

Tamil Nadu General Sales Tax Act, 1959

1 of 1959

CONTENTS

1. Short Title, Extent And Commencement
2. Definitions
3. Levy Of Taxes On Sales Or Purchases Of Goods
 - 3A. Levy Of Tax On The Right To Use Any Goods
 - 3B. Levy Of Tax On The Transfer Of Goods Involved In Works Contract
 - 3C. Input Tax Credit
 - 3D. Payment Of Tax By Hotels, Restaurants And Sweet- Stalls
 - 3E. Payment Of Tax By Dealers In Jewellery
 - 3F. Omitted
 - 3G. Payment Of Tax At Compounded Rate By Printers
 - 3H. Levy Of Resale Tax
 - 3I. Levy Of Surcharge
 - 3J. Levy Of Tax On Trade Mark Holder
4. Tax In Respect Of Declared Goods
 - 4A. Reimbursement Or Refund Of Tax Paid In Certain Cases
 - 4B. Special Provision In Respect Of Certain Declared Goods
 - 4C. Refund Of Tax On Sales Returns
 - 4D. Refund Of Tax On Unfructified Sale
 - 4E. Refund Of Tax In Certain Cases
 - 4F. Payment Of Tax By Dealers In Rice
5. Tax On Goods Purchased By Dealers Registered Under Central Sales Tax Act, 1956 (Central Act 74 Of 1956)
6. Tax Under This Act To Be In Addition To Tax Under The Central Sales Tax Act, 1956 (Central Act 74 Of 1956) Or Any Other Law
7. Payment Of Tax At Compounded Rates
 - 7A. Levy Of Purchase Tax
 - 7 B . Payment Of Tax At Compounded Rate By Hotels And Restaurants
 - 7C. Payment Of Tax At Compounded Rates By Works Contractor
 - 7D. Levy Of Tax On Lottery Tickets
 - 7E. Payment Of Tax At Compounded Rates
 - 7F. Deduction Of Tax At Source In Works Contract
8. Exemption From Tax
9. Stage Of Levy Of Taxes In Respect Of Imported And Exported Goods
10. Burden Of Proof
11. Assessment Of Tax
12. Procedure To Be Followed By The Assessing Authority

- 12A. Assessment Of Sales Shown In Accounts At Low Prices
- 12B. Assessment Of Sales In Certain Cases
- 13. Advance Payment Of Tax
- 13A. Dealer To Continue Payment For The Year Of Tax As Determined In The Preceding Year Under Section 13
- 14. Fresh Assessment In Certain Cases
- 15. Assessment Of Legal Representatives
- 16. Assessment Of Escaped Turnover
- 16A. Assessment Of Turnover Not Disclosed Under The Compounding Provisions
- 16AA. Assessment Of Turnover Not Declared Under Section 7-C
- 16AAA. Assessment Of Draw Not Declared Under Section 7-D
- 16B. Power To Reduce Or Waive Penalty In Certain Cases
- 16C. Assessment In Cases Of Price Variation
- 16D. Constitution Of Special Committee
- 17. Power Of Government To Notify Exemptions And Reductions Of Tax
- 17A. Power Of Government To Notify Deferred Payment Of Tax For New Industries, Etc
- 18. Liability To Tax Of Persons Not Observing Restrictions And Conditions Notified Under Section 17
- 19. Liability Of Firms
- 19A. Liability To Tax Of Partitioned Hindu Family, Dissolved Firm, Etc
- 19B. Liability To Tax Private Company On Winding Up
- 20. Registration Of Dealers
- 21. Procedure For Registration
- 21A. Issue Of Permit
- 22. Collection Of Tax By Dealer
- 23. Levy Of Penalty In Certain Cases
- 24. Payment And Recovery Of Tax
- 24A. Transfers To Defraud Revenue Void
- 25. Recovery Of Penalty Or Interest
- 26. Further Mode Of Recovery
- 27. Recovery Of Tax Where Business Of Dealer Is Transferred
- 27A. Rounding Off Of Turnover, Tax Etc
- 28. Appointment Of Commissioner Of Commercial Taxes, Joint
- 28A. Power To Issue Clarification By Commissioner Of Commercial Taxes
- 29. Special Powers Of Assistant Commissioner Under Revenue Recovery Act
- 30. Appellate Tribunal
- 31. Appeal To The Appellate Assistant Commissioner
- 31A. Appeal To The Appellate Deputy Commissioner
- 32. Special Powers Of The Deputy Commissioner
- 33. Powers Of Revision Of Deputy Commissioner
- 34. Special Power Of Joint Commissioner Of Commercial Taxes
- 34A. Power To Transfer Appeals
- 35. Powers Of Revision By Joint Commissioner Of Commercial Taxes
- 36. Appeal To The Appellate Tribunal

- 36A. Tribunals Under Articles 323-B Of The Constitution For Sales Tax Matters
- 37. Appeal To The Special Tribunal
- 38. Revision By Special Tribunal
- 38A. Special Powers Of Revision By Special Tribunal
- 39. Constitution Of Sales Tax Settlement Commission
- 39A. Amendment Of Order Of Assessment, Etc
- 39B. Production Of Accounts
- 40. Maintenance Of Up-To-Date True And Correct Accounts And Records By Dealers
- 41. Powers To Order Production Of Accounts, And Powers Of Entry, Inspection, Etc
- 41A. Powers To Inspect Goods Delivered To A Carrier Or Bailee
- 42. Establishment Of Check-Post Or Barrier And Inspection Of Goods, While In Transit
- 43. Possession And Submission Of Certain Records By Owners, Etc., Of Boats
- 44. Possession And Submission Of Certain Records By Owners, Etc., Of Goods Vehicle
- 44A. Issue Of Transit Pass
- 45. Offences And Penalties
- 46. Composition Of Offences
- 47. Cognizance Of Offences
- 48. Assessment, Etc., Not To Be Questioned In Prosecution
- 49. Bar Of Certain Proceedings
- 50. Limitation For Certain Suits And Prosecutions
- 51. Bar Of Suits And Proceedings To Set Aside Or Modify Assessment Except As Provided In This Act
- 52. Appearance Before Any Authority In Proceedings
- 52A. Publication Of Information Respecting Assesseees
- 53. Power To Make Rules
- 54. Power To Summon Witnesses And Production Of Documents
- 54A. Power To Get Information
- 55. Power To Rectify Any Error Apparent On The Face Of The Record
- 56. Omitted From 1st December 1972
- 57. Prohibition Of Disclosure Of Particulars Produced Before Sales Tax Authorities
- 58. Sale Or Purchase Deemed To Have Taken Place Inside The State In Certain Cases
- 59. Power To Amend Schedules
- 60. Certain Transactions Deemed To Be First Sales Or Purchases
- 60A. Payment Of Tax In Respect Of Goods Shifted From Single Point To Multi-Point
- 60B. Payment Of Tax In Respect Of Goods Shifted From Multi-Point To Single-Point
- 61. Repeal

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

SCHEDULE 9 :- NINTH SCHEDULE

SCHEDULE 10 :- TENTH SCHEDULE

SCHEDULE 11 :- ELEVENTH SCHEDULE

APPENDIX 1 :- ANNEXURE A

APPENDIX 2 :- ANNEXURE B

Tamil Nadu General Sales Tax Act, 1959

1 of 1959

An Act to consolidate and amend the laws relating to the levy of a general tax on the sale or purchase of goods in the State of Tamil Nadu. WHEREAS it is expedient to consolidate and amend the laws relating to the levy of a general tax on the sale or purchase of goods in the State of Tamil Nadu ; BE it enacted in the Tenth Year of the Republic of India as follows:-

1. Short Title, Extent And Commencement :-

(1) This Act may be called the Tamil Nadu General Sales Tax Act, 1959.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date¹as the Government may, by notification, appoint.

1. Notified to come into force on 1st April 1959 and the Act extended to added territory from 1st April 1961 by Act No. 9 of 1961.

2. Definitions :-

In this Act, unless the context otherwise requires¹ ,--

- (a) "Administrative Assistant Commissioner" means any person appointed to be an Administrative Assistant Commissioner of Commercial Taxes under Section 28 ;
- (aa) "Appellate Assistant Commissioner" means any person appointed to be an Appellate Assistant Commissioner" under Section 28 ;
- (aaa) "Appellate Deputy Commissioner" means any person appointed to be an Appellate Deputy Commissioner of Commercial Taxes under Section 28 ;
- (b) "Appellate Tribunal" means the Tribunal appointed under Section 30 ;
- (c) "Assessing Authority" means any person authorised by the Government or by any authority empowered by them to make any assessment under this Act ;
- (cc) "Assistant Commercial Tax Officer" means any person appointed by the Deputy Commissioner by name or by virtue of his office, to exercise the powers of an Assistant Commercial Tax Officer ;
- (ccc) "Assistant Commissioner (Assessment)" means any person appointed to be an Assistant Commissioner of Commercial Taxes (Assessment) under Section 28 ;
- (cccc) "Assistant Commissioner (Checkposts)" means any person appointed to be an Assistant Commissioner of Commercial Taxes (Checkposts) under Section 28 ;
- (ccccc) "Assistant Commissioner (Enforcement)" means any person appointed to be an Assistant Commissioner of Commercial Taxes (Enforcement) under Section 28 ;
- (d) "business" includes--
- (i) any trade, or 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.
- (e) "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, supplying or distributing of goods in the State, whether for cash, or for deferred payment, or for commission, remuneration or other valuable consideration and who does not reside or has no fixed place of business within the

State ;

(f) "Commercial Tax Officer" means any person appointed to be a Commercial Tax Officer under Section 28;

(ff) "Commissioner" means any person appointed to be a Commissioner of Commercial Taxes under Section 28;

(g) "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) a local authority, company, or Hindu Undivided Family, firm or other association of persons which carries on such business ;

(ii) a casual trader ;

(iii) a factor, a broker, a commission agent or arhati, del credere agent or an auctioneer, or any other mercantile agent by whatever name called, and whether of the same description as hereinbefore or not, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal, or through whom the goods are bought, sold, supplied or distributed ;

(iv) every local branch of a firm or company situated outside the State ;

(v) 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 ;

(vi) 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 ;

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

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

(ix) a person engaged in the business of supplying by way of, or as 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 ;

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 ;

Explanation (2)--The Central Government or any State Government which, whether or not in the course of business, buy, sell, supply or distribute goods, directly or otherwise, 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 ;

2 Explanation (3)-- Each of the following persons or bodies who dispose of any goods including unclaimed or confiscated or unserviceable or scrap surplus, old or obsolete goods or discarded material or waste products whether by auction or otherwise directly or through an agent for cash or for deferred payment or for any other valuable consideration, notwithstanding anything contained in this Act, shall be deemed to be a dealer for the purposes of this Act to the extent of such disposals, namely :--

(a) Port Trust ;

(b) Municipal Corporations, Municipal Councils and other local authorities constituted under any law for the time being in force ;

(c) Railways administration as defined under the Railways Act, 1989 ;

(d) Shipping, transport and construction companies ;

(e) Air Transport Companies and Airlines ;

(f) Any person holding permit for the transport vehicles granted under the Motor Vehicles Act, 1988 which are used or adopted to be used for hire ;

(g) The Tamil Nadu State Transport Corporations ;

(h) Customs Department of the Government of India administering the Customs Act, 1962 ;

(i) Insurance and Financial Corporations or Companies and Banks included in the Second Schedule to the Reserve Bank of India Act, 1934 ;

(j) Advertising agencies ; and

(k) Any other Corporation, Company, body or authority owned or set up by, or subject to administrative control of the Central Government or any State Government ;

(l) "declared goods" means goods declared by 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 ;

(m) "Deputy Commercial Tax Officer" means any person appointed by the Deputy Commissioner by name or by virtue of his office, to exercise the powers of a Deputy Commercial Tax Officer ;

(n) "Deputy Commissioner" means any person appointed to be a

Deputy Commissioner of Commercial Taxes under Section 28 ;

(j) "goods" means all kinds of movable property (other than newspapers, actionable claims, stocks and shares and securities) and includes all materials, commodities, and articles including the 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 ;

(k) "Government" means the State Government ;

3 (kk) "Input tax" means tax paid or payable, by the purchaser being a dealer, to the supplier or to the Government ;

3 (kkk) "Joint Commissioner" means any person appointed to be a Joint Commissioner of Commercial Taxes under Section 28 ;

(l) "place of business" includes a warehouse, godown, or other place where a dealer stores his goods or a place where a dealer keeps his books of account ;

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

4 (mm) "resale" for the purpose of Section 3-H means the sale of goods mentioned in the First Schedule or the Eleventh Schedule, purchased within the State, in the same form in which such goods are purchased or with modifications or improvements thereto which do not amount to manufacture.

Explanation-- For the purpose of this clause, sale of goods shall mean sale of goods at points other than the point of levy specified in the respective Schedule ;

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

(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 ;

(v) a supply of goods by any unincorporated association or body of

persons to a member thereof for cash, deferred payment or other valuable consideration ;

(vi) a supply, by way of or as 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,

and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made ;

Explanation (1)-- The 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.

Explanation (1-A)--Every transfer of property in goods by the Central Government or any State Government 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.

Explanation (1-B)-- The transfer of property involved in the purchase, sale, supply or distribution of goods through a factor, broker, commission agent or arhatia, del credere agent or an auctioneer or any other mercantile agent, by whatever name called, whether for cash or for deferred payment or other valuable consideration, shall be deemed to be a purchase or sale, as the case may be, by such factor, broker, commission agent, arhatia, del credere agent, auctioneer or any other mercantile agent, by whatever name called, for the purposes of this Act.

5 Explanation (1-C)-- Every transfer of property in goods including goods as unclaimed or confiscated or as unservicable or as scrap surplus, old, obsolete or discarded materials or as waste products, by the persons or bodies referred to in Explanation (3) in clause (g) of Section 2 of this Act, for cash or for deferred payment or for any other valuable consideration whether or not in the course of business shall be deemed to be a sale for the purposes of this Act.

Explanation (2)--[Omitted by Act 28/84 w.e.f. 29th May 1984].

Explanation (3)-- (a) The sale or purchase of goods 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.

Explanation (4)-- Notwithstanding anything to the contrary contained in this Act, 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 ;

(nn) "Special Tribunal" means the Special Tribunal as defined in Clause (i) of Section 2 of the Tamil Nadu Taxation Special Tribunal Act, 1992 ;

(o) "State" means the State of Tamil Nadu ;

6 "(oo) "Surcharge" means surcharge on tax levied under this Act;

6 (ooo) "Tax" means and includes a sales tax, purchase tax, resale tax or surcharge, as the case may be, payable under this Act ;

(p) "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.

(p p) "Territorial Assistant Commissioner" means any person appointed to be Territorial Assistant Commissioner of Commercial Taxes under Section 28.

(q) "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 ;

(r) "turnover" means the aggregate amount for which goods are bought or sold, or delivered or supplied or otherwise disposed of in any of the ways referred to in clause (n), 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, provided that the proceeds of the sale by a person of agricultural or horticultural produce, other than tea, and rubber (natural rubber, latex and all varieties and grades of raw rubber) grown within the State by himself or on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise, shall be excluded from his turnover.

Explanation (1)--"Agricultural or horticultural produce" shall not include such produce as has been subjected to any physical, chemical or other process for being made fit for consumption, save mere cleaning, grading, sorting or drying.

Explanation (1-A)--Any amount charged by a dealer by way of tax separately without including the same in the price of the goods bought or sold shall not be included in the turnover.

Explanation (2)--Subject to such conditions and restrictions, if any, as may be prescribed in this behalf--

(i) [Omitted by Act 19 of 1960 w.e.f. 1st October 1960].

(ii) the amount for which goods are sold shall 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 ;

(iii) any cash or other discount on the price allowed in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the turnover ; and

(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,

Explanation (3)--Any amount realised by a dealer by way of sale of his business as a whole, shall not be included in the turnover.

Explanation (4)--The aggregate amount for which the goods are bought or sold or delivered or supplied through a factor, broker, commission agent or arhati, del credere agent or an auctioneer or any other mercantile agent, by whatever name called, whether for cash or for deferred payment or other valuable consideration, shall be deemed to be the turnover of such factor, broker, commission agent, arhati, del credere agent, auctioneer or any other mercantile agent, by whatever name called.

7 (rr) [Omitted by Act No.22 of 2002 w.e.f. 1st July 2002.]

(s) [Omitted from 1st October 1960 by Act 19 of 1960.]

(t) "year" means the financial year.

(u) "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.

1. See notes at the end of this Section.

2. Added by Section 2(1) of the Seventh Amendment Act No. 22 of 2002 with effect from 1st July 2002.

3 . Clause (kk) was inserted after re-numbering clause (kk) previously existing, as clause (kkk), by Section 2(2) of the Seventh Amendment Act No.22 of 2002 with effect from 1st July 2002.

4. By Section 2(3) of the Amendment Act No.22 of 2002, with effect from 1st July 2002, the words Section 3-C and Sixth Schedule in this clause, were substituted by the words Section 3-H and Eleventh Schedule.

5. This Explanation was inserted, with effect from 1st July 2002, by Section 2(4) of the Seventh Amendment Act 22 of 2002.

6. These two clauses were inserted by Section 2(5) of the Seventh Amendment Act No. 22 of 2002 with effect from 1st July 2002.

7. Clause (rr) (originally inserted from 1st November 1996 by Act No. 38 of 1996) was omitted by Section 2(6) of the Seventh Amendment Act No.22 of 2002, with effect from 1st July 2002. Prior to this omission, the clause was as under :--

(rr) "turnover of resale" for the purpose of Section 3-C means the value added on the resale of goods mentioned in the First Schedule or the Sixth Schedule at all places of his business in the State, by any dealer, arrived at after deducting from the turnover of sale, the turnover relating to the goods bought from a registered dealer within the State.

Explanation-- For the purpose of this clause "goods bought" shall also include packing materials, labels and such goods which are consumed or used for carrying out modification or improvements, if any, on the goods before re-sale":

3. Levy Of Taxes On Sales Or Purchases Of Goods :-

1[(1)(a)(i) Every dealer, other than the dealer, casual trader or agent of a non-resident dealer referred to in clause (ii), whose total turnover for a year exceeds three lakhs of rupees ; and

(ii) every dealer in bullion, gold, silver and platinum jewellery including articles thereof and worn-out or beaten jewellery and precious stones and every casual trader or agent of a non-resident dealer, whatever be his turnover for the year, shall pay a tax for each year in accordance with the provisions of this Act ;

(b) Notwithstanding anything contained in clause (a), every dealer (other than²[a dealer in bullion, gold, silver and platinum jewellery including articles thereof and worn-out or beaten jewellery and precious stones and] a casual trader or agent of a non-resident dealer) whose total turnover for a year exceeds three lakhs of rupees but does not exceed ten lakhs of rupees shall not be liable to pay tax on the first three lakhs of rupees of his total turnover, provided that no amount by way of tax or purporting to be by way of tax has been collected by him under this Act in respect of that first three lakhs of rupees.

(2) Subject to the provisions of sub-section (1), in the case of goods mentioned in the First Schedule, the tax under this Act shall be payable by a dealer, at the rate and³[xxx] at the point specified therein on the turnover in each year relating to such goods :

Provided that all spare parts, components and accessories of such goods shall also be taxed at the same rate as that of the goods if such spare parts, components and accessories are not specifically enumerated in the First Schedule and made liable to tax under that Schedule :

Provided further that in the case of goods mentioned in the First Schedule which are taxable at the point of first sale, the tax under this Act shall be payable by the first or earliest of the successive dealers in the State who is liable to tax under this section.

(2-A) Subject to the provisions of sub-section (1), in the case of goods mentioned in the Fifth Schedule, the tax under this Act shall be payable by a dealer at the rate and at the point specified therein on the turnover in each year relating to such goods :

⁴[x x x] The proviso to sub-section 2-A was omitted by Act No.20 of 2002 - Gazette dated 3rd June 2002 w.e.f. 27th March 2002 (Retrospective).

(2-B) Subject to the provisions of sub-section (1), in the case of goods mentioned in the Sixth Schedule, the tax under this Act shall be payable by a dealer at the first point of sale and the second point of sale, and at the rate specified therein on the turnover in each year relating to such goods :

Provided that at the second point of sale, the turnover of the goods liable to tax shall be arrived at by deducting the turnover of such

goods on which tax has been levied at the first point of sale.

5[(2-C) Subject to the provisions of sub-section (1), in the case of goods mentioned in the Eleventh Schedule, the tax under this Act shall be payable by a dealer at the rate and at the point specified therein on the turnover or quantity in each year relating to such goods.

(3) Notwithstanding anything contained in sub-section (2),6[2-A or 2-C] but subject to the provisions of sub-section (1), the tax payable by a dealer in respect of sale of any goods including consumables, packing material and labels, but excluding plant and machinery, to another dealer for use by the latter in the manufacture, and assembling, packing or labelling in connection with such manufacture inside the State, for sale by him of any goods other than ethyl alcohol, absolute alcohol, methyl alcohol, rectified spirit, neutral spirit and denatured spirit, goods falling under Part A of the Third Schedule, goods falling under item 1 of the Sixth Schedule and arrack, shall be at the rate of only three per cent on the turnover relating to such sale:

Provided that the provisions of this sub-section shall not apply to--

(a) any sale of7[high speed diesel oil, light diesel oil and molasses ; and]

(b) any sale, unless the dealer selling such goods furnishes to the assessing authority in the prescribed manner and within the prescribed period, a declaration duly filled in and signed by the dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority :

Provided further that any dealer who after purchasing the goods in respect of which he had furnished any declaration, fails to make use of the goods so purchased for the purpose specified in the declaration but disposes of such goods in any other manner, shall pay the difference of tax payable on the turnover relating to sale of such goods at the rate prescribed and three per cent :

Provided also that the dealer purchasing the goods maintains a separate stock account for each of the goods purchased by him showing such particulars as may be prescribed.

(4) Where any dealer, after availing the concessional rate of tax under sub-section (3), does not sell the goods so manufactured, but despatches them to a place outside the State either by branch transfer or by transfer to an agent, by whatever name called, for sale, or in any other manner, except as a direct result of sale or purchase in the course of inter-State trade or commerce, shall pay,

in addition to the concessional rate of tax already paid under sub-section (3) tax at one per cent on the value of the goods so purchased.

(5) Notwithstanding anything contained in sub-section (2), but subject to the provisions of sub-section (1), the tax payable by a dealer in respect of sale of any of the goods mentioned in the Eighth Schedule to any other dealer for installation of, and use in his factory site situate within the State for the manufacture of any goods shall be at the rate of three per cent on the turnover relating to such sale :

Provided that the provisions of this sub-section shall not apply to any sale, unless the dealer selling such goods furnishes to the assessing authority in the prescribed manner and within the prescribed period, a declaration duly filled in and signed by the dealer to whom the goods are sold, containing the prescribed particulars in the prescribed form obtained from the prescribed authority :

Provided further that any such dealer, who, after purchasing the goods in respect of which he had furnished any declaration, fails to install the goods and make use of the goods so purchased for the purpose specified in the declaration or disposes of such goods in any other manner within a period of five years shall pay the difference of tax payable on the turnover relating to sale of such goods at the rate prescribed and three per cent ;

(6) Notwithstanding anything contained in sub-section (2) and subject to the provisions of sub-section (1), the tax payable by a dealer in respect of sale of rubber products including tyres, tubes and flaps inside the State, manufactured by him inside the State out of raw rubber purchased inside the State shall be reduced to the extent of an amount equal to the purchase tax paid on raw rubber over and above three per cent :

Provided that the dealer purchasing raw rubber maintains a separate stock account for the raw rubber purchased by him inside the State, showing such particulars as may be prescribed.

(7) Notwithstanding anything contained in sub-section, (2), (2-A), (2-B), (2-C) or (3), but subject to sub-sections (1) and (8), where goods are sold or purchased together with the containers or packing materials the turnover of such goods shall include the price, cost or value of such containers or packing materials, and the packing charges, whether such price, cost or value or packing charges, are charged separately, or not, and tax shall be levied thereon at the rate applicable to the goods contained or packed as

if such containers or packing materials were the parts of the goods sold or purchased.

(8) Where the sale or purchase of goods contained in any container or packed in any packing material is exempt from tax at the hands of the dealer, then the price, cost or value of such container or packing material and the charges for packing, forming part of the turnover of the goods under subsection (7), shall not be liable to tax.

Explanation-- For the purposes of sub-sections (7) and (8), containers include gunny bags, tins, bottles or any other containers.

1. This clause in this sub-section was substituted by Section 2 of the Ninth Amendment Act (48 of) 2002 with effect from 19th August 2002, with the object of removing the limit of total turnover fixed for payment of tax by dealers in jewellery trade.

2. These words were added by the same Amendment Act from the same date.

3. The word only here was omitted by Section 3(1) of the Seventh Amendment Act (22 of) 2002 with effect from 1st July 2002, so that resale tax under Section 3-H could be levied.

4. The proviso below this sub-section, which read as under, was omitted by Section 2(1) of the Sixth Amendment Act 20 of 2002 with effect from 27th March 2002 :--

Provided that in respect of sale by the first dealer to another registered dealer the dealer selling the goods shall furnish to the assessing authority in the prescribed manner within the prescribed period a declaration duly filled in and signed by the dealer to whom the goods are sold containing the prescribed particulars in a prescribed form, obtained from the prescribed authority.

5. This sub-section was inserted by Section 3(2) of the Seventh Amendment Act No.22 of 2002, with effect from 1st July 2002.

6. The figure 2-A as added from 27th March 2002 and the figure or 2C added from 1st July 2002 by Amendment Act (47 of) 2002.

7. This clause in its present form was substituted from 27th March 2002 by Section 2(2) of the Sixth Amendment Act No. 20 of 2002, for the following :--

"(a) any sale of goods falling under items 1 and 2 in Part F and item 2 in Part I of the said Schedule ; and"

8. The figure 2-C was added from 1st July 2002 by the Eighth Amendment Act No.47 of 2002.

3A. Levy Of Tax On The Right To Use Any Goods :-

(1) Notwithstanding anything contained in sub-sections (2-A), (2-B), 1[2-C](3), (4), (7) and (8) of Section 3, or Section 7-A but subject to the other provisions of this Act including the provisions of sub-section (1) of Section 3, every dealer referred to in item (viii) of clause (g) of Section 2 shall pay, for each year, a tax on his taxable turnover relating to the business of transfer of the right to use any goods for any purpose at the rates mentioned in sub-section (2), 2[(2-A) or (2-C)] of Section 3 or, as the case may be, in Section 4.

(2) The taxable turnover of the dealer, of the business of transfer of the right to use any goods for any purpose, shall, on and from the 1st day of April 1986, be arrived at after deducting the following amounts from the total turnover of that dealer:--

(a) all amounts involved in respect of goods involved in the business of transfer of the right to use any goods for any purpose, 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 or in the course of inter-State trade or commerce ;

(b) all amounts for which any goods specified in the First Schedule or Second Schedule are purchased from registered dealers liable to pay tax under this Act and used in the same form in the transfer of the right to use such goods for any purpose ; and

(c) all amounts relating to sale of any goods involved in the business of transfer of the right to use, which are specifically exempted from tax under any of the provisions of this Act.

1. Added from 1st July 2002 by the Eighth Amendment Act (47 of) 2002.

2. The term 2-A added from 27th March 2002 and or 2-C added from 1st July 2002 by the same Act.

3B. Levy Of Tax On The Transfer Of Goods Involved In Works Contract :-

(1) Notwithstanding anything contained in sub-sections 1[x x x], (2-B), (3), (4), (7) and (8) of Section 3, or Section 7-A, but subject to the other provisions of this Act including the provisions of sub-section (1) of Section 3, every dealer referred to in item (vi) of clause (g) of Section 2 shall pay, for each year, a tax on his taxable turnover of transfer of property in goods involved in the execution of works contract at the rates mentioned in sub-section (2), 2[2-A or 2-C] of Section 3 or, as the case may be, in Section 4.

Explanation-- Where any works contract involves more than one item of work, the rate of tax shall be determined separately for each such item of work.

