disqualifications of Sales Tax Practitioners, the procedure for their enrolment, the fees payable

for enrolment and the fees payable for annual renewal of such enrolment;]

(k) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act;

(l) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Government may provide that a person guilty of a breach thereof shall, on conviction by a Magistrate of the first class, be punishable with fine which may extend to 12 [five thousand rupees] and where the breach is a continuing one, with further fine which may extend to 12 [one hundred rupees] for every day after the first during which the breach continues.

5 [(4) Any rule under this Act may be made to have effect retrospectively and when any such rule is made, a statement specifying the reasons for making such a rule shall be laid before both Houses of the State Legislature along with the rule under section 39. All rules made under this Act, shall, subject to any modification made under section 39, have effect as if enacted in this Act.]

1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

2. Inserted by Act 23 of 1983 w.e.f. 1.4.1976.

3. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

4. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973.

5. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.

6. Omitted by Act 31 of 1958 w.e.f. 1.1.1959.

7. Omitted by Act 15 of 1970 w.e.f. 1.10.1957.

8. Inserted by Act 32 of 1958 w.e.f. 1.1.1959.

9. Inserted by Act 5 of 1972 w.e.f. 14.8.1972.

10. Inserted by Act 31 of 1958 w.e.f. 1.1.1959.

11. Inserted by Act 3 of 1966 w.e.f. 1.3.1966.

12. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

39. Laying Of Rules And Notifications Before The State Legislature :-

1 [39. Laying of rules and notifications before the State Legislature
Every rule made under this Act and every notification issued under section 8A shall be laid as soon as may be after it is published

before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.]

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

40. Repeal And Savings :-

(1) The Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Madras Tobacco (Taxation on Sales and Registration) Act, 1953 (Madras Act IV of 1953), the Madras Medium Cotton Mill Cloth (Sales-tax) Act, 1954 (Madras Act XLI of 1954) and section 21-A of the Madras Prohibition Act, 1937 (Madras Act X of 1937), as in force in the 1 [Mangalore and Kollegal] area, the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), as in force in the Mysore Area, the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950), as in force in the 1 [Gulbarga Area,] the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953) and the Bombay Sales of Intoxicants Taxation Act, 1953 (Bombay Act No. XLVII of 1953) as in force in the 1 [Belgaum area,] the Coorg Sales of Tyres Taxation Act, 1953 (Coorg Act VIII of 1953) and the Coorg Tobacco (Taxation of Sales and Registration) Act, 1953 (Coorg Act IX of 1953), are hereby repealed:--

Provided that such repeal shall not effect--

(a) the previous operation of the said enactments or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said enactments; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said enactments; or

(d) any investigation, legal proceeding (including assessment proceeding) or remedy in respect of any such right, privilege, obligation, liability, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture

or punishment may be imposed as if this Act had not been passed.

2 [(1A) Notwithstanding anything contained in sub-section (1), nothing contained in any of the repealed enactments or the rules made thereunder limiting the time within which any action may be taken or any order, assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, direction or order made under any provision of the relevant repealed enactment or any judgment, decree or order made by the Supreme Court, the High Court or any other Court whether before or after the commencement of this Act.]

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the preceding proviso, to the said sub-section (1), the State Government may, by notification, make such provision as appears to it to be necessary or expedient.--

(a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments;

(b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or any rules, notifications, or orders issued thereunder as may be mentioned in the said Notification.

3 [(3) Notwithstanding anything contained in sub-section (1), during the period between the first day of November, 1956, and the date of commencement of this Act, where in respect of any goods,--

(i) a single point sale or purchase tax was leviable under more than one of the repealed enactments; or

(ii) a single point sale or purchase tax was leviable under any repealed enactment and also a multi-point sale or purchase tax was leviable under any other repealed enactment, and the State Government is of opinion that in order to avoid hardship it is necessary so to do, it may, by notification, and subject to such restrictions and conditions as may be specified in such notification, make an exemption or reduction in rate, of any tax payable under any of the repealed enactments on the sale or purchase at specified point or points in the series of sales by successive dealers of any specified class of goods: Provided that any amount collected by way of tax at one or more points in the series of sales shall be payable to the State Government by the dealer making the collection as if it were a tax payable by such dealer under the relevant repealed enactment.]

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973.
2. Inserted by Act 26 of 1962 w.e.f. 1.10.1957.
3. Inserted by Act 32 of 1958 w.e.f. 1.1.1959.

41. Power To Remove Difficulties :-

(1) If any difficulty arises in giving effect to the provisions of this Act in consequence of the transition to the said provisions from the provisions of the Acts in force immediately before the commencement of this Act, the State Government may, by notification in the Official Gazette, make such provisions as appear to it to be necessary or expedient for removing the difficulty.

(2) If any difficulty arises in giving effect to the provisions of this Act (otherwise than in relation to the transition from the provisions of the Acts in force before the commencement of this Act), the State Government may, by notification, make such provisions, not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

42. Provisions Relating To Appellate Tribunal :-

(1) All appeals and proceedings transferred to, or instituted before the Mysore Board of Revenue, consequent on that specification of that authority by notification in the Official Gazette under section 122 of the States Reorganization Act, 1956, as the authority competent to exercise the functions of the Appellate Tribunal and Tribunal, respectively, under the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950), and the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953), and pending before the said Board of Revenue shall stand transferred to the Appellate Tribunal constituted under this Act and the aforesaid notification in so far as it relates to such specifications of the Mysore Board of Revenue shall stand repealed.

(2) Notwithstanding anything contained in any law, any appeal or other proceeding to be preferred to any Appellate Tribunal or Tribunal under any enactment referred to in sub-section (1) shall be preferred to the Appellate Tribunal constituted under this Act.

(3) Notwithstanding anything contained in the enactments referred to in sub-section (1), the provisions of sections 22, 23 and 25 of this Act shall be applicable to all appeals and other proceedings

transferred to or preferred to the Appellate Tribunal.

43. Assessments To Tax Or Taxes In Certain Cases :-

1 [(1)] Notwithstanding anything contained in 2 [section 40] or in any enactment repealed by that section, any person assessed or assessable to tax or taxes under any of the said enactments during the assessment year prior to the commencement of this Act, shall be liable to tax or taxes on his total turnover or turnovers during the period of the assessment year ending on the date of commencement of this Act, at the rate or rates specified in the said enactments whatever his total turnover or turnovers for the whole of the assessment year may be.

3 [(2)] Notwithstanding anything contained in this Act any person assessable to tax or taxes under this Act during the period commencing on the date of the commencement of this Act and ending on the date of commencement of the next assessment year in respect of such person, shall be liable to tax or taxes on his total turnover or turnovers during the said period at the rate or rates specified in this Act, whatever the total turnover or turnovers of such person for the whole of the assessment year may be.]

4 [(3)] Notwithstanding anything contained in this Act, where in respect of the sale or purchase of any goods, the rate of tax (hereinafter referred to as the original rate) is revised, or no tax is payable, from any date during any year, the turnover of a dealer or other person during the period upto that date in that year shall be liable to tax at the original rate, and his turnover during the period from that date till the end of that year shall be liable to tax at the revised rate, or shall not be liable to tax, as the case may be.]

5 [(4)] Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1966, is more than seven thousand and five hundred rupees but is less than ten thousand rupees shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the first April, 1966 and shall not be liable to pay monthly instalments for the remaining months thereafter;

(b) in the case of any other dealer, the turnover, during the period from the commencement of the year upto the first April, 1966, shall be liable to tax and also licence fee, if any, and his

turnover during the remaining period from the first April, 1966, shall not be liable to tax and licence fee.]

6 [(5) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the first day of April, 1970, is more than ten thousand rupees but is less than twenty-five thousand rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the first April, 1970 and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the first day of April, 1970, shall be liable to tax and licence fee, if any, and his turnover during the remaining period from the first April, 1970, shall not be liable to tax.]

7 [(6) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1981 is more than twenty-five thousand rupees but is less than thirty-five thousand rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1981, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1981, shall be liable to tax and his turnover during the remaining period from the First day of April, 1981, shall not be liable to tax.]

8 [(7) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1982 is less than thirty-five thousand rupees but is more than twenty-five thousand rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall not be liable to pay monthly instalments for the months immediately prior to the First day of April, 1982, and shall pay the amount due in monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period

from the commencement of the year upto the First day of April, 1982, shall not be liable to tax and his turnover during the remaining period from the First day of April, 1982, shall be liable to tax.]

9 [(8) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1983, is more than twenty-five thousand rupees but is less than forty thousand rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1983, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1983, shall be liable to tax and his turnover during the remaining period from the First day of April, 1983, shall not be liable to tax.]

10 [(8-A) Notwithstanding anything contained in this Act, the provisions of section 17(4) as amended by the Karnataka Sales Tax (Second Amendment) Act, 1983, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act, but the provision of the said subsection as they stood prior to such commencement shall apply to such composition.]

11 [(9) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1984, is more than forty thousand rupees but is less than one lakh rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1984, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1984, shall be liable to tax and his turnover during the remaining period from the First day of April, 1984, shall not be liable to tax.]

12 [(9-A) Notwithstanding anything contained in this Act, the provisions of section 17(4) as amended by the Karnataka Sales Tax

(Amendment) Act, 1984, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act but the provisions of the said sub-section as they stood prior to such commencement shall apply to such composition.

(10) Notwithstanding anything contained in this Act, the provisions of section 17(1) as amended by the Karnataka Sales Tax (Amendment) Act, 1985, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act but the provisions of the said sub-section as they stood prior to such commencement shall apply to such composition.]

13 [(11) (i) Notwithstanding anything contained in this Act, a dealer whose assessment year 14 [commences] on a date after the 1st day of April, 14[1988] shall complete his accounts and close them on the 31st day of March, 14 [1989] and submit his returns as if his assessment year ended on the 31st day of March, 14 [1989].

(ii) Where the turnover for the period specified in clause (i) (hereinafter referred to in this sub-section as returned turnover) is not less than the turnover specified under sub-section (5) of section 5 or section 6B, as amended by the Karnataka Sales Tax (Amendment) 14[Act, 1987 (Karnataka Act 14 of 1987)], it shall be assessed to tax in accordance with the provisions of this Act. Where the returned turnover is less than the turnover specified under the said sections, then, notwithstanding anything contained in this Act, such returned turnover shall be assessed to tax under this Act, if the turnover of the dealer for the year immediately preceding the assessment year referred to in clause (i) was not less than the turnovers specified under the said sections.

(iii) (a) Notwithstanding anything contained in this Act, in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due for the period ending 31st day of March, 14 [1989] at the rates permitted in form 8-A and his assessment shall be completed as specified in clause (b).

