

## **Madhya Pradesh Vat (Amendment) Act, 2010**

**[01 April 2010]**

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## **Madhya Pradesh Vat (Amendment) Act, 2010**

**[01 April 2010]**

An Act further to amend Madhya Pradesh VAT Act, 2002. Be it enacted by the Madhya Pradesh Legislature in the Sixty-first year of the Republic of India as follows:-

### **1. Short Title And Commencement :-**

(1) This Act may be called the Madhya Pradesh VAT (Amendment) Act, 2010.

(2) (a) The provisions of clause (ii) of Section 2 and Section 3 of this Amending Act shall be deemed to have come into force from 1st August, 2009;

(b) The remaining provisions of this Amending Act shall come into force from the date of publication of this Act in the Madhya Pradesh Gazette.

### **2. Amendment Of Section 2 :-**

In Section 2 of the Madhya Pradesh VAT Act, 2002 (No. 20 of 2002) (hereinafter referred to as the Principal Act),-

(i) after clause (h), the following clause shall be inserted, namely :

"(ha) "Cooked food" means meal prepared and served by hotels,

restaurants and the like, including prepared tea and prepared coffee":

(ii) for clause (d) of explanation to clause (u), the following clause shall be substituted, namely :

"(d) Notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, two independent sale or purchase shall, for the purposes of this Act, be deemed to have taken place, when the goods specified in Schedule II are transferred from a unit of a dealer to another unit of the same dealer for sale or for consumption or use in / for manufacture of goods specified in Schedule II in such unit and the dealer holds separate registration certificate for each of such units."

### **3. Substitution Of Section 10A :-**

For Section 10-A, the following section shall be substituted, namely :

"10-A.(1) Levy of Purchase Tax on Certain Goods

(1) Notwithstanding anything to the contrary contained in this Act, every dealer who in course of his business purchases goods as may be notified by the State Government, shall be liable to pay tax at the rate of four percent on the purchase price of the notified goods. Provided that no tax under this section shall be payable on the purchases of such goods, if the goods are consumed in the process of manufacture as may be specified by the State Government, within the State.

(2) No tax under this section shall be levied in respect of the purchases made from a registered dealer by whom tax under this section is payable and who has declared by putting a statement on the sale bill that tax under this section is payable by him on such goods.

(3) The tax under this section shall be levied in respect of a dealer from the date on which aggregate of the purchase prices of goods notified exceeds rupees five crore in the first instance, in a year. Provided that the following purchase prices of notified goods shall not be included in the aggregate of the purchase prices for determination of liability to pay tax under this section, -

(i) purchase price of notified goods purchased from outside the State;

(ii) purchase price of notified goods which have been sold against declaration under sub-section (6);

(iii) purchase price of notified goods which have been purchased

before the date of notification under sub-section (1);

(iv) purchase price of notified goods which have been consumed after purchase, in the process of manufacture as specified under proviso to sub-section (1).

(4) Every dealer who is liable to pay tax under sub-section (1) shall continue to be so liable until the expiry of two consecutive years during which aggregate of purchase prices of the notified goods has not exceeded the limits specified in sub-section (3) and on the expiry of such period his liability to pay tax under this section shall cease.

(5) Every dealer who is engaged in the manufacture as specified under proviso to sub-section (1) shall obtain a certificate of recognition in the prescribed manner from the prescribed authority.

(6) If a dealer, who is liable to pay tax under this section, sells the notified goods to a dealer, who holds a certificate of recognition, against a declaration issued in the manner and form as may be prescribed, the selling dealer shall be entitled to claim deduction of the purchase price of the goods sold and such purchase price shall not be included in the aggregate of purchase prices.

(7) If the dealer holding certificate of recognition purchases the notified goods and instead of using such goods in the manufacture as specified in proviso to sub-section (1), sells or disposes off such goods in any other manner, he shall be liable to pay tax at the rate of 4 percent on the purchase price of those goods.

(8) The State Government may, by notification, exempt whether prospectively or retrospectively any transactions, as it may deem fit, from payment of tax under this section for such period as may be specified in the notification."

#### **4. Amendment Of Section 20 :-**

In Section 20 of the Principal Act, in sub-section (4), in clause (a), for the words, bracket, figures and letter "under sub-section (1) of Section 20-A", the words, brackets, figures and letters "under sub-section (1) and (1A) of Section 20-A" shall be substituted.

#### **5. Amendment Of Section 20A :-**

In Section 20-A of the Principal Act,-

(i) In sub-section (1), in the proviso, for full stop, the colon shall be substituted and thereafter the following proviso shall be inserted, namely :

"Provided further that the State Government may, by notification,

extend the dates of filing of returns / revised returns as specified in clause (a) with an interest of 0.5% per month, which shall be in addition to the interest payable in accordance with the provision of clause (a) of sub-section (4) of Section 18.";

(ii) for sub-section (2), the following sub-section shall be substituted, namely :

"(2) Notwithstanding anything to the contrary contained in sub-section (1) and (1A), the Commissioner shall select for reassessment a number of such dealers, as he deems fit, whose assessment for a year is deemed to have been made under sub-section (1) of Section 20 in accordance with the provisions of sub-section (1) and (1A) and such selection shall be made during the year immediately following the said year."

#### **6. Amendment Of Section 39 :-**

In Section 39 of the Principal Act, in sub-section (5), for the bracket and figure "(1)", the bracket and figure "(2)" shall be substituted.

#### **7. Amendment Of Section 42 :-**

In Section 42 of the Principal Act, sub-section (2) shall be renumbered as sub-section (3) and before sub-section (3) so renumbered, the following sub-section shall be inserted, namely :

"(2) The Commissioner may transfer any proceeding or class of proceedings under Section 46 from an Appellate Authority appointed under Section 3-A to any other Appellate Authority, and intimation about the transfer of any such proceeding or proceedings shall be sent to the dealer."

#### **8. Amendment Of Section 71 :-**

In Section 71 of the Principal Act, in sub-section (2) after clause (ea), the following clause shall be inserted, namely :

"(eb) the manner in which recognition certificate shall be obtained under sub-section (5), and the manner and the form in which declaration shall be issued under sub-section (6) of Section 10-A;"

#### **9. Amendment Of Schedule-I :-**

In Schedule I of the Principal Act,-

(i) against serial number 77, in column (2), for the words "Atta chakki", the words "Atta chakki and its parts including pat" shall be

substituted;

(ii) after serial number 83, the following serial numbers and entries relating thereto shall be inserted, namely :

"84 Isabgol

85 Products of Research and Training Institutes When sold by the Research and Training Institutes and total annual turnover of such products is less than rupees twenty five lacs".

#### **10. Amendment Of Schedule-II :-**

In Schedule II of the Principal Act,-

(i) in Part II,-

(a) after serial number 71, the following serial number and entries relating thereto shall be inserted, namely :

"72. Cooked food 5%";

(b) after serial number 74, the following serial number and entries relating thereto shall be inserted, namely :

"75. Saw dust 5%";

(ii) in Part III,-

(a) against serial numbers 4, 6 and 7, in column (3), for the figure "12.5", the figure "13" shall be substituted;

(b) after serial number 9, the following serial number and entries relating thereto shall be inserted, namely :

"10. Capital goods (other than plant and machinery and motor vehicle), on which tax under the Act has been paid at the time of purchase and no input tax rebate was admissible on such purchase. 1.5%";

(iii) in Part IV, in column (3), for the figure "12.5", the figure "13" shall be substituted.