(2) The taxable turnover of the dealer of transfer of property involved in the execution of works contract shall, on and from the 26th day of June 1986, be arrived at after deducting the following amounts from the total turnover of that dealer:--

(a) all amounts involved in respect of goods involved in the execution of works contract 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 or in the course of inter-State trade or commerce ;

(b) all amounts for which any goods specified in the First Schedule or Second Schedule, are purchased from registered dealers liable to pay tax under this Act and used in the execution of works contract in the same form in which such goods were purchased ;

(c) all amounts relating to the sale of any goods involved in the execution of works contract which are specifically exempted from tax under any of the provisions of this Act ;

(d) all amounts paid to the sub-contractors as consideration for execution of works contract whether wholly or partly :

Provided that no such deduction shall be allowed unless the dealer claiming deduction, produces proof that the sub-contractor is a registered dealer liable to

pay tax under this Act and that the turnover of such amounts is included in the return filed by such sub-contractor ; and

(e) all 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 such amounts calculated at the rate specified in column (3) of the Table below, if they are not ascertainable from the books of accounts maintained and produced by a dealer before the assessing authority.

THE TABLE

Serial number

(1) Type of works contract

(2) Labour or other charges as a percentage value of the works contract

(3)

1. Electrical contracts 15

2. All structural contracts 15

3. Sanitary contracts 25

4. Watch and / or clock repair contracts 50

5. Dyeing contracts 50

6. All other contracts 30

(f) all amounts (including the tax collected from the customer) refunded to the customer or adjusted towards any amount payable by the customer, in respect of unexecuted portion of works contract based on the corrections on account of measurements or check measurements, subject to the conditions that--

(i) the turnover was included in the return and tax paid ; and

(ii) the amount (including the tax collected from the customer) is so refunded or adjusted, within a period of six months from the due date for filing of the return in which the said amount was included and tax paid.

1. The figure 2-A was omitted from 27th March 2002 by the Eighth Amendment Act (47 of) 2002.

2. The figure 2-A was added from 27th March 2002 and or 2-C from 1st July 2002 by the same Act.

3C. Input Tax Credit :-

(1) Notwithstanding anything contained in sub-section (2) of Section 3, every dealer shall pay, tax at the rate specified in the First Schedule, on every sale made by him within the State, in respect of goods as may be notified by the Government from among the goods specified in the First Schedule.

(2) A registered dealer shall be entitled to claim input tax credit subject to such conditions as may be prescribed.

3D. Payment Of Tax By Hotels, Restaurants And Sweet-Stalls :-

(1) Notwithstanding anything contained in sub-section (1) of Section 3, every dealer whose total turnover is not less than ten lakhs of rupees for the year shall pay tax at the rate of two per cent on the first point of sale of ready to eat unbranded foods including sweets, savouries, unbranded non-alcoholic drinks and beverages served in or catered indoors or outdoors by hotels, restaurants, sweet-stalls, clubs, caterers and any other eating houses other than those falling under item 29 of Part-C of the First Schedule.

Explanation (1)-- For the purpose of computing the total turnover under this sub-section, the purchase turnover liable to tax under Section 7-A shall be added to the sales turnover.

Explanation (2)-- For the purpose of computing the total turnover under this sub-section, the sales turnover of all business units in a common premises sharing the common kitchen or common employees shall be added to the sales turnover of the business unit having the higher turnover.

(2) Notwithstanding anything contained in sub-section (1), every dealer whose total turnover is not more than fifty lakhs of rupees for the year may, at his option, pay tax at the rates specified in Part-A of the Ninth Schedule.

(3) Every dealer, who opts for payment of tax under sub-section(2), shall apply to the assessing authority in such form as may be prescribed, on or before the 30th day of April of the year or within thirty days of commencement of business, as the case may be, and shall pay tax in advance during the year in monthly instalments and for this purpose, he shall furnish such return, within such period and in such manner, as may be prescribed :

Provided that the option under this sub-section for the year commencing on the 1st day of April 1999 shall be exercised on or before the 31st day of January 2000.

(4) The option so exercised under sub-section(2) shall be final for that year and shall continue for subsequent years until the dealer becomes ineligible or withdraws his option in writing.

(5) A dealer liable to pay tax under sub-section(2) shall not collect any amount by way of tax or purporting to be by way of tax on the sale of food and drinks.

3E. Payment Of Tax By Dealers In Jewellery :-

(1) Notwithstanding anything contained in sub-section(1) of Section 3, every dealer whose total turnover is not more than fifty lakhs of rupees for the year on the sales of gold and silver jewellery including articles thereof may, at his option, instead of paying tax in accordance with the provisions of sub-section (2) of Section 3, pay tax at the rate specified in Part-B of the Ninth Schedule.

(2) Every dealer, who opts for payment of tax under sub-section(1), shall apply to the assessing authority in such form as may be prescribed on or before the 30th day of April of the year or within 30 days of the commencement of business, as the case may be and shall pay tax in advance during the year in monthly instalments and for the purpose, he shall furnish such return, within such period and in such manner as may be prescribed :

Provided that the option under this sub-section for the year commencing on the 1st day of April 1999 shall be exercised on or before the 31st day of January 2000.

(3) The option so exercised under sub-section (2) shall be final for that year and shall continue for the subsequent years until the dealer becomes ineligible or withdraws his option in writing.

(4) A dealer who has been permitted to pay tax under sub-section(1) shall not collect any amount by way of tax or purporting to be by way of tax on the sale so long as he opts to pay tax as provided under sub-section(1).

3F. Omitted :-

1[3-F. Omitted from 1st July 2002

1. Section 3-F, levying tax on the last purchase of sugarcane on the basis of weight (originally inserted from 1st April 1999 by Act, No. 27 of 1999) has been omitted by Section 5 of the Seventeenth Amendment Act, (22 of) 2002 with effect from 1st July 2002, and the commodity has been included as item No. 17 in the eleventh schedule, from the same date the rate of tax being retained Rs. 60 per metric tonne as before, this section, before its omission read as under :-

3-F. Levy of tax on sugarcane, - (1) Notwithstanding anything contained in sub-section (1) and (2) of section 3 and section 7-a, every dealer shall pay a tax on the last purchase of sugarcane excluding sugarcane setts in the State, at the rate of rupees sixty per metric tonne.

(2) The provisions of the Act, shall mutatis mutandis apply in respect of the tax payable under this section.

3G. Payment Of Tax At Compounded Rate By Printers :-

(1) Notwithstanding anything contained in sub-section (2) of Section 3 or Section 3-B, every dealer who carries on the business of printing may, at his option, instead of paying tax in accordance with sub-section (2) of Section 3 or Section 3-B, pay tax at the rate of three per cent on the total turnover,

(2) Every dealer who opts for payment of tax under sub-section (1), shall apply to the assessing authority in such form as may be prescribed on or before the 30th day of April of the year or within thirty days of commencement of business, as the case may be, and shall pay tax along with such return, within such period and in such manner, as may be prescribed :

Provided that the option under this sub-section for the year commencing on the 1st day of April, 2002 shall be exercised on or before the 31st day of July, 2002.

(3) The option so exercised under sub-section (2) shall be final for that year and shall continue for subsequent years until the dealer withdraws his option in writing on or before the 30th day of April of the subsequent year.

3H. Levy Of Resale Tax :-

Notwithstanding anything contained in subsections (1) and (2) of Section 3, Section 3-A or 3-B, every dealer, other than the dealer liable to pay tax under Section 3-J, whose total turnover is not less than ten lakhs of rupees for the year, shall pay a resale tax at such rate not exceeding one per cent as may be fixed by the Government, by notification, on the turnover of resale, of goods specified in the First Schedule and the Eleventh Schedule other than the goods notified by the Government under Section 3-C, at a point other than the point of levy specified therein :

Provided that any resale turnover included in the total turnover of a dealer paying tax under sub-section (2) of Section 3-D and Sections 3-E, 7-C, 7-D and 7-E is not liable for resale tax :

Provided further that the goods taxable at the point of last purchase in the State are not liable to resale tax.

Explanation-- For the purpose of this section, the turnover of resale in respect of goods taxable at the point of first purchase means the sales turnover of such goods at all points of sale by subsequent dealers.

3I. Levy Of Surcharge :-

A surcharge at the rate of five per cent shall be levied on the tax levied under Sub-section (2), (2-C), (3) and (5) of Section 3, Sections 3-A, 3-B and 3-C, sub-section (1) of Section 3-D and Section 3-G, 3-J, 5, 7-A and 7-C, and at the first point of sale in the State under sub-section (2-A) of Section 3.

3J. Levy Of Tax On Trade Mark Holder :-

Notwithstanding anything contained in this Act, whenever a dealer, who holds the trademark or the patent thereof, sells goods other than the declared goods at any point of sale other than the first point of sale, he shall be deemed to be the first seller in the State and shall be liable to pay tax accordingly and for determining the tax due to be paid by him, the tax levied and collected, if any, at the immediate preceding point of sale, on the same goods shall be deducted from the tax payable by him at that point of sale.

4. Tax In Respect Of Declared Goods :-

Notwithstanding anything contained in sub-sections (2) to (8) of

Section 3 or Section 3-A or Section 3-B but subject to the provisions of sub-section (1) of Section 3, the tax under this Act shall be payable by a dealer on the sale or purchase inside the State of declared goods at the rate and only at the point specified against each in the Second Schedule on the turnover in such goods in each year.

4A. Reimbursement Or Refund Of Tax Paid In Certain Cases

:-

(1) Where a tax has been levied and collected under Sections 4 or 7-A in respect of the sale or purchase of declared goods and such goods are sold in the course of inter-State trade or commerce 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 levied and collected under Section 4 or 7-A 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 conditions as may be prescribed.

(2) Where a tax at the point of last purchase in the State has been levied and collected under this Act in respect of goods liable to tax at such point and where the said purchase ceases to be the last purchase in the State by reason of a subsequent purchase of such goods by another dealer in the State, tax so levied and collected shall be refunded to the dealer concerned in such manner and subject to such conditions as may be prescribed.

4B. Special Provision In Respect Of Certain Declared Goods

:-

(1) Where a tax has been levied under this Act in respect of the sale or purchase of any paddy referred to in sub-item (i) of item 1 of the Second Schedule, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy.

(2) Each of the pulses referred to in item 6-A of the Second Schedule, whether whole or separated, and whether with or without husk, shall be treated as a single commodity for the purpose of levy of tax under this Act.

4C. Refund Of Tax On Sales Returns :-

Where a dealer has refunded the price of the goods returned by customers together with the tax collected from such customers in respect of the sale of such goods and where the amount representing the price refunded by the dealer is included in his turnover, the dealer shall be entitled to claim refund of the tax paid by the dealer in respect of such sale, subject to the following conditions, namely:--

- (a) that the sale or purchase was included in the return and the tax paid ;
- (b) that the goods were received back or returned within a period of six months of the date of sale or purchase, as the case may be ;
- (c) that the price of the goods and the tax, if any, charged thereon were refunded in full to the buyer or seller, as the case may be ; and
- (d) that the claim for refund of tax is filed within a period of thirty days of the receipt or despatch of the goods or before the completion of final assessment, whichever is later, to such authority, in such manner and subject to such conditions as may be prescribed.

4D. Refund Of Tax On Unfructified Sale :-

Where the goods despatched by a dealer are returned for the reason that they were not taken delivery of by the person for whom they were intended, the dealer shall be entitled to claim refund of the tax paid by him on such unfructified sale :

Provided that the claim is preferred within a period of thirty days of the receipt of the goods returned, to such authority, in such manner and subject to such conditions as may be prescribed.

4E. Refund Of Tax In Certain Cases :-

A registered 100 per cent export oriented unit or unit located in the Madras Export Processing Zone shall be entitled for refund of the whole of the tax paid by it on the purchase of any goods, including consumable, packing materials and labels, but excluding plant and machinery, which has been used by such unit in the manufacture and assembling, packing or labelling of goods manufactured within the State and sold by way of export by such unit :

Provided that the unit shall satisfy such conditions and shall submit an application for refund in such manner and in such form as may be prescribed.

4F. Payment Of Tax By Dealers In Rice :-

(1) Notwithstanding anything contained in sub-section (1) of Section 3 and Section 4, every dealer whose turnover on the sale of rice including broken rice does not exceed two crores of rupees for a year shall pay tax on the sale of rice including broken rice at the rate specified in Part-C of the Ninth Schedule.

(2) A dealer liable to pay tax under sub-section (1) shall not collect any amount by way of tax or purporting to be by way of tax on the sale of rice including broken rice.

(3) A dealer liable to pay tax under sub-section (1) shall pay tax in advance during the year in monthly instalments and for the purpose, he shall furnish such return, within such period and in such manner as may be prescribed.

5. Tax On Goods Purchased By Dealers Registered Under Central Sales Tax Act, 1956 (Central Act 74 Of 1956) :-

1[5. Tax on goods purchased by dealers registered under Central Sales Tax Act, 1956 (Central Act 74 of 1956)

Notwithstanding anything contained in sub-section(1) of Section 3, every dealer registered under sub-section (3) of Section 7 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) shall, whatever be the quantum of his turnover, pay tax for each year in respect of the sale of goods with reference to the purchase of which he has furnished a declaration under sub-section (4) of Section 8 of the said Central Act, at the rates specified under sub-sections (2)2[(2-A), (2-B) and (2-C)] and (2B) of Section 3 or Section 3-A or 3-B or 4.

1. This Section, in its present form, was inserted by Section 5 of the Amendment Act (38 of) 1996, with effect from 17th July 1996.

A similar Section in the original Act was omitted from 12th March 1993 by the Second Amendment Act (25 of) 1993.

2. The figure (2-A) was added from 27th March 2002 and 2-C from 1st July 2002 by the Eighth Amendment Act (47 of) 2002.

6. Tax Under This Act To Be In Addition To Tax Under The Central Sales Tax Act, 1956 (Central Act 74 Of 1956) Or Any Other Law :-

The provision of this Act relating to taxation of successive sales or purchases inside the State, only at a single point or at one or more points shall apply only to sales or purchases inside the State (other than sales or purchases in the course of inter-State trade or commerce) and the tax under this Act shall be levied in addition to any tax levied under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) or any other law for the time being in force.

7. Payment Of Tax At Compounded Rates :-

1[7. Payment of tax at compounded rates

(1) Notwithstanding anything contained in sub-section (1) of Section 3 but subject to sub-section (4), every dealer (other than a casual trader or an agent of a non-resident dealer) whose total turnover is not less than one lakh of rupees but not more than two lakhs of rupees, may at his option instead of paying the tax in accordance with the provisions of that sub-section, pay tax at the following rates, namely:--

Rate of tax

(i) Where the total turnover is not less than one lakh of rupees, but is less than one lakh ten thousand rupees. Two thousand five hundred and eighty rupees per annum,

(ii) Where the total turnover is not less than one lakh ten thousand rupees, but is less than one lakh twenty thousand rupees. Two thousand eight hundred and eighty rupees per annum.

(iii) Where the total turnover is not less than one lakh twenty thousand rupees, but is less than one lakh thirty thousand rupees. Three thousand one hundred and eighty rupees per annum.

(iv) Where the total turnover is not less than one lakh thirty thousand rupees, but is less than one lakh forty thousand rupees. Three thousand four hundred and eighty rupees per annum.

(v) Where the total turnover is not less than one lakh forty thousand rupees, but is less than one lakh fifty thousand rupees. Three thousand seven hundred and eighty rupees per annum.

- (vi) Where the total turnover is not less than one lakh fifty thousand rupees, but is less than one lakh sixty thousand rupees. Four thousand and eighty rupees per annum.
- (viii) Where the total turnover is not less than one lakh sixty thousand rupees, but is less than one lakh seventy thousand rupees. Four thousand three hundred and eighty rupees per annum.
- (viii) Where the total turnover is not less than one lakh seventy thousand rupees, but is less than one lakh eighty thousand rupees. Four thousand six hundred and eighty rupees per annum.
- (ix) Where the total turnover is not less than one lakh eighty thousand rupees, but is less than one lakh ninety thousand rupees. Four thousand nine hundred and eighty rupees per annum.
- (x) Where the total turnover is not less than one lakh ninety thousand rupees, but is not more than two lakhs of rupees. Five thousand two hundred and eighty rupees per annum.
- (2) Any dealer (other than a casual trader or an agent of a non-resident dealer) who estimates his total turnover for a year to be not more than two lakhs of rupees may apply to the assessing authority to be permitted to pay the tax under this section and on being so permitted, he shall pay the tax due in advance during the year in monthly or prescribed instalments and for that purpose shall submit such returns in such manner as may be prescribed :
- Provided that any dealer paying tax under sub-section (1) of Section 3 and desirous of paying tax for any year under this section may, at any time before final assessment for that year, exercise his option to be assessed under this section and for that purpose shall submit such returns in such manner as may be prescribed :
- Provided further that any dealer paying tax under this section and desirous of paying tax under sub-section (1) of Section 3 may, at any time before final assessment for that year, exercise his option to pay tax in accordance with that sub-section and for that purpose shall submit such returns in such manner as may be prescribed.
- (2-A) The permission granted by the assessing authority under sub-section (2) shall continue in force so long as the dealer is eligible to be assessed under this section and has not withdrawn his option to be so assessed.
- (3) The tax paid under sub-section (2) shall be subject to such adjustment as may be prescribed on the completion of final assessment in the manner prescribed.
- (4) The provisions of this section shall not apply in respect of any sale or purchase made on or after the 1st day of April 1990.

1. This Section is now of no significance as the minimum turnover attracting tax under this Act is Rs.3 lakhs under Section 3(1). Section 7-E is not applicable to such dealers .

7A. Levy Of Purchase Tax :-

(1) Subject to the provisions of sub-section (1) of Section 3, every dealer who in the course of his business purchases from a registered dealer or from any other person, any goods (the sale or purchase of which is liable to tax under this Act) in circumstances in which no tax is payable under Section 3 or 4 as the case may be, (not being a circumstance in which goods liable to tax under sub-section (2)1[(2-A) or (2-C)] of Section 3 or Section 4, were purchased at a point other than the taxable point specified in the First1[the Fifth, the Eleventh]or the Second Schedule)1[respectively] and either,--

(a) consumes or uses such goods in or for the manufacture of other goods for sale or otherwise ; or

(b) disposes of such goods in any manner other than by way of sale in the State ; or

(c) despatches or carries 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, or

2[(d) installs and uses such goods in the factory for the manufacture of any goods, shall pay tax on the turnover relating to the purchase as aforesaid at the rate mentioned in Sections 3 or 4, as the case may be,

(2) Notwithstanding anything contained in sub-section (1), the provisions of Section 7 shall apply to a dealer referred to in sub-section (1) who purchases goods (the sale of which is liable to tax under sub-section (1) of Section 3 and whose total turnover for a year is not less than one lakh of rupees but not more than two lakhs of rupees and such a dealer may, at his option, instead of paying the tax in accordance with the provisions of sub-section (1), pay tax at the rates mentioned in sub-section (1) of Section 7 :

Provided that this sub-section shall not apply to the purchases made on or after the 1st day of April, 1990.

(3) Every dealer liable to pay purchase tax under sub-section (1), shall, for the purposes of this Act, be deemed to be a registered dealer.

1. The expressions (2-A) and the Fifth were added from 27th March 2002 and the expressions or 2-C and the Eleventh were added from 1st July 2002 by the Eighth Amendment Act (47 of) 2002.

2. This clause (d) was added by Section 7 of the Seventh Amendment Act (22 of) 2002 with effect from 1st July 2002.

7B. Payment Of Tax At Compounded Rate By Hotels And Restaurants :-

(1) Notwithstanding anything contained in sub-section (1) of Section 3, every dealer whose total turnover is not less than ten lakhs of rupees but not more than fifteen lakhs of rupees on the sale of food and drinks in hotels and restaurants, may at his option instead of paying the tax in accordance with the provisions of that sub-section, pay tax at the following rates, namely:--

Rate of tax

(i) Where the total turnover is not less than ten lakhs of rupees, but is less than eleven lakhs of rupees. Thirty-one thousand five hundred rupees per annum.

(ii) Where the total turnover is not less than eleven lakhs of rupees, but is less than twelve lakhs of rupees. Thirty-seven thousand three hundred and seventy-five rupees per annum.

(iii) Where the total turnover is not less than twelve lakhs of rupees, but is less

than thirteen lakhs of rupees. Forty-three thousand seven hundred and fifty rupees per annum.

(iv) Where the total turnover is not less than thirteen lakhs of rupees, but is less than fourteen lakhs of rupees. Fifty-four thousand rupees per annum.

(v) Where the total turnover is not less than fourteen lakhs of rupees, but is less than fifteen lakhs of rupees. Sixty-five thousand two hundred and fifty rupees per annum.

(2) Any dealer who estimates his total turnover for a year to be not more than fifteen lakhs of rupees may apply to the assessing authority to be permitted to pay the tax under this Section and on being so permitted he shall pay the tax due in advance during the year in monthly or prescribed instalments and for that purpose shall submit such returns in such manner as may be prescribed :

Provided that any dealer paying tax under sub-section (1) of Section 3 and desirous of paying tax for any year under this Section may, at any time before final assessment for that year, exercise his option to be assessed under this Section and for that purpose shall submit such returns in such manner as may be prescribed :

Provided further that any dealer paying tax under this Section and desirous of paying tax under sub-section (1) of Section 3 may, at any time before final assessment for that year, exercise his option to pay tax in accordance with that sub-section and for that purpose shall submit such returns in such manner as may be prescribed.

(3) The permission granted by the assessing authority under sub-section (2) shall continue in force so long as the dealer is eligible to be assessed under this section and has not withdrawn his option to be so assessed.

(4) The tax paid under sub-section (2) shall be subject to such adjustments as may be prescribed on the completion of final assessment in the manner prescribed.

(5) A dealer who has been permitted to pay the tax under sub-section (1), shall not collect any amount by way of tax or purporting to be by way of tax on the sales so long as he opts to pay the tax as provided under sub-section (1).

(6) The provisions of this Section shall not apply in respect of any sale or purchase made on or after the 1st day of April 1992.

7C. Payment Of Tax At Compounded Rates By Works Contractor :-

(1) Notwithstanding anything contained in Section 3-B, every dealer referred to in item (vi) of clause (g) of Section 2, may, at his option, instead of paying tax in accordance with Section 3-B, pay, either on the total value of each works contract or on the total value of all works contracts executed by him in a year, tax calculated at the following rate, namely:--

(i) Civil works contract Two per cent of the total contract value of the civil works executed ;

(ii) All other works contracts Four per cent of the total contract value of the works executed ;

(2) Any dealer who executes works contract may apply to the assessing authority along with the first monthly return for the financial year, his option to pay the tax under sub-section (1) and shall pay the tax during the year in monthly instalments and for this purpose, he shall furnish such return within such period and in such manner as may be prescribed :

Provided that the option under this sub-section for the financial years commencing on the 1st day of April 1993 and the 1st day of April, 1994 shall be exercised on or before the 30th day of June 1994:

Provided further that the option under this sub-section in respect of works contract other than civil works contracts for the financial year commencing on the 1st day of April, 1999 shall be exercised on or before the 31st day of January 2000 ;

1[(2-A) Notwithstanding anything contained in sub-section (2), any dealer who executes works contract may apply to the assessing authority along with the first monthly return on the commencement of each works contract, his opinion to pay

the tax under sub-section (1) in respect of each works contract."

(3) Where a dealer has exercised his option under sub-section (1)--

(a) in respect of each works contract, such option shall be final till the completion of such works contract;

(b) in respect of all works contracts, such option shall be final for that financial year.

(4) A dealer, exercising option under sub-section (1) shall, so long as the option remains in force, not be required to maintain accounts of his business under this Act or the rules made thereunder except the records in originals of the works contract, extent of their execution and payments received or receivable in relation to such works contract, executed or under execution.

Explanation--For the purpose of this section "civil works contract", means civil works of construction of new building, bridge, road, runway, dam or canal including any lining, tiling, painting or decorating which is an inherent part of the new construction ; but shall not include any repair, maintenance, improvement or upgradation of such civil work by means of fixing and laying of all kinds of floor tiles, mosaic tiles, slabs, stones, marbles, glazed tiles, painting, polishing, partition, wall panelling, interior decoration, false ceiling, carpeting and extra fittings, or any manner of improvement on an existing structure.

1. This sub-section was inserted by Section 8 of the Seventh Amendment Act(22 of) 2002, from 1st July 2002.

7D. Levy Of Tax On Lottery Tickets :-

(1) Notwithstanding anything contained in sub-section (1) of Section 3, every dealer in lottery tickets in the State shall pay tax at the rates specified in the Tenth Schedule:

Provided that where a dealer has paid the tax under this sub-section in respect of a particular name and type of lottery tickets of a particular State and for a particular draw, the tax in respect of the sale of such lottery tickets, by any other dealer or any person in this State liable to pay tax under this Act shall be deemed to have been paid under this Act.

(2) The dealer shall, pay the tax under sub-section (1), thirty days prior to the draw in such manner as may be prescribed.

(3) A dealer liable to pay tax under sub-section (1) shall not collect any amount by way of tax or purporting to be by way of tax on the sale of lottery tickets".

7E. Payment Of Tax At Compounded Rates :-

(1) Notwithstanding anything contained in sub-section (2)1[(2-A) and (2-C)] of Section 3 and Section 4, every dealer (other than a casual trader or an agent of a non-resident dealer),--

(a) whose total turnover exceeds three lakhs of rupees but does not exceed ten lakhs of rupees in the immediately preceding year, or

(b) whose total turnover would exceed three lakhs of rupees but would not exceed ten lakhs of rupees in the immediately preceding year if proportionately calculated for a full year with reference to his turnover for the actual period of business, may, at his option, instead of paying tax in accordance with the provisions in sub-section (2)1[(2-A) and (2-C)] of Section 3 or Section 4, as the case may be, pay tax at the following rates, namely : --

TOTAL TURNOVER RATE OF TAX

(i) Where the total turnover does not exceed five lakhs of rupees. 3 per cent of the total turnover.

(ii) Where the total turnover exceeds five lakhs of rupees but does not exceed ten lakhs of rupees. Rs. 15,000 plus 5 per cent of the total turnover in excess of rupees five lakhs.

Provided that such dealer shall not be required to maintain detailed commodity-

wise accounts, other than purchase and sale bills and total accounts relating to monthly sales, monthly tax collection and tax payments, annual purchases and annual opening and closing stocks :

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

(a) any dealer whose total turnover exceeds rupees ten lakhs in the course of a year ; or

(b) any dealer who has issued declaration under sub-section (4) of Section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) for the purchase of goods, in relation to the turnover relating to sale of such goods.

(2) Every dealer who opts for payment of tax at the compounded rate, shall apply to the assessing authority in such form as may be prescribed, on or before the 30th day of April of the year, exercising his option to pay tax as specified under sub-section (1) and shall pay tax in advance during the year in monthly instalments, and for this purpose, he shall furnish such returns within such period and in such manner as may be prescribed :

Provided that the option under this sub-section for the year commencing on the 1st day of April 1996 shall be exercised on or before the 31st day of October 1996.

(3) The option so exercised under this section shall be final for that year and shall continue for subsequent years until the dealer becomes ineligible, or withdraws his option in writing.

(4) A dealer who has been permitted to pay the tax under sub-section (1) shall not collect any amount by way of tax or purporting to be by way of tax on the sale so long as he opts to pay the tax as provided under sub-section (1),

1. The figure 2-A was added from 27th March 2002 and the figure and 2-C from 1st July 2002 by the Eighth Amendment Act (47 of) 2002.

7F. Deduction Of Tax At Source In Works Contract :-

(1) Notwithstanding anything contained in this Act, every person responsible for paying any sum to any dealer for execution of works contract shall, at the time of payment of such sum, deduct an amount calculated at the following rate, namely:-

(i) Civil works contract Two per cent of the total amount payable to such dealer

(ii) All other works contract Four per cent of the total amount payable to such dealers

Provided that no deduction under sub-section (1) shall be made where,--

(a) no transfer of property in goods (whether as goods or in some other form) is involved in the execution of such works contract; or

(b) the dealer produces a certificate¹[in such form as may be prescribed] from the assessing authority concerned that he has no liability to pay or has paid the tax under Section 3-B or Section 7-C ; or

(c) declared goods are purchased from a registered dealer within the State and used in the execution of works contract in the same form in which such goods were purchased :

Provided further that no such deduction shall be made under this section, where the amount or the aggregate of the amount paid or credited or likely to be paid or credited, during the year, by such person to the dealer for execution of works contract including civil works contract does not or is not likely to, exceed one lakh rupees.