(b) Where the assessing authority is satisfied that the returned turnover is correct and complete or where the returned turnover appears to the assessing authority to be incorrect and incomplete, after determining the turnover to the best of his judgment, recording reasons for such determination, the assessing authority shall determine the total turnover for the purpose of ascertaining the rate of tax by applying the following formula:--

Total turnover = _____returned/determined turnover x 12
(months)_____

Number of months for which the turnover returned or determined relates

After arriving at the total turnover as above,--

(i) the dealer shall not be assessed to tax, if his total turnover is less than the turnover specified in sub-section (5) of section 5 of this Act; or

(ii) the dealer shall be assessed to tax on his returned turnover or, as the case may be the determined turnover at such rates applicable under section 17 of this Act depending upon the total turnover arrived at above, if the said total turnover is not less than the turnover specified in sub-section (5) of section 5.

Explanation.--For the purpose of this clause any period equal to or in excess of 15 days shall be reckoned as one month and any such period less than 15 days shall be ignored.]

15 [(12) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year ending on the 31st day of March, 1992, is one lakh rupees or more but is less than two lakh rupees, shall be regulated as follows, namely:--

(a) in the case of a dealer permitted to pay any amount by way of composition under sub-section (1) or (4) of section 17, such dealer shall pay the amount due in monthly instalments for the months prior to the first day of October, 1991, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in case of any other dealer, the turnover during the period prior to the first day of October, 1991, shall be liable to tax and his turnover thereafter shall not be liable to tax.]

1. Re-numbered by Act 12 of 1961 w.e.f. 1.10.1957.

2. Substituted by Act 31 of 1958 w.e.f. 1.1.1959.

3. Inserted by Act 12 of 1961 w.e.f. 1.10.1957.

4. Inserted by Act 30 of 1962 w.e.f. 1.10.1957.

5. Inserted by Act 16 of 1967 w.e.f. 1.1.1968.

6. Inserted by Act 9 of 1970 w.e.f. 1.4.1970.

7. Inserted by Act 13 of 1982 w.e.f. 29.3.1981.

8. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

9. Inserted by Act 10 of 1983 w.e.f. 1.4.1983.

10. Inserted by Act 27 of 1985 w.e.f. 18.11.1983.

11. Inserted by Act 8 of 1984 w.e.f. 1.4.1984.

12. Inserted by Act 27 of 1985 w.e.f. 1.4.1984.

13. Inserted by Act 14 of 1987 w.e.f. 1.4.1987.

14. Substituted by Act 15 of 1988 w.e.f. 1.4.1987.

15. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

SCHEDULE 1

FIRST SCHEDULE

[x x x]

1. Omitted by Act 31 of 1958 w.e.f. 1.1.1959.

SCHEDULE 2

SECOND SCHEDULE

Goods on the sale of which a single point tax is leviable on the first or earliest of successive dealers in the State under section 5(3)(a)

Sl. No.	Description of goods	Rate of Tax
1	2	3
1. Adhesives of all kinds including gum, glue 2 [adhesive solution, gum pastelapping compound, liquid M-seal,epoxy, shellac, vulcanising solutionand adhesive tapes, self adhesivetapes, gum tapes, gummed tapes] and resin.		3 [Twelve percent]
2. Aeroplanes, helicopters, jet planes, gliders and all other types of flying machines (other than balloons) and parts and accessories thereof.		3 [Twelve percent]
4 [3. Agarbathi		5 [Four percent]]
6 [3-A.Agricultural implements (other than those specified in Fifth Schedule), that is to say,- Cultivators, disc-ploughs and mould board ploughs, land-levellers, cage wheels, disc harrows, sub-soilers, ridgers, shovels 7 [Seed Sowing equip ments, Blade Harrow, Rotavator, combined Harvester, Post-hole Digger,Rotary Ditcher] and parts thereof		Four percent]
8 [4. Air coolers, air conditioners, air conditioning plants, cold storageplants and equipments and parts and accessories thereof.		9 [Fifteen percent]]
5. Aluminium, that is to say,--		
(i) Aluminium semis (ingots, slabs,blocks and billets of all qualities, shapes and sizes.)		9 [Ten percent]
(ii) Aluminium sheets, circles, hoop, strips and rolls.		9 [Ten percent]
(iii) Aluminium bars (rods, rounds, squares, flats, octagons andhexagons, in coil form as well as straight lengths.)		9 [Ten percent]
(iv) Aluminium tubes (round and squares) of all diameteres and lengths including tube fittings.		9 [Ten percent]
(v) Aluminium wire rods and wires rolled or drawn.		9 [Ten percent]
(vi) Aluminium structurals (angles, joists, channels, tees, sheets piling sections, Z sections or any other extruded sections).		9 [Ten percent]
2 [(vii) Aluminium foils, aluminium oxide, aluminium grains, aluminium powder, aluminium tape.		Ten percent]
10 [5A. Aluminium utensils other than those specified elsewhere in the Schedule		11 [Four percent]]
4 [6. Animal feed and feed supplements, i.e., pro-cessed		

commodity sold as Poultry Feed, Cattle Feed, Pig Feed, Fish Feed, Fish meal, Prawn Feed, Shrimp Feed and feed supplements and mineral mixture concentrates, intended for . use as feed supplements.	5 [Two percent]]
7. Arc carbons.	9 [Ten percent]
8. Arecanut.	11 [Eight percent]
9. Arms of all kinds including guns, rifles, revolvers, pistols and ammunition for the same.	9 [Fifteen percent]
PART B	
1. Bamboo (whether whole or split)	11 [Eight percent]
2 [1A. Article made of Bamboo other than Furniture	11 [Eight percent]]
2. Batteries and parts thereof but excluding dry-cells and dry-cell batteries.	5 [Twelve percent]
3. Beedi leaves	4 [Four percent]
4. Bearings, that is, Ball or Roller bearings (all kinds).	9 [Ten percent]
5. Bicycles, tandem cycles, cycle combinations, cycle-rickshaws, perambulators, childrens tricycles and similar articles and parts and accessories thereof including their tyres, tubes and flaps.	11 [Four percent]
6. Blasting gun powder and other mechanical explosives.	11 [Eight percent]
7. Bone meal.	11 [Four percent]
8. Brass, that is to say,--	
(i) Brass circles, sheets and strips.	9 [Ten percent]
(ii) Brass utensils (Kitchenware).	5 [Four percent]
(iii) Articles made of brass, including brass rods, rounds, squares and flats but excluding those speci fied in items (i) and (ii) above and those specified elsewhere.	9 [Ten percent]
10 [8A. Bread sold under brand name	11 [Four percent]]
12 [country bricks] 6 [,refractory bricks and the like]	5 [Four percent]]
10. Bronze, that is to say,--	
(i) Bronze utensils (Kitchen-ware).	5 [Four percent]
(ii) Articles made of bronze including bronze rods, rounds, squares and flats but excluding those specified in item (i) above and those specified elsewhere	9 [Ten percent]
13 [11. Bullion and specie.	One percent]
14 [12. Butter and ghee	9 [Ten percent]]
PART C	
	11 [Eight

1. Camphor of all kinds.	percent]
15 [2. Candles	11 [Eight percent]]
2 [2A. (i) Cane whole or split	11 [Eight percent]
(ii) Articles made of Cane other than Furniture	11 [Eight percent]]
3. Carpets.	9 [Fifteen percent]
4. Cashew, that is to say,--	
(i) Raw cashew.	11 [Eight percent]
(ii) Cashew kernel.	11 [Eight percent]
16 [(iii) Cashew shell oil	11 [Eight percent]]
5. (i) Cassette tape recorders (audio and video) and parts and accessories thereof.	5 [Twelve percent]
17 [(ii) (a) Audio and Video blank cassettes	9 [Ten percent]
(b) Audio and Video recorded cassettes	9 [Ten percent]
(c) Parts and accessories of cassettes	9 [Ten percent]
(d) Audio and Video Magnetic Tapes	9 [Ten percent]]
16 [(iii) Head cleaners (all kinds of audio and video cassette players and recorders and lubricants specially used in electronic goods	9 [Ten percent]]
18 [5A. x x x]	
6. Castor oil other than those qualifying as Toilet Goods.	11 [Eight percent]
5 [7. (i) Cement.	Fifteen percent]
(ii) Cement concrete mixture	Fifteen percent]
8. Cereals and pulses, that is to say,--	
19 [(i) x x x]	
(ii) Pulses (whether whole or separated and whether with or without husk) other than those mentioned in the Fourth Schedule.	17 [Two percent]
11 [(iii) (a)Flour and husks of pulses; parched rice; 20 [rice soji] and beaten rice; bran of rice, wheat and poha, atta, maida and soji Of wheat	Two percent]
(b) Flour and soji of maize grits and flakes of maize; bran of maize; and maize products	Four percent]
(iv) Chunni of pulses.	17 [Two percent]
21 [(v) Fried gram	11 [Eight percent]]
22 [8A. Cheese.	9 [Ten percent]]
9. Chinaware, porcelainware and stone ware (articles)	5 [Twelve

other than those falling under any other entry	percent]
10. Charcoal.	4 [Four percent]
4 [10A. Chemicals of all kinds including copper sulphate, caustic soda, dyes and Sulphur	5 [Four percent]]
11. (i) Chemical fertilizers other than those falling under item (ii).	11 [Four percent]
(ii) Chemical fertilizer mixtures of two or more chemical fertilizers on the turnover relating to components thereof, viz. individual chemical fertilizers which have not already suffered tax.	11 [Four percent]
(see Explanation II)	
12. Chicory.	11 [Eight percent]
13. Cigarette filters.	9 [Ten percent]
14. Cigar and Cigarette cases, holders and lighters, tobacco pipes.	11 [Twelve percent]
15. Cinematographic, photographic and other cameras, projectors, enlargers, lenses and parts of and accessories to such cameras, cinematographic projectors and enlargers and plates and cloth required for use therewith.	11 [Twelve percent]
2 [15A. Photo frames and Photo mounts	Ten percent]
16. Clocks, timepieces and watches (all kinds) and parts thereof 10[including watch straps, chains and bracelets (other than those made of noble metals).]	11 [Twelve percent]
17. Cocoa pods, beans and powder.	9 [Ten percent]
23 [17A. x x x]	
14 [18. Coffee, that is to say,--	
17 [(i) Coffee including coffee beans and coffee seeds (whether raw or roasted) excluding those covered by serial Number 3 of Third Schedule and in items (ii), (iii) and (iv) below.	11 [Eight percent]]
(ii) Coffee powder excluding french coffee, instant coffee and coffee drink.	9 [Ten percent]
(iii) Instant Coffee.	9 [Ten percent]
24 [(iv) French Coffee	9 [Ten percent]]]
19. (i) Coir products (other than coir rope, coir fibre and coir yarn) not falling under item (ii) below.	11 [Eight percent]
(ii) Rubberised coir products	9 [Ten percent]
9 [20.(i) Computers, of all kinds namely, main frame, mini, personal, micro computers and the like consisting of monitor, key board, mouse, floppy drives, cartridge tape drives, CD ROM drives, DAT drives, hard disks and their parts.	11 [Eight percent]
(ii) Peripherals, that is to say,--	
(a) All kinds of printers and their parts, namely:-- Dot matrix, ink jet, laser, line, line matrix and the like.	11 [Eight percent]
(b) Terminals, scanners, multimedia kits, plotters, modem	11 [Eight