Explanation--For the purpose of this section,---

(i) the term person shall include--

(a) the Central or a State Government,

(b) a local authority,

(c) a corporation or body established by or under a Central or State Act,

(d) a company incorporated under the Companies Act, 1956 (Central Act 1 of 1956) including a Central or State Government undertaking,

(e) a society including a Co-operative Society,

(f) an educational institution, or

(g) a trust.

(ii) the term civil works contract shall have the same meaning as in the Explanation to Section 7-C.

(2) Any person making such deduction shall deposit the sum so deducted to such authority, in such manner and within such time, as may be prescribed.

(3) Any person who makes the deduction and deposit, shall, within fifteen days of such deposit, issue to the said dealer a certificate in the prescribed form for each deduction, separately, and send a copy of the certificate of deduction to the assessing authority, having jurisdiction over the said dealer together with such documents, as may be prescribed.

(4) On furnishing a certificate of deduction referred to in sub-section (3), the amount deposited under sub-section (2), shall be adjusted by the assessing authority towards tax liability of the dealer under Section 3-B or Section 7-C, as the case may be, and shall constitute a good and sufficient discharge of the liability of the person making the deduction to the extent of the amount deposited.

2[Provided that the burden of proving that the tax on such works contract has already been deposited and of establishing the exact quantum of tax so deposited shall be on the dealer claiming the deduction ;

(5) Any person who contravenes the provisions of sub-section (1) or sub-section (2), shall pay, in addition to the amount required to be deducted and deposited, interest at two per cent per month of such amount for the entire period of default.

(6) Where the dealer proves to the satisfaction of the assessing authority that he is not liable to pay tax under Section 3-B or Section 7-C, the assessing authority shall refund the amount deposited under sub-section (2), after adjusting the arrears of tax, if any, due from the dealer, in such manner as may be prescribed.

(7) The tax or interest under this section shall become due without any notice of demand on the date of accrual for the payment by the person as provided under sub-section (1) and (2).

2[(8) If any person contravenes the provisions of sub-section (1) or sub-section (2), the whole amount of tax payable shall be recovered from such person and all provisions of this Act for the recovery of tax including those relating to levy of penalty and interest shall apply as if the person is an assessee for the purpose of this Act.

1. The words in such form as may be prescribed were added by Section 9 of the Seventh Amendment Act(22 of) 2002, with effect from 1st July 2002. The form prescribed by Rule 18-F (I-A) for this purpose is Form XXXVII-B.

2. Proviso to sub-section (4) and sub-section (8) were added by Section 9 of the Seventh Amendment Act 22 of 2002, with effect from 1st July 2002.

8. Exemption From Tax :-

Subject to such restrictions and conditions as may be prescribed, a dealer who deals in the goods specified in the Third Schedule, shall not be liable to pay any tax under this Act in respect of such goods.

9. Stage Of Levy Of Taxes In Respect Of Imported And Exported Goods :-

Where in the case of any goods tax is leviable at one point in a series of sales or purchases, such series shall--

(a) in the case of goods imported into the State either from outside the territory of India or from any other State in India, be deemed to commence at the stage of the sale or purchase effected immediately after the import of such goods ;

(b) in the case of goods exported out of the State to any place outside the territory of India or to any other State in India, be deemed to conclude at the stage of sale or purchase effected immediately before the export of such goods :

Provided that in the case of goods exported out of the State to any place outside the territory of India, where the sale or purchase effected immediately before the export of such goods is under sub-section (3) of Section 5 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), a sale or purchase in the course of export, the series of sales or purchases of such goods shall be deemed to conclude at the stage of the sale or purchase immediately preceding such sale or purchase in the course of export.

10. Burden Of Proof :-

(1) For the purpose 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 for the time being in force, 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 sale or purchase 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.

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

(i) which shall be in the case of first such detection fifty per cent of the tax due in respect of such transaction ; and

(ii) which shall be in the case of second or subsequent detections one hundred per cent of the tax due in respect of such transaction :

Provided that no penalty shall be levied without giving the dealer an opportunity of being heard.

11. Assessment Of Tax :-

The tax under this Act shall be assessed, levied and collected in such manner as may be prescribed.

12. Procedure To Be Followed By The Assessing Authority :-

1[(1) (a) The assessment in respect of a dealer shall be on the basis of the return relating to his turnover submitted in the prescribed manner within the prescribed period.

(b) Notwithstanding anything contained in clause (a) of this sub-section, a dealer whose turnover which includes the total turnover under this Act, inter-State sales, export sales and stock transfers to outside the State does not exceed ten crores of rupees in a year, may make a self-assessment for that year in the manner and subject to such conditions as may be prescribed.

(c) The provisions of clause (b) and sub-section (1-A) shall apply to the assessments for the financial years commencing from the 1st day of April 2001.

(1-A) Notwithstanding anything contained in²[clause (b) of sub-section (1), five per cent of the total number] of such assessments shall be selected by the Commissioner in such manner as may be prescribed for the purpose of detailed scrutiny regarding the correctness of the return submitted by the dealer in this connection and in such cases, final assessment orders shall be passed in accordance with the provisions of this Act.

(1-B) Save as otherwise provided in this Act and subject to such rules as may be prescribed, the procedure relating to assessment shall apply to the self-assessment under the proviso to sub-section (1).

(2) If no return is submitted by the dealer under sub-section (1) within the prescribed period, or if the return submitted by him appears to the assessing authority to be incomplete or incorrect, the assessing authority shall, after making such enquiry as it may consider necessary, assess the dealer to the best of its judgment³[subject to such conditions as may be prescribed].

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

(3) In addition to the tax assessed under sub-section³[(1) or] (2), the assessing authority shall, in the same order of assessment passed under subsection³[(1) or] (2) or by a separate order, direct the dealer to pay by way of penalty, a sum

(a) which shall be, in the case of failure to submit return, one hundred and fifty per cent of the tax assessed on final assessment; and

(b) which shall be, in the case of submission of incorrect or

incomplete return,

(i) twenty-five per cent of the difference of the tax assessed and the tax paid as per the return, if the tax paid as per the return falls short of the tax assessed on final assessment by not more than five per cent ;

(i-a) fifty per cent of the difference of the tax assessed and the tax paid as per return, if the tax paid as per return falls short of the tax assessed on final assessment by more than five per cent but not more than fifteen per cent ;

(ii) seventy-five per cent of the difference of the tax assessed and the tax paid as per the return, if the tax paid as per the return, falls short of the tax assessed on final assessment by more than fifteen per cent but not more than twenty-five per cent;

(iii) one hundred per cent of the difference of the tax assessed and the tax paid as per return, if the tax paid as per the return, falls short of the tax assessed on final assessment by more than twenty-five per cent but not more than fifty per cent ;

(iv) one hundred and twenty-five per cent of the difference of the tax assessed and the tax paid as per the return, if the tax paid as per the return, falls short of the tax assessed on the final assessment by more than fifty per cent, but not more than seventy-five per cent ;

(v) one hundred and fifty per cent of the difference of the tax assessed and the tax paid as per the return, if the tax paid as per the return, falls short of the tax assessed on the final assessment by more than seventy-five per cent ;

(c) which shall be, in the case of submission of the prescribed return after ten days after the expiry of the prescribed period, two per cent of the tax payable for every month or part thereof during which the default in the submission of the return continued :

Provided that no penalty under this sub-section shall be imposed after the period of five years from the date of the order of the final assessment under this section and unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.

4[Provided further that no penalty under this sub-section or the interest under sub-section (3) of Section 24 of the Act, shall be imposed on the oil companies as explained in the Explanation-II of the Eleventh Schedule if the different of tax due as per accounts and the tax paid as per the returns is less than five per cent and revised return is filed along with the difference of tax due within a period of three months from the due date for filing the monthly

return.]

Explanation-- For the purpose of levy of penalty under clause (b) above, the tax assessed on the following kinds of turnover shall be deducted from the tax assessed on final assessment:--

(i) Turnover representing additions to the turnover as per books made by the assessing authority without any reference to any specific concealment of turnover from the accounts ;

(ii) Any turnover estimated by the Assessing Authority with reference to any specific concealment of any turnover from the accounts ;

(iii) Any turnover on which tax is paid at the concessional rate subject to the condition of furnishing any declaration but where such declaration could not be furnished at the time of assessment

1. Sub-section (1), in its present form was substituted by Section 10 of the Seventh Amendment Act (22 of 2002, with effect from 1st July 2002.

2. These words were substituted for the words provisos to clause (a) of sub-section (1), twenty per cent of the total number, by Section 10 of the Seventh Amendment Act (22 of) 2002 from 1st July 2002.

3. These words in sub-sections (2) and (3) were added by Section 10 of the Seventh Amendment Act (22 of) 2002, with effect from 1st July 2002.

4. This second proviso to Section 12(3) was added by Section 10 of the Seventh Amendment Act (22 of) 2002 from 1st July 2002.

12A. Assessment Of Sales Shown In Accounts At Low Prices

:-

(1) If the assessing authority is satisfied that a dealer has, with a view to evade the payment of tax, shown in his accounts, sales or purchases of any goods, at prices which are abnormally low, compared to the prevailing market price of such goods, it may, at any time within a period of five years from the expiry of the year to which the tax relates, assess or reassess the dealer to the best of its judgment on the turnover of such sales or purchases after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such assessment.

(2) The provisions of sub-sections (2) to (5) of Section 16 shall, as far as may be, apply to assessment or reassessment under sub-section (1) as they apply to the reassessment of escaped turnover under sub-section (1) of Section 16.

12B. Assessment Of Sales In Certain Cases :-

(1) Notwithstanding anything contained in this Act but subject to the provisions of Section 16, the assessment of a dealer in respect of the assessment for the period prior to the 1st day of April 1999 shall be on the basis of the return relating to his turnover and on the basis of the declaration or certificate furnished on or before

the 30th day of September, 2002 and such return shall be accepted subject to such conditions as may be prescribed :

Provided that this sub-section shall not apply to a dealer who has filed an appeal or other proceeding in respect of any assessment for the period referred to in this sub-section and is pending before the Special Tribunal, the High Court or the Supreme Court, as the case may be.

(2) Every dealer who claims to be not liable to pay tax and has not filed return, shall file the return on or before the 30th day of September, 2002 in the prescribed manner relating to his turnover for the period prior to the 1st day of April, 2001 and such return shall be accepted subject to the provisions of Section 16, failing which his registration shall be cancelled after giving him a reasonable opportunity of being heard.

13. Advance Payment Of Tax :-

(1) The tax for each year payable under any of the provisions of this Act may be collected in advance during the year in monthly or other prescribed instalments and for this purpose a dealer may be required to furnish within the prescribed period such returns as may be prescribed. The assessing authority may provisionally determine the amount of tax payable in advance during any year or in respect of any period and on such determination and intimation to the dealer, he shall pay such tax in such instalments and within such period as may be prescribed.

(2) In lieu of the tax provisionally determined under sub-section (1), a dealer may, at his option, pay tax in advance during the year on the basis of his actual turnover for each month or for such other periods as may be prescribed. For this purpose, he may be required to furnish returns showing his actual turnover for each month or other periods as may be prescribed and to pay tax on the basis of such returns. The tax under this sub-section shall become due without any notice of demand to the dealer on the date of receipt of the return or on the last due date as prescribed, whichever is later.

1[(2-A) Notwithstanding anything contained in sub-sections (1) or (2), every dealer other than those paying tax under sub-section (2) of Section 3-D, Sections 3-E or 7-E, whose total turnover in the preceding year was not less than ten lakhs of rupees or his taxable turnover was not less than three lakhs of rupees and all dealers newly registered in the year shall pay tax in advance during the year on the basis of his actual turnover for each month or for such other periods, as may be prescribed.

(3) If no return is submitted by the dealer under sub-section (1) or sub-section (2) within the prescribed period, or if the return submitted by him appears to the assessing authority to be incomplete or incorrect, the assessing authority, may after making

such enquiry as it considers necessary, determine the tax payable by the dealer to the best of its judgment :

Provided that, before taking action under this sub-section on the ground that the return submitted by the dealer is incomplete or incorrect, the dealer shall be given a reasonable opportunity of proving the correctness or completeness of the return submitted by him.

(4) If the assessing authority has reason to believe that the tax determined by it for any period was based on too low a turnover or was made at too low a rate or was based on too high a turnover or was made at too high a rate it may enhance or reduce, as the case may be, such determination of tax :

Provided that before making an enhancement of the tax payable as aforesaid, the assessing authority shall, except where such enhancement is based on the turnover finally determined for the preceding year, give a reasonable opportunity to the dealer to show cause against such enhancement and make such enquiry as it may consider necessary.

(5) The determination and collection of tax under this section shall be subject to such adjustment as may be prescribed on the completion of final assessment in the manner prescribed.

1. This sub-section was inserted by Section 12 of the Seventh Amendment Act (22 of) 2002, with effect from 1st July 2002, See Rule 18(1) to 18(1C).

13A. Dealer To Continue Payment For The Year Of Tax As Determined In The Preceding Year Under Section 13 :-

(1) A dealer in whose case the tax due during the preceding year has been provisionally determined under Section 13 shall, unless he is not liable to pay tax for the year, continue to pay for the year the tax so determined in the preceding year in the prescribed manner until the tax due from him is again provisionally determined for the year under Section 13.

(2) Any tax paid in accordance with the provisions of sub-section (1) shall be adjusted in the prescribed manner against the tax found due on the provisional determination for the year under Section 13.

14. Fresh Assessment In Certain Cases :-

(1) Any dealer assessed under sub-section (2) of Section 12 may, within a period of thirty days from the date of service of the assessment order, apply to the assessing authority for re-assessment, along with the correct and complete return as prescribed. On such application, the assessing authority shall, if it is satisfied that the failure to submit the return in time or the

submission of the incorrect or incomplete return was due to reasons beyond the control of the applicant, cancel the assessment made and make a fresh assessment on the basis of the return submitted :

Provided that no application shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of tax admitted by the applicant to be due or any such instalment thereof as might have become payable, as the case may be.

(2) If the amount of tax on the basis of the cancelled assessment has already been collected and if the amount of tax arrived at as a result of the fresh assessment is different from it, any amount overpaid by the dealer shall be refunded to him without interest, or the further amount of tax, if any, due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(3) Penalty, if any, imposed and collected under sub-section (3) of Section 12, shall be refunded to the dealer without interest on cancellation of the order of original assessment.

15. 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 any tax or fee assessed as payable by any such dealer or any tax 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.

16. Assessment Of Escaped Turnover :-

(1) (a) Where, for any reason, the whole or any part of the turnover of business of a dealer has escaped assessment to tax, the assessing authority may, subject to the provisions of sub-section (2), at any time within a period of five years from the 1 [date of order of the final assessment by the assessing authority] determine to the best of its judgment the turnover which has escaped assessment and assess the tax payable on such turnover after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such assessment.

(b) Where, for any reason, the whole or any part of the turnover of business of a dealer has been assessed at a rate lower than the rate at which it is assessable, the assessing authority may, at any time within a period of five years from the 1[date of order of the final assessment by the assessing authority] re-assess the tax due after making such enquiry as it may consider necessary and after giving the dealer a reasonable opportunity to show cause against such reassessment.

(2) In making an assessment under clause (a) of sub-section (1), the assessing authority may, if it is satisfied that the escape from the 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 clause (a) of sub-section (1) by way of penalty a sum which shall be--

(a) fifty per cent of the tax due on the turnover that was wilfully not disclosed if the tax due on such turnover is not more than ten percent of the tax paid as per the return ;

(b) one hundred per cent of the tax due on the turnover that was wilfully not disclosed if the tax due on such turnover is more than ten per cent but not more than fifty per cent of the tax paid as per the return;

(c) one hundred and fifty per cent of the tax due on the assessable turnover that was wilfully not disclosed, if the tax due on such turnover is more than fifty per cent of the tax paid as per the return ;

(d) one hundred and fifty per cent of the tax due on the assessable turnover that was wilfully not disclosed, in the case of self-assessment referred to in sub-section (1) of Section 12 :

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.

(3) The powers under sub-section (1) may be exercised by the assessing authorities even though the original order of assessment, if any, passed in the matter has been the subject matter of an appeal or revision.

(4) In computing the period of limitation for assessment or reassessment under this section, the time during which proceedings for assessment or reassessment remained stayed under the orders of a Civil Court or other competent authority shall be excluded.

(5) In computing the period of limitation for assessment or reassessment under this section, the time during which any appeal or other proceeding in respect of any other assessment or re-

assessment is pending before the Special Tribunal or the Supreme Court, involving a question of law having a direct bearing on the assessment or re-assessment in question, shall be excluded.

(6) In computing the period of limitation for assessment or re-assessment under this section, the time during which any appeal or proceeding in respect of any assessment or re-assessment of the same or part of the turnover made under any other enactment was pending before any appellate or revisional authority or the Special Tribunal or the Supreme Court shall be excluded.

1. These words were substituted for the words expiry of the year to which the tax relates from 1st July 2002 by Section 13 of the Seventh Amendment Act (22 of) 2002.

16A. Assessment Of Turnover Not Disclosed Under The Compounding Provisions :-

1[16-A Assessment of turnover not disclosed under the compounding provisions

(1) Where for any reason, any part of the turnover of business of a dealer who has been permitted to pay the tax under sub-section (2) of Section 3-D, Sections 3-E, 3-G or 7-E has escaped assessment from tax, the assessing authority may, at any time within a period of five years from the date of order final assessment by the assessing authority, determine to the best of its judgment the turnover which has escaped assessment and reassess the tax payable on the total turnover including the turnover already assessed under the said Sections.

(2) Before making the re-assessment under sub-section (1), the assessing authority may make such enquiry as it may consider necessary and give the dealer concerned a reasonable opportunity to show cause against such reassessment.

(3) The amount of tax already paid by the dealer concerned in pursuance of the permission to compound under the 2[Sections referred to in sub-section (1)] shall be adjusted towards the amount of tax due as the result of reassessment under sub-section (1).

(4) The provisions of sub-sections (2) to (5) of Section 16 shall, as far as may be, apply to re-assessment under sub-section (1) as they apply to the re-assessment of escaped turnover under sub-section (1) of Section 16.

1. Prior to the substitution in its present form by Section 14 (1) of the Seventh Amendment Act (22 of) 2002, from 1st July 2002.

2. The words Section 7 or under Section 7-B which appeared here have been substituted by these words by Section 14(2) of the Seventh Amendment Act (22 of) 2002 from 1st July 2002.

16AA. Assessment Of Turnover Not Declared Under Section 7-C :-

(1) Where for any reason, any part of the turnover of business of a dealer who has been permitted to pay the tax under Section 7-C has escaped assessment from the tax, the assessing authority may, at any time within a period of five years from the 1[date of order of final assessment by the assessing authority] determine to the best of its judgment, the turnover which has escaped assessment and re-assess the tax payable on the total turnover (including the turnover already assessed under Section 7-C) in accordance with the provisions of this Act.

(2) Before making the re-assessment under sub-section (1), the assessing

authority may make such enquiry as it may consider necessary and give the dealer concerned a reasonable opportunity to show cause against such reassessment,
(3) The amount of tax already paid by the dealer concerned in pursuance of the permission to compound under Section 7-C, shall be adjusted towards the amount of tax due as the result of re-assessment under sub-section (1).

(4) The provisions of sub-sections (2) to (5) of Section 16 shall, as far as may be, apply to re-assessment under sub-section (1) as they apply to the re-assessment of escaped turnover under sub-section (1) of Section 16.

1. These words have been substituted for the words expiry of the year to which the tax relates in Section 16-AA(1) and the words expiry of the year in which the draw is held in 16-AAA(1), by Sections 15 and 16 of the Seventh Amendment Act (22 of) 2002 from 1st July, 2002.

16AAA. Assessment Of Draw Not Declared Under Section 7-D :-

(1) Where for any reason, any draw has escaped assessment from the payment of compounded amount under Section 7-D, the assessing authority may, at any time within a period of five years from the1[date of order of final assessment by the assessing authority], determine to the best of its judgment, the amount in respect of the draw which has escaped assessment and reassess the amount payable in respect of such draw (including the draw already assessed under Section 7-D) in accordance with the provisions of Section 7-D.

(2) Before the reassessment under sub-section (1), the assessing authority may make such enquiry as it may consider necessary and give the dealer concerned a reasonable opportunity to show cause against such reassessment.

(3) The compounded amount already paid by the dealer concerned2[x x x x] under Section 7-D shall be adjusted towards compounded amount due as the result of reassessment under sub-section (1).

(4) In making an assessment under sub-section (1), the assessing authority may, if it is satisfied that the escape from the assessment is due to wilful non-disclosure of the assessable amount in respect of a draw by the dealer, direct the dealer to pay, in addition to the amount assessed under sub-section (1), by way of penalty, a sum which shall be--

(a) fifty per cent of the amount due on the draw that was wilfully not disclosed if the amount due on such draw is not more than ten per cent of the amount paid as per the return ;

(b) one hundred per cent of the amount due on the draw that was wilfully not disclosed, if the amount due on such draw is more than ten per cent but not more than fifty per cent of the amount paid as per the return;

(c) One hundred and fifty per cent of the amount due on the assessable draw that was wilfully not disclosed, if the amount due on such draw is more than fifty per cent of the amount paid as per the return :

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.

(5) The provisions of sub-sections (3) to (5) of Section 16 shall, as far as may be, apply to reassessment under sub-section (1) as they apply to the reassessment of escaped turnover under sub-section (1) of Section 16.

1. These words have been substituted for the words expiry of the year to which the tax relates in Section 16-AA(1) and the words expiry of the year in which the draw is held in 16-AAA(1), by Sections 15 and 16 of the Seventh Amendment Act (22 of) 2002.

2. The words in pursuance of the option which appeared here were omitted by Section 16(2) of the Seventh Amendment Act (22 of) 2002 from 1st July 2002.

16B. Power To Reduce Or Waive Penalty In Certain Cases:-

- (1) Notwithstanding anything contained in sub-section (3) of Section 12 or sub-section (2) of Section 16, the Commissioner of Commercial Taxes may, in his discretion, whether on his own motion or otherwise, reduce or waive the amount of penalty imposed or imposable on a dealer, if he is satisfied that such dealer has--
- (a) voluntarily and in good faith made full and true disclosure of his turnover prior to the detection by any officer of the Commercial Taxes Department ;
 - (b) co-operated in any inquiry relating to the assessment of such turnover ; and
 - (c) either paid or made satisfactory arrangements for the payment of any tax or any other amount payable in consequence of an order passed under this Act in respect of the relevant assessment year.
- (2) Every order made under sub-section (1) shall be final and shall not be called into question by any other authority.

16C. Assessment In Cases Of Price Variation :-

Notwithstanding anything contained in¹[Sections 16, 16-A and 16-AA]--

- (a) if a dealer receives in any year any amount due to price variations, which would have been included in his turnover for any previous year if it had been received by him in that year, he shall, within thirty days from the end of the year in which such amount is received, submit a return in the prescribed form to the assessing authority and thereupon the assessing authority shall proceed to assess the tax payable on such amount ;
 - (b) if a dealer returns in any year any amount due to price variations, which would have been excluded in his turnover for any previous year if it had been returned by him in that year, he shall, within thirty days from the end of the year in which such amount is returned, submit a return in the prescribed form to the assessing authority and thereupon the assessing authority shall proceed to arrive at the quantum of the tax refundable on the amount returned by the dealer ;
 - (c) if the assessing authority is satisfied that any return submitted under clause (a) or clause (b) is correct and complete, it shall assess or re-assess, as the case may be, the dealer on the basis thereof ;
 - (d) 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 enquiry, as it may consider necessary and after taking into account all relevant materials gathered by it, assess the dealer to the best of its judgment :
Provided that before taking action under this clause, the dealer shall be given a reasonable opportunity to prove the correctness and completeness of return ;
 - (e) if no return is submitted by the dealer under clause (a), the assessing authority may, within five years from the expiry of the period within which such return must have been submitted, proceed to assess the tax payable on the amount referred to in the said clause :
- Provided that before making any assessment under this clause, the assessing authority shall give the dealer an opportunity of being heard and make such other enquiry as it may consider necessary.
- (f) in addition to the tax assessed under clause (d) or (e), the dealer is liable to pay a penalty, at the rate specified in sub-section (3) of Section 12 and the assessing authority shall in the same order of assessment or by a separate order direct the dealer to pay such penalty.
 - (g) in making the re-assessment under clauses (d) or (e), in addition to the tax assessed, the dealer is liable to pay a penalty, at the rate specified in sub-section (2) of Section 16, if there is wilful non-disclosure of assessable turnover by the dealer to the satisfaction of the assessing authority."

1. For the expression "Sections 16, 16-A, 16-AA and 16-B", the expression "Sections 16, 16-A and 16-AA" were substituted from 1st July 2002 by Section 17 of the Seventh Amendment Act (22 of) 2002.

16D. Constitution Of Special Committee :-

(1) The Government shall appoint a Special Committee consisting of Secretary to Government, Commercial Taxes Department; (2) Commissioner of Commercial Taxes ; (3) Secretary to Government, Finance Department or his nominee.

(2) Notwithstanding anything contained in this Act, the Special Committee may, of its own motion or on application, call for and examine the records of the assessing authority in respect of any proceeding or order under sub-section (2) or (3) of Section 12 or sub-section (1) or (2) of Section 16, if such proceeding or order is passed in violation of the provisions of the Act or rules made thereunder or without following the principles of natural justice, set aside the said proceedings or order and direct the assessing authority to make a fresh assessment and pass fresh proceeding or order in such manner as may be directed :

Provided that such proceeding or order against which any appeal or writ is pending shall not be entertained under this sub-section.

(3) The order passed under sub-section (2) shall be final.

17. Power Of Government To Notify Exemptions And Reductions Of Tax :-

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

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

(ii) by any specified class of persons, in regard to the whole or any part of their turnover ; or

(iii) on the sale or purchase of any specified classes of goods by specified classes 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)--

(a) may extend to the whole State or to any specified area or areas therein ;

(b) may be subject to such restrictions and conditions as may be specified in the notification.

(3) The Government may, by notification, cancel or vary any notification issued under sub-section (1).

(4) The Government may, in such circumstances and subject to such conditions as may be prescribed, by notification, remit the whole or any part of the tax or penalty or fee payable in respect of any period by any dealer under this Act.

17A. Power Of Government To Notify Deferred Payment Of Tax For New Industries, Etc :-

(1) The Government may, in such circumstances and subject to such conditions as

may be prescribed, by notification issued whether prospectively or retrospectively, defer the payment by any new industrial unit or sick unit or sick textile mill of the whole or any part of the tax payable in respect of any period :

Provided that such retrospective effect shall not be earlier than the 9th May 1998.

(1-A) The Government may by general or special order authorise the Territorial Assistant Commissioner to exercise such of their powers specified in sub-section (1).

(2) Notwithstanding anything contained in this Act, the deferred payment of tax under sub-section (1) or sub-section (1-A) shall not attract interest under sub-section (3) of Section 24 provided the conditions laid down for payment of the tax deferred are satisfied.

18. Liability To Tax Of Persons Not Observing Restrictions And Conditions Notified Under Section 17 :-

If any restriction or condition notified under Section 17 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 Section 17 did not apply to such sales or purchases.

19. Liability Of Firms :-

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

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

19A. Liability To Tax Of Partitioned Hindu Family, Dissolved Firm, Etc :-

Where a dealer is a Hindu undivided family, firm, or other association of persons, and such family, firm or association is partitioned, or dissolved, as the case may be--

(a) the tax payable under this Act by such family, firm, or association of persons for the period upto the date of such partition or dissolution shall be assessed as if no such partition or dissolution had taken place and all the provisions of this Act shall apply accordingly ; and

(b) every person who was at the time of such partition, or dissolution, a member or partner of the Hindu undivided family, firm, or association of persons and the legal representative of any such person who is deceased shall, notwithstanding such partition or dissolution, be jointly and severally liable for the payment of tax, penalty or other amount payable under this Act by such family, firm or association of persons, whether assessment is made prior to or after such partition, or

dissolution.

19B. Liability To Tax Private Company On Winding Up :-

Where a dealer is a private company and such company is wound up, every person who was a director of such company at the time of such winding up shall, notwithstanding such winding up, be jointly and severally liable for the payment of tax, penalty or other amount payable under this Act by such company whether assessment is made prior to or after such winding up unless he proves that the non-payment of tax cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the Company.

20. Registration Of Dealers :-

(1) (a) Every dealer whose total turnover in any year is not less than three lakhs rupees shall, and any other dealer or person intending to commence business may, get himself registered under this Act.

[(b)*****] Omitted by Act No.25 of 1993 w.e.f. 28th May, 1993.

(1-A) Where a person intending to commence business is a minor or where a minor inherits an existing business or succeeds a dealer, the certificate of registration shall be issued in the name of any guardian, trustee or agent of the minor carrying on business on behalf of and for the benefit of such minor.

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

(i) [*****] Omitted by Act No.25 of 1993 w.e.f. 28th May, 1993.

(ii) every casual trader ;

(iii) every dealer registered under sub-section (3) of Section 7 of the Central Sales Tax Act 1956 (Central Act 74 of 1956) ;

(iv) every dealer residing outside the State but carrying on business in the State ;

1 (iv-a) every dealer in bullion, gold, silver and platinum jewellery including articles thereof and worn-out or beaten jewellery and precious stones ;

(v) every agent of a non-resident dealer ; and

(vi) every factor, broker, commission agent or arhati, del credere agent or auctioneer or any other mercantile agent by whatever name called, and whether of the same description as hereinbefore or not, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal, or through whom the goods are bought, sold, supplied or distributed.

shall get himself registered under this Act, irrespective of the quantum of his turnover in such goods, and irrespective of the point of levy of tax.

(2-A) Where a registered dealer--

(i) dies, or
(ii) transfers or otherwise disposes of his business, in whole or in part, or
(iii) effects any change in the ownership of his business, in consequence of which he is succeeded in the business, or part thereof, by any other person, such successor in business shall (unless he already holds a certificate of registration) get himself registered under this Act.

(2-AA) The Government may, from time-to-time, by notification--

(i) exempt from the operation of sub-section (1), or sub-section (2) or sub-section (2-A) any specified class of dealers or dealers in any specified goods or class of goods ;

(ii) enhance the total turnover limit specified in sub-section (1) for the registration of any specified class of dealers or dealers in any specified goods or class of goods.

(2-B) Any exemption under clause (i) and any enhancement of the total turnover limit under clause (ii) of sub-section (2-AA)--

(i) may extend to the whole State or to any specified area or areas therein ;

(ii) may be subject to such restrictions and conditions as may be specified in the notification.

(2-C) The Government may, by notification, cancel or vary any notification issued under sub-section (2-AA).

(3) Nothing contained in this Section shall apply to any State Government or the Central Government.

1. This clause was inserted in this sub-section from 19th August 2002 by Section 3 of the Ninth Amendment Act (48 of) 2002, with the object of removing the limit of total turnover in respect of dealers in jewellery trade.

21. Procedure For Registration :-

1[(1) An application for registration 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 two thousand and five hundred rupees in respect of Public Limited Companies, one thousand rupees in respect of Private Limited Companies and five hundred rupees in respect of other dealers for the principal place of business, and in addition, a further fee of two hundred rupees in respect of Public Limited Companies, one hundred rupees in respect of Private Limited Companies and fifty rupees in respect of other dealers in respect of each of the places of business other than the

principal place of business :

Provided that any dealer who has registered under the Companies Act, 1956 (Central Act 1 of 1956) and who desires to pay the registration fees for 5 years in a lumpsum may do so at his option by paying a sum equal to five times the fee specified for the purpose.]

(1-A) Where it appears necessary to the authority to whom an application is made under sub-section (1) so to do for the proper realisation of the tax payable under this Act, it may, by order in writing and for reasons to be recorded therein, impose as a condition for the issue of a certificate of registration a requirement that the dealer shall furnish in the prescribed manner and within such time, as may be specified in the order, such security as may be specified for the aforesaid purpose :

Provided that the security shall not exceed one half of the tax payable on the taxable turnover upto the end of the year as estimated by the applicant himself.

(2) If the prescribed authority is satisfied that the application is in order and the condition, if any, imposed under sub-section (1-A) has been complied with, it shall register the applicant and grant to him a certificate of registration in the prescribed form specifying all his places of business with copies for each of his place of business other than the principal place of business.

(2-A) A certificate issued under sub-section (2) shall take effect from such date as may be prescribed.

(2-B) Where it appears necessary to the authority granting a certificate of registration under this section so to do for the proper realisation of the tax payable under this Act it may, at any time, while such certificate is in force, by an order in writing and for reasons to be recorded therein, require the dealer to whom the certificate has been granted, to furnish within such time as may be specified in the order and in the prescribed manner such security or, if the dealer has already furnished any security in pursuance of an order under this sub-section or sub-section (1-A) such additional security, as may be specified in the order for the aforesaid purpose.

(2-C) No dealer shall be required to furnish any security under sub-section (1-A) or any security or additional security under sub-section (2-B) by the authority referred to therein, unless he has been given an opportunity of being heard. The amount of security which a dealer may be required to furnish under sub-section (1-A) or sub-section (2-B) or the aggregate of the amount of such security and the amount of additional security which he may be

required to furnish under sub-section (2-B) by the authority referred to therein, shall not exceed one half of the tax payable, in accordance with the estimate of such authority, on the turnover of such dealer for the year in which such security or, as the case may be, additional security is required to be furnished.

(2-D) Where the security furnished by a dealer under sub-section (1-A) or sub-section (2-B) is in the form of a surety bond and the surety becomes insolvent or dies, the dealer shall, within thirty days of the occurrence of any of the aforesaid events, inform the authority granting the certificate of registration and shall within ninety days of such occurrence furnish a fresh surety bond or furnish in the prescribed manner other security for the amount of the bond.

(2-E) The authority granting the certificate of registration may by order and for good and sufficient cause forfeit the whole or any part of the security furnished by the dealer for realising any amount of tax or penalty payable by the dealer :

Provided that no order shall be passed under this sub-section without giving the dealer an opportunity of being heard.

(2-F) Where by reason of an order under sub-section (2-E), the security furnished by any dealer is rendered insufficient, he shall make up the deficiency in such manner and within such time as may be prescribed.

(2-G) The authority granting a certificate of registration may, on application by the dealer to whom it has been granted, order the refund of any amount or part thereof deposited by the dealer by way of security under this Section or, where the security is furnished by the dealer in the form of a pledge, release the pledge, if it is not required for the purpose of this Act, or if in the course of three years the dealer proves himself to be prompt in payment of tax and above reproach in the conduct of his business.

(3) The certificate issued under sub-section (2) shall be valid for one year or five years, as the case may be and shall be renewed in such manner and within such period as may be prescribed, on payment of the fee specified in sub-section (1). The certificate shall be deemed to have been cancelled unless it has been renewed.

2[Provided that a registered who fails to renew the certificate of registration within the prescribed period shall be permitted to renew the certificate before a further period as may be prescribed on payment of renewal fee and also a penalty equal to renewal fee.]

(3-A) [*****] Omitted by G.O.P. 1164 CT&RE dated 15th October,

1982 Act No. 22 of 1982 w.e.f. 1st November 1982.

(3-B) If the prescribed authority is satisfied that a registration certificate or a copy thereof is lost or accidentally destroyed, it shall, on an application by the registered dealer accompanied by a fee of 3[one hundred] rupees issue to him a duplicate of the registration certificate.

(3-C) A registered dealer shall exhibit at each place of his business the registration certificate, or a duplicate, or a copy thereof.

(4) A registered dealer 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 three lakhs of rupees.

(5) The prescribed authority shall have power for good and sufficient reasons to cancel, modify or amend any certificate of registration granted by him.

(6) No application for registration or for a copy or duplicate of the certificate and no renewal under this Section shall be refused and no order under sub-section (5) shall be made, unless the dealer concerned has been given an opportunity of being heard.

(7) [* * * *] Omitted by Act No. 60 of 1967 w.e.f. 6th November 1997.

1. This sub-section (1) was substituted from 1st April 2002 by Section 5 of the Sixth Amendment Act (20 of) 2002, for the following :--

21. Procedure for registration--(1) An application for registration 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 two hundred rupees for the principal place of business, and in addition a further fee of twenty rupees in respect of each of his places of business other than the principal, place of his business :

Provided that any dealer who has registered under the Companies Act, 1956 (Central Act 1 of 1956) or who has been doing business continuously for a period of five years and who desires to pay a registration fee for five years in a lump sum may do so at his option by paying a sum of rupees one thousand for the principal place of business and rupees one hundred in respect of each of his additional places of business other than the principal place of business.

2. This proviso to sub-section (3) was added by Section 5 of the Sixth Amendment Act (20 of) 2002, effective from 1st April 2002.

3. In sub-section (3-B), the words one hundred were substituted

for the word ten by the same Amendment Act, effective from the same date.

21A. Issue Of Permit :-

(1) Every registered dealer who transacts business at places other than his registered place or places of business or employs a travelling salesman or representative to transact business as aforesaid shall obtain a permit issued under this Act authorising him so to do.

(1-A) Where a registered dealer to whom sub-section (1) applies--

(i) dies, or

(ii) transfers or otherwise disposes of his business in whole or in part, or

(iii) effects any change in the ownership of his business, in consequence of which he is succeeded in the business or part thereof by any other person, such successor in business shall unless he already holds a permit obtain a permit referred to in sub-section (1).

(1-B) (a) Where a registered dealer, who has been granted a permit under sub-section (1) or sub-section (1-A), employs a travelling salesman or representative to transact business, he shall give a written authorisation in favour of such travelling salesman or representative and also furnish a copy of such authorisation to the assessing authority concerned ;

(b) The authorisation shall be in such form, shall contain such particulars and shall be subject to such conditions, as may be prescribed;

(c) The form of authorisation shall be obtained from such authority and on payment of such fee as may be prescribed.

(2) The entire turnover of business carried on under the permit and authorisation shall be included and accounted for by the registered dealer in his accounts and returns and shall be dealt with as if it were the turnover of business done by the registered dealer himself at the registered place of business.

(3) Every permit holder or travelling salesman or representative shall carry the permit or the authorisation, as the case may be, on his person and shall produce it on demand by any officer of the Commercial Taxes Department empowered by the Government in this behalf. Every permit holder or travelling salesman or representative shall maintain and produce on demand to any such officer a true and correct account of all the transactions carried on under the permit, or authorisation, as the case may be, and every travelling salesman or representative shall also maintain and produce on demand to any such officer a stock-book showing the quantities of goods entrusted to him by the registered dealer, the quantities disposed of from day-to-day by sale or otherwise and the balance on hand at the end of each day.

(4) An application for permit referred to in sub-section (1) or sub-section (1-A) shall be made to such authority, in such manner and within such period as may be prescribed and shall be accompanied by¹[a fee of one hundred rupees].

Explanation--[Omitted by Act No.31 of 1972 w.e.f. 1st December 1997].

(5) If the prescribed authority is satisfied that the application is in order, it shall issue the permit in the prescribed form.

(5-A) A permit issued under sub-section (5) shall take effect--

(a) in the case of a person succeeding to the business or part thereof, from the date on which such person succeeded to the business ; and

(b) in the case of any other person, from the date of issue of the permit.

(6) A permit issued under sub-section (5) shall be valid for a year and shall be renewed from year to year on receipt of an application from the registered dealer accompanied by²[a fee of one hundred rupees].

(6-A) If the prescribed authority is satisfied that the permit issued under sub-section (5) is lost or accidentally destroyed, it shall, on application by the registered dealer accompanied by a fee of³[twenty rupees], issue to him a duplicate of the permit,

(7) The prescribed authority shall cancel a permit--

(a) on requisition made in writing by the registered dealer, and

(b) on the cancellation of the certificate of registration.

(8) No application for a permit or for a duplicate thereof shall be refused unless the registered dealer has been given a reasonable opportunity of being heard.

(9) No permit holder and no travelling salesman or representative shall contravene any of the terms or conditions of the permit or authorisation, as the case may be, or any of the provisions of this Act or the rules made thereunder.

(10) The prescribed authority may cancel a permit if the permit holder has contravened any of the terms or conditions of the permit or any of the provisions of this Act or the rules made thereunder :

Provided that no prosecution for an offence under sub-section (1-B) of Section 45 shall be instituted in respect of the same facts on which a permit has been cancelled under this sub-section.

(11) No permit shall be cancelled under clause (b) of sub-section (7) or under sub-section (10), unless the permit holder has been given a reasonable opportunity of being heard.

1. The words such fee not exceeding ten rupees as may be prescribed were substituted by the words a fee of one hundred rupees by Section 6 of the Sixth Amendment Act (20 of) 2002, with effect from 1st April 2002.

2. The words such fee not exceeding ten rupees as may be prescribed were substituted by the words a fee of one hundred rupees by Section 6 of the Sixth Amendment Act (20 of) 2002, with effect from 1st April 2002.

3. The words twenty rupees were substituted for the words one rupee from 1st April 2002 by the same Act.

22. Collection Of Tax By Dealer :-

(1) No person who is not a registered dealer shall collect any amount by way of tax or purporting to be by way of tax under this Act, and no registered dealer shall make any such collection except in accordance with the provisions of this Act and the rules made thereunder :

Provided that nothing in this sub-section shall apply to the collection of an amount by a registered dealer, towards the amount of tax already suffered under this Act, in respect of goods, the sale or purchase price of which is controlled by any law in force.

Explanation--For the purposes of this sub-section, any State Government or the Central Government or any dealer exempt under Section (2-AA) of Section 20 shall be deemed to be a registered dealer.

(2) If any person or registered dealer collects any amount by way of tax or purporting to be by way of tax in contravention of the provisions of sub-section (1); whether or not any tax is due from such person or dealer under this Act in respect of the transaction in which he collects such amount, the assessing authority may, after giving such person or dealer a reasonable opportunity of being heard, by order in writing impose upon him by way of penalty a sum which shall be,--

(i) where the excess amount has been collected in the bona fide

belief that it had to be collected, one hundred per cent of the amount collected ;

(ii) where the excess amount has been collected wilfully and knowing that it was not due to be collected, one hundred and fifty per cent of the amount collected :

Provided that no proceedings under this sub-section shall be commenced after a period of five years from the¹[date of order of the final assessment by the assessing authority] :

Provided further that no prosecution for an offence under sub-section (1-A) of Section 45 shall be instituted in respect of the same facts on which a penalty has been imposed under this sub-section.

1 . The words expiry of the year in which the amount has been collected at the end of this proviso has been substituted by these words from 5th August 2004 by the Fifth Amendment Act (17 of) 2004.

23. Levy Of Penalty In Certain Cases :-

If any person purchasing goods is guilty of an offence under clause (e) of sub-section (2) of Section 45, the assessing authority may, after giving him a 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 the tax payable on the turnover relating to the sale of such goods at a rate which is equal to the rate prescribed in the First Schedule less three per cent :

Provided that no prosecution for an offence under Section 45 shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

24. Payment And Recovery Of Tax :-

(1) Save as otherwise provided for in sub-section (2) of Section 13, the tax assessed of has become payable under this Act from a dealer or person and any other amount due from him under this Act shall be paid in such manner and in such instalments, if any, and within such time as may be specified in the notice of assessment, not being less than twenty-one days from the date of service of the notice. The tax under sub-section (2) of Section 13 shall be paid without any notice of demand. In default of such payment 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 or interest under this

Act.

(2) Any tax assessed on or has become payable by, or any other amount due under this Act from a dealer or person and any fee due from him under this Act, shall, subject to the claim of the Government in respect of land revenue and the claim of the Land Development Bank in regard to the property mortgaged to it under Section 28 (2) of the Tamil Nadu Co-operative Land Development Banks Act, 1934 (Tamil Nadu Act X of 1934), have priority over all other claims against the property of the said dealer or person and the same may without prejudice to any other mode of collection be recovered,

(a) as land revenue, or

(b) on application to any Magistrate, by such Magistrate as if it were a fine imposed by him :

Provided that no proceedings for such recovery shall be taken or continued as long as he has, in regard to the payment of such tax, other amount or fee, as the case may be, complied with an order by any of the authorities to whom the dealer or person has appealed or applied for revision, under Sections 31, 31-A, 33, 35, 36, 37 or 38.

(3) On any amount remaining unpaid after the date specified for its payment as referred to in sub-section (1) or in the order permitting payment in instalments, the dealer or person shall pay, in addition to the amount due, interest at 1½ per cent per month of such amount for the first three months of default and at two per cent per month of such amount for the subsequent period of default.]

Provided that if the amount remaining unpaid is less than one hundred rupees and the period of default is not more than a month, no interest shall be paid :

Provided further that where a dealer or person has preferred an appeal or revision against any order of assessment or revision of assessment under this Act, the interest payable under this sub-section, in respect of the amount in dispute in the appeal or revision, shall be postponed till the disposal of the appeal or revision, as the case may be, and shall be calculated on the amount that becomes due in accordance with the final order passed on the appeal or revision as if such amount had been specified in the order of assessment or revision of assessment as the case may be.

(3-A) Where a dealer submits the prescribed return within ten days after the expiry of the prescribed period, he shall also pay, in addition to the amount of tax due as per his return, interest at two

per cent of the tax payable for every month or part thereof.

(4) Where the tax paid under this Act is found to be in excess on final assessment or revision of assessment, or as a result of an order passed in appeal, revision or review, the excess amount shall be refunded to the dealer after adjustment of arrears of tax, if any, due from him. Where the excess amount is not refunded to the dealer within a period of ninety days from the date of the order of assessment or revision of assessment and in the case of order passed in appeal, revision or review within a period of ninety days from the date of receipt of the order, the Government shall pay by way of interest, where the amount refundable is not less than one hundred rupees, a sum equal to a sum calculated at the rate of one per cent or part thereof of such amount for each month or part thereof after the expiry of the said period of ninety days.

Explanation--For the purpose of this Section, the expression "order passed in appeal, revision or review" shall not include an order passed in such appeal, revision or review with direction to make fresh assessment order.

1. These words were substituted for the words two per cent per month of such amount for the entire period of default by the Second Amendment Act (14 of) 2004 from a date to be notified.

24A. Transfers To Defraud Revenue Void :-

Where, during the pendency of any proceedings under this Act or after the completion thereof, any dealer creates a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of any of his assets in favour of any other person, with the intention to defraud the revenue, such charge or transfer shall be void as against any claim in respect of any tax, or any other sum payable by the dealer as a result of the completion of the said proceeding or otherwise :

Provided that, such charge or transfer shall not be void if it is made--

(i) for adequate consideration and without notice of the pendency of such proceeding under this Act or, as the case may be, without notice of such tax or other sum payable by the dealer ; or

(ii) with the previous permission of the assessing authority.

Explanation--In this section, assets means land, building, machinery, plant, shares, securities and fixed deposits in banks to the extent to which any of the assets aforesaid does not form part of the stock-in-trade of the business of the dealer.

25. Recovery Of Penalty Or Interest :-

Any penalty or interest payable under this Act shall be deemed to be tax under this Act for the purposes of collection and recovery and shall be without prejudice to the institution of any proceeding for an offence under this Act, or for the recovery of the entire amount remaining unpaid under this Act.

26. Further Mode Of Recovery :-

(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--

(i) any person from whom money is due or may become due to the dealer or to any person who has become liable to pay any amount due under this Act, or

(ii) any person who holds or may subsequently hold money for or on account of the dealer or other person who has become liable to pay any amount due under this Act, 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 or other person in respect of the arrears that have become payable under this Act or the whole of the money when it is equal to or is less than the arrears aforesaid.

(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 making any payment 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 payment made 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 served objects to it by a statement in the prescribed form 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 part thereof, as the case may be, to the assessing authority but if it is discovered that such statement was false in any material particulars, such person shall be personally liable to the assessing authority to the extent of his

own liability to the dealer on the date of the notice, or to the extent of the liability of the dealer for the amount due under this Act, whichever is less.

(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.

Explanation--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.

27. Recovery Of Tax Where Business Of Dealer Is Transferred :-

Where the ownership of the business of a dealer liable to pay tax or other amount is transferred, any tax or other amount payable under this Act in respect of such business and remaining unpaid at the time of the transfer and any tax or other amount due up to the date of transfer though unassessed, may, without prejudice to any action that may be taken for its recovery from the transferor, be recovered from the transferee as if he were the dealer liable to pay such tax or other amount :

Provided that the recovery from the transferee of the arrears of taxes due for the period prior to the date of the transfer shall be limited to the value of the assets he obtained by transfer.

27A. Rounding Off Of Turnover, Tax Etc :-

The amount of turnover, tax, fee, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of 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 the rupee and if such part is less than fifty paise, it shall be ignored.

Explanation-- If the total turnover of a dealer consists of several items of turnover liable to tax at different rates each such item of turnover shall be rounded off as provided in this section.

28. Appointment Of Commissioner Of Commercial Taxes, Joint :-

Commissioners of Commercial Taxes, Appellate Deputy Commissioners of Commercial Taxes, Deputy Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes

and Commercial Tax Officers

The Government may appoint a Commissioner of Commercial Taxes and as many Joint Commissioners of Commercial Taxes, Appellate Deputy Commissioners of Commercial Taxes, Deputy Commissioners of Commercial Taxes, Appellate Assistant Commissioners of Commercial Taxes, Territorial Assistant Commissioners of Commercial Taxes, Administrative Assistant Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes (Assessment), Assistant Commissioners of Commercial Taxes (Check-posts), Assistant Commissioners of Commercial Taxes (Enforcement) and Commercial Tax Officers, as they think fit, for the purpose of performing the functions respectively conferred on them by or under this Act. The Commissioner of Commercial Taxes shall perform the functions conferred on him throughout the State, and the other officers shall perform their functions within such local limits as the Government or any authority or officer empowered in this behalf, may assign to them.

28A. Power To Issue Clarification By Commissioner Of Commercial Taxes :-

(1) The Commissioner of Commercial Taxes on an application by a registered dealer, may clarify any point concerning the rate of tax under the Act. Such clarification shall be applicable to the goods specified in the application :

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.

(2) The Commissioner of Commercial Taxes may, if he considers it necessary or expedient so to do, for the purpose of uniformity in the work of assessment and collection of tax, clarify any point concerning the rate of tax under this Act or the procedure relating to assessment and collection of tax as provided for under this Act.

(3) All persons working under the control of Commissioner of Commercial Taxes shall observe and follow the clarification issued under sub-section (1) and sub-section (2).

29. Special Powers Of Assistant Commissioner Under Revenue Recovery Act :-

(1) A Territorial Assistant Commissioner or an Assistant Commissioner (Assessment) shall have the powers of a Collector under the Tamil Nadu Revenue Recovery Act, 1864 (Tamil Nadu Act II of 1864) for the purposes of recovery of any amount due under this Act.

(2) Subject to the provisions of sub-section (3) the Territorial Assistant Commissioner and the Assistant Commissioner

(Assessment) shall for the purposes of recovery of any amount due under this Act, have the powers of the Commissioners under the Madras Rent and Revenue Sales Act, 1839, (Central Act VII of 1839) for the sale of property distrained for any amount due under this Act.

(3) Notwithstanding anything contained in the Madras Rent and Revenue Sales Act, 1839 (Central Act VII of 1839), the Territorial Assistant Commissioner and the Assistant Commissioner (Assessment) in the exercise of the powers conferred by sub-section (2) shall be subject to the control and superintendence of the Deputy Commissioner and the Commissioner of Commercial Taxes.

(4) The Territorial Assistant Commissioner and the Assistant Commissioner (Assessment), may subject to the control and superintendence of the Deputy Commissioner and the Commissioner of Commercial Taxes, delegate the powers vested in them under sub-sections (1) and (2), to any officer not below the rank of an Assistant Commercial Tax Officer placed under their authority and the provisions of sub-section (1) and sub-section (2) shall apply to such officer as they apply to the Territorial Assistant Commissioner and the Assistant Commissioner (Assessment).

30. Appellate Tribunal :-

(1) The Government shall appoint an Appellate Tribunal consisting of, subject to the provisions of sub-section (1-A), a Chairman and two other members to exercise the functions conferred on the Appellate Tribunal by or under this Act. The Chairman shall be Judicial Officer not below the rank of a District Judge and the other two members shall possess such qualifications as may be prescribed.

(1-A) Notwithstanding anything contained in sub-section (1) the Government may, from time to time, appoint such number of persons to be additional members of the Appellate Tribunal as the Government may deem necessary and for such period as may be specified in this behalf :

Provided that as nearly as may be one half of such additional members shall be Judicial Officers not below the rank of a Sub-ordinate Judge and the remaining additional members shall possess such qualifications as may be prescribed.

(2) Any vacancy in the membership of the Appellate Tribunal shall be filled by the Government.

- (3)(a) The functions of the Appellate Tribunal may be exercised--
- (i) by a Bench consisting of three members constituted by the Chairman, or
 - (ii) by a Bench consisting of two members constituted by the Chairman, or
 - (iii) Omitted by Act No. 6 of 1963 w.e.f. 1st April 1963.
 - (iv) by a single member of the Appellate Tribunal nominated in this behalf by the Chairman, in cases where the total turnover as determined by the assessing authority does not exceed one lakh rupees.

Explanation-- The single member referred to in sub-clause (iv) may be either the Chairman or any other member :

Provided that, if any case which comes up before a single member (who is not the Chairman) or a Bench (of which the Chairman is not a member) involves a question of law, such single member or Bench may, in his or its discretion, reserve such case for decision by a Bench of which the Chairman shall be a member.

(b) Where an appeal or application is heard by a Bench consisting of three members and the members differ in opinion on any point, the point shall be decided in accordance with the opinion of the majority.

(c) Where an appeal or application is heard by a Bench consisting of two members, and the members are divided in their opinion on any point, the point shall be referred for decision to a Bench consisting of three members of whom one shall be the Chairman.

(4) The Appellate Tribunal shall, with the previous sanction of the Government, make, by notification, regulations consistent with the provisions of this Act and the rules made thereunder for regulating the constitution and the procedure and the disposal of its business.

31. Appeal To The Appellate Assistant Commissioner :-

(1) Any person objecting to an order passed by the appropriate authority under Section 4-A, sub-section (3) of Section 10, Section 12, Section 12-A, Section 14, Section 15, sub-sections (1) and (2) of Section 16, Section 18, sub-section (2) of Section 22, Section 23 or Section 27 other than an order passed by an Assistant Commissioner (Assessment) may, within a period of thirty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the Appellate Assistant Commissioner having jurisdiction :

Provided that the Appellate Assistant Commissioner may, within a

further period of thirty days admit an appeal presented after the expiration of the first mentioned period of thirty days if he is satisfied that the appellant had sufficient cause for not presenting the appeal within the first mentioned period :

Provided further that in the case of an order under sub-section (3) of Section 10, Section 12, Section 12-A, Section 14, Section 15 or sub-sections (1) and (2) of Section 16, no appeal shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be and ¹[twenty five] per cent of the difference of the tax assessed by the assessing authority and the tax admitted by the appellant.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by such fee not exceeding one hundred rupees as may be prescribed.

(3) In disposing of an appeal, the Appellate Assistant Commissioner may, after giving the appellant a reasonable opportunity of being heard, and for sufficient reasons to be recorded in writing

(a) in the case of an order of assessment--

(i) confirm, reduce, enhance or annul, the assessment or the penalty or both ;

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

(iii) pass such other orders as he may think fit ; or

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

Provided that at the hearing of any appeal against an order of the assessing authority, the assessing authority shall have the right to be heard either in person or by a representative.

(4) Omitted by Act No. 31 of 1972 w.e.f. 1st December 1972.