and their parts.	percent]
(iii) Computer consumable namely:- stationery, floppy disks, CD ROMs, DAT tapes, printer ribbons, printer cartridges and cartridge tapes.	11 [Eight percent]]
2 [(iv) Computer Cleaning kit	11 [Eight percent]]
5 [21. (i) Confectionery	Twelve percent
(ii) Cakes and Biscuits	Ten percent]
22. Containers, that is to say,--	
(i) Paper boxes, folding cartons, paper bags, carrier bags, card board boxes, corrugated boxes.	25 [Four percent]
(ii) Tin plate containers (cans and boxes), steel and aluminium drums and crates, aluminium tubes and collapsible tubes.	25 [Four percent]
(iii) Plastic, polyvinyl chloride and polythene bottles, jars, boxes, crates, cans, carboys, drums and bags (other than 14 [plastic]woven sacks).	25 [Four percent]
(iv) Wooden boxes, crates, casks and containers.	25 [Four percent]
(v) Glass jars and carboys.	25 [Four percent]
(vi) 14 [Plastic woven sacks]	11 [Four percent]
26 [(vii) Metallic gas cylinders	25 [Four percent]]
26 [22A. Cooking gas other than those specified elsewhere in this schedule.	9 [Ten percent]]
23. Copper that is to say,-	
(i) Copper, circles, sheets and strips.	9 [Ten percent]
(ii) Copper utensils (Kitchen-ware).	5 [Four percent]
(iii) Copper ingots and copper wire other than insulated wire.	9 [Ten percent]
(iv) Articles made of copper including copper rods, rounds, squares and flats excluding those specified in items (i) to (iii) above and those specified elsewhere. 18 [24. x x x]	9 [Ten percent]
27 [25. Cotton waste	11 [Eight percent]
25A. Cotton yarn waste	11 [Eight percent]]
2 [25B.Cotton beds, Cotton pillows, Cotton quilts and their covers made of cotton	11 [Eight percent]]
11 [26. (i) Crockery	5 [Twelve percent]
(ii) Cutlery and Table and Household Glassware PART D	Twelve percent]
1. Deodorants, disinfectants, germicides not falling under any other entry.	9 [Ten percent]

2. Dictaphones and other similar apparatus for recording sound and parts thereof.	9 [Ten percent]
3. Diesel engines and 25 [parts and accessories thereof.]	9 [Ten percent]
4. Dry-cells and dry-cell batteries.	5 [Twelve percent]
18 [5. x x x]	
6. Druggets and durries.	9 [Ten percent]
18 [7. x x x]	
PART E	
1. Edible oils other than the edible oils falling under 28 [Serial Number 42-A] of the Fifth Schedule:	
(i) Non-refined.	11 [Four percent]
(ii) Refined.	11 [Four percent]
(iii) Hydrogenated oils and cooking medium.	17 [Four percent]
2. Electrical goods, that is to say,-	
(i) Grinders, mixers, blenders, hair dryers, shavers, 29 [x x x] , heaters, cooking ranges, boilers, ovens, hot plates, coil stoves, geysers, 29 [x x x], floor polishers, juice extractors, cream whippers, egg beaters, ironers, massage apparatus, kettles, sauc- epans, steamers, coffee makers, cookers, egg boilers/frying pans, toasters, coffee roasting appliances, room heaters and ice-cream churners	5 [Twelve percent] and parts and accessories of all such goods.
(ii) Electrical earthenware and porcelain.	9 [Ten percent]
4 [(iii) Electrical goods, instruments, apparatus and appliances (Other than the appliances falling under item (i) above), including 30[Fans]and tube lights and parts and accessories	9 [Ten percent]]
4 [(iv) Electric bulbs	11 [Eight percent]]
31 [(v) Washing machines; vacuum cleaners;	
32 [x x x]; air circulators; and voltage stablizers	Twelve percent
(vi) Transformers, transmission wires and towers; ACSR conductors; and cables	Twelve percent]
3. Electrodes, that is, all kinds of welding electrodes, graphite ele-ctrodes including anodes, welding rods, soldering rods and soldering wires.	9 [Ten percent]
4 [4. Electronic goods and parts and acce ssories thereof other than those falling under any other entry of this Schedule.	9 [Ten percent]]
33 [5. x x x]	
PART F	
1. Fibreglass sheets and articles made of fibreglass excluding helmets.	9 [Ten percent]
2. Films, that is to say,--	
(i) Photographic films including photographic paper.	11 [Eight percent]

(ii) Cinematographic films.	11 [Eight percent]
(iii) X-ray films.	11 [Eight percent]
3. Fire fighting equipments and devices except those specified elsewhere.	9 [Ten percent]
31 [4. Firewood	Four percent]
5. Fireworks.	11 [Twelve percent]
34 [5A. x x x]	
6. Foamed rubber, plastic foam or any other synthetic foam articles such as sheets, cushions, pillows, mattresses and the like.	11 [Twelve percent]
25 [7. (i) Garden and beach umbrellas and parts thereof.	9 [Ten percent]
(ii) Folding umbrellas and parts thereof.	11 [Eight percent]
8. Food and non-alcoholic drinks, that is to say,--	
(i) Ready to serve foods, processed foods, semi-cooked or semi-processed food- stuffs, fruits (other than dry fruits including almonds, walnuts and pista), dried vegetables (whether cooked or not), fruit and vegetable products (other than those falling under items (ii), (iii) and (iv) below) when sold in tins, cans, bottles or in any kind of sealed containers.	11 [Twelve percent]
(ii) Baby foods including milk powder	
(sold in sealed containers or otherwise).	11 [Eight percent]
(iii) Aerated water including soft drinks whether or not flavoured or sweetened and whether or not containing vegetable or fruit juice or fruit pulp when sold in bottles, tins, cans or in any kind of sealed containers but excluding soft drink concentrates.	11 [Twelve percent]
(iv) Instant mix, such as, jamoon mix, idli mix, ice-cream mix, jelly mix and the like; sambar and rasam powders and pastes, masala powders and pastes, curry powders and pastes and the like; soft drink concentrates (other than fruit and vegetable concentrates) whether in liquid or powder or crystal form.	5 [Twelve percent]
(v) Articles of food and drinks including sweets and sweet meats but excluding those falling under items (i) to (iv) above and those falling under any of the entries in this schedule, when sold--	
(a) in places other than those falling under sub-item (b) below.	9 [Ten percent]
(b) in Three Star, Four Star and Five Star hotels as recognised by Tourism Department, Government of India.	24 [Twenty percent]
(vi) Soya milk. (See Explanation VII) 35 [(vii) Meat and dressed chicken sold in sealed containers	9 [Ten percent] Four percent]
9. Food preservatives, food colours and food flavouring essences.	9 [Ten percent]
9 [10. Footwear	Ten percent]

28 [10A.Forest products that is to say,- Nuxvomica, rita, soapnut, antwal haleela, harda fruits and seeds, Kaadu seege bark, Mardi devidevi Myrobalan barks, Rousa grass, tamala patra.	11 [Eight percent]]
11. Footwear polishers 2 [shoe care kit, shoe laces]	9 [Ten percent]
36 [11A.Furnace oil, transformer oil and coolants	5 [Twelve percent]]
11 [12. (i) Furniture of all kinds (other than steel furniture and moulded furniture) and of all descriptions, made of any material including furniture in knockdown condition, treasure chests, safes and parts and accessories thereof.	5 [Twelve percent]
(ii) Steel furniture and moulded furniture	Twelve percent]
13. Furs and Skins (other than those falling under Fourth Schedule) and articles made therefrom but excluding those falling under any other entry.	11 [Twelve percent]
37 [14. Fax machines and parts and accessories thereof.	9 [Ten percent]]
PART G	
1. Galvanised iron buckets.	9 [Ten percent]
2. Glass sheets and all articles made of glass 8 [excluding glass bottles, table and household glassware] 2 [glass mirror]	11 [Twelve percent]
3. Glycerine.	9 [Ten percent]
4. Gold thread, that is, all kinds of jari including metallic yarn, metallic jari yarn, metallic plastic yarn, polyester film yarn and radiant yarn.	11 [Eight percent]
38 [4-A.Gotta and Nakki	11 [Eight percent]]
4 [5. Gramophones of every description including radio gramophones and parts and accessories thereof	9 [Ten percent]]
4 [6. Gramophone Records, Compact Discs including Gramophone needles	9 [Ten percent]]
37 [6-A. Gunny bags, bardans, batars hessian cloth and jute twine	11 [Four percent]]
39 [7. Gypsum. PART H	11 [Eight percent]]
4 [1. Hardware, that is to say,-	
(i) Bolts, boltends, rivets, nuts, hinges, screws, screw hooks, screw rings, screw studdings, self-tapped screws, door closers, wheels, blocks, clamps, gun-metal fittings, curtain rods, 2 [venetian blinds, vertical blinds, emery cloth,	
emery paste, emery powder, coated abrasives] grinding stones, locks and padlocks of all kinds, washers, springs, spring washers, panel pins, glass wool, steel wool, abrasives, nails, wire nails, made of base metals or alloys thereof.	9 [Ten percent]
(ii) Fittings of doors, windows, furniture made of base metals or alloys thereof other than those specified	9 [Ten percent]

elsewhere.	
(iii) Metallic barbed wire, wire mesh, plaster meshes and metallic wire nettings.	9 [Ten percent]
(iv) Paint brushes.	9 [Ten percent]]
2 [1-A.Handicrafts that is handicrafts made out of brass, bronze, copper and other metals, Bidariware, hand made pottery items, hand crafted items made of stone, marble, wood, hand made lamps, Art works, dokra items, coconut shell articles, conch and shell articles palm leave articles, papiermache article, screwpine article, straw article, wood carvings and wood figures, wooden inlaid article	Ten percent]
2. Helmets.	11 [Eight percent]
24 [3. Hosiery (except hosiery cloth in lengths), of all kinds.	Four percent]
2 [4. Husks that is to say, cashew husk, cashew shell, 32 [x x x] cocnut shell, coffee husk, groundnut husk, groundnut shell maize husk	5 [Four percent]]
PART I	
4 [1. Ice, Ice fruit, Ice candies and Ice creams of all kinds.	9 [Ten percent]]
18 [2. x x x]	
3. Industrial gas, such as oxygen, acetylene, nitrogen and the like.	11 [Twelve percent]
4. Inks of all kinds.	9 [Ten percent]
4 [5. Insecticides, pesticides, rodenticides, fungicides, weedicides, herbicides and 5 [plant regulators and plant growth nutrients] excluding copper sulphate.	11 [Four percent]]
11 [6. (i) Ivory and sandalwood articles	Twelve percent
(ii) Rosewood articles excluding door frames, window frames, shutters and furniture.	5 [Twelve percent]]
PART J	
1. Jaggery (gur).	4 [One percent]
9 [2. Jewellery and articles of gold and silver whether or not studded with precious or semi-precious stones.	5 [Two percent]]
6 [3. Jute-cum-Polypropylene coverings.	9 [Ten percent]]
PART K	
1. 25 [Kerosene 40 [x x x]]	9 [Ten percent]
37 [1A. Kirana goods, that is to say,--	
(i) 29 [x x x], Methi, poppy seeds (kaskas), 29 [x x x] , 29 [x x x], corriander(dhaniya), 29 [x x x], Shajeera, somph, katha, azwan, kesar, kabab chini, bhojur phool, tejpatha, japatri, nut-meg (maratha moggu), kalhoovu, wetdates, dry dates, saigo kharbhuj seeds7 [Hingu (Asafoetida)] and branded honey.	5 [Four percent]
(ii) Cardamom, pepper, cinna mon, dalchinny, cloves.	5 [Four