(5) Notwithstanding that an appeal has been preferred under sub-section (1), the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred :

Provided that the Appellate Assistant Commissioner may, in his discretion, give such directions as he thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to his satisfaction, in such form and in such manner as may be prescribed.

1. The words twenty five now appearing in this proviso were substituted by Section 2 of the Fifth Amendment Act (19 of) 2002

for the words twelve and a half with effect from 3rd June 2002.

31A. Appeal To The Appellate Deputy Commissioner :-

(1) Any person objecting to an order passed by the Assistant Commissioner (Assessment) under Section 4-A, sub-section (3) of Section 10, Section 12, Section 12-A, Section 14, Section 15, sub-sections (1) and (2) of Section 16, Section 18, sub-section (2) of Section 22, Section 23 or Section 27 may, within a period of thirty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the Appellate Deputy Commissioner having jurisdiction :

Provided that the Appellate Deputy Commissioner may within a further period of thirty days admit an appeal presented after the expiration of the first mentioned period of thirty days if he is satisfied that the appellant had sufficient cause for not presenting the appeal within the first mentioned period:

Provided further that in the case of an order under sub-section (3) of Section 10, Section 12, Section 12-A, Section 14, Section 15 or sub-sections (1) and (2) of Section 16, no appeal shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable as the case may be and 1[twenty five] per cent of the difference of the tax assessed by the assessing authority and the tax admitted by the appellant.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by such fee not exceeding one hundred rupees as may be prescribed.

(3) In disposing of an appeal, the Appellate Deputy Commissioner may, after giving the appellant a reasonable opportunity of being heard,--

(a) in the case of an order of assessment--

(i) confirm, reduce, enhance or annul the assessment or the penalty or both ;

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

(iii) pass such other orders as he may think fit ; or

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

Provided that at the hearing of any appeal against an order of the assessing authority, the assessing authority shall have the right to be heard either in person or by a representative.

(4) Notwithstanding that an appeal has been preferred under sub-section (1), the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred :

Provided that the Appellate Deputy Commissioner may, in his discretion give such directions as he thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to his satisfaction, in such form and in such manner as may be prescribed.

1. The words twenty five now appearing in this proviso were substituted by Section 2 of the Fifth Amendment Act (19 of) 2002 for the words twelve and a half with effect from 3rd June 2002.

32. Special Powers Of The Deputy Commissioner :-

(1) The Deputy Commissioner may, of his own motion, call for and examine an order passed or proceeding recorded by the appropriate authority under Section 4-A, under sub-section (3) of Section 10, Section 12, Section 12-A, Section 14, Section 15, or sub-sections (1) and (2) of Section 16 and if such order or proceeding recorded is prejudicial to the interests of revenue, may make such inquiry or

cause such inquiry to be made, and, subject to the provisions of this Act, may initiate proceedings to revise, modify or set aside such order or proceeding and may pass such order thereon as he thinks fit.

(2) The Deputy Commissioner shall not initiate proceedings against any such order or proceeding referred to in sub-section (1), if--

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

(b) the order has been made the subject of an appeal to the Appellate Assistant Commissioner or the Appellate Deputy Commissioner or the Appellate Tribunal, or of a revision in the Special Tribunal ; or

(c) more than five years have expired after the passing of the order :

Provided that if the order passed or proceeding recorded by the appropriate authority referred to in sub-section (1) involves an issue on which the Special Tribunal has given its decision adverse to the revenue in any other proceedings, and an appeal to the Supreme Court against the order of the Special Tribunal is pending, the period of time between the date of the above said order of the Special Tribunal and the date of the order of the Supreme Court shall be excluded in computing the period referred to in clause (c).

(3) No order under this section adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.

(4) In computing the period referred to in clause (c) of sub-section (2), the time during which the proceedings before the Deputy Commissioner remained stayed under the orders of a Civil Court or other competent authority shall be excluded.

33. Powers Of Revision Of Deputy Commissioner :-

(1) Any person objecting to an order passed or proceeding recorded under this Act for which an appeal has not been provided for in Section 31 or Section 31-A, may within a period of thirty days from the date on which a copy of the order or proceeding was served on him in the manner prescribed, file an application for revision of such order or proceeding to the Deputy Commissioner :

Provided that the Deputy Commissioner may, within a further period of thirty days, admit an application for revision presented after the expiration of the first mentioned period of thirty days if he is satisfied that the applicant had sufficient cause for not presenting the application within the first mentioned period.

(2) An application for revision shall be in the prescribed form and shall be verified in the prescribed manner.

(3) On admitting an application for revision, the Deputy Commissioner may call for and examine the record of the order or proceeding against which the application has been preferred and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, pass such order thereon as he thinks fit.

(4) Notwithstanding that an application has been preferred under sub-section(1), the tax, fee or other amount shall be paid in accordance with the order or proceeding against which the application has been preferred :

Provided that the Deputy Commissioner may in his discretion, give such directions as he thinks fit, in regard to the payment of such tax, fee or other amount, if the applicant furnishes sufficient security to his satisfaction in such form and in such manner as may be prescribed.

(5) No order under this Section adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.

34. Special Power Of Joint Commissioner Of Commercial Taxes :-

(1) The Joint Commissioner of Commercial Taxes may of his own motion call for and examine an order passed or proceeding recorded by the appropriate authority under Section 4-A, Section 12, Section 12-A, Section 14, Section 15 or sub-section(1) or (2) of Section 16 or an order passed by the Deputy Commissioner under sub-section(1) of Section 32 or sub-section(3) of Section 33 and if such order or proceeding recorded is prejudicial to the interests of revenue, may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may initiate proceedings to revise, modify or set aside such order or proceeding and may pass such order thereon as he thinks fit.

(2) The Joint Commissioner of Commercial Taxes shall not initiate proceedings against any such order or proceeding referred to in sub-section (1) if--

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

(b) the order has been made the subject of an appeal to the Appellate Tribunal or of a revision in the Special Tribunal or

(c) more than five years have expired after the passing of the order

:

Provided that if the order passed or proceeding recorded by the appropriate authority, or Deputy Commissioner referred to in sub-section (1) involves an issue on which the Special Tribunal has given its decision adverse to the revenue in any other proceedings, and an appeal to the Supreme Court against the order of the Special Tribunal pending, the period of time between the date of the above said order of the Special Tribunal and the date of the order of the Supreme Court shall be excluded in computing the period referred to in clause (c).

(3) No order under this Section adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.

(4) In computing the period referred to in clause (c) of sub-section (2), the time during which the proceedings before the Joint Commissioner of Commercial Taxes remained stayed under the order of a Civil Court or other competent authority shall be excluded.

34A. Power To Transfer Appeals :-

(1) The Chairman of the Appellate Tribunal may, either suo motu or on application, for reasons to be recorded in writing, transfer an appeal pending before an Appellate Deputy Commissioner to another Appellate Deputy Commissioner or an appeal pending before an Appellate Assistant Commissioner to another Appellate Assistant Commissioner.

(2) The Chairman of the Appellate Tribunal may, when exercising the powers under sub-section (1), direct the stay of further proceedings before an Appellate Deputy Commissioner or an Appellate Assistant Commissioner, as the case may be.

(3) No order under this section adversely affecting a person shall be passed unless that person has had an opportunity of being heard.

35. Powers Of Revision By Joint Commissioner Of Commercial Taxes :-

(1) Any person objecting to an order passed by the Deputy Commissioner under sub-section (3) of Section 33, may within a period of 30 days from the date on which a copy of the order was served on him in the manner prescribed, file an application for revision of such order to the Joint Commissioner of Commercial Taxes :

Provided that the Joint Commissioner of Commercial Taxes may, within a further period of thirty days, admit an application presented after the expiration of the first mentioned period of thirty days if he is satisfied that the applicant had sufficient cause for not

presenting the application within the first mentioned period.

(2) Such application for revision shall be in the prescribed form and shall be verified in the prescribed manner.

(3) On admitting an application for revision, the Joint Commissioner of Commercial Taxes may call for and examine the record of the order against which the application has been preferred and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, pass such order thereon as he thinks fit. Such an order shall be final and shall not be liable to be questioned in any Court of Law.

(4) Notwithstanding that an application has been preferred under sub-section (1), the tax, fee or other amount shall be paid in accordance with the order against which the application has been preferred :

[Proviso Omitted by Act No. 11 of 1997 w.e.f. 8th May, 1997].

(5) No order under this section adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.

36. Appeal To The Appellate Tribunal :-

(1) Any officer empowered by the Government or any person objecting to an order passed by the Appellate Assistant Commissioner under sub-section(3) of Section 31, or by the Appellate Deputy Commissioner under sub-section(3) of Section 31-A, or by the Deputy Commissioner under sub-section(1) of Section 32, may,--

(i) within a period of one hundred and twenty days, in the case of an officer so empowered by Government.

(ii) within a period of sixty days, in the case of any other person, from the date on which the order was served in the manner prescribed, appeal against such order to the Appellate Tribunal :

Provided that the Appellate Tribunal may, within a further period of one hundred and twenty days, in the case of an officer empowered by Government and sixty days in the case of any other person, admit an appeal presented after the expiration of the first mentioned period of one hundred and twenty days or sixty days, as the case may be, if it is satisfied that the appellant had sufficient cause for not presenting the appeal within the mentioned period :

Provided further that no appeal filed by any person objecting to an order passed--

(a) under sub-section (3) of Section 31 or under sub-section (3) of

Section 31-A shall be entertained unless it is accompanied by satisfactory proof of the payment of the tax as ordered by the Appellate Commissioner or by the Appellate Deputy Commissioner, as the case may be ;

(b) under sub-section (1) of Section 32, unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be, and twenty five percent of the difference of the tax ordered by the Deputy Commissioner under Section 32 and the tax admitted by the appellant.

1 [Provided also that no appeal shall be admitted against an order, passed by the Appellate Assistant Commissioner under Section 31 or by the Appellate Deputy Commissioner under Section 31-A, as the case may be, setting aside the assessment and directing the assessing authorities to make a fresh assessment.]

(1-A) The officer empowered 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 has been preferred under sub-section (1) by the other party, may file within sixty days of the receipt of the notice, a memorandum of cross objections 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);

Provided that the Appellate Tribunal may, within a further period of thirty days, admit a memorandum of cross-objections filed after the expiration of the first mentioned period of sixty days, if it is satisfied that the officer empowered under sub-section (1) or the person against whom an appeal has been preferred, as the case may be, had sufficient cause for not filing the memorandum within the first mentioned period.

(2) The appeal and the memorandum of cross objections shall be in the prescribed form and shall be verified in the prescribed manner and the appeal shall be accompanied by such fee as may be prescribed :

Provided that no fee shall be payable by the officer empowered under sub-section (1).

(3) in disposing of an appeal, the Appellate Tribunal may, after giving the appellant a reasonable opportunity of being heard, and for sufficient reasons to be recorded in writing--

(a) in the case of an order of assessment --

(i) confirm, reduce, enhance, restore fully or partially, as the case may be, or annul the assessment or penalty or both ;

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

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

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

Provided that at the hearing of any appeal against an order of the Appellate Assistant Commissioner or the Appellate Deputy Commissioner or the Deputy Commissioner, the Government shall have the right to be heard by a representative :

Provided further 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 Special Tribunal against such decision or an appeal in the Supreme Court against the order of the Special Tribunal thereon is pending, the Appellate Tribunal may defer the hearing of the appeal before it, till such revision petition in the Special Tribunal or the appeal in the Supreme Court is disposed of.

(3-A) Within a period of sixty days from the date of receipt of notice that an appeal against the order passed by the Appellate Assistant Commissioner under sub-section (3) of Section 31 or an order passed by the Appellate Deputy Commissioner under sub-section (3) of Section 31-A or by the Deputy Commissioner under sub-section (1) of Section 32 has been filed, any assessing authority or his representative appearing before the Appellate Tribunal may file an enhancement petition or a petition for restoration of the assessment or penalty or both, fully or partially, as the case may be, in the prescribed form and in the prescribed manner against the order of the Appellate Assistant Commissioner or the Appellate Deputy Commissioner or the Deputy Commissioner as the case may be. The Appellate Tribunal may, after giving a reasonable opportunity to the appellant and the representative of the assessing authority of being heard pass such orders on the petition as it thinks fit:

Provided that the Appellate Tribunal may admit an enhancement petition or a petition for restoration of the assessment or penalty or both, fully or partially, as the case may be, presented after the expiration of the said period, if it is satisfied that the assessing authority or his representative had sufficient cause for not filing such petition within the said period.

(4) Omitted by Act No.31 of 1972 w.e.f. 1st December 1972.

(5) Notwithstanding that an appeal has been preferred under sub-

section (1), the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred :

Provided that in the case of an appeal against an order passed by the Deputy Commissioner under sub-section (1) of Section 32, the Appellate Tribunal may, in its discretion, give such directions as it thinks fit, in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

(6)(a) The appellant or the respondent may apply for review of any order passed by the Appellate Tribunal under sub-section(3) on the basis of the discovery of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made :

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 prescribed manner and within one year from the date on which a copy of the order to which the application relates was served on the applicant in the manner prescribed and where the application is preferred by any party other than a departmental authority, it shall be accompanied by such fee as may be prescribed.

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

(8) Every order passed by the Appellate Tribunal under sub-section (3) or (6) shall be communicated in the manner prescribed to the appellant, the respondent, the authority from whose order the appeal was preferred, the Deputy Commissioner, if he is not such authority, and the Commissioner of Commercial Taxes.

(9) Every order passed by the Appellate Tribunal under sub-section (3) shall, subject to the provisions of sub-section (6) and Section 38, be final.

1. This proviso was added from 1st July 2002 by Section 19 of the Seventh Amendment Act (22 of) 2002.

36A. Tribunals Under Articles 323-B Of The Constitution For Sales Tax Matters :-

It is hereby declared that the assessing authority referred to in clause (c) of Section 2, the Appellate Assistant Commissioner referred to in Section 31, the Deputy Commissioner referred to in Sections 31-A, 32 and 33, the Joint Commissioner of Commercial Taxes referred to in Sections 34 and 35, the

Appellate Tribunal appointed under Section 30, and the Special Tribunal referred to in clause (nn) of Section 2 shall be the hierarchy of Tribunals for purposes of clause (3) (a) of Article 323-B of the Constitution, for adjudication or trial of any dispute or complaint with respect to levy, assessment, collection and enforcement of sales tax matters arising under this Act.

37. Appeal To The Special Tribunal :-

(1) Any person objecting to an order passed by the Joint Commissioner of Commercial Taxes under Section 34 may, within a period of sixty days from the date on which the order was served on him in the manner prescribed, appeal against such order to the Special Tribunal.

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

(3) In disposing of an appeal, the Special Tribunal may, after giving the appellant a reasonable opportunity of being heard,--

(a) in the case of an order of assessment--

(i) confirm, reduce, enhance, or annul the assessment or penalty or both;

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

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

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

Provided that at the hearing of any appeal, the assessing authority shall have the right to be heard either in person or by a representative.

(4) Omitted by Act No.31 of 1972 w.e.f. 1st December, 1972.

(5) Every order passed in appeal under this section shall be final.

(6) Notwithstanding that an appeal has been preferred under sub-section (1), the tax shall be paid in accordance with the order of assessment against which the appeal has been preferred :

Provided that the Special Tribunal may, in its discretion, give such directions as it thinks fit in regard to the payment of the tax before the disposal of the appeal, if the appellant furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

(7)(a) The appellant or respondent may apply for review of any order passed by the Special Tribunal under sub-section (3) on the basis of the discovery of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made.

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall, where it is preferred by the assessee, be accompanied by such fee as may be prescribed.

38. Revision By Special Tribunal :-

(1) Within ninety days from the date on which a copy of the order under sub-section (3), (3-A) or (6) of Section 36 is served in the manner prescribed, any person who objects to such order or the Deputy Commissioner may prefer a petition to the Special Tribunal on the ground that the Appellate Tribunal has either decided erroneously or failed to decide any question of law :

Provided that the Special Tribunal may, within a further period of ninety days, admit a petition preferred after the expiration of the first mentioned period of ninety days aforesaid if it is satisfied that the petitioner had sufficient cause for not preferring the petition within the first mentioned period.

(2) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, where it is preferred by any party other than the Deputy Commissioner, be accompanied by such fee as may be prescribed.

(3) If the Special Tribunal 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.

(4) (a) If the Special Tribunal 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 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 Special Tribunal on the question of law raised or pass such order in relation to the matter as the Special Tribunal thinks fit.

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

(5) Before passing an order under sub-section (4), the Special Tribunal may, if it considers it 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 sub-section (1), the tax shall be paid in accordance with the order against which the revision has been preferred:

Proviso : [Omitted by Act No. 11 of 1997 w.e.f. 8th May, 1997].

(7) Omitted by Act No.31 of 1972 w.e.f. 1st December, 1972.

(8) (a) The petitioner or the respondent may apply for review of any order passed by the Special Tribunal under clause (a) of sub-section (4) on the basis of the discovery of new and important facts which after the exercise of due diligence were not within his knowledge or could not be produced by him when the order was made.

(b) The application for review shall be preferred within such time, and in such manner as may be prescribed, and shall, where it is preferred by any party other than the Deputy Commissioner, be accompanied by such fee as may be prescribed.

(9) In respect of every petition or application preferred under sub-section (1) or clause (a) of sub-section (8), the costs shall be in the discretion of the Special Tribunal.

38A. Special Powers Of Revision By Special Tribunal :-

(1) Notwithstanding anything contained in this Act, the Special Tribunal may, of its own motion or on application, call for and examine the record of the Appellate Assistant Commissioner, the Deputy Commissioner, the Joint Commissioner of Commercial Taxes or the Appellate Tribunal in respect of any proceeding under this Act to satisfy itself as to the regularity of such proceeding or the correctness or legality or propriety of any decision passed or order made therein, and if, in any case, it appears to the Special Tribunal that any such decision or order should be modified, annulled, reversed, or remitted for reconsideration, it may pass orders accordingly :

Provided that every application to the Special Tribunal for the exercise of the powers under this section shall be preferred within such period as may be prescribed :

Provided further that the Special Tribunal may admit an application after the expiration of the prescribed period if it is satisfied that the party concerned has sufficient cause for not presenting it within such period :

Provided also that this section shall not apply to any proceeding of the Joint Commissioner of Commercial Taxes under Section 34, or the Appellate Tribunal under Section 36, in respect of which, appeal under Section 37, or revision under Section 38, respectively, lies to the Special Tribunal.

(2) No order prejudicial to any person shall be passed under sub-section (1), unless such person has been given an opportunity of making his representation.

(3) Notwithstanding that an application has been preferred under sub-section (1), the tax shall be paid in accordance with the order against which the application has been preferred :

Provided that the Special Tribunal may, in its discretion, give such directions as it thinks fit in regard to the payment of the tax before the disposal of the application, if the applicant furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

39. Constitution Of Sales Tax Settlement Commission :-

(1) The Government shall, by notification, constitute a Commission called "Sales Tax Settlement Commission" for the settlement of arrears of tax, additional sales tax, penalty or interest in respect of the following classes of dealers, namely :--

(a) Dealers who stopped business prior to the 1st day of April 1995 and whose arrears are not covered by any appeal or revision as on the 28th day of February, 2002.

(b) Dealers in lottery tickets with arrears relating to the assessment years prior to the 1st day of April 1996.

(c) Public sector Undertakings including Oil Companies, Government Companies and Chennai Petroleum Corporation Limited.

(d) Dealers who have requested waiver of arrears of tax, surcharge, additional sales tax, penalty and, interest for the assessment years prior to the 1st day of April, 1999 but no appeal or revision is pending as on the 28th day of February, 2002 on that matter.

(2) The Commission shall consist of a Chairman and such number of members not exceeding two, appointed by the Government, as it may, from time to time, consider necessary for the proper discharge of the functions conferred on the Commission under this Act ;

(3) No person shall be appointed as Chairman or member of the Commission unless he possesses such qualification as may be prescribed and for such period as may be specified in this behalf.

(4) Subject to the previous sanction of the Government, the Commission shall for the purpose of regulating its procedure and disposal of its business make regulations not inconsistent with the provisions of this Act and rules".

39A. Amendment Of Order Of Assessment, Etc :-

(1) Where as a result of any order passed in appeal or revision or review under this Act, any change becomes necessary, in the order of assessment, the appropriate appellate authority, or revising or reviewing authority may authorise the assessing authority to amend the order of assessment accordingly and on such amendment being made, any amount overpaid by the assessee shall be refunded to him without interest, or the further amount of tax, if any, due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(2) Pending the exercise of the powers of appeal, revision or review, the appropriate appellate authority, or revising or reviewing authority may, on application made by the assessing authority stay the refund to the assessee of any amount overpaid in pursuance of the order which is the subject-matter of appeal, revision or review.

(3) Pending the exercise of the powers of review, the appropriate reviewing authority may, on application made by the assessee, stay the collection of further

amount of tax due from the assessee, in pursuance of the order which is the subject-matter of review before the disposal of the review application, if the assessee furnishes sufficient security to its satisfaction, in such form and in such manner as may be prescribed.

39B. Production Of Accounts :-

(1) Every dealer liable to pay tax under this Act, shall make available to the assessing authority any account, register, record or other document relating to the day-to-day transaction of his business.

(2) The Appellate Assistant Commissioner, or the Appellate Deputy Commissioner shall not, for the first time, receive in evidence on behalf of any dealer in any appeal, such account, register, record or document as is mentioned in sub-section (1), unless for reasons to be recorded in writing, he considers that such account, register, record or document is genuine and that the failure to produce the same before the assessing authority was for reasons beyond the control of the dealer.

(3) Except as provided in sub-section (2) no Appellate authority or revising or reviewing authority shall, for the first time, receive in evidence on behalf of the dealer any such account, register, record or document as is mentioned in sub-section (1).

Explanation--Nothing in this section shall apply to accounts which are built up from the initial accounts.

40. Maintenance Of Up-To-Date True And Correct Accounts And Records By Dealers :-

(1) Every person registered under this Act, every dealer liable to get himself registered under this Act, and every other dealer who is required so to do by the prescribed authority by notice served in the prescribed manner, shall keep and maintain an up-to-date true and correct account showing full and complete particulars of his business and such other records as may be prescribed in any of the languages specified in the Eighth Schedule to the Constitution, or in English, showing such particulars as may be prescribed; and different particulars may be prescribed for different classes of dealers.

(2) (a) Every registered dealer shall keep at the place of business specified in the certificate of registration, books of account for the current year. If more than one place of business in the State is specified in the certificate of registration, the books of account relating to each place of business for the current year shall be kept in the place of business concerned.

(b) Every registered dealer shall also ordinarily keep the books of account for the previous five years at such place or places as he may notify to the registering authority. If the registered dealer decides to change the place or places so notified, he shall, before effecting such change, notify the same to the registering authority.

(3) Every registered dealer or person who moves goods in

pursuance of a sale or purchase or otherwise from one place to another shall send along with the goods moved a bill of sale or delivery note or such other documents as may be prescribed.

41. Powers To Order Production Of Accounts, And Powers Of Entry, Inspection, Etc :-

(1) Any officer empowered by the Government in this behalf may, for the purposes of this Act, require any dealer to produce before him the accounts, registers, records and other documents, and to furnish any other information relating to his business.

(2) All accounts, registers, records and other documents maintained by a dealer in the course of his business, the goods in his possession and his offices, shops, godowns, vessels or vehicles shall be open to inspection at all reasonable times by such officer :

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 the Code of Criminal Procedure, 1898 (Central Act V of 1898).

(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 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 or 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 such accounts, registers, records and documents shall not be retained for more than thirty days at a time except with the permission of the next higher authority, in which case they could be retained upto a period of ninety days at a time.

(4) Any such officer shall, for the purposes of sub-section (2) or sub-section (3), also have power to enter and search any office, shop, godown, vessel, vehicle, building or place belonging to any other dealer or any other person, if such officer has reason to believe that a dealer keeps, or is keeping any of his goods, accounts, registers, records and other documents in such office, shop, godown, vessel, vehicle, building or place.

Explanation--It shall be open to the Government to empower different classes of officers for the purpose of taking action under sub-sections (1), (2) and (3).

41A. Powers To Inspect Goods Delivered To A Carrier Or Bailee :-

Where goods are delivered to a carrier or 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 by the Government in this behalf, 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 such other documents as may be prescribed 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.

42. Establishment Of Check-Post Or Barrier And Inspection Of Goods, While In Transit :-

(1) If the Government consider 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 setting up of a check-post or the erection of a barrier or both, at such place or places as may be notified.

(2) At every check-post or barrier mentioned in sub-section (1), or at any other place when so required by any officer empowered by the Government in this behalf, the driver or any other person in charge of any goods vehicle or boat shall stop the goods vehicle or boat, as the case may be, and keep it stationary as long as may reasonably be necessary, and allow the officer in charge of the check-post or barrier or the officer empowered as aforesaid, to examine the contents in the goods vehicle or boat and inspect all documents relating to the goods carried which are in the possession of such driver or other person in charge, for the purpose of ascertaining whether there has been any sale or purchase of the goods carried and in case there was sale or purchase of the goods carried, whether such sale or purchase is liable to tax under this Act, and if so--

(a) whether such tax has been paid, or

(b) whether the sale or purchase of the goods carried has, for the

purpose of the payment of tax under this Act, been properly accounted for in the documents referred to in sub-section (5).

(3) If, on such examination and inspection it appears

(a) (i) that the tax, if any, payable under this Act in respect of the sale or purchase of the goods carried, has been paid, or

(ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, been properly accounted for in the documents referred to in sub-section (5), the said officer shall release the goods vehicle or boat with the goods carried, or

(b) (i) that the tax, if any, payable under this Act, in respect of the sale or purchase of the goods carried, has not been paid, or

(ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, not been properly accounted for in the documents referred to in sub-section (5), and if the said officer is satisfied, after making such enquiry as he deems fit, that with a view to prevent the evasion of tax payable in respect of the sale or purchase of the goods carried, it is necessary to detain the goods, he shall detain the goods and direct the driver or any other person in charge of the goods vehicle or boat or the consignor or the consignee,--

(i) to pay such tax, or

(ii) to furnish adequate security in such form and in such manner and to such authority as may be prescribed, on behalf of the person liable to pay such tax.

(4) If the tax is paid or the security is furnished, then, the goods so detained shall be released forthwith.

(5) The documents referred to in sub-sections (2) and (3) are bills of sale, or delivery notes, or such other documents as may be prescribed.

(6) The driver or any other person in charge of the goods vehicle or boat shall, if so required, give his name and address and the name and address of the owner of the goods vehicle or boat as well as those of the consignor and the consignee of the goods.

(7) The driver of the goods vehicle or boat shall, on demand by the said officer, produce for inspection his drivers licence.

(8) (a) If the tax directed to be paid or the security directed to be furnished under sub-section (3) is not paid or furnished, or

(b) If it appears to the said officer that the driver or the person in charge of the goods vehicle or boat is not giving the correct name and address of the owner of the goods vehicle or of the boat, or of the consignor or of the consignee of the goods, and if the said officer is satisfied after making such enquiry as he deems fit, that

with a view to prevent the evasion of tax payable in respect of the sale or purchase of the goods carried, it is necessary to detain the goods, he shall detain the goods either in the check-post or elsewhere as long as may reasonably be necessary and shall ascertain the correct name and address of the owner of the goods vehicle or boat or of the consignor or of the consignee of the goods :

Provided that no such goods shall be detained by the said officer for more than twenty-four hours except with the permission of the next higher authority.

(8-A) The said officer may, in his discretion, permit the driver or other person in-charge of the goods vehicle or boat to take the goods detained under sub-section (8) subject to an undertaking given by the driver or other person,--

(i) that the goods shall be kept in the office, godown or other place within the State, belonging to the owner of the goods vehicle or boat and in the custody of such owner, and

(ii) that the goods shall not be delivered to the consignor, consignee or any other person without the orders of the said officer, and for this purpose the driver or any other person in charge of the goods vehicle or boat shall furnish an authorisation from the owner of the goods vehicle or boat authorising him to give such undertaking on his behalf.