(iii) Dry fruits including almonds walnuts and pista	5 [Four percent]]
31 [(iv) Cummin seeds (Jeera); dry chillies; turmeric and tamarind	Four percent]
2. Kitchenware coated with heat resistant coatings and used for cooking as well as serving.	9 [Ten percent]
3. Kitchenware and utensils made of Aluminium or other non-ferrous metals and coated with stick resistant coatings.	9 [Ten percent]
PART L	
1. 25 [Laminated, impregnated or coated matting materials such as linoleum including PVC (Vinyl) materials generally used for floor covering (other than floor tiles).]	5 [Twelve percent]
2. Laminated packing materials (all kinds) including hessian based paper, polythene and hessian based paper, high density polythene fabric based paper and bituminised water proof paper but excluding those specified else where.	4 [Four percent]
9 [3. Leather goods other than the goods falling under serial number	
16 of Fifth Schedule and those specified elsewhere.	11 [Twelve percent]]
4. Lifts whether operated by electricity or hydraulic power.	5 [Twelve percent]
5. Lime including lime stone.	5 [Four percent]
4 [6. Liquors, that is to say,-	
5 [(i) (a) Liquor other than those falling under sub-item (b) below	One hundred and fifteen percent
(b) liquor imported from outside the country	Sixty percent]
(ii) Beer	24 [Fifty-five percent]
(iii) Fenny	Twenty percent
(iv) Wine	Twenty percent
(v) Liquor	Twenty percent]
38 [7. Lottery Tickets	11 [Eight percent]]
PART M	
1. Machinery, that is to say,-	
(i) (a) Earth movers, such as dumpers, dippers, bulldozers and the like.	11 [Eight percent]
(b) Parts and accessories of earth movers (other than diesel engine and its parts, batteries and tyres, tubes and flaps).	5 [Eight percent]
(ii) Agricultural machinery, namely:-	
41 [(a) x x x]	

(b) 25 [Sprinkler and drip irrigation equipments]generally used for agricultural or horticultural purposes and their parts (other than oil engines or electric motors) and accessories.	11 [Eight percent]
(c) Tractors.	5 [Four percent]
(d) Power tillers.	5 [Four percent]
27 [(e) Tractors and power tillers trailers.	5 [Four percent]
(ee) Parts and accessories (excluding tyres, tubes and flaps) of tractors and power tillers trailers.	5 [Four percent]]
(f) Parts and accessories of tractors and power tillers 8 [including their engines and its parts, but excluding] batteries and tyres, tubes and flaps.	5 [Four percent]
(iii) (a) Machinery (all kinds) and parts and accessories thereof except those falling under other items of this entry and those specified elsewhere.	9 [Ten percent]
(b) Handlooms and parts and accessories thereof.	42 [Two percent]
(c) Sewing machines and its parts and accessories.	9 [Ten percent]
(d) Weighing machines (all kinds).	9 [Ten percent]
43 [(e) Tools and wear parts used in industrial machinery such as twist drills, taps, reamers, cutters, dies, grinding wheels, button bits, tungsten, carbide wear parts, ceramic industrial wear parts and the like]	11 [Eight percent]
2 [1A.Maize product that is to say Maize starch, liquid glucose, dextrose mono hydrate, malto dextrine, glucose "D" Maize gluten, Maize germ, Maize oil, Hydro, Corn steep liquor	Four percent]
2. Man-made or synthetic staple fibres, fibre yarn, or filament yarn (all kinds).	
41 [3. x x x]	11 [Four percent]
4. Marble slabs 44 [,tiles]and articles made of marble.	9 [Fifteen percent]
5. Medicinal and pharmaceutical prepa-rations (other than those specified elsewhere).	9 [Ten percent]
35 [5A. Medicinal plants, roots, herbs and barks used in the preparation Ayuverdic medicines	Four percent]
6. Mercury.	9 [Ten percent]
4 [7. Metal caps excluding metal lamp caps.	9 [Ten percent]]
37 [7-A. Metal lamp caps	9 [Ten percent]]
8. Mill yarn (all kinds) excluding cotton yarn, spun silk yarn, filature silk and those falling under any other entry.	11 [Four percent]
17 [9. Mineral Water, distilled water or any other processed water 32 [x x x]	5 [Twelve percent]]
	11 [Twenty

10. Molasses.	percent]
4 [11. Mosquito repellants including devices, parts and accessories	11 [Eight percent]]
12. Motor spirits, that is to say,-	
(i) Petrol including aviation fuel	8 [Twenty-two percent]
(ii) Motor spirits not falling under item (i) above (See Explanation IV)	5 [Fifteen and half percent]
13. Motor vehicles, that is to say,--	
(i) Motor cars including motor taxi cabs.	11 [Twelve percent]
(ii) Motor cycles including scooters, motorettes, mopeds and cycle combinations.	11 [Twelve percent]
(iii) Jeeps, trekkers and vans (all petrol driven).	11 [Twelve percent]
(iv) Light diesel vehicles.	11 [Twelve percent]
(v) Motor lorries including motor omni buses.	11 [Twelve percent]
24 [(vi) Three Wheeler Motor Vehicles (Autorickshaws).	11 [Twelve percent]]
(vii) Any other motor vehicle not covered by items above.	11 [Twelve percent]
14. Motor vehicles parts and accessories, that is to say,--	
(i) Articles used generally as parts and accessories of motor vehicles but excluding rubber and other tyres, tubes and flaps, batteries and diesel engine and its parts.	9 [Ten percent]
(ii) Chassis of motor vehicles.	11 [Eight percent]
(iii) Bodies built on motor vehicle chassis.	9 [Ten percent]
31 [(iv) Spark plugs	Twelve percent]
4 [15. Musical instruments 29 [x x x] and parts and accessories thereof.	11 [Twelve percent]]
PART N	
1. Newsprint.	11 [Eight percent]
24 [2. Non-ferrous Castings and alloys thereof.	11 [Eight percent]]
18 [3. x x x]	
11 [1. (i) Oil cake	Four percent
(ii) De-oiled cake	Four percent]
2 [1A. Oils that is to say Agarbathi oil, Citrodara Oil, Citronella oil, Clove oil, Davana oil, Lemon grass oil, natural essential oil, 29 [x x x] rubber seed oil, nilgiri oil other than those specified elsewhere in the Schedule	Ten percent]
2. Opium, Ganja 45 [,Bhang and other Narcotics] .	4 [Twenty percent]

3. Optical goods, that is to say, - (i) Binoculars, opera glasses, tele-scopes, microscopes and parts and accessories thereof 2 [Lens care solution] .	9 [Ten percent]
(ii) Spectacles, sun glasses, goggles, lenses and frames including attach-ments, parts and accessories thereof.	9 [Ten percent]
PART P	
27 [1. (i) Paints, colours, varnishes, pigments, polisher, indigo, enamel, putty, bale oil, white oil, turpentine (all kinds), thinners 46 [and primers] 2[light mineral oil, metal polishing compound, patties;]other than those covered under item (ii) below	9 [Ten percent]
(ii) Acrylic paints and colours, plastic emulsion paints and all kinds of lacquers	9 [Ten percent]]
2. Paper pulp.	11 [Eight percent]
9 [3. Paper of all kinds including ammonia paper, blotting paper, carbon paper, cellophane, PVC coated paper, stencil paper, water proof paper, art boards, card boards, corrugated boards, duplex boards, pulp boards, straw boards, triplex boards, student note books and the like, but excluding photographic paper.	11 [Eight percent]]
4 [4.Pens of all kinds including refills	11 [Eight percent]]
4 [5.Petroleum products, namely,-	
(i) Asphalt (bitumen)	5 [Twelve percent]
(ii) Brake fluid, lubricating oil including grease, solvent oils, petroleum jelly (all grades), 29 [x x x], spray oil, methanol, aromax (aro-matic), mosquito larvicidal oil, low sulphur heavy stock, glass cleaner, benzene, toulene, shell hexane, special boiling point spirit	5 [Twelve percent]]
9 [(iii) Liquified petroleum gas.	Ten percent]
31 [(iv) Naptha	Twelve percent]
4 [6.Pipes, tubes and fittings of iron (not falling under Fourth Schedule), cement, stoneware and asbestos2 [cement grills pitch fiber pipe] .	9 [Ten percent]]
4 [7. Plastic goods, that is to say,-	
(i) Plastic granules	11 [Eight percent]
(ii) High Density polythene, Low Density Poly-thene, Rigid Polyvinyl Chloride Pipes and fittings but excluding conduit pipes and its fittings	11 [Twelve percent]
(iii) Plastic sheets and articles made from all kinds and all forms of plastic inclu- ding articles made of polythene, poly-vinyl chloride, Polypropylene, polystyrene and the like materials, but excluding those specified in item (ii) above	11 [Twelve percent]]
8. Playing cards of every description.	9 [Ten percent]
9. Precious stones, namely, diamonds, emeralds, rubies, real pearls and sapphires and articles in which such	5 [Two percent]

precious stones are set.	
10. Pressure cookers, their parts and accessories.	9 [Ten percent]
11. Printed materials other than books meant for reading.	5 [Eight percent]
37 [12. Pumpsets, that is to say-	
(i) pumpsets with Electric motors or oil engines of not more than 10. H.P.	11 [Eight percent]
(ii) pumpsets with oil engines of more than 10 H.P.	9 [Ten percent]
(iii) pumpsets with electric motors of more than 10 H.P.	9 [Ten percent]]
PART R	
18 [1. x x x]	
2. Rail coaches and parts and accessories thereof.	9 [Ten percent]
3. Rayon grade pulp or any other pulp out of which man made or synthetic staple fibres or fibre yarn or filament yarn are made.	11 [Eight percent]
4. Razor and razor blades.	9 [Ten percent]
5. Ready-made garments (other than hosiery of all kinds) made out of any material whether used as regular wear or casual wear including caps, neck ties 5 [bows, baby diapers and baby nappies]	4 [Four percent]
6 [5A. Refractory Bricks and the like.	9 [Ten percent]]
25 [6. (i) Refrigerators including deep freezers, bottle coolers and water coolers and the like and parts thereof.	9 [Fifteen percent]
40 [(ii) x x x]]	
47 [6A. x x x]	
7. Rice-bran oil	11 [Four percent]
8. Rolling shutters and collapsible gates whether operated manually, mechanically or electrically and their parts.	9 [Ten percent]
48 [9(i)] Roofing, light roofing and false roofing materials including cement and asbestos sheets, 29 [x x x] , 18 [x x x] hard and soft boards, plywood, veneered boards and panels and laminated sheets but excluding those specified elsewhere.	9 [Ten percent]
31 [(ii) Asphalt sheets	5 [Ten percent]]
10. Rubber, that is to say,--	
(i) Raw rubber, namely, latex in liquid or sheet form.	11 [Eight percent]
(ii) Rubber plates, sheets and strips unhardened whether vulcanised or not and whether combined with any textile material or otherwise.	5 [Twelve percent]
(iii) Piping and tubing of unhardened vulcanised rubber.	5 [Twelve percent]
(iv) Transmission, conveyor or elevator belts or belting of vulcanised rubber whether combined with any textile material or otherwise.	5 [Twelve percent]

(v) Synthetic rubber including butadiene, acrylonitrile rubber, styrene butadiene rubber and butyl rubber, synthetic rubber latex including pre-vulcanised synthetic rubber latex.	5 [Twelve percent]
11. Rubber articles, that is, articles made wholly of rubber (other than those specified elsewhere)	11 [Twelve percent]
12. Rubber and other tyres, tubes and flaps other than those falling under Fourth Schedule and those specified elsewhere.	9 [Ten percent]
PART S	
28 [1. Sand, 32 [x x x], fireclay, coal ash, coal boiler ash, coal cinder ash, coal powder, clinker.	11 [Eight percent]]
49 [1A. x x x]	
2. Sandal wood oil.	11 [Twelve percent]
3. Sanitary fittings of every description excluding pipes and fittings of stone ware, cement and iron and steel.	9 [Ten percent]
4. Sanitary towels, sanitary napkins, beltless napkins and tampons.	
2 [32 [x x x] disposable diapers]	9 [Ten percent]
5. Scented supari.	9 [Ten percent]
7 [5-A. Scrap of base metals and alloys thereof and scrap of all kinds other than those specified elsewhere.	11 [Eight percent]]
6. Sewing thread.	5 [Four percent]
50 [6A. x x x]	
7. Slotted angles and ready to assemble parts of steel racks.	5 [Twelve percent]
18 [8. x x x]	
17 [9. Soaps, that is to say,--	
(i) Toilet soaps (intended for bathing purposes)	11 [Twelve percent]
(ii) Shampoo both in liquid and gel form including herbal and medicinal preparations	11 [Twelve percent]
(iii) Washing soaps including soap flakes, soap powders	9 [Ten percent]
(iv) Detergent cakes, detergent powders, detergent liquids and laundry brighteners 2 [stain busters, stain removers] .	9 [Ten percent]]
10. Sound transmitting equipments including loud speakers and parts thereof but excluding telephones and its parts.	5 [Twelve percent]
18 [11. x x x]	
12. Spirits and alcohol, that is to say,--	
(i) Denatured spirit.	9 [Ten percent]
(ii) Rectified spirit.	51 [Twenty percent]
(iii) Ethyl alcohol.	9 [Ten percent]
13. 8 [Sports goods (indoor and outdoor) including trophies, medals and shields but] excluding wearing apparel	11 [Eight percent]

14. Starch, that is to say, laundry, and textile starch (all kinds).	Four percent
15. Stationery articles, namely,-	
(i) Account books, paper envelopes, diaries, calendars, race cards, catalogues, greeting cards, invitation cards, humour post cards, picture post cards, cards for special occasions, photo and stamp albums.	11 [Eight percent]
2 [(ia) clip boards, clutch pencil, black lead, date stamps, dusters, index file clips, pokers, office files of all kinds paper cutter, black board, blackboard dusters	11 [Eight percent]]
(ii) Office desk materials 21 [including punching machines and stapler machines.]	11 [Eight percent]
2 [(iia) paper pins, pen stands, pencil, lead, pencil sharpners, permanent markers, refill leads, stamp racks, stapler pins, rulers of all kinds, gulli pins and pin studs	11 [Eight percent]]
35 [15A.Steel door frames, steel doors, steel window frames and steel shutters	Eight percent]
40 [16. x x x]	
17. Stones, that is to say,-	
42 [(i) Granite stone,-	
(a) Polished	5 [Twelve percent]
(b) Un-polished	5 [Twelve percent]
(c) Chips	5 [Twelve percent]]
(ii) Cuddapah stones, slabs and tiles--	
(a) Polished	11 [Eight percent]
(b) Un-polished	11 [Eight percent]
(iii) Shahabad stones, slabs and tiles	11 [Eight percent]
18. Stoves, that is, gas stoves and kerosene stoves, 2 [Barbecues, charcoal oven, tondoor stoves] and parts and accessories thereof	9 [Ten percent]
10 [18-A. Sugar and Sugar preparations excluding such sugar and sugar preparations as are covered, described or specified elsewhere in any of the schedules	11 [Eight percent]]
19. Suit cases, brief cases, attache cases and despatch cases including those made of leather but excluding steel trunks	9 [Ten percent]
18 [20. x x x]	
8 [21. Surgical and dental instruments, tools and aids including electrical and electronic equipments and appliances; syringes and needles; operation theatre equipments, shadow bulbs and tubes, specially made operation and examination tables and cots and suction apparatus; stands, stretchers, trolleys, dental chairs; laboratory equipments and glassware; stetho scopes, thermometers,	

lactometres, B.P. instruments, surgical cotton wool; enema cans, bed pans, kidney trays and such other hospitalware; surgical gloves, aprons, operation suits, rubber sheets, catheters; I.V. sets and the like; cervical collars, abdominal belts 2[telonet paraffin guaze dressing, ultrasound jelly, pinchers (steel), medicinal oxygen, medical kits, medical disposable intravenous administration set, thermometer, mechanical nasal filters, instrument sterliser, injection needles, hospitalwares, gypsona plaster of paris bandage, fixed partial dentures, enamelled iron trays, and basins (used in the hospitals), ECG recording chart, ECG jelly, drip set, disposable hypodermic nedles, cotton buds, bed elevators, absorbent cotton rolls]and the like.	9 [Ten percent]]
52 [22. Raw silk and silk yarn imported from outside the country.	Four percent]
53 [22A. Silk yarn twisted or thrown silk yarn, spun silk yarn and noil silk yarn	Four percent]
37 [23. Stainless-steel articles other than those specified elsewhere in this schedule.	11 [Twelve percent]]
31 [24. Synthetic gems Part T	Twelve percent]
1. Tabulating machines, calculating machines (including all types of mechanical or electronic calculators), duplicating machines, roneo machines, parts and accessories thereof	11 [Twelve percent]
16 [1-A. Tailoring materials namely, needles, scissors, hooks, buttons, zips, buckles, measuring tape and stick, collars and collar bones 2 [horn buttons, indent hooks/eyes, jean button, knitting pins, longstich kits, M S coated buttons/stars, zip fasteners, zippers, cuff links, crochet hooks] .	11 [Eight percent]]
2. Tamarind seeds	11 [Eight percent]
3. Tanning barks	9 [Ten percent]
54 [4. x x x]	
28 [5 (i). Tea sold under brand name.	Ten percent
(ii) Tea other than above	Ten percent]
4 [6. Telephones of every description and their parts	11 [Twelve percent]]
55 [6A. Teleprinters and their parts	Twelve percent]
7. Television sets and component parts and accessories thereof	11 [Twelve percent]
10 [7-A. Textiles and fabrics but excluding such textiles and fabrics as are covered, described or specified elsewhere in any of the schedules.	11 [Eight percent]]
8. Tiles,--	
(i) Mosaic tiles and chips	9 [Ten percent]
(ii) Ceramic and glazed floor and wall tiles	9 [Ten percent]
(iii) Roofing tiles other than country tiles	11 [Eight percent]

(iv) Other tiles not covered by items (i), (ii) and (iii) above	9 [Ten percent]
(v) Jointing powder (other than cement) and situ-mixture for laying tiles and chips specified above	9 [Ten percent]
2 [(vi) Roofing tiles including ridges made of clay and clay decorative tiles	11 [Eight percent]]
56 [9. x x x]	
57 [9-A. Tobacco Products including Gutkha and the like but excluding such products as specified elsewhere in any of the Schedules.	Twen ty percent]
17 [10. Toilet articles (whether medicated or not) that is to say,-	
(i) Perfumes, eaudecologne, solid colognes, beauty boxes, face packs, cleansing liquids, moisturisers, make-up articles (not including talcum powder), complexion rouge, bleaching agents, hair dyes, hair sprayers, hair removers, hair creams, lipsticks, nail polishers and varnishers, polish removers, eye liners, after shave lotion and body deodorants	11 [Twelve percent]
(ii) Toilet articles other than those specified at (i) above, 29 [x x x]and such other toilet articles as may be specified by the State Government by notification in the official Gazette	5 [Twelve percent]]
26 [10A. Tools, such as, spanners, screw drivers, files, cutting plyers, hammers 2 [clow hammer, hand forge] and the like(manually operated)	9 [Ten percent]]
16 [58 [10B(i)] Toys of all kinds 11 [(excluding electronic)] and electrically operated toys.	11 [Eight percent]]
31 [(ii) Electronic toys	Twelve percent]
4 [11. (i) Typewriters other than Kannada Typewriters, parts and accessories including typewriter ribbon.	11 [Twelve percent]
(ii) Kannada Typewriters Part V	Two per cent]
1. 25 [Vacuum flasks and thermoware articles] and their refills	9 [Ten percent]
16 [2. Valves of all Kinds other than those generally used as parts of motor vehicles	9 [Ten percent]
24 [3. Vegetable non-edible oils other than specified elsewhere in this Schedule	
(i) Non-refined	Four percent
(ii) Refined Part W	Four percent]]
1. Washed cotton seed oil	11 [Four percent]
59 [2. x x x]	
3. Water and weather proofing compounds	11 [Twelve percent]
4. Water meters	9 [Ten percent]
36 [4-A. Water storage tanks made of fibre glass, plastic or synthetic materials 2 [water tanks made of aluminium]	9 [Ten percent]]

5. Weights and measures	9 [Ten percent]
6. 60 [(i)] Wireless reception instruments and apparatus and components thereof including all electrical valves, accumulators, amplifiers and loud speakers which are not specifically designed for purposes other than wireless reception	11 [Twelve percent]
37 [(ii)] Pagers and its parts	11 [Twelve percent]]
9 [7. Wood of all kinds including 29 [x x x] , eucalyptus, casuarina 2[Halwana], timber of any shape, form or size including door frames, window frames and shutters.	Ten percent]
26 [8. Waxes (all kinds) Part X	9 [Ten percent]]
4 [1. X-ray apparatus and equipments, and medical imaging, diagnostic and therapeutic equipments. Part Y	9 [Ten percent]]
4 [1. Yeast-dry, wet and compressed	11 [Eight percent]]
16 [Part Z	
1. Zinc, lead and cadmium	5 [Four percent]]

40 [Explanation I.----x x x]

Explanation II.--For the purpose of serial number 11 of Part C "Chemical Fertilizer and Chemical Fertilizer mixture" means chemical fertilizer and chemical fertilizer mixtures specified in Parts A and B of Schedule I to the Fertilizer (Control) Order, 1985 including plant nutrients for various fertilizers as provided in the said Order and micronutrients, namely, zinc sulphate and manganese sulphate.