(9) In case the goods are subject to speedy and natural decay, and in the case of other goods, where no claim is made within the prescribed period, the said officer shall, subject to such conditions as may be prescribed, sell such goods in open auction and remit the sale proceeds thereof in a Government Treasury :

Provided that if the said officer is an officer below the rank of a Deputy Commercial Tax Officer, the sale under this sub-section shall be effected by the Deputy Commercial Tax Officer having jurisdiction.

(10) Any person entitled to such sale proceeds shall, on application to the prescribed authority and upon sufficient proof, be paid the sale proceeds mentioned in sub-section (9) after deducting the expenses of the sale and other incidental charges and the amount of sales tax due under this Act in respect of the sale or purchase of the goods in question.

Explanation I--For the purpose of this section, the expression "said officer" shall mean the officer-in-charge of the check-post or barrier or the officer empowered under sub-section (2).

Explanation II--For the purposes of this section and Sections 44

and 45, "goods vehicle" includes a motor-vehicle, vessel, animal and any other form of conveyance.

43. Possession And Submission Of Certain Records By Owners, Etc., Of Boats :-

The owner or other person in charge of a boat shall carry with him--

(i) Bill of sale or delivery note, or such other documents as may be prescribed, and

(ii) Log Book, [* * * * *]Omitted by Act No. 7 of 1997 w.e.f. 13th September 1977.

(iii) The word and omitted by Act No. 7 of 1977 w.e.f. 13th September 1977.

relating to the goods under transport and containing such particulars as may be prescribed and shall submit to such officer as may be prescribed the documents aforesaid or copies thereof within such time as may be prescribed.

44. Possession And Submission Of Certain Records By Owners, Etc., Of Goods Vehicle :-

The owner or other person in charge of a goods vehicle shall carry with him--

(i) Bill of sale or delivery note or such other documents as may be prescribed and,

(ii) Goods Vehicle Record or Trip Sheet, [xxx] The expression "such other documents as may be prescribed" Omitted by Act No. 7 of 1977 w.e.f. 13th September, 1977.

(iii) [xxx] The word and Omitted by Act No. 7 of 1977 w.e.f. 13th September, 1977.

relating to the goods under transport and containing such particulars as may be prescribed and shall submit to such officer as may be prescribed the documents aforesaid or copies thereof within such time as may be prescribed.

44A. Issue Of Transit Pass :-

(1) (a) When a goods vehicle carrying any goods mentioned in the Seventh Schedule coming from any place outside the State and bound for any other place outside the State, passes through the State, the owner or other person incharge of such goods vehicle shall obtain a transit pass in the prescribed form and in the prescribed manner from the Officer incharge of the first check-post or barrier, after its entry into the State.

(b) The owner or other person incharge of the goods vehicle shall deliver within the

prescribed period, the transit pass to the officer incharge of the last check-post before the exit of the goods vehicle from the State.

(c) If the owner or other person incharge of the goods vehicle fails to comply with clause (b), it shall be deemed that the goods carried thereby have been sold within the State by the owner or person incharge of the goods vehicle, and such owner or person incharge of the goods vehicle shall, notwithstanding anything contained in sub-section (1) of Section 3, be jointly and severally liable to pay tax in accordance with the provisions of this Act, irrespective of quantum of turnover and also penalty which shall be one hundred and fifty per cent of such tax :

Provided that where the goods carried by such goods vehicle are, after their entry into the State, 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 or person incharge of the goods vehicle who originally brought the goods into the State.

Explanation-- In a case where a goods 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 sub-section, be deemed to be the owner of the goods vehicle.

(2)(a) When any goods specified in the Seventh Schedule are consigned or transferred by any goods vehicle to another State from any place within the State, the consignor or transferor of the goods shall obtain a transit pass in the prescribed form and in the prescribed manner, from the assessing authority having jurisdiction over the place from where the goods are consigned or transferred to other State.

(b) The consignor or transferor of the goods shall deliver or cause to be delivered, within the prescribed period, the transit pass to the officer incharge of the last check-post or barrier, before the exit of the goods vehicle from the State.

(c) If the consignor or transferor of the goods fails to comply with clause (b), it shall be deemed that the goods carried thereby have been sold within the State by the consignor or transferor and such consignor or transferor shall, notwithstanding anything contained in sub-section (1) of Section 3, be liable to pay tax in accordance with the provisions of this Act, irrespective of the quantum of turnover and also penalty which shall be one hundred and fifty per cent of such tax.

(3) Save as otherwise provided in sub-sections (1) and (2), the provisions of this Act shall apply in relation to the tax payable under sub-sections (1) and (2) as they apply in relation to the tax payable under this Act.

Explanation-- For the purpose of this section, "goods vehicle" includes a motor vehicle, vessel, animal and any other form of conveyance.

45. Offences And Penalties :-

(1) Any person who--

(a) being an assessee under this Act, fails to submit a return as required by the provisions of this Act, or the rules made thereunder, or

(b) being a person obliged to register himself as a dealer under this Act, does not get himself registered, or

(c) being a person obliged to take out a permit under this Act, does not take out such permit, [xxx] Omitted by Act No. 31 of 1972 w.e.f.1st December, 1972.

(d) [xxx] Omitted by Act No. 31 of 1972 w.e.f.1st December, 1972.shall on conviction by a Magistrate, not below the rank of a Second Class Magistrate, be liable to fine which may extend to two hundred rupees.

(1-A) Any person who collects any amount by way of tax or

purporting to be by way of tax under this Act in contravention of the provisions of sub-section (1) of Section 22 shall, on conviction by a Magistrate, not below the rank of a Second Class Magistrate, be liable to fine which may extend to five hundred rupees.

(1-B) Any permit holder, travelling salesman or representative, who contravenes any of the terms or conditions of the permit or the authorisation, as the case may be, or any of the provisions of this Act or the rules made thereunder, shall on conviction by a Magistrate not below the rank of a Second Class Magistrate, be liable to fine which may extend to five hundred rupees.

(2) Any person who--

(a) 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

(b) fraudulently evades the payment of any tax assessed on him or any fee or other amount due from him under this Act, or

(c) dishonestly objects to a notice issued to him under sub-section (1) of Section 26, or

(cc) being a person obliged to keep and maintain true and correct account and record under sub-section (1) of Section 40 fails to keep and maintain such account or record, or keeps any books of account at any place in contravention of sub-section (2) of Section 40 or moves the goods from one place to another in pursuance of a sale or purchase or otherwise in contravention of the provisions of sub-section (3) of Section 40 without a bill of sale or delivery note or such other documents as may be prescribed, or

(d) wilfully acts in contravention of any of the provisions of this Act, or

(e) after purchasing any goods in respect of which he has made a declaration under the second proviso to sub-section (3) or sub-section (5) of Section 3 fails without reasonable excuse to make use of the goods for the declared purpose; or

(f) makes any statement or declaration in the application for registration submitted to the registering authority, which he knows or has reason to believe to be false, or

(g) wilfully acts in contravention of the undertaking given under sub-section (8-A) of Section 42,

shall on conviction by a Presidency Magistrate or a Magistrate of the First Class, be liable to a fine which may extend to one thousand rupees and in the event of second or subsequent conviction, to simple imprisonment which may extend to six months or a fine which may extend to two thousand rupees or both.

(3) Any person who prevents or obstructs an officer from exercising his powers or discharging his duties under Section 41 or Section 42, shall, on conviction, be liable to simple imprisonment which may extend to six months, or a fine which may extend to two thousand rupees or both.

(4) (a) Any owner or other person in-charge of a boat or goods vehicle who fails to carry with him any of the records or documents specified in Section 43 or Section 44, as the case may be, shall on conviction, be liable to simple imprisonment which may extend to six months or a fine which may extend to two thousand rupees or both.

(b) The owner of the boat or the goods vehicle, if he was not in charge of the boat or the goods vehicle at the time of the commission of an offence under clause (a), shall also be liable to be punished with the punishment provided for the offence under clause (a) unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(5) If the driver or any other person in-charge of any goods vehicle or boat, refuses on demand by the officer in-charge of the check-post or barrier or the officer empowered under sub-section (2) of Section 42 to give his name and address or the name and address of the owner of the vehicle or boat or of the consignor and consignee of the goods or gives any name and address which he knows or has reason to believe to be false, or if the driver refuses on demand by such officer, to produce for inspection his drivers licence, he shall on conviction, be liable to simple imprisonment, which may extend to six months or a fine which may extend to two thousand rupees or both.

(6) Any person who makes any statement or declaration in any of the records or documents specified in Section 43 or Section 44, as the case may be, which statement or declaration he knows or has reason to believe to be false, shall, on conviction, be liable to simple imprisonment which may extend to six months, or a fine which may extend to two thousand rupees or both.

(7) Any person who is in any way knowingly concerned in any fraudulent evasion or attempt at evasion or abetment of evasion of any tax, payable in respect of the sale or purchase of any goods under this Act, shall, on conviction, be liable to simple imprisonment which may extend to six months or a fine which may extend to two thousand rupees or both.

(8) Any person who knowingly issues a false bill, voucher,

declaration, certificate or other document with a view to support any dealer to claim exemption or reduction in rate of tax on the sale or purchase of any goods under this Act, shall, on conviction, be liable to simple imprisonment which may extend to three months and in the event of a second or subsequent conviction to rigorous imprisonment for six months.

46. Composition Of Offences :-

(1) The prescribed authority, may, whether on application made to it in this behalf or otherwise, give any person who has committed or is reasonably suspected of having committed an offence under this Act, option to pay within a specified period, by way of composition of such offence--

(a) where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so recoverable, a sum of money not exceeding one thousand rupees or double the amount of the tax recoverable, whichever is greater; and

(b) in other cases, a sum of money not exceeding one thousand rupees.

(2) On payment of such sum of money and the tax, if any, recoverable under this Act, no prosecution for an offence under this Act shall be instituted in respect of the same facts on which a composition has been allowed under this section.

(3) Where the prescribed authority, on application made under sub-section (1), passes an order refusing to allow composition under this section, it shall record in writing the reasons therefor and furnish to the applicant on request a brief statement of the same unless in any case the prescribed authority is of the opinion that it will not be in the public interest to furnish such statement.

47. Cognizance Of Offences :-

No prosecution for any offence under sub-section (3) of Section 45 shall be instituted except with the written consent of the Deputy Commissioner.

48. Assessment, Etc., Not To Be Questioned In Prosecution :-

(1) The order of assessment made under this Act shall be conclusive evidence in any prosecution or other proceeding.

(2) 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.

49. Bar Of Certain Proceedings :-

(1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government for any act done or purporting to be done under this Act, without the previous sanction of the Government.

(2) No officer or servant of the 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 functions imposed by or under this Act.

50. Limitation For Certain Suits And Prosecutions :-

No suit shall be instituted against the Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the 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.

51. Bar Of Suits And Proceedings To Set Aside Or Modify Assessment Except As Provided In This Act :-

(a) No suit or other proceedings shall, except as expressly provided under this Act be instituted in any Court to set aside or modify any assessment made under this Act.

(b) No injunction shall be granted by any Court in respect of any assessment made, or to be made, or in respect of any action taken, or to be taken, in pursuance of any of the provisions of this Act.

52. Appearance Before Any Authority In Proceedings :-

Any person who is entitled to appear before any authority other than the Special Tribunal in connection with any proceedings under this Act may, subject to such conditions as may be prescribed, be represented before such authority--

(a) by his relative or a person employed full time by him, if such relative or person is duly authorized by him in writing in this

behalf; or

(b) by a legal practitioner ; or

(c) by an accountant or sales tax practitioner possessing the prescribed qualifications and duly authorised by him in writing in this behalf.

52A. Publication Of Information Respecting Assesseees :-

(1) If the Government are of opinion that it is necessary or expedient in the public interest to publish the names of any assesseees and any other particulars relating to any proceedings under this Act in respect of such assesseees, they may, subject to such conditions as may be prescribed, cause to be published, such names and particulars in such manner as they think fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings under this Act, until the time for presenting an appeal or revision, as the case may be, has expired without an appeal or revision having been presented or the appeal or revision, if presented, has been disposed of.

Explanation-- In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Government, the circumstances of the case justify it.

53. Power To Make Rules :-

(1) The Government may make rules 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;

(b) determining the total turnover or turnover of a dealer for the purposes;

(bb) the manner of determination of the amount payable to the dealer for the transfer of property in goods (as goods or in some other form) involved in the execution of a works contract;

(c) the assessment to tax under this Act of business which is discontinued or the ownership of which has changed ;

(cc) The assessment to tax under this Act of any Hindu undivided family, firm or other association of persons, where such family, firm or association is partitioned or dissolved ;

(d) the assessments to tax under this Act of business owned by minors and other incapacitated persons or by persons residing outside the State ;

(e) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of the

Court of Wards, the Administrator General, the Official Trustee, or any receiver or manager appointed by or under any order of a Court;

(f) the administration of the check-posts set up and barriers erected under this Act and the regulation of the work therein ;

(g) [xxx] Omitted by Act No. 31 of 1972 w.e.f. 1st December, 1972.

(h) compelling the submission of returns ;

(i) the form in which and the particulars to be contained in any declaration to be given under this Act, the authority from whom, the conditions subject to which and the fees subject to payment of which any form of declaration prescribed under sub-section (3) of Section 3 may be obtained, the manner in which the form shall be kept in custody and records relating thereto maintained, the manner in which any such form may be used and any such declaration may be furnished ;

(j) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(k) the term of office, and the conditions of service of the members of the Appellate Tribunal;

(l) the circumstances in which and the extent to which fees paid in pursuance of Section 36 may be refunded ;

(m) the issue of bills or cash memoranda, the class or classes of dealers who should maintain counterfoils for the same and the particulars to be shown in and the manner of maintenance of such counterfoils and the time for which they should be preserved ;

(n) the maintenance of purchase bills or accounts of purchases and sales by dealers and the time for which they should be preserved ;

(o) the issue of delivery notes 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 ;

(p) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act

(3) (a) 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 be punishable with fine which may extend to one thousand rupees and where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(b) No Court inferior to that of a Presidency Magistrate or a Magistrate of the Second Class shall inquire into or try any offence

consisting of a breach of a rule.

(4) (a) All rules made under this Act shall be published in the Official Gazette and unless they are expressed to come into force on a particular day shall come into force on the day on which they are so published.

(b) All notifications issued under this Act, shall unless they are expressed to come into force on a particular day, come into force on the day on which they are published.

(5) Every rule made or notification issued under this Act shall, as soon as possible, after it is made or issued, be placed on the Table of both Houses of the Legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or notification or both Houses agree that the rule or notification should not be made or issued, 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. Presently the Gazette is titled as Tamil Nadu Government Gazette.

54. Power To Summon Witnesses And Production Of Documents :-

(1) An assessing authority or an appellate or revising authority (including the Appellate Tribunal) or any officer of the Commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer shall, for the purposes of this Act, have all the powers conferred on a Court by the Code of Civil Procedure, 1908 (Central Act V of 1908) for the purpose of--

(a) summoning and enforcing the attendance of any person and examining him on oath or affirmation, and

(b) compelling the production of any document.

(2) Without prejudice to the provisions of any other law for the time being in force, where a person to whom a summon is issued either to attend to give evidence, or produce accounts, registers, records or other documents at a certain place and time intentionally omits or fails to attend or produce accounts, registers, records, or other documents at such place or time, the authority or officer mentioned in sub-section (1) may after giving the person concerned a reasonable opportunity of being heard impose upon

him by way of penalty a sum not exceeding five hundred rupees as it or he thinks fit.

(3) Any Officer of the Commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer, shall have powers to call for such information, particulars or records as he may require from any person for the purpose of assessment, levy and collection of tax under this Act.

54A. Power To Get Information :-

(1) Any assessing authority or appellate or revising authority under this Act or any officer of the Commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer may, by writing, require any person or authority to furnish such information, particulars or records available with that person or authority as will be useful or relevant to any proceeding under this Act.

(2) The person or authority from whom such information, particulars or records is or are required under sub-section (1) shall furnish, within a reasonable time, the information, particulars or records if available.

55. Power To Rectify Any Error Apparent On The Face Of The Record :-

(1) Any assessing authority or an appellate or revising authority (including the Appellate Tribunal) may, at any time within five years from the date of any order passed by it, rectify any error apparent on the face of the record :

Provided that no such rectification which has the effect of enhancing an assessment or any penalty shall be made unless such authority has given notice to the dealer and has allowed him a reasonable opportunity of being heard.

(2) Where such rectification has the effect of reducing an assessment or penalty, the assessing authority shall make any refund which may be due to the dealer.

(3) Where any such rectification has the effect of enhancing an assessment or penalty, the assessing authority shall give the dealer a revised notice of assessment or penalty and thereupon the provisions of this Act and the rules made thereunder shall apply as if such notice had been given in the first instance.

(3-A) The powers under sub-section (1) may be exercised by the assessing authorities even though the original order of assessment, if any, passed in the matter has been the subject-matter of an appeal or revision.

(4) The provisions of this Act relating to appeal and revision shall apply to an order of rectification made under this section as they apply to the order in respect of which such order of rectification has

been made.

56. Omitted From 1st December 1972 :-

Section 56 was omitted by Act No. 31 of 1972 w.e.f. 1st December, 1972.

57. Prohibition Of Disclosure Of Particulars Produced Before Sales Tax Authorities :-

(1) All particulars contained in any statement made, return furnished or accounts, registers, records or documents produced under the provisions of this Act or in any evidence given or affidavit or deposition made, in the course of any proceeding under this Act or in any record of any proceeding relating to the recovery of a demand, prepared for the purposes of this Act shall be treated as confidential and shall not be disclosed.

(2) Nothing contained in sub-section (1) shall apply to the disclosure of any such particulars--

(i) for the purpose of investigation of, or prosecution for, an offence under this Act or under the Indian Penal Code, 1860 (Central Act XLV of 1860) or under any other law for the time being in force: or

(ii) to any person enforcing the provisions of this Act where it is necessary to disclose the same to him for the purposes of this Act; or

(iii) occasioned by the lawful employment under this Act of any process for the recovery of any demand; or

(iv) to a Civil Court in any suit to which the Government are party and which relates to any matter arising out of any proceeding under this Act; or

(v) occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899 (Central Act II of 1899) to impound an insufficiently stamped document: or

(vi) to an officer of --

(a) the Government of India; or

(b) the Government of any State or Union Territory in India with which an arrangement for disclosure on a reciprocal basis has been entered into by the Government of the State; or

(vii) to an officer of any department other than the Commercial Taxes Department of the State Government after obtaining-

(a) the permission of the Assistant Commissioner of the district where such particulars are to be furnished by an officer subordinate to the Assistant Commissioner; and

(b) the permission of the Commissioner of Commercial Taxes where such particulars are to be furnished by an Assistant Commissioner or an Appellate Assistant Commissioner or an Appellate Deputy Commissioner or Deputy Commissioner:

Provided that such particulars shall be furnished under clause (vii) only in exceptional cases and that any officer obtaining such particulars shall keep them as confidential and use them as confidential and use them only in the lawful exercise of the powers conferred by or under any enactment;

(viii) Nothing herein contained shall prevent the publication of the final assessment of any party in the prescribed manner.

58. Sale Or Purchase Deemed To Have Taken Place Inside The State In Certain Cases :-

(1) Any sale or purchase which took place on or before the 6th day of September 1955 shall be deemed to have taken place inside the State if the goods have actually been delivered as a direct result of such sale or purchase for the purpose of consumption in the State, notwithstanding the fact that under the general law relating to sale of goods the property in the goods has by reason of such sale or purchase passed in another State, and be subject to tax under this Act accordingly.

(2) The provisions of this section shall not affect the liability to tax of any sale or purchase under any other provision of this Act.

59. Power To Amend Schedules :-

(1) The Government may, by notification, alter, add to or cancel any of the Schedules.

(2) Where a notification has been issued under sub-section (1), there shall, unless the notification is in the meantime rescinded, be introduced in the Legislature, as soon as may be, but in any case during the next session of the Legislature following the date of the issue of the notification, a Bill on behalf of the Government, to give effect to the alteration, addition or cancellation, as the case may be, of the Schedules specified in the notification, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder :

Provided that if the notification under sub-section (1) is issued when the Legislature is in session, such a Bill shall be introduced in the Legislature during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in the Legislature the notification shall cease to have effect on the expiration of the said period of six months.

(3) All references made in this Act to any of the Schedules shall be considered as relating to the Schedules as for the time being amended in exercise of the power conferred by this section.

60. Certain Transactions Deemed To Be First Sales Or Purchases :-

(1) Notwithstanding anything contained in this Act, the sale or purchase of such of those goods--

(i) as were not liable to tax at the point of first sale or purchase before the commencement of this Act; and

(ii) as are liable to tax only at the point of first sale or purchase under sub-section (2) of Section 3 of this Act, effected within the State after the commencement of this Act shall be deemed to be the first sale or purchase for the purposes of this Act, although any sale or purchase of such goods has taken place within the State before such commencement.

(2) Notwithstanding anything contained in this Act, the sale or purchase of such of those goods--

(i) as were not liable to tax only at the point of first sale or purchase before the inclusion of such goods in the First Schedule ; and

(ii) as are liable to tax only at the point of first sale or purchase under sub-section (2) of Section 3 of this Act; effected within the State after the inclusion of such goods in the First Schedule shall be deemed to be the first sale or purchase for the purposes of this Act, although any sale or purchase of such goods has taken place within the State before such inclusion :

Provided that in the case of goods which are held in stock on the date on which such goods are included in the First Schedule and which had already suffered tax prior to that date and which by virtue of this section have become taxable at the point of first sale or purchase on or after the said date, the rate of tax payable by any dealer in respect of those goods under this Act shall be reduced to the difference between the rate of tax payable on the sale or purchase of goods under sub-section (2) of Section 3 of this Act and the rate of tax which the goods had already suffered prior to the said date :

Provided further that if the rate of tax payable under sub-section (2) of Section 3 is less than the rate at which the goods have already suffered tax prior to the said date, no further tax shall become payable on such goods under this Act.

60A. Payment Of Tax In Respect Of Goods Shifted From Single Point To Multi-Point :-

Notwithstanding anything contained in this Act, the sale or purchase of such of those goods which were liable to tax only at the point of first sale or purchase under sub-section (2) of Section 3 of this Act, and become liable to tax under sub-section (1) of Section 3 of this Act by virtue of the omission of such goods from the First Schedule, no further tax shall be payable under sub-section (1) of Section 3 of this Act on the goods which are held in stock on the date, on which such goods were omitted from the First Schedule provided the goods had already suffered single point tax prior to that date and the rate of tax payable under sub-section (2) of Section 3 of this Act was equal to or more than the rate specified under sub-section (1) of Section 3 of this Act:

Provided that if the rate of tax payable under sub-section (2) of Section 3 of this Act was less than the rate prescribed under sub-section (1) of Section 3 of this Act, the dealer shall be liable to pay the difference of tax between the rate of tax at which the goods had suffered tax prior to such date and the rate prescribed under sub-section (1) of Section 3 under this Act.

60B. Payment Of Tax In Respect Of Goods Shifted From Multi-Point To Single-Point :-

Notwithstanding anything contained in this Act, the sale of such of those goods as were liable to tax under sub-section (1) of Section 3 as it stood prior to the 1st day of April 1990, effected within the State on or after the said date, shall be deemed to be the first sale for the purposes of this Act, although such goods had suffered tax prior to the said date :

Provided that in the case of goods held in stock on the 1st day of April 1990, which are liable to tax under sub-section (1) of Section 3 and which had already suffered tax under this Act prior to the said date, and which goods by virtue of this section have become taxable at the point of first sale on or after the said date, the rate of tax payable by any dealer in respect of those goods under this Act shall be reduced to the difference between the rate of tax payable on the sale of goods under sub-section (1) of Section 3 and the rate of tax which the goods had already suffered prior to the said date :

Provided further that if the rate of tax payable under sub-section (1) of Section 3 is less than the rate of tax at which the goods have already suffered tax prior to the said date, no refund of tax shall be made.

61. Repeal :-

(1) The Tamil Nadu General Sales Tax Act, 1939 (Tamil Nadu Act IX of 1939) (hereinafter in this section referred to as the said Act) is hereby repealed.

(ii) The repeal of the said Act by clause (i) shall not affect--

(a) anything done or any offence committed, or any fine or penalty incurred or any proceedings begun before the commencement of

this Act; or

(b) the previous operation of the said Act or anything done or suffered thereunder; or

(c) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act; or

(d) any fine, penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or

(e) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, fine, penalty, forfeiture or punishment as aforesaid; and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such fine, penalty, forfeiture or punishment may be imposed, as if this Act had not been passed.

(iii) Subject to the provisions of clause (ii), anything done or any action taken including any appointment made, notification, notice, or order issued, rule, form or regulation framed, certificate, licence or permit granted, under the said Act shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue in force accordingly, unless and until superseded by anything done or any action taken under this Act.

(2) Notwithstanding anything contained in sub-section (1), any application, appeal, revision or other proceeding made or preferred to any officer or authority under the said Act and pending at the commencement of this Act, shall after such commencement be transferred to and disposed of by the officer or authority who would have had jurisdiction to entertain such application, appeal, revision or other proceeding under this Act if it had been in force on the date on which such application, appeal, revision or other proceeding was made or preferred.

SCHEDULE 1

FIRST SCHEDULE

(As in force from 27th March, 2002)

GOODS IN RESPECT OF WHICH TAX IS LEVIABLE UNDER SUB-SECTION (2) OF SECTION 3

NOTES.--1. This revised Schedule was substituted from 27th March, 2002 for the previous First Schedule by Notification No. II(1)/CT/19 (b-1)/2002 of that date as replaced by the Fourth Amendment Act, (18 of) 2002. See pages 743 to 847 of the January 2002 edition of this Book for the First Schedule in force before that date.

2. The rates of tax applicable to the goods before 27th March 2002 (but from 17th July 1996 or later dates when the previous Schedule was in force) have been indicated below each item, as far as possible. In cases where no rates were specified, the general rate prescribed in entry No. D-63 (8%) upto 16th July 1996, D-67 (11%) from 17-7-96 upto 30th November 2001 and DD-75 (12%) from 1-12-01 upto 26th March 2002, and continued by the present entry No. D-40

will be applicable. The rates for the periods before 17th July 1996 may be ascertained from pages 848 to 968 of the January 2002 edition.

See note at the end of this First Schedule on page 286 regarding spare parts etc.

PART A - GOODS WHICH ARE TAXABLE AT THE RATE OF 1%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 Bullion, that is to say, gold and silver in mass and uncoined, pure or alloy, and specie including palaramare silver and kora gold. [2% from 17-7-96, 0.5% from 1-4-99 and 1% from 23-1-2000] First Sale 1% w.e.f. 27.03.2002 Reduced to 0.5 per cent from 1st July 2002 by Notification No. II(2)/CT/568(f-5)/2002 of that date, upto 30th January, 2003, cancelled from 31st January 2003 G.O. Ms. No.8 of that date.

2 Worn out or beaten jewellery [2% from 17-7-96, 0.5% from 1-4-99 and 1% from 23-1-2000] Last Purchase 1% w.e.f. 27.03.2002

NOTES. -- Old silver metti, anklet and waist cord purchased by any dealer for the manufacture of new silver metti, anklet and waist cord have been exempted from tax on purchases from 27th March 2002 by Notification No. II(1)/CT/19(b-22)/2002 of that date. The finished articles are also exempt from sales tax - See notes under entry No. 27 of Part B of this Schedule.