Explanation III.--Where a tax has been levied in respect of purchase of coffee seeds under serial number 18 of Part C 26 [or under serial number 3 of the third schedule] the coffee powder (excluding instant coffee and french coffee) made out of those coffee seeds is not liable to tax under the said item.

Explanation IV.--

(i) "Motor spirits" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automotive or stationery internal combustion engines and includes petrol, diesel oil and other internal combustion oil but does not include kerosene, furnace oil, coal, coke or charcoal.

(ii) "Petrol" means dangerous petroleum as defined in the Petroleum Act 1934 (Central Act XXX of 1934) and includes a mixture of power alcohol, as defined in the Indian Power Alcohol Act 1948 (Central Act XXII of 1948) and Petrol.

Explanation V.--

(i) Where timber, rosewood and sandal wood in log form specified under serial number 9 of Part T have been purchased from the Forest Department of Government the subsequent sales of such timber, rosewood and sandal wood in log form shall not be liable to tax under section 5 of the Act, provided that the Forest Department has collected tax on the said sales and the burden of proving that tax has been so collected by the Forest Department shall be on the dealer.

(ii) For the purpose of serial number 9 of Part T "timber, rosewood and sandalwood in cut or manufactured form" shall include door or window frames and shutters but exclude furniture.

Explanation VI.--"Toilet article" means any article which is intended for use in the toilet of the human body or in perfuming apparel of any description or any substance intended to cleanse, improve or alter the complexion, skin, hair or teeth and includes deodorants and perfumes.

Explanation VII.--Where tax has been levied in respect of goods mentioned in

serial numbers 8(i) of Part F, 14 [and 5 of Part D] such goods taken out from containers and sold loose shall not be liable to tax under section 5 and the burden of proving that tax has been paid on the goods in question shall be on the dealer.

61 [Explanation VII A.--x x x].

39 [Explanation VIII.--Where tax has been levied under this Act in respect of raw silk referred to in Sl. No. 7 of the Third Schedule, and out of such raw silk, silk yarn is manufactured, no tax shall be levied on such silk yarn to the extent it is manufactured out of such raw silk.].

62 [Explanation VIII A.--x x x].

63 [Explanation VIII B.--x x x].

36 [Explanation IX.--Where any goods is used in the processing of goods (not amounting to manufacturing) as a component and that such component has not been subject to tax under this Act, the tax payable on sale of such processed goods shall be limited to the turnovers relating to such components which has not been subject to tax under the Act.].

21 [Explanation X.--Where tax under section 5 has been levied on the sales turnover of blank cassettes referred to in sub-item (a) of item (ii) of serial number 5 of Part C, the tax leviable on the sales turnover of recorded cassettes under sub-item (b) of the said item of said serial number shall be on such turnover as reduced by such amount paid or payable as consideration for purchase of blank cassettes used in obtaining such recorded cassettes.

64 [Explanation XI.--x x x]]]

1. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.

2. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

3. Substituted by Act 9 of 2000 w.e.f. 1.4.2000.

4. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

5. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

6. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

7. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

8. Substituted by Act 11 of 1993 w.e.f. 1.4.1993.

9. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

10. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.

11. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.

12. Omitted by Act 9 of 2000 w.e.f. 1.1.2000 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.

13. Omitted by Act 4 of 1999 w.e.f. 1.4.1999 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.

14. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.

15. Omitted by Act 4 of 1992 w.e.f. 1.4.1992 & inserted by Act 3 of 1998 w.e.f. 1.4.1998.

16. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

17. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

18. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.

19. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.

20. Omitted by Act 5 of 2000 w.e.f. 1.4.1988 & inserted by the same Act w.e.f. 1.4.1994.

21. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

22. Inserted by Act 16 of 1989 w.e.f. 1.4.1989 & substituted by Act 4 of 1992 w.e.f. 1.4.1992.

23. Inserted by Act 16 of 1989 w.e.f. 1.4.1989 & omitted by Act 5 of 1996 w.e.f. 1.4.1996.

24. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

25. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.

26. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.

27. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

28. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.

29. Omitted by Act 9 of 2000 w.e.f. 1.1.2000.

30. Omitted by Act 9 of 2000 w.e.f. 1.4.2000 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.

31. Inserted by Act 9 of 2000 w.e.f. 1.1.2000.
32. Omitted by Act 5 of 2000 w.e.f. 1.4.2000.
33. Omitted by Act 5 of 2000 w.e.f. 1.1.2000.
34. Inserted by Act 16 of 1989 w.e.f. 1.4.1989 & omitted by Act 5 of 1996 w.e.f. 1.4.1996.
35. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.
36. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.
37. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.
38. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.
39. Inserted by Act 8 of 1990 w.e.f. 1.4.1990.
40. Omitted by Act 11 of 1993 w.e.f. 1.4.1993.
41. Omitted by Act 4 of 1992 w.e.f. 1.4.1992.
42. Substituted by Act 15 of 1991 w.e.f. 1.4.1991.
43. Inserted by Act 15 of 1996 w.e.f. 5.9.1996 & Substituted by Act 5 of 2000 w.e.f. 1.4.2000.
44. Inserted by Act 25 of 2000 w.e.f. 14.8.2000.
45. Substituted by Act 25 of 2000 w.e.f. 14.8.2000.
46. Substituted by Act 6 of 1995 w.e.f. 1.4.1994.
47. Inserted by Act 9 of 2000 w.e.f. 1.1.2000 & omitted by Act 5 of 2000 w.e.f. 1.1.2000.
48. Re-numbered by Act 9 of 2000 w.e.f. 1.1.2000.
49. Inserted by Act 9 of 2000 w.e.f. 1.1.2000 & omitted by Act 5 of 2000 w.e.f. 1.1.2000.
50. Inserted by Act 6 of 1995 w.e.f. 1.4.1995 & omitted by Act 1 of 1996 w.e.f. 1.4.1995.
51. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
52. Inserted by Act 8 of 1990 w.e.f. 1.4.1990 & substituted by Act 18 of 1994 w.e.f. 1.4.1994.
53. Inserted by Act 25 of 2000 w.e.f. by notification. Text of the notification is at p
54. Omitted by Act 15 of 1991 w.e.f. 1.4.1991.
55. Inserted by Act 25 of 2000 w.e.f. 4.12.2000.
56. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.
57. Inserted by Act 4 of 1992 w.e.f. 1.4.1992 & substituted by Act 7 of 1997 w.e.f. 1.4.1997.
58. Renumbered by Act 9 of 2000 w.e.f. 1.1.2000.
59. Omitted by Act 8 of 1990 w.e.f. 1.4.1990.
60. Re-numbered by Act 5 of 1996 w.e.f. 1.4.1996.
61. Deemed to have been inserted by Act 6 of 1995 w.e.f. 1.4.1988 and deemed to have been omitted by the same Act w.e.f. 1.4.1994.
62. Deemed to have been inserted by Act 4 of 1992 w.e.f. 1.4.1991 and deemed to have been omitted by the same Act w.e.f. 1.10.1991.
63. Deemed to have been inserted by Act 6 of 1995 w.e.f. 1.4.1991 and deemed to have been omitted by the same Act w.e.f. 12.12.1994.

SCHEDULE 3

THIRD SCHEDULE

Goods in respect of which a single point purchase tax only is leviable under section 5(3)(b)

Sl. No.	Description of the goods	Point of levy	Rate of tax
1	2	3	4
1.	Bauxite, chromite, iron, manganese and other ores [including lumps and fines] .	Purchase by the first or earliest of the successive dealers in the State liable to tax under this Act.	[Ten percent]

[2.	x x x]		
[3.	Coffee beans and Coffee		
	seeds (whether raw or roasted),		
	(i) When purchased by coffee curers from persons not liable to tax under the Act.	At the point of purchase in the State	[Eight percent]
	[(ii) x x x]]		
4.	Raw Wool	Purchase by the last dealer in the State liable to tax under this Act.	[Four percent]
[5.	x x x]		
[6.	Sugarcane,	purchase by the last dealer in the State liable to tax under this Act.	
	(i) when purchased by a manufacturer of Jaggery,-		
	(a) whose total turnover in a year is less than five lakh rupees.		Nil
	(b) whose total turnover in a year is rupees five lakhs or more.		[Four percent]
	(ii) when purchased by a manufacturer of Sugarcane syrup (processed),		[Four percent]
	[x x x]		
	[(iii) x x x]		
	x x x]]		
	x x x Explanation.-x x x]		
[7	.x x x]		
	[Explanation.-x x x]		

1. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.
2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.
3. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.
4. Omitted by Act 4 of 1992 w.e.f. 1.4.1989.
5. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.
6. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
7. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.
8. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.
9. Inserted by Act 8 of 1990 w.e.f. 1.4.1990.
10. Omitted by Act 15 of 1991 w.e.f. 1.4.1991.
11. Omitted by Act 1 of 1996 w.e.f. 13.10.1995.
12. Inserted by Act 8 of 1990 w.e.f. 1.9.1978 & omitted by the same Act w.e.f. 1.7.1986.

13. Inserted by Act 6 of 1995 w.e.f. 1.4.1995 & omitted by Act 1 of 1996 w.e.f. 1.4.1995.

14. Inserted by Act 9 of 2000 w.e.f. 1.1.2000 & omitted by Act 5 of 2000 w.e.f. 1.1.2000.

15. Omitted by Act 8 of 1990 w.e.f. 21.7.1986.

SCHEDULE 4

FOURTH SCHEDULE

DECLARED GOODS IN RESPECT OF WHICH A SINGLE POINT OF TAX IS LEVIABLE UNDER SECTION 5(4)

Sl.No.	Description of the goods	Point of levy	Rate of tax
(1)	(2)	(3)	(4)
1	[Coal including coke in all its forms, [but excluding charcoal]]	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent.]
	[2(a)] Iron and steel, that is to say-		
	(i) pig iron and cast iron including ingot moulds, bottom plates, [x x x];	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent.]
	(ii) steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes);		
	(iii) skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars;		
	(iv) steel bars (rounds, rods, squares, flats, octagons and hexagons, plain and ribbed or twisted, in coil form as well as straight lengths);		
	(v) steel structurals (angles, joists, channels, tees, sheet piling sections, Z sections or any other rolled sections);		
	(vi) sheets, hoops, strips and skelp, both black and galvanised, hot and cold rolled, plain and corrugated, in all qualities, in straight lengths and in coil form, as rolled and in rivetted condition;		
	(vii) plates both plain and chequered in all qualities;		
	(viii) discs, rings, forgings and steel castings;		
	(ix) tool alloy and special steels		
	[(x) x x x]		
	(xi) steel tubes, both welded and		

(xi) steel tubes, both welded and seamless, of all diameters and lengths, including tube fittings;		
(xii) tin-plates, both hot dipped and electrolytic and tinfree plates;		
(xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails-heavy and light crane rails;		
(xiv) wheels, tyres, axles and wheel sets;		
(xv) wire rods and wires-rolled, drawn, galvanised, aluminised, tinned or coated such as by copper;		
(xvi) defectives, rejects, cuttings or end pieces of any of the above categories.]		
[(b) Iron scrap, cast iron scrap, runner scrap, and iron skull scrap; and steel melting scrap in all forms including steel skull turnings and borings,-		
(i) Purchase by a dealer for use by him in the manufacture of other goods in the State; and	Purchase by the last dealer in the State liable to tax under this Act.	Four percent.
(ii) in other cases	Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	Four percent.]
[3. Hides and skins, whether in a raw or dressed state.	Purchase by the last dealer in the State liable to tax under this Act.	[Four percent.]]
4. Jute, that is to say, the fibre extracted from plants belonging to the species corchorus capsularis and corchorus olitorious and the fibre known as mesta or bimli extracted from plants of the species [Hibiscus cannabinus and Hibiscus sabdariffa-Varaltissima and the fibre known as Sun or Sunnhemp extracted from plants of the species Crotalaria juncea], whether baled or otherwise.	Sale by the first or earliest of successive dealers in the State liable to tax under, this Act.	[Four percent.]
5.[(a) Groundnut or peanut including groundnut or peanut seeds.	Sale by the first or the earliest of the successive dealers in the State liable to tax under this Act.	[Four percent]]

[(b) [x x x] sesamum or til (gingelly) seeds, Kusum (Kardi) seeds, Safflower, niger (Ram til), castor seeds, Karanja, Pongam, honge seeds and neem or vepa seeds.	[Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.]	[Four percent]]
(c) Cotton seed	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent]
(d) [Other oil seeds, that is to say, - Soyabean, Rape-seed and Mustard (Toria, Rai, Jamba, Taramira, Sarson, yellow and brown, Banarsi Rai or True Mustard), Linseed, Sunflower, Mahua, Illupai, Ippe, Punna, Undi, Kokum, Sal, Tung and Red Palm.]	[Sale by the first or earliest of successive dealers in the State liable to tax under this Act.]	[Four percent]
[(e) Coconut (i.e., copra excluding tender coconuts).	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent]]
6. Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned, baled, pressed or otherwise, but not including cotton waste.	[Purchase by the last dealer in the State liable to tax under this Act]	[Four percent]
7. Cotton yarn, but not including cotton yarn waste.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent]
[7A. x x x]		
[8. Crude oil as specified in clause (iic) of section 14 of the Central Sales Tax Act, 1956.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	Four percent
[9 [(i) x x x] (ii) Barley	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent]]
10. Pulses (whether whole or separated and whether with or without husk), that is to say, gram or gulab gram, tur or arhar, mong or green gram, masur or lentil, urad or black gram, moth, lakh or khesari.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Two percent.]]

[11. x x x]			
[12. (i) Textiles and fabrics	as declared from time to time under section 14 of the Central Sales Tax Act 1956, excluding those specified in the fifth schedule dealers in the State liable to tax under this Act.	Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	[Four percent]
(ii) Sugar including Khandasari Sugar and sugar preparations		Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	[Four percent]
(iii) Tobacco products		Sale by the first or earliest of the successive	[Four percent]]

27 [28 [Explanation I.]-Where a tax has been levied under this Act in respect of the sale or purchase of any paddy referred to in serial number 9, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy.]

29 [Explanation II.- Where tax has been levied under this Act on goods specified in any item of serial number 2 and out of such goods, different goods specified in any other item of serial number 2 are manufactured, the tax leviable on sales of such manufactured goods shall be at the rate of two percent: Provided that nothing in this explanation shall apply where the input goods used in the manufacture are exempt from tax by any notification issued under section 8-A or section 19-C.]

30 [Explanation III.-Where a tax has been levied under this Act in respect of goods of Iron and steel referred to in sub-item (ii) of item (b) of serial number 2 at the point of first sale, no tax shall be levied on the said goods under the sub-item (i) of the said item, subject to production of satisfactory proof;

Explanation IV.-Where a tax has been levied under this Act in respect of groundnuts referred to in sub-item (ii) of item (a) serial number 5 at the point of first sale, no tax shall be levied on the said goods under the sub-item (i) of the said item, subject to production of satisfactory proof.]

31 [Explanation IVA.-x x x]]

1. Substituted by Act 31 of 1958 w.e.f. 1.1.1959.

2. Substituted by Act 7 of 1973 w.e.f. 1.1.1958.

3. Substituted by Act 30 of 1975 w.e.f. 15.7.1975.

4. The words "but excluding charcoal" omitted by Act 7 of 1973 for the period from 23.2.1967 to 1.4.1973.

5. Substituted by Act 7 of 1973 w.e.f. 1.4.1973.

6. Re-numbered by Act 3 of 1983 w.e.f. 19.10.1982.

7. Omitted by Act 3 of 1983 w.e.f. 1.11.1982.

8. Inserted by Act 3 of 1983 w.e.f. 1.11.1982 & substituted by Act 14 of 1987 w.e.f. 1.4.1987.

9 . Substituted by Act 29 of 1964 w.e.f. 1.10.1964 by notification. Text of notification is at page 429.

10. Substituted by Act 14 of 1980 w.e.f. 17.4.1980.

11. Substituted by Act 30 of 1975 w.e.f. 15.7.1975.

12. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

13. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.

14. Substituted by Act 10 of 1983 w.e.f. 1.4.1983

15. Omitted by Act 23 of 1983 w.e.f. 18.11.1983.

16. Substituted by Act 3 of 1966 w.e.f. 1.3.1966.

17. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.

18. Inserted by Act 23 of 1983 w.e.f. 18.11.1983 & substituted by Act 16 of 1989 w.e.f. 1.4.1989.

19. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
20. Inserted by Act 13 of 1982 w.e.f. 1.1.1970 & omitted by Act 3 of 1983 w.e.f. 1.4.1979.
21. Serial Nos. 8 to 10 substituted by Act 78 of 1976 w.e.f. 7.12.1976.
22. Substituted by Act 9 of 1986 w.e.f. 1.4.1986.
23. Omitted by Act 4 of 1992 w.e.f. 1.4.1992.
24. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.
25. Inserted by Act 13 of 1982 and omitted by Act 3 of 1983 w.e.f. 1.4.1982.
26. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
27. Inserted by Act 18 of 1978 w.e.f. 1.9.1978.
28. Numbered by Act 13 of 1982 w.e.f. 1.4.1982.
29. Inserted by Act 13 of 1982 w.e.f. 1.9.1978 & substituted by Act 5 of 1996 w.e.f. 1.4.1996.
30. Explanation III & IV inserted by Act 14 of 1987 w.e.f. 1.4.1987.
31. Inserted by Act 4 of 1992 w.e.f. 1.4.1991 & omitted by the same Act w.e.f. 1.10.1991.

SCHEDULE 5

FIFTH SCHEDULE

Goods Exempted from tax under section 8

Sl.No.	Description of the goods	Point of levy	Rate of tax
(1)	(2)	(3)	(4)
1	[Coal including coke in all its forms, [but excluding charcoal]]	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	[Four percent.]
[2(a)]	Iron and steel, that is to say-		
(i)	pig iron and cast iron including ingot moulds, bottom plates,	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	3 [Four percent.]
(ii)	steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes);		
(iii)	skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars;		
(iv)	steel bars (rounds, rods, squares, flats, octagons and hexagons, plain and ribbed or twisted, in coil form as well as straight lengths);		
(v)	steel structurals (angles, joists, channels, tees, sheet piling sections, Z sections or any other rolled sections);		
(vi)	sheets, hoops, strips and skelp, both black and galvanised, hot and cold rolled, plain and corrugated, in all qualities, in straight lengths and in coil form, as rolled and in rivetted		

condition;		
(vii) plates both plain and chequered in all qualities;		
(viii) discs, rings, forgings and steel castings;		
(ix) tool alloy and special steels		
(xi) steel tubes, both welded and seamless, of all diameters and lengths, including tube fittings;		
(xii) tin-plates, both hot dipped and electrolytic and tinfree plates;		
(xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails-heavy and light crane rails;		
(xiv) wheels, tyres, axles and wheel sets;		
(xv) wire rods and wires-rolled, drawn, galvanised, aluminised, tinned or coated such as by copper;		
(xvi) defectives, rejects, cuttings or end pieces of any of the above categories.]		
8 [(b) Iron scrap, cast iron scrap, runner scrap, and iron skull scrap; and steel melting scrap in all forms including steel skull turnings and borings,-		
(i) Purchase by a dealer for use by him in the manufacture of other goods in the State; and	Purchase by the last dealer in the State liable to tax under this Act.	Four percent.
(ii) in other cases	Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	Four percent.]
9 [3. Hides and skins, whether in a raw or dressed state.	Purchase by the last dealer in the State liable to tax under this Act.	10 [Four percent.]]
4. Jute, that is to say, the fibre extracted from plants belonging to the species corchorus capsularis and corchorus olitorious and the fibre known as mesta or bimli extracted from plants of the species 5">5 [Hibiscus cannabinus	Sale by the first or earliest of successive dealers in the State liable to tax under, this Act.	11 [Four percent.]

and Hibiscus sabdariffa-Varaltissima and the fibre known as Sun or Sunnhemp extracted from plants of the species Crota- laria juncea], whether baled or otherwise.		
12 [(a) Groundnut or peanut including groundnut or peanut seeds.	Sale by the first or the earliest of the successive dealers in the State liable to tax under this Act.	13 [Four percent]]
14 [(b) 15">15 [x x x] sesamum or til (gingelly) seeds, Kusum (Kardi) seeds, Safflower, niger (Ram til), castor seeds, Karanja, Pongam, honge seeds and neem or vepa seeds.	12">12 [Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.]	13 [Four percent]]
(c) Cotton seed	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	13 [Four percent]
5 [Other oil seeds, that Is to say, - Soyabean, Rape-seed and Mustard (Toria, Rai, Jamba, Taramira, Sarson, yellow and brown, Banarsi Rai or True Mustard), Linseed, Sunflower, Mahua, Illupai, Ippe, Punna, Undi, Kokum, Sal, Tung and Red Palm.]	16">16 [Sale by the first or earliest of successive dealers in the State liable to tax under this Act.]	17 [Four percent]
18 [(e) Coconut (i.e., copra excluding tender coconuts).	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	17 [Four percent]]
6. Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned, baled, pressed or otherwise, but not including cotton waste.	19">19 [Purchase by the last dealer in the State liable to tax under this Act]	14 [Four percent]
7. Cotton yarn, but not including cotton yarn waste.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	17 [Four percent]
20 [7A. x x x]		
21 [8. Crude oil as specified in clause (iic) of section 14 of the Central Sales Tax Act, 1956.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	Four percent
22 [9 23">23 [(i) x x x] (ii) Barley	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	24 [Four percent]]
10. Pulses (whether whole or	Sale by the first or	24 [Two

separated and whether with or without husk), that is to say, gram or gulab gram, tur or arhar, mong or green gram, masur or lentil, urad or black gram, moth, lakh or khesari.		earliest of successive dealers in the State liable to tax under this Act.	percent.]]
25 [11. x x x]			
26 [12. (i) Textiles and fabrics	as declared from time to time under section 14 of the Central Sales Tax	Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	17 [Four percent]
(ii) Sugar including Khandasari Sugar and sugar preparations	Act 1956, excluding those specified in the fifth schedule dealers in the State liable to tax under this Act.	Sale by the first or earliest of the successive dealers in the State liable to tax under this Act.	17 [Four percent]
(iii) Tobacco products		Sale by the first or earliest of the successive	17 [Four percent]]

27 [28 [Explanation I.]-Where a tax has been levied under this Act in respect of the sale or purchase of any paddy referred to in serial number 9, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy.]