3 Synthetic gem [Exempt before 18-8-01 and 1% from that date] First Sale 1% w.e.f. 27.03.2002

PART B - GOODS WHICH ARE TAXABLE AT THE RATE OF 4%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 (i) Agarbathi [8% from 1.4.99 and 4% from 1.6.99]

(ii) Camphor [11% from 17.7.96 and 4% from 9.1.01]

(iii) Gum Benzoin (Sambirani) and [4% from 17.7.96 and exempt from 5.3.97]

(iv) Instant sambirani in the form of tablets or sticks [1% from 1.4.99 and 11% from 9.1.01] First Sale 4% w.e.f. 27.03.2002

2 (i) Agricultural power sprayers [4% from 1.6.99]

(ii) Power tiller and trailer of power tiller [4% from 17.7.96]

(iii) Pumpsets of 3 h.p. and 5 h.p. and [4% from 17.7.96]

(iv) Sprinkler and drip irrigation equipment. [4% from 5.3.97] (See item 26 of Part C for other pumpsets) First Sale 4% w.e.f. 27.03.2002

3 Baby feeding bottles and nipples made of any material [4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

4 (i) Baby milk food [4% from 17.7.96]

(ii) Flavoured milk [4% from 5.3.97]

(iii) Foods and food preparations and mixes including instant foods, coconut milk powder, pickles, 1 sweets, cheese, confectionery, chocolates, toffees and savouries like chips² and popcorn sold without a brand name

(iv) Ice creams sold without brand name [8% from 1.4.99]

(v) Non-alcoholic beverages sold without a brand name³

(vi) Sherbet [4% from 1.4.99]

(vii) Sweets made of groundnuts, gingelly, puffed rice, fried gram and peas dhal and murukku [4% from 1.4.99]

(viii) Vegetable vathals of all kinds sold under a brand name [4% from 17.7.96]

(See item 4 (ii) of the exempted goods in Part B of the Third Schedule for these goods without a brand name) First Sale 4% w.e.f. 27.03.2002

5 Bamboo [8% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

Explanation: For the purpose of this entry, in the case of bamboo purchased by the forest contractors in the auction of forest coupes conducted by the Forest Department of the Government sale by such contractors of such bamboo, in any form or size shall be deemed to be the First sale and the sale by the Forest

Department in such auction of Forest coupes shall not be deemed to be the First sale.

6 (i) Basic chromium sulphate [4% from 17.7.96]

(ii) Sodium bi-chromate [4% from 17.7.96]

(iii) Bleach liquid [8% from 1.4.2000] First Sale 4% w.e.f. 27.03.2002

7 Beds, pillows and quilts made of cotton or silk cotton [4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

8 Beedi leaves [4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

9 Biomass Briquettes [4% from 5.3.97] First Sale 4% w.e.f. 27.03.2002

10 (i) Blue metal[4% from 5.3.97]

(ii) Bricks, including -

(a) Refractory bricks, brick-bats brick ballast ;

(b) Hollow block bricks and cement hollow blocks;

(c)Table moulded bricks, and;

(d) Country bricks and country tiles made of baked clay, whether machine made or hand made (other than those falling elsewhere under the Schedules) and stoneware

(e) Grog of (a) to (d)

[4% from 17.7.96 for sub-items (a) to (d)]

(iii) Sand, red earth and red gravel [For items (a) to (d), 4% from 17.7.96] [4% for sand from 17.7.96 and for the others from 1.4.99] First Sale 4% w.e.f. 27.03.2002

NOTES.-- Bricks manufactured out of fly ash is taxable at three per cent from 27th March 2002 as per item (1) of Notification No. II(1)/CT/19(b-19)/2002-G.O.No.33 of that date.

11 (i) Bread: bun and rusks [4% for Bread from 17.7.96 and rusk from 1.4.99]

(ii) Bakery products including biscuits and cakes sold without a brand name or with a brand name not registered under the Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958) [4% from 27.3.98 to 17.3.01 and 8% from 18.8.01 to 26.3.02 unbranded biscuits, 4% from 17.7.96 and branded ones without registration at 4% from 6.2.97 and 8% from 24.9.01] First Sale 4% w.e.f. 27.03.2002

NOTES. -- Bakery products which are not branded sold by a dealer whose total turnover does not exceed rupees five lakhs in a year are exempted by Notification No. II(1)/CT/18(b-23)/2002 - G.O.No.33 dated 27th March 2002, effective from that date. This exemption was available from 1st April 1998 also.

12 Cardamom

(i) Purchased within the State

(ii) Purchased from outside the State.[Levy was at last purchase in both the cases till 10.4.2000] First Purchase First Sale 4% w.e.f. 27.03.2002

13 (i) Cattle feed supplements and concentrates

(ii) Poultry feed supplements and concentrates First Sale 4% w.e.f. 27.03.2002

NOTES. - Sales by any dealer of Poultry feed supplements and concentrates are made taxable at two per cent from 27th March 2002 by Notification No.II(1)/CT/19 (b-19)/2002 - G.O.No.33 of that date (item 6 thereof). See item 5 of Part B of the Third Schedule on page 305 for poultry feed etc. This concession was available from 25.8.01 to 26.3.02 also by Notification dated 31.8.01.

14 Chemicals Fertilizers, that is to say-

(i) Ammonium chloride,

(ii) Ammonium molybdate,

(iii) Ammonium phosphate sulphate of any description,

(iv) Ammonium sulphate,

(v) Ammonium sulphate nitrate,
 (vi) Bone meal,
 (vii) Borex (Sodium tetroborate),
 (viii) Calcium ammonium nitrate,
 (iv) Chelated iron as Fe-EDTA
 (x) Chelated zinc as Zn-EDTA,
 (xi) Copper sulphate,
 (xii) Di-ammonium phosphate,
 (xiii) Di-calcium phosphate,
 (xiv) Ferrous sulphate,
 (xv) Fused calcium magnesium phosphate, (xvi) Kotka phosphate,
 (xvii) Manganese sulphate,
 (xviii) Micro nutrient,
 (xix) Mineral gypsum,
 (xx) Mono ammonium phosphate,
 (xxi) Nitro phosphate of any description, (xxii) N.P.K. complex of various grades,
 Chemicals Fertilizers, that is to say -- (Contd.)
 (xxiii) Potassium chloride (Muriate of potash),
 (xxiv) Rock phosphate,
 (xxv) Solubor,
 (xxvi) Sulphate of potash,
 (xxvii) Super phosphate single,
 (xxviii) Super phosphate triple,
 (xxix) Urea (other than technical grade urea),
 (xxx) Urea ammonium phosphate,
 (xxxi) Zinc sulphate and
 (xxxii) Any mixture of two or more of the articles mentioned in items (i) to
 (xxxi) above with or without the addition of other articles on the turnover relating
 to components thereof which have not already suffered tax.[4% from 17.7.96]
 First Sale 4% w.e.f. 27.03.2002

15 Clay [4% from 17.7.96] Last purchase 4% w.e.f. 27.03.2002

NOTES. -- Exemption in respect of the tax payable by any dealer on the purchase
 of Clay used for bricks and tiles has been granted from 27th March 2002 by item 1
 of Notification No.II(1)/(CT/19(b-22)/2002 - G.O.No.33 of that date.

16 (i) Coir products, coir mattings other than those specified elsewhere in the
 Schedule [4% from 17.7.96]

(ii) Deccan hemp products other than deccan hemp fibre[4% from 17.7.96] First
 Sale 4% w.e.f. 27.03.2002

17 Combs [4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

18 (i) Computers, personal, mini, mainframes and laptops of analog and digital
 varieties including Automatic Teller Machines, their hardware and peripherals like
 modem and speakers, key board, monitor, mouse.CPU, floppies of all sizes,
 cartridge tape drives, CD ROMdrives, DAT drives, hard disks, printers like dot
 matrix, ink jet and laser, line, line-matrix, scanners, multi media kits, plotters,
 computer consumables including DAT tapes, print ribbons, printer cartridges and
 cartridge tapes and computer cleaning kits, [4% from 28.8.2001]

(ii) Licensed software, including IT software

(iii) Electronic items as notified by the Government. First Sale 4% w.e.f.
 27.03.2002

NOTES.--By Notification No.II(1)/CT/19(b-7)/2002.G.O.N.30 dated 27th March
 2002, the following goods have been notified as falling under sub-item (iii) of this
 entry, with effect from that date:--

- 1 Head cleaners in any form, Valves,
- 2 Diodes, transistors and similar semi-conductor devices, photosensitive semi-conductor devices including photovoltaic cells whether or assembled / modules or made up into panels; light emitting diodes; mounted piezo-electric crystals;
- 3 Electronic integrated circuits and micro-assemblies
- 4 Liquid Crystal devices.
- 5 Flat panel display devices and parts thereof.
- 6 LCD panels, LED panels and parts thereof.
- 7 DC micromotors/ stepper motors of an output not exceeding 37.5 watts.
- 8 Printed circuits, Date/graphic display tubes other than TV picture tubes.
- 9 UPS and
- 10 Small transformers used in electronic equipments, including--
 - (i) Transformers (Power and Control) (Step down from 230 V to less than 100 V of power rating not exceeding 250 VA),
 - (ii) Buck boost transformers (230 V/less than 100 V),
 - (iii) Inverter transformers,
 - (iv) Isolation transformers,
 - (v) Rectifier transformers,
 - (vi) Ferro resonant transformers,
 - (vii) Line driver transformers (less than 50 VA),
 - (viii) Fly back transformers/line output transformers/Extra high tension transformers,
 - (ix) Main filter transformers,
 - (x) Line driver transformers,
 - (xi) Toroidal core transformers and R-core transformers,
 - (xii) Switch mode power supply transformers,(sub-items (viii) to (xii) above are ferrite transformers)

Explanation. -- All the above transformers shall be deemed to fall under this item only if each of them has not even one of the windings rate above 500 V AC.

1. By Notification No.II(2)/CT/568(f-7)/2002 dated 1st July2002, effective from that date, the following goods have also been notified under sub-item(iii) of this item : --

- (i) Soft ferrites
- (ii) Speakers (not mounted in cabinet)
- (iii) Printed circuit board connectors
- (iv) Carbon potentiometers and trimpots
- (v) Co-axial Radio Frequency connectors.

2. Items 1 and 10 were taxable at 4% from 1.4.2000.

19 Cycles, bi-cycles, tricycles (including delivery tri-cycles, children tri-cycles and carriages), tandem cycles, cycle combinations, parts and accessories including tyres, tubes and flaps used therewith, cycle seat covers, cycle locks, cycle dynamo lights and cycle pumps[Cycle seat covers were taxable at 1% from 1st June 2000 to 1 7th August 2001 only. Cycle locks were taxable at 11 per cent before 18.8.2001 and at 4% from that date. All other items taxable at 4% from 17.7.96]. First Sale 4% w.e.f. 27.03.2002

20 Domestic utensils including buckets made of metals or alloys of metals (other than aluminium) not operated by pressure or electricity [Domestic utensils, brass or copper, were taxable at 4% from 5.3.97, G.I. Buckets at 4% from 17.7.96 and the other goods at general rate before 27.03.02] First Sale 4% w.e.f. 27.03.2002

21 Fibres that is to say -

- (i) Screw pine fibre [At 4% from 17.7.96]
- (ii) Tamarind fibre [At 4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

- 22 (i) Flour of pulses and grams [4% from 18.8.01]
- (ii) Flour of grams, rice and ragi mixed with spices/ masala powder sold with or without brand name [4% from 1.6.99]
- (iii) Maize products [4% from 18.8.01]
- 4 (iv) Masala powder or paste whether or not with oil or additives, sold under a brand name [4% from 27.3.98]
- (v) Ready to use flour pastes.
- (vi) Sago and starch of any kind [4% from 17.7.96]
- (vii) Tapioca flour [4% from 17.7.96]
- (viii) Vermicelli [4% from 17.7.96]
- (ix) Wheat products, that is to say, atta, maida, sooji, rava and flour [4% from 17.7.96]

NOTES.-- By Notification No. II(1)/CT/19(b-19)/2002 - G.O.No.33 dated 27th March 2002, the rate of tax for item (i) of this entry viz., Flour of pulses and gram, has been reduced to 2 per cent with effect from that date.

- 23 (i) Fried Groundnut kernel [4% from 5.3.97]
 - (ii) Parched gram or fried gram [4% from 18.8.01]
 - (iii) Peas and peas dhal, including broken, husk and dust thereof [4% from 17.7.96 and inclusive items from 27.3.98]
 - (iv) Pulses and Grams including horse grams, avarai (beans), mochai and karamani (other than those specified in Second Schedule) [4% from 17.7.96]
 - (v) Broken, husk and dust of pulses and grams First Sale 4% w.e.f. 27.03.2002
- NOTES.-- By Notification No. II(1)/CT/19(b-19)/2002-G.O.No.33 dated 27th March 2002, the rate of tax for item (ii) of this entry viz., Parched gram or fried gram, has been reduced to 2 per cent with effect from that date. This reduced rate was applicable for this commodity from 1st April 2000 to 18th August 2001 and again from 25th August 2001 to date.

By Notification No. :- II(1)/CT/30(a-1)/2003 - G.O. No.48 dated 29th May 2003, as modified by No. II (i)/CT/33(d)/2003 -G.O. No.59 dated 12th June 2003, effective from 7th May 2003, a reduction in the rate of tax to two (2) per cent has been granted in respect of tax payable by any dealer on the sale of Starch and Sago through the Salem District Starch and Sago Manufacturers Service Industrial Co-operative Society Ltd., Salem (SAGO SERVE).

- 24 (i) Fungicides, herbicides including weedicides, insecticides, pesticides, rodenticides, germicides and combinations thereof
- (ii) Insect repellent coils, mats, liquids and creams
- (iii) Napthalene balls [Item (iii)] [4% from 1st April 1999 and the first two items from 17.7.96 As per departmental clarification no. 84/04 (see TNCTJ 2004-05 (10)40), Napthalene powder of all grades is taxable as chemicals at 12% and the imported at 20%. First Sale 4% w.e.f. 27.03.2002
- 25 Glass Beads and Glass Marbles (Goli gundu)[16% from 17.7.96 and 4% from 5.3.97] First Sale 4% w.e.f. 27.03.2002
- 26 Glass bottles, whether old or used [16% from 1.4.99, 12% from 1.4.2000 and 4% from 1.6.2000] Last purchase 4% w.e.f. 27.03.2002
- 27 (i) Gold, Silver, Platinum jewellery including articles thereof
- (ii) Gold covering and imitation jewellery
- (iii) Precious stones, namely, diamonds, emeralds, rubies, pearls natural or cultured, cats eye, sapphires, carbuncle or garnets, coral, sardonyx, topaz and other semi precious stones whether they are sold loose or as forming part of any article or jewellery in which they are set [16% from 17.7.96 and 4% from 1st April 1999] First Sale 4% w.e.f. 27.03.2002

NOTES 1. By Notification No.II(1)/19(b-20)/2002- G.O. No. 33 dated 27th March 2002 (items 3 and 9) sales by any dealer of Metti, anklet and waist cord made of silver and Thali made of gold, not exceeding eight grams in weight inclusive of all attachments to such thali, but without chain, are exempt from tax from that date. 2. By Notification No.II(1)/CT/40(b-9)/2002 dated 27th June 2002, effective from 1st July 2002, a reduction in the rate of tax from 4% to 2% has been made for sales of gold, silver, platinum jewellery and precious stones.

28 (i) Hair and body cleaning powders containing sikakai, boonthikkottai, illuppai oil cake, poolankizhangu, usilai leaves, kasthuri manjal and any such ingredients or two or more of such ingredients Scouring or cleaning powder other than those specified in sub-item (ii)

(ii) of item 10 of Part-E of this Schedule [4% from 1st April 1999] First Sale 4% w.e.f. 27.03.2002

29 (i) Handicraft articles [8% from 5.3.97] By Notification No. II(1)/CT/12(a-4)/2004-G.O. No. 45, the rate for these goods reduced to 2% from 12.2.2004.

(ii) (Jute table mats, jute door mats, jute handicrafts and jute wall hangings [4% from 1.4.99] First Sale 4% w.e.f. 27.03.2002

30 (i) Handmade embroidery products [4% from 1.4.99]

(ii) Handmade paper including handmade paper board [4% from 1.4.99]

5 (iii) Handmade ultramarine blue, handmade washing blue, handmade robin blue, handmade laundry brightners of all its forms (See item 10 (iii) of Part E for machine made goods). 4% from 17.7.96 for item (i) and (ii) and from 6.4.98 for item (iii) First Sale 4% w.e.f. 27.03.2002

31 Helmets [11% from 17.7.96 and 4% from 5.3.97] First sale -do-

32 (i) Honey [4% from 17.7.96]

(ii) Bees wax [4% from 17.7.96] First sale -do-

33 (i) Human hair [4% from 17.7.96]

(ii) Wigs [4% from 17.7.96] First sale -do-

34 Ice blocks [4% from 17.7.96] First sale -do-

35 Indian Musical instruments [4% from 17.7.96] Exempted from tax from 12th February 2004 by Notification No. II(1)CT/12(a-5)/2004 - G.O. No. 45 of that date See item 21 of Part-C for other musical instruments. First sale 4% w.e.f. 27.03.2002 till 11th Feb. 2004

36 Jaggery and gur including jaggery powder and nattusakkarai.

(i) Purchased within the State

(ii) Purchase from outside the State [Exempt upto Rs 100 crores turnover from 17.7.96 and Rs. 300 crores turnover from 1.4.2000 to 26.3.02] First Purchase First sale 4% w.e.f. 27.03.2002 -do-

37 (i) Jari of all kinds including metallic yarn, metallic jari yarn, metallic plastic yarn, polyester film yarn and radiant yarn

(ii) Man-made staple fibres, fibre yarn and filament yarn

(iii) Sewing threads of all kinds whether natural or artificial (other than those falling under sub item (a) of item 3 of the Second Schedule) but excluding surgical sewing threads

For items (i) and (ii), 8% from 17.7.96 and 4% from 18.8.01. 2% for dealers not making inter-State consignments or transfer from 5.3.97 to 17.8.01. For item (iii), 4% from 17.7.96. First sale 4% w.e.f. 27.03.2002

38 (i) Lemon grass oil [4% from 17.7.96]

(ii) Laurel oil [4% from 17.7.96]

(iii) Ginger grass oil [4% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

39 Light roofing sheets (obtained by immersing paper mat in bitumen) [12% from 23.1.2000 and 8% from 1.6.2000] First Sale 4% w.e.f. 27.03.2002

40 Mosquito destroyers, insect killer devices including heating devices used with insect repellent mats and mosquito nets of all kinds [16% from 17.7.96 to 4.3.97 and 4% from 5.3.97. The words mosquito nets of all kinds added from 1.4.99] First sale 4% w.e.f. 27.03.2002

41 Newsprint [4% from 17.7.96] First sale -do-

42 Oats [4% from 1.4.99] First sale -do-

43 Oil cakes including de-oiled cakes [Oil cakes 4% from 17.7.96] First sale -do-

NOTES.-By item (4) of Notification No.II(1)/CT/19(b-20)/2002 - G.O.No. 33 dated 27th March 2002, effective from that date, Neem oil cake is exempt from tax when sold by any dealer.

44 Packing materials, that is to say -

(i) Bottle caps of all type [8% from 17.7.96]

(ii) Empty gunny bags and condemned gunny bags [4% from 17.7.96 and the latter from 1.4.99]

(iii) H.D.P.E. and P.P. woven sacks [4% from 17.7.96]

(iv) HDPE/PP wovenstrips, HDPE/PP circular strips and woven fabrics [8% from 17.7.96/18.8.01]

(v) Hessian cloth [4% from 17.7.96]

(vi) Jute bags which are laminated [8% from 17.7.96]

(vii) Jute twine[4% from 17.7.96]

(viii) Polythene and plastic bags including LDPE plasticbags for milk pouches [4% from 1.6.2000 but for included item from 17.7.96]

(ix) Tin Containers [8% from 17.7.96 but 4% from 1.4.99 for tin containers produced without the aid of power] First sale 4% w.e.f. 27.03.2002

45 Palm fatty acid[8% from 17.7.96] First Sale 4% w.e.f. 27.03.2002

46 Patents, trade marks, import licenses, 7 exim scrips, export permits or license or quota and other goods of incorporeal or intangible character [11% from 8.9.98 and 4% from 1.4.99] First Sale 4% w.e.f. 27.03.2002

47 Perambulators including push chairs for babies and tyres, tubes and flaps used therewith [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

48 Plastic raw materials [4% from 17.7.96] First sale -do-

49 Pollution control equipments, namely -

(i) Water Pollution Control equipments -- Coarse screen/micro screen (stainless steel/mild steel), Rotary screen/comminutor (stainless steel /detritor), Racker arms, weirs, paddles, motor with reduction gear arrangements intended for clarifiers for liquid waste treatment, Surface aerators/floating aerators and accessories, Diffuses of all types for supply of air in liquid waste treatment, Radial arms and accessories for trickling filters, Demineraliser for effluent treatment, Synthetic packing media for trickling filters, packed bed columns/towers for effluent treatment, Headers and laterals with accessories for trickling filters, Digesters, gas meters and electrical heaters for digesters, Gas holding tanks for digesters

(ii) instrumentation -- B Oc Incubator. C Oc Apparatus, Ion Analyser.

(iii) Air Pollution Control EquipmentFilters (fabric filters, bag filters, vacuum filters), Electrostatic precipitators, Cyclones, Wet scrubbers, Particle analyser (SO₂, CO, NO_x, SO_x, hydrocarbons, chlorine,fluorine, etc.), Personal samplers, Detectors (for grass), High volume sampler, pressure gauges, timber, filter head assembly, pitet tube, sampling train (for ambient/stack air quality monitoring), Smoke meter, Mist eliminator.[Rate of tax 8% upto 8.5.88 and 4% from 9.5.88] First sale 4% w.e.f. 27.03.2002

NOTES : By NotificationNo.II(1)/CT/12(a-3)/2004 - G.O. No. 45 effective from 12th February 2004, a reduction has been granted from twelve per cent to four per

cent on the sale of following Pollution Control Equipments

(I) Water Pollution Control Equipments : --

- (1) Filter Press
- (2) Oil Skimmer
- (3) Dissolved Air Floatation
- (4) Centrifuge
- (5) Belt Press
- (6) Vacuum Filter
- (7) Filtration Units such as, Pressure Filter, Activated Carbon Filter, Nano Filter, Reverse Osmosis, Micro Filter,
- (8) Evaporator
- (9) Continuous Chemical Dosing Equipment
- (10) Tube/Plate Separator
- (11) Autoclave for Waste Treatment
- (12) Aero Tiller for Composting
- (13) Mechanical Flocculator

(II) Instrumentation : --

- (1) PH Meter and Recorder
- (2) Conductivity Meter
- (3) Turbidity Meter
- (4) Water Pollution Testing Kits
- (5) Mercury Analyser
- (6) Spectrophotometer (UV-VIS and VIS-IR Digital)
- (7) Noise Meter

(III) Air Pollution Control Equipments : --

- (1) Adsorption System
- (2) Bio-Filter
- (3) Incinerator
- (4) Dry Scrubber
- (5) Condenser for Waste Recovery.

50 Products of palm, bamboo, cane basket making and mat weaving industries other than those specified in the Third Schedule [4% from 17.7.96 for products of basket making and mat weaving industries. See item B-45 of Third Schedule on page 309] First sale 4% w.e.f. 27.03.2002

51 Quinine and its products [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

52 Raw silk and silk yarn imported from abroad [4% from 17.7.96. Indigenous raw silk exempted from 10.11.1959] First sale 4% w.e.f. 27.03.2002

53 (i) Ready made garments and made-ups 8 [4% from 17.7.96]

(ii) Hosiery goods [Exempt from 5.3.97 but 4% from 17.7.96 to 4.3.97 and 1.12.01]

(iii) Junnadi goods [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

54 Renewable energy equipments and devices

(i) Flat plate solar collectors (ii) Concentrating and pipe type solar collectors

(iii) Solar water heaters and systems

(iv) Air/Gas/Fluid heating systems

(v) Solar crop driers and systems

(vi) Solar stills and desalination systems

(vii) Solar pumps based on solar thermal and solar photovoltaic conversion

(viii) Solar power generating systems

(ix) Solar photovoltaic modules and panels for water pumping and other applications

(x) Windmills and any specially designed devices which run on windmills

- (xi) Any special devices including electric generators and pumps running on wind energy
- (xii) Biogas-plants and biogas engines
- (xiii) Equipment for utilising ocean waves and thermal energy
- (xiv) Solar energy equipments
- (xv) Solar refrigerators, solar cold storage and solar air-conditioning systems
- 9 (xvi) Electrically operated vehicles including battery powered or fuel cell vehicles
- (xvii) Solar photo-voltaic lanterns
- (xviii) Solar photo-voltaic cells [Previously exempt from tax as per item 46 of Part B of Third Schedule] First sale 4% w.e.f. 27.03.2002
- 55 Salt for industrial use [4% from 17.7.96] (See item 18 of Part B of Third Schedule for common salt for other uses, exempt from tax) Last Purchase 4% w.e.f. 27.03.2002
- 56 Scraps and waste of all kinds namely,
 - (i) (a) Aluminium scraps [4% from 17.7.96]
 - (b) Non-ferrous metal scraps, that is to say, scraps of copper, copper alloys, brass, lead and lead alloys (other than those specified elsewhere in the Schedule) [4% from 1.4.99]
 - (c) Cotton waste, cotton yarn waste and cloth rags [4%, 8% and Exempt respectively before this date]
 - (d) Waste of - man made staple fibres, fibre yarn and filament yarn [4% from 18.8.01 earlier unspecified]
 - (e) Waste of wool (goats hair and similar fibrous growth on bodies of animals) and waste of woollen yarn [4% from 5.3.97 earlier unspecified]
 - (ii) (a) Plastic scrap [4% from 17.7.96]
 - (b) Old brass, copper and stainless steel vessels whether worn out or beaten [4% from 5.3.97]
 - (c) Waste paper and waste of paper board [8% before 5.3.97 and 4% thereafter for waste paper only] [4% for waste of paper board from 28.8.01 and unspecified earlier] First sale Last purchase Last purchase Last purchase 4% w.e.f. 27.03.2002 4% w.e.f. 27.03.2002
- 57 (i) Silk cotton seeds [11% upto 17.8.01 and 4% thereafter]
- (ii) Tamarind seeds [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002
- 58 Spices including Ajwain (omam), anise-seeds (sombu), star anise-seeds, cassia (lavanga pattai or cinnamon), cloves, dried ginger (sukku), fennel (sathakuppai), fenugreek (menthi), mace (Jathipathri), nutmegs (Jathika), poppy seeds (kasakasa), saffron, pepper and jeera including black jeera (cumin seeds) [For pepper and jeera, see item 81 of the Third Schedule as it existed before 27.3.02 ; others, 4% from 17.7.96] First sale 4% w.e.f. 27.03.2002
- 59 (i) Sports goods including goods for indoor or outdoor games, swings, medals, cups, trophies, shields and badges, excluding apparel and footwear. [4% from 17.7.96]
- (ii) Childrens play ground equipments [4% from 1.4.99] First sale 4% w.e.f. 27.03.2002
- 60 (i) Stationery goods namely, painting boxes, painting water colours, oil colours in cakes or in liquid forms, drawing boards, brushes used therein. [4% from 5.3.97]
- (ii) Student Note books and Copy books [4% from 5.3.97] First sale 4% w.e.f. 27.03.2002

NOTES. -- The term namely restricts the goods to those mentioned thereafter and hence no other goods can be brought within the meaning of the term Stationery goods (State of Tamil Nadu vs Kasiraja Nadar (1981) 47 STC 337 Madras). Student

note books and copy books manufactured out of paper purchased from registered dealers liable to pay tax under this Act, are exempt from tax in terms of item 7 of Notification No.II(1)/CT/I 9(b-20)/2002 - G.O.No.33 dated 27th March 2002, effective from that date.

61 Sugar imported into India from foreign countries [4% from 4.5.98] First sale 4% w.e.f. 27.03.2002

NOTES. -- For sugar produced in India, see item 1 of Part A of Third Schedule. See also item 791 of the Notifications under section 17 on page 1463 of the Second Edition 2002 of this book.