29 [Explanation II.- Where tax has been levied under this Act on goods specified in any item of serial number 2 and out of such goods, different goods specified in any other item of serial number 2 are manufactured, the tax leviable on sales of such manufactured goods shall be at the rate of two percent: Provided that nothing in this explanation shall apply where the input goods used in the manufacture are exempt from tax by any notification issued under section 8-A or section 19-C.]

30 [Explanation III.-Where a tax has been levied under this Act in respect of goods of Iron and steel referred to in sub-item (ii) of item (b) of serial number 2 at the point of first sale, no tax shall be levied on the said goods under the sub-item (i) of the said item, subject to production of satisfactory proof;

Explanation IV.-Where a tax has been levied under this Act in respect of groundnuts referred to in sub-item (ii) of item (a) serial number 5 at the point of first sale, no tax shall be levied on the said goods under the sub-item (i) of the said item, subject to production of satisfactory proof.]

31 [Explanation IVA.-x x x]]

1.Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

2.Substituted by Act 5 of 2000 w.e.f. 1.4. 2000.

3.Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

4.Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

5.Omitted by Act 5 of 2000 w.e.f. 1.4.2000

6.Omitted by Act 9 of 2000 w.e.f. 1.1.2000 & Inserted by Act 5 of 2000 w.e.f. 1.1.2000.

7.Omitted by Act 9 of 2000 w.e.f. 1.1.2000.

8.Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

9.Inserted by Act 5 of 2000 w.e.f. 1.1.2000.

10.Words "and silk yarn twisted or thrown silk yarn, spun silk yarn and noilsilk yarn" are omitted by Act 25 of 2000 w.e.f. but it is not yet brought into force.

11.Omitted by Act 9 of 2000 w.e.f. 1.1.2000 & Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

12.Inserted by Act 25 of 2000 w.e.f. 1.4.1999 & omitted by the same Act w.e.f.7.10.1999

13.Inserted by Act 5 of 2000 w.e.f. 1.9.1986 & omitted by the same Act

w.e.f.1.4.1994.

SCHEDULE 6

SIXTH SCHEDULE

[(See section 5-B and 17(6))]

Sl. No.	Description of Works Contract	Rate Tax of Under section 5-B
(1)	(2)	(3)
1.	Fabrication and Installation of Plant and Machinery.	[Ten percent]
2.	Fabrication and erection of structural works, including fabrication, supply and erection of Iron trusses,purlines, etc.	Four percent
3.	Fabrication and installation of cranes and hoists.	[Ten percent]
4.	Fabrication and installation of elevators (lifts) and escalators.	[Ten percent]
5.	Fabrication and installation of rolling shuttersand collapsible gates	[Ten percent]
6.	Civil works like construction of buildings, bridges, roads, etc.	[Ten percent]
7.	Installation of doors, door frames, windows, window frames and grills.	[Ten percent]
8.	(i) Supplying and fixing of Mosaic tiles.	[Ten percent]
	(ii) Supplying and fixing of Marble slabs, polished granite stones and tiles (other than mosaic tiles).	[Ten percent]
	(iii) Supplying and fixing of slabs, stones and sheets other than those specified at items (i) and (ii) above.	Four percent
9.	Supplying and installation of airconditioning equipments including deep-freezers, cold storage plants, humidification plants and de-humidifiers.	[Ten percent]
10.	Supplying and installation of airconditioners and air coolers.	[Ten percent]
11.	Supplying and fitting of electrical goods, supply and installation of electrical equipments including transformers.	[Ten percent]
12.	Supplying and fixing of furnitures and fixtures, partitions including contracts for interior decorations	[Ten percent]
13.	Construction of railway coaches on undercarriages supplied by Railways.	[Ten percent]
14.	Ship and boat building including construction of barges, ferries, tugs, trawlers and dredgers.	[Ten percent]
[15.	Supplying and fixing of sanitary fittings for	Ten percent]

	plumbing, for drainage and the like.	
16.	Painting and polishing	[Ten percent]
17.	Construction, repair, improvement and overhauling of aircrafts and helicopters.	[Ten percent]
18.	Construction of bodies of motor vehicles and construction of trailers.	[Ten percent]
19.	Insulation and lining of equipments, plant and machinery, instruments, appliances or buildings.	[Ten percent]
20.	(i) Providing and laying of pipes (other than steel pipes) for purposes other than those specified in Sl. No 15 of this Schedule	[Ten percent]
	(ii) Providing and laying of steel pipes for purposes other than those specified in Sl. No. 15 of this Schedule.	Four percent
21.	Full service and maintenance of instruments, equipments, appliances or plant and machinery.	[Ten percent]
22.	Programming and providing of Computer Software.	Four percent
23.	Fabrication, testing and reconditioning of metallic gas cylinders.	Four percent
24.	Tyre retreading.	[Ten percent]
25.	Processing and Supplying of Photographs, photoprints and photo negatives.	[Ten percent]
26.	Supplying and Installation of electronic instruments, equipments, apparatus, appliances and devices.	[Ten percent]
27.	Supplying and installation of fire fighting equipments and devices.	[Ten percent]
28.	Electroplating, electrogalvanising, anodising and the like.	Four percent
29.	Bottling, canning and packing of goods.	Four percent
30.	Lamination, rubberisation, coating and similar processes.	[Ten percent]
31.	Printing and block making.	[Ten percent]
32.	Supply and erection of weighing machines and weigh bridges	[Ten percent]
33.	Supply and installation of submersible and centrifugal pumpsets.	[Ten percent]
34.	Dyeing and printing of Textiles.	[Ten percent]
35.	Construction of tankers on motor vehicles.	[Ten percent]
36.	Supply and fixing of door and window curtains including venetian blinds and nets.	[Ten percent]
37.	(i) Manufacturing or processing and supplying	Four percent

	of gold and silver articles not studded with precious or semi-precious stones.	
	(ii) Manufacturing or processing and supplying of gold and silver articles studded with precious or semi-precious stones.	Four percent
38.	Processing, printing and supplying of cinematographic films.	Four percent
39.	Acoustic insulation and other related works.	[Ten percent]
40.	Supply and erection of cooling towers.	[Ten percent]
41.	Supply and training out of stone ballasts.	[Ten percent]
42.	Rewinding of Electrical Motors.	[Ten percent]
[43.]	All other works contracts not specified in any of the above categories.	[Ten percent]]
[44.]	Composite contracts involving two or more of the above categories.	[Ten percent]]

1. Sixth & Seventh Schedules inserted by Act 27 of 1985 w.e.f. 1.8.1985.
2. Sixth Schedule substituted by Act 5 of 1996 w.e.f. 1.4.1996.
3. 4th column entries omitted by Act 7 of 1997 w.e.f. 1.4.1997.
4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.
5. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.
6. Re-numbered by Act 15 of 1996 w.e.f. 5.9.1996.

SCHEDULE 7

SEVENTH SCHEDULE

(See section 5-C)

Sl. No.	Description of goods	Rate of Tax
1	2	3
1.	Motor vehicles including motor cars; motor taxi cabs, motor cycles, motor scooters, motorettes, motor omni buses, vans and motor lorries	[Four percent]
2.	Chassis of motor vehicles	[Four percent]
3.	Plant and machinery including cranes	[Four percent]
4.	Television sets, video cassette recorders and players, pre-recorded video cassette, and video game equipments	[Four percent]
5.	Tabulating machines, calculating machines, duplicating machines, weighing machines, roneo machines, telex printers, and computers	[Four percent]
6.	Telephones	[Four percent]
7.	Feature films	[Four percent]
8.	Furniture of all kinds	[Four percent]
9.	Electronic goods, electrical goods, including instruments, apparatus and appliances thereof	[Four percent]
10.	Air conditioners and air coolers	[Four percent]
11.	Water coolers, refrigerators, deep-freezers, bottle	[Four percent]

11.	water coolers, refrigerators, deep freezers, cooling coolers and cold storage plants	[Four percent]
12.	Cinematographic cameras, projectors and lighting equipments	[Four percent]
13.	Horses	[Four percent]
[14.	Gas Cylinders	[Four percent]
15.	Crates and Bottles	[Four percent]]
[16.	Goods other than those specified in the above categories	Four percent]]

1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
2. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
3. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

SCHEDULE 8

EIGHTH SCHEDULE

(See section 5 (3-C))

Sl. No.	Description of goods	Rate of tax
1	2	3
1.	[Alcoholic liquor for human consumption] other than toddy, arrack, wine, [and fenny]	[Ten percent]
[2. x x x]		
[3. 3A. 4 x x x]		
7[5. x x x]		
[6. x x x]		
[7. x x x]		
[8. x x x]		
[9. 10. 11 x x x]		
[12. x x x]		
[13. x x x]]		
[14. x x x]		
[15. x x x]		
[16. x x x]		
[17. x x x]		

1. Substituted by Act 14 of 1987 w.e.f. 1.4.1987.
2. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.
3. Substituted by Act 8 of 1990 w.e.f. 1.4.1990.
4. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.
5. Omitted by Act 8 of 1990 w.e.f. 1.4.1990.
6. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.
7. Omitted by Act 15 of 1988 w.e.f. 1.4.1998.
8. Omitted by Act 18 of 1994 w.e.f. 1.4.1994.
9. Omitted by Act 11 of 1993 w.e.f. 1.4.1993.
10. Omitted by Act 8 of 1990 w.e.f. 1.4.1987.