62 Tanning materials, that is to say -

- (i) Arjuna bark
- (ii) Avaram bark
- (iii) Babul Bark and pods
- (iv) Cashew extract
- (v) Cashew testa
- (vi) Cashtan extract
- (vii) Chestnut extract
- (viii) Cutch extract
- (ix) Dhawa leaves
- (x) Ghatbor nuts
- (xi) Karada bark
- (xii) Konnam bark
- (xiii) Lycowat
- (xiv) Mangroves or Goran
- (xv) Mortan-62
- (xvi) Myrobalam extract
- (xvii) Myrobalam nuts
- (xviii) Quebracho extract
- (xix) Sain bark
- (xx) Sal bark
- (xxi) Tamarind seed testa
- (xxii) Tanulux
- (xxiii) Wasub
- (xxiv) Wattle bark
- (xxv) Wattle extract or mimosa extract

[4% from 17.7.96] Last Purchase 4% w.e.f. 27.03.2002

63 Textile machinery [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

64 Toys of all kinds, other than those specified elsewhere [4% from 5.3.97. Electronic Toys 12% from 23.1.2000] First sale 4% w.e.f. 27.03.2002

65 (i) Tractors of all kinds (excluding crawler tractors), and articles (excluding batteries) adapted for use, generally as parts and accessories of tractors and tools and implements used therewith

(ii) Trailors of tractors of all kinds [4% from 17.7.96]

(iii) Combined harvester and transplanter [4% from 16.6.2000] First sale 4% w.e.f. 27.03.2002

66 Umbrellas of all kinds including beach and garden umbrellas and folding umbrellas and parts thereof [11% from 17.7.96 and 8% from 5.3.97] First sale 4% w.e.f. 27.03.2002

67 Vegetable oils of all kinds (including refined vegetable oils) other than those specified elsewhere in this Schedule. [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

68 Vegetable products including vanaspathi and margarine Explanation: Vegetable

products means any vegetable oil or fat, which whether by itself or in admixture with any other substance, has by hydrogenation or by any other process, been hardened for human consumption [4% from 17.7.96] First sale 4% w.e.f. 27.03.2002

69 (i) Wool in raw form (goats hair and similar fibrous growth on bodies of animals)(ii) Woollen yarn[4% from 17.7.96. See item 56 (i) (e) above for waste of wool] First sale 4% w.e.f. 27.03.2002

PART C - GOODS WHICH ARE TAXABLE AT THE RATE OF 10%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 (i) Aluminium, pure or alloy in the form of Ingots, Bars, Blocks, Slabs. Billets, Shots, Pellets, Plates, Sheets, Circles, Wires, Strips, Rods, Wire rods and any alloy of aluminium with any other metal or metals on the turnover relating to components which have not already suffered tax: Provided that, if any aluminium pure or alloy, has suffered tax under any one of the sub-items mentioned above, it shall not be again subject to tax under the same or any other sub items aforesaid [8% from 17.7.96]

(ii) Non-ferrous metals and alloys thereof excluding those specified elsewhere in this Schedule [8% from 1.4.99]

(iii) Zinc [8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002

2 (i) Arecanut, including betel nut and seeval

(ii) Scented nut, roasted or scented seeval [All these goods were previously taxable at 8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002

3 (i) Bulbs, horns, cables and fare meters for all motor vehicles

(ii) Parts and accessories excluding batteries, tyres, tubes and flaps of two wheelers and three wheelers specified in sub items (i), (ii) and (iii) of item 22 of Part D of the Schedule.

(iii) Tyres tubes and flaps ordinarily used for tractors, trailer of tractors [All these goods were previously taxable at 8%] First Sale 10% w.e.f. 27.03.2002

4 (i) Butter sold with a brand name (See item 12 of Third Schedule for other butter)

(ii) Ghee (All these goods were previously taxable at 8%) First Sale 10% w.e.f. 27.03.2002

5 (i) Card board boxes, corrugated boxes and cartons

(ii) Empty gas cylinders [All these goods were previously taxable at 8%] First Sale 10% w.e.f. 27.03.2002

6 (i) Cashew with shell

(ii) Cashew nut kernels, that is to say raw processed, roasted and salted kernels including their broken [All these goods were previously taxable at 8%] First purchase First sale 10% w.e.f. 27.03.2002-do-

7 (i) Cement flooring stones, slabs and all kinds of tiles other than those specified

(ii) elsewhere in the Schedule Ceramic bricks [All these goods were previously taxable at 8%] First Sale 10% w.e.f. 27.03.2002

8 Chips of all kinds such as potato chips and coconut milk powder sold with a brand name¹⁰ but not registered under the Trade and Merchandise Marks Act 1958 (Central Act 43 of 1958) [16% from 1.4.99] First Sale 10% w.e.f. 27.03.2002

9 (i) Coffee, that is to say, any one of the forms of coffee such as coffee beans, coffee seeds whether or not cured or roasted decaffeinated, coffee powder, excluding coffee drink

(ii) Instant coffee in granule or powder form

(iii) French coffee (on the turnover relating to components thereof namely coffee and chicory which have not already suffered tax)

(iv) Chicory

(v) Tea, that is to say, any one of the forms of tea in which it is sold but not including tea drink or green tea leaves

(vi) Instant tea (other than instant tea drink)

(vii) Tea waste other than denatured [All these goods were previously taxable at 8%] First Sale 10% w.e.f. 27.03.2002 (Reduced to 8% by notification)

NOTES.--The rate of tax for the sales by any dealer of Coffee and Tea falling under this entry has been reduced to 8 per cent from 27th March 2002 CT/19(b-19)/2002 - G.O. No.33 of that date. See item No. 40 of Third Schedule for green tea leaves.

This concessional rate of 4 per cent has been extended to sales of Tea at the new auction centre "TEASERVE" at Coonoor by Notification No. II (i)/CT/30 (a-2)/2003 - G.O. No. 48 with effect from 7th May 2003. The rate of tax on inter - State sales of tea at this new centre has been reduced to 2(two) per cent with or without Form C, from 29th May 2003 by Notification No. II (i)/CT/30(a-3)/2003- G.O.No.48 of that date. The words or without in this notification are no longer valid as a consequence of the amendment made to Section 8 (5) of the CST Act from 11th May 2002.

Continuing the concession granted from 2nd June 2000, a reduction in the rate of tax to four per-cent in respect of tea, mentioned in sub-item (v) of this entry sold in the auction centres at Coimbatore and Coonoor has been notified for the period 27th March 2002 to 1st day of June 2002, by Notification No.II(1)/C-/19(b-24)/2002 G.O.No.33 dated 27th March 2002.

10 Dry cells, dry cell batteries, button cells, solar cells of all kinds, parts and accessories thereof including zinc calots and carbon rods[All these goods were previously taxable at 8%] First Sale 10% w.e.f. 27.03.2002

11 (i) Duplicating machines, reprographic copiers including roneo machines other than electronic duplicating machines, reprographic copiers including duplicators and any other apparatus for obtaining duplicate copies, parts and accessories thereof, ribbons, plates used therewith

(ii) Tabulating Calculating machines excluding electronic tabulating, calculating machines, parts and accessories thereof, ribbons used therewith[All these goods were previously taxable at 8% from 1.4.99 and 20% before that date] First Sale 10% w.e.f. 27.03.2002

12 (i) Dyes, that is to say -

(i) Acid dyes

(ii) Alizarine dyes

(iii) Bases

(iv) Basic dyes

(v) Direct dyes

(vi) Napthols

(vii) Nylon dyes

(viii) optical nonening agents

(ix) Plastic dyes

(x) Reactive dyes

(xi) Sulphur dyes

(xii) Vat dyes.

(xiii) All other dyes not specified elsewhere in the Schedule[8% from 17.7.96] First sale 10% w.e.f. 27.03.2002

13 (i) Electronic items not specified elsewhere (See earlier editions)

(ii) Electronic or electric wires, sleeves, casings, cappings, cables, all capacitors, resistors, switches, plugs, holders, jacks, connectors and other components, lighting bulbs (including gas filled bulbs/vacuum bulbs), compact fluorescent lamps, flourescent lighting tubes, fittings, chokes, starters, other than those specified

elsewhere in the Schedules and all general electric or electronic accessories like reapers, bends, junction boxes, coupling boxes, meter boxes, switch boxes, fuse switch boxes, distribution boxes, power meters, meter boards, switch boards, wooden plugs (gattis), lightning arrestors, electrical earthenware and porcelain-ware, parts and accessories of all such goods. [For item (ii) the rate before 27.3.02 was 12%] First Sale 10% w.e.f. 27.03.2002

14 Footwear other than those specified in the Third Schedule(See item 25 of Part B of Third Schedule) [8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

15 Grills of all kinds made of iron and steel [8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

16 Inks of all kinds including Lithographic printing and duplicating inks but excluding writing ink [8% before 27.3.02](Writing ink exempted from tax -See item 50(v) of Part B of Third Schedule) First Sale 10% w.e.f. 27.03.2002

17 Key chains and key holders [8% from 1.4.99 to 26.03.02] First Sale 10% w.e.f. 27.03.2002

1811

Machine made matches [8% from 17.7.96](See item 32 of Third Schedule for handmade and partly machine made matches.) First Sale 10% w.e.f. 27.03.2002

19 (i) Medicines conforming to the following description; Any medicinal formulation or preparation ready for use internally or externally for treatment or mitigation or prevention of diseases or disorders in human being or animals (excluding products capable of being used as creams, hair oils, tooth pastes, tooth-powders, cosmetics, toilet articles, soaps and shampoos), but including -

(a) Allopathic medicines

(b) Other medicines and drugs including ayurvedic, homeopathic, siddha and unani preparations.

(c) Country drugs

(d) Medicinal mixtures or compounds, the components of which have not already suffered tax

(ii) (a) Surgical dressing which expression shall include adhesive plaster, adhesive plaster dressing gypsona plaster of paris and bandages, velcro pop bandages, elastro crepe bandages, gauze, wadding gauze, lint and cotton wool poultices and similar articles impregnated or coated with pharmaceutical substances put up in forms or packings for surgical purposes which have been sterilised and conform to the accepted standards of the medical profession

(b) pharmaceutical and surgical products of plastic and rubber including gloves, aprons and caps

(c) Surgical implants, artificial bones, bone cement, abdominal support belt, cervical collars and knee cap

(iii) Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific apparatus, other electromedical apparatus and sight testing instruments including Ophthalmoscope, otoscope, Laryngoscope, Retinoscope, Binocular loupe, parts and accessories thereof (other than those specified elsewhere in this Schedule)

(iv) X-Ray apparatus, films, plates and other equipments required for use therewith, parts and accessories thereof

(v) (a) Heart pacemaker (pulse generator)

(b) Intra-ocular lenses¹²

(vi) (a) Intravenous sets, scalp vein sets, blood administration sets, blood donor sets and solution administration sets.

(b) Dextrose, that is to say, dextrose monohydrate and anhydrous dextrose

(c) Measured volume set

(d) Diagnostic reagents

(e) Lactose IP/BP)

(vii) Thermometers[8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

NOTES.--1. Siddha, Unani, Homeopathic and Ayurvedic medicines, have been made taxable at 4 per cent from 27th March 2002 by Notification No. II(1)/CT/19(b-9)/2032 - G.O.33 as against ten per cent applicable to the other goods in this entry. The first two items enjoyed tax exemption for certain periods earlier.

2. Gauze or bandage cloth produced manufactured in power loom sold by a dealer whose aggregate turnover on the sale of these two goods under this Act and the CST Act, does not exceed rupees one crore in a year is exempt by Notification No.II(1)/CT/19(b-23)/2002 - G.O.No.33 dated 27th March 2002, effective from that date.

3. By Notification No.II(1)/CT/12(a-2)/2004 dated 12th February 2004, the sales of the following life saving drugs have been exempted from tax, apart from the items in item no. 36 of the Third Schedule on page 308:--

I. Continuous Ambulatory Peritoneal Dialysis (CAPD) fluids used for treatment in renal failure cases. The following drugs used for the treatment of AIDS patients

1. Zidovudine

2. Lamivudine

3. Stavudine

4. Didanosine

5. Nevirapine 6. Efavirenz

7. Nelfinavir

8. Indinavir

9. Sequinavir

10. Ritonavir

20 Medium Density Fibre (MDF) boards and pre-laminated/veneered medium density fibre boards, excluding such goods imported from other countries (See item No. 8 of Part G and item 9 of Eleventh Schedule for imported goods) [8% from 1.4.99 to 26.3.02] First Sale 10% w.e.f. 27.03.2002

21 Musical instruments of all kinds other than Indian Musical Instruments¹³ [4% from 17.7.96, and 8% from 10.8.2000] First Sale 10% w.e.f. 27.03.2002

22 Paper, all sorts (including paste board, mill-board, straw board and card board) that is to say-

(i) Cigarette tissue

(ii) Blotting, filter, toilet or target tissue (other than cigarette tissue) Bank art, chrome, tub-sized, cheque, stamp or cartridge paper, parchment board including art-board, chrome board and board for playing cards

(iii) Packing and wrapping paper, straw board and pulp board including gray board, corrugated board, duplex and triplex boards Paper and board: Laminated, coated, or interlined with other

(iv) materials

Wall paper and similar wall coverings, window transparencies of

(v) paper

All other kinds of paper and paper board not otherwise specified,

(vi) including carbon paper, stencil paper, ammonia paper, ferro paper, cellophane paper, litmus-paper but excluding cinematographic and photographic paper Printing, writing, teleprinter, typewriting, manifold and bond

(vii) paper and computer stationery of all kinds. Provided that if any paper has suffered tax under any one of the sub-items mentioned above, it shall not be again subject to tax under the same or any other sub-items aforesaid.[8% before

27.03.02]See items B-60(ii) on page 248 for note books etc. and C-40 on page 261 for printed materials First Sale 10% w.e.f. 27.03.2002By Notification No. II(1)/CT/40(b-2)/2002dated 27th June 2002, effective from 1st July 2002, a reduction in the tax payable on the sales of these goods to the extent of tax paid under Section 3(3) on the purchase of any goods except fuel and used in the manufacture of these goods has been allowed, subject to the same condition mentioned in the footnote below item D-14.

23 Paper napkin and paper cups [The former was taxable at 8% from 1.4.99 ; the latter at that rate from 18.8.2001, before which it was taxed as an unspecified item] First Sale 10% w.e.f. 27.03.2002

24 Photo-album, stamp album and such other albums[8% from 1.4.99] First Sale 10% w.e.f. 27.03.2002

25 (i) Photographic and other cameras, flashlight apparatus and enlargers and lenses, photographic films, plates, paper, prints, instant print films and chemicals used in the photographic development and printing process[The rate before 27.03.02 for cameras lenses was 8% and for films process was 4%]

(ii) Cinematograph raw film First Sale 10% w.e.f. 27.03.2002

NOTES. -- Cinematographic raw film has been notified as taxable at a reduced rate of 4 per cent from 27th March 2002 by item 2 of Notification No.II(1)/CT/19(b-19)/2002- G.O.Mo.33 of that date, the rate which was in force from 17.7.96. For Cinematographic Cameras and other equipments see entry No.8 of Part D of this Schedule.

26 Power driven pumps for liquids and liquid elevators whether or not fitted with a measuring device (excluding pumpsets of 3 h.p or 5 h.p14 but including)

(a) Motor pumps

(b) Centrifugal pumps (horizontal or vertical pumps)

(c) Deep tube-well turbine pumps

(d) Submersible pumps

(e) Axial flow and mixed flow vertical pumps

(f) Jet and monoblock pump sets

(g) Parts and Accessories which are actually adapted for use with pumps in sub-items (a) to (f) above and

(h) Valves[The rate before 27.03.02 for all these goods was 8%] First Sale 10% w.e.f. 27.03.2002

27 Pre-recorded audio cassettes [8% from 17.7.96 to 26.3.02] First Sale 10% w.e.f. 27.03.2002

28 (i) P.V.C. Pipes, tubes and fittings of all varieties including flexible and rigid pipes, hoses and tubes, whether transparent or not, P.V.C. and plastic water-supply items and sanitaryware[11% from 17.7.96, 12% from 23.1.2000 and 8% from 1.6.2000 to 26.3.02]

(ii) Water supply materials and fittings (other than those specified elsewhere in this Schedule or in the Second Schedule) including water taps, showers, water tanks including PVC water tanks and other articles used for the supply or distribution of water (including RCC pipes), parts and accessories thereof including valves [8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002

29 Ready to eat unbranded foods including sweets, savouries, unbranded nonalcoholic drinks and beverages served in or catered indoors or outdoors by Star Hotels recognised as such by Tourism Department of the State Government or Government of India and Restaurants attached to such Star Hotels[8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

NOTES.--Food and drinks taxable under Section 3-D of this Act by any dealer whose total turnover does not exceed ten lakh of rupees per annum are exempt

from tax by item 2 of Notification No.II(1)/CT/I 9(b-20)/2002 - G.O.No.33 dated 27th March 2002, effective from that date.

Food and drinks sold by any Hotel other than a Star Hotel or Restaurant attached to such Star Hotel whose total turnover does not exceed rupees ten lakhs in a year .exempted from tax by item no.2 of Notification No.II(1)/CT/19(b-23)/ 2002 dated 27th March 2002 but the exemption previously available under item 48 of the Third Schedule then in force to tax payable on the sale of food and drinks by any Hotel other than a Star Hotel or Restaurant attached to such Star Hotels, whose turnover in a year did not exceed Rs.25 Lakhs has been continued upto 31st March 2002 by Notification No.II(1)/CT/19(b-21)/2002 -G.O.No.33 dated 27th March 2002.

See Entry No.3 of Part E of this Schedule.

30 Rolling bearings, that is to say, ball or roller bearings of all kinds[11% from 17.7.96 and 8% from 1.4.2000] First Sale 10% w.e.f. 27.03.2002

31 Rough synthetic gem boules[8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

32 Rubberised coir products[8% before 27.3.02] First Sale 10% w.e.f. 27.03.2002

33 (i) Rubber latex (natural) of all qualities and grades including earth scrap, tree lace, ammoniated latex, preserved latex concentrate, centrifuged latex

(ii) Raw rubber of all varieties and grades including dry ribbed sheet of all RMA grades, dry crepe rubber, dry black rubber, skimmed rubber, if they had not suffered tax under item (i) above

(iii) Reclaimed rubber, all grades and qualities Last Purchase 10% w.e.f. 27.03.2002 (Reduced to 8% by notification)

NOTES.-- By Notification No.II(1)/CT/19(b-16)/2002 - G.O.No.31 dated 27th March 2002, effective from 1st April 2002, the purchase tax payable by any dealer on the purchase of rubber specified in this entry is to be reduced to the extent of an amount equal to the tax paid on the inter-State sale of such goods. By item. No. 8 of Notification No.II(1)/CT/19(b-19)/2002-G.O. No. 33 dated 27th March 2002, effective from that date, the rate of tax on the purchase of the goods specified in this entry has been reduced to eight per cent. This rate was in force from 17.7.96 for these goods.

34 Sewing machines and embroidery machines of all kinds and needles used therewith [8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002

35 Spectacles (other than those specified in the Third Schedule) sunglasses, goggles and attachments, lenses for spectacles including contact lenses and parts and accessories thereof [8% from 5.3.97] See item 2 of Part B of Third Schedule on Page 305. First Sale 10% w.e.f. 27.03.2002

36 Tarpaulin [8% from 5.3.97] First Sale 10% w.e.f. 27.03.2002

37 Timber including pulpwood sized timber but excluding fire wood other than those mentioned elsewhere in this Schedule. [8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002

Explanation: For the purpose of this item in the case of timber purchased by the forest contractors in the auction of forest coupes conducted by the Forest Department of the Government, the sale by such contractors of such timber in any form or size shall be deemed to be the first sale and the sale by the Forest Department in such auction of forest coupes shall not be deemed to be the first sale.

38 Typewriters, (excluding electronic typewriters), typewriter ribbon used therewith, whether or not in spools, and correction fluids [20% from 17.7.96 and 8% from 5.3.97] First Sale 10% w.e.f. 27.03.2002

NOTES. -- Tamil Typewriters are taxable at four per cent only in terms of item 10 of the Notification No.II(1)/CT/19(b-19)/2002 -G.O.No.33 dated 27th March 2002,

effective from that date.

39 Water sold in bottles, sachets, jugs or jerry cans and distilled water or mineral water sold in any form of container

NOTE. -- See item 54 of Third Schedule for plainwater sold in bulk. [8% from 1.4.99 to 26.3.02] First Sale 10% w.e.f. 27.03.2002

40 (i) Xerox Copies

(ii) Laser copies/printouts

(iii) Computer printouts

Provided that if the paper used for taking such copies or printouts has suffered tax under item 22 of this Part the copies or printouts shall not again be subjected to tax under any of the sub-items mentioned above.

(iv) All printed materials other than those specified in sub-items (i) to (iii) above, whether made of paper, paper board or other materials, like account books, registers, diaries, order books, receipt books, memorandum pads, folders, file covers, book covers, greeting cards and invitation cards of all kinds and trade mark labels including those materials manufactured according to specification of customers whether or not with logo or name or matter.[8% from 1.4.99] First Sale 10% w.e.f. 27.03.2002

NOTES.--1. As per the Notification No. II(1)/CT/19(b-20)/2002 -G.O.No.33 dated 27th March 2002, effective from that date, the following printed goods are exempt from the levy of tax under this Acts-

Item No. GOODS

1 Electoral Rolls (See also Entry No.23 of Third Schedule)

8 Tamil Daily Sheet Calendars

10 UNICEF Greeting Cards and Calendars

2. By Notification No. II(1)/CT/40(b-3)/2002 dated 27th June 2002, effective from 1st July 2002, a reduction has been granted in the tax payable 15 [under Section 3(2)] by any dealer on the sales of printed materials to the extent of tax paid directly under this Act on the purchase of printing paper and printing ink for consumption or use in the manufacture of the said printed materials.

3. See Notes under Section 3-G on page 48.

4. Religious and Reading books printed and sold by printers are not printed materials taxable under this item but are covered by the term Reading Books exempt from tax under item 50 (iii) of the Third Schedule. [See Departmental circulars dated 1.6.99 and 18.8.2000 on page 2 of circulars etc. in 120 STC].

PART D - GOODS TAXABLE AT THE RATE OF 12%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 Adhesives of all kinds including gum, glue, resins and solutions[11% upto 22.1.2000, and 12% thereafter] First Sale 12% w.e.f. 27.03.2002

2 (i) Aeroplanes and other aircrafts including helicopters and all kinds of parachutes, dirigibles, all kinds of gliders, aircrafts launching gear parts and accessories thereof

(ii) Rail coaches, wagons, containers for the transport of fluids, other rail coaches specially designed for specific purposes and rail locomotives, parts and accessories thereof

(iii) (a) Ships, steamers, motors and steam boats and launches, trawlers, tugs, submarines, oil tankers and other vessels operated by any form of power, including their hulls, engines, parts and accessories thereof

(b) Barges and canoes and similar vessels not coming under sub-item (i) above[For item (i), 12% from 23.1.2000, for item(ii) and (iii) 11% upto 17.8.01 and 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

3 Articles and equipments for gymnastics including health fitness equipments [4%

from 1.4.99 to 26.3.02] First Sale 12% w.e.f. 27.03.2002

4 Asbestos cement sheets, flat or corrugated [16% before 27.3.02] First Sale 12% w.e.f. 27.03.2002

5 (i) Biscuits, cakes, confectionery, chocolates, and toffees sold with a brand name registered under the Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958)

(ii) Fresh meat, poultry, fish and seafood which are processed, packed and sold with a brand name

(iii) Ice-creams of all kinds including ice-candy, ice-cake, ice jelly, fruiti, kulfi and frozen confectionery, frozen dessert sold with a brand name

(iv) Fruit juices and fruit drinks sold with a brand name.[For item (i), the rate was 11% from 6.2.97 to 17.8.01 and 12% thereafter, for item (ii) it was 11% from 1.4.99 and 12% from 18.8.01 and for item (iii) it was 11% from 27.3.98 and 12% from 18.8.01 onwards. For item (iv) the rate was not specified] First Sale 12% w.e.f. 27.03.2002

616

(i) Ceramic sanitary wares and sanitary fittings of every description including sinks, wash basins, wash basin pedestals, baths, showers, bidets, water closet pans, flushing cisterns, urinals, commodes, man-hole covers used in connection with drainage and sewerage disposals, parts and accessories thereof

(ii) Ceramic tiles, glazed floor, roofing and wall tiles

(iii) Cuddappah stone slabs and shahabad stone slabs

(iv) (a) Granite blocks (rough or raw)

(b) Polished granite slabs, including tomb stones, monument slab and head stone

(v) Marbles, that is to say -

(a) Marble boulders or lumps

(b) Marble slabs

(c) Marble chips

(d) Marble dusts

(e) Marble floor tiles and wall tiles

(f) Other articles made of marbles (vi) Mosaic tiles and chips [Items (i), (ii), (v) and (vi) were taxable from 17.7.96 at 16, 20, 20 and 20 per cent respectively and at 12% from 1st April 2000. Items (iii) and (iv) were taxable at 11% from 17.7.96 and at 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

7 (i) Chemicals, the following: Soda ash, Bleaching powder, Sodium bicarbonate, Sodium hydrosulphite, Sulphate of alumina, Sodium nitrate, Sodium acetate, Sodium sulphate, Acid slurry, Trisodium phosphate, Sodium tri-poly phosphate, Sodium silicate, Sodium metasilicate, Carboxy methylcellulose, Sodium sulphide, Acetic Acid, Sodium bi-sulphite, Oxalic acid, Sodium thio-sulphate, Sodium sulphite, Sodium alginate, Benzene, Citric acid, Diethylene glycol, Sodium nitrite, Hydrogen peroxide, Acetaldehyde, Pentaerythritol, Sodium alpha olefin sulphonate, Sodium formate and all other chemicals not specified elsewhere in the Schedule

(ii) Carbon black, acetylene black

(iii) Nitric, hydrochloric and sulphuric acids

(iv) Sulphur

(v) Caustic soda [Item (i), excepting the last residual item and items (ii) to (v) were taxable at 11% from 17.7.96 and at 12% from 18.8.01 (in the case of items (i) to (iv) and from 1.12.01 for item (v).] First Sale 12% w.e.f. 27.03.2002

8 Cinematographic equipments including cameras, projectors, overhead projectors, sound-recording and reproducing equipments, parts and accessories thereof and lenses, exposed films film-strips arc or cinema carbons, cinema slides, paper,

paper boards required for use therewith[11% from 17.7.96 and 12% from 23.1.2000] First Sale 12% w.e.f. 27.03.2002

NOTES. -- For cinematograph raw films, See entry 25(ii) of Part C of this Schedule.

9 Clocks, time-pieces watches (whether or not in combination with any other devices), stop watches, time switches, mechanical timers, time-records, auto print time punching clocks, time-registers, instrument panel clocks of all kinds including all such electronic devices, parts and accessories thereof, watch bands, watch bracelets, watch chains, watch straps[11% from 17.7.96 and 12% from 23.1.2000] First Sale 12% w.e.f. 27.03.2002

10 (i) Crockery other than those specified elsewhere in this Schedule

(ii) Cutlery other than those specified elsewhere in this Schedule including table cutlery, forks[11% from 17.7.96 and 12% from 23.1.2000] First Sale 12% w.e.f. 27.03.2002

11 (i) Dry fruits and nuts and kernal such as almond, pistha, dry grapes, figs, apricots, walnut, other than those specified elsewhere in this Schedule

(ii) Wet Dates (For Cashewnuts, See item No. 6 of Part C of this Schedule)[11% from 17.7.96 and 12% from 23.1.2000] Imported wet dates are also taxable at 4% as per Departmental Clarification No. 114/2004 - Page 59 Of TNCTJ (2004-05)(10). First Sale 12% w.e.f. 27.03.2002

12 (i) Tyres, tubes and flaps, ordinarily used with power driven two wheelers, three wheelers, four wheelers and higher number of wheelers (whether or not such tyres are also used for other purposes) other than those specified elsewhere in the Schedule Tyres, tubes and flaps of animal drawn vehicles

(ii) [For both the items the rate was 11% from 17.7.96 increased to 12% from 18.8.01 and 1.12.01 respectively] First Sale 12% w.e.f. 27.03.2002

13 Ethyl Alcohol, 17 absolute alcohol, methyl alcohol, rectified spirit, neutral spirit and denatured spirit[12% from 18.8.2001 except that the rate of 12% was applicable from 10.8.2000 and 11% before that date] First Sale 12% w.e.f. 27.03.2002

18 14

(i) Fans, air circulators, voltage stabilizers and regulators not specified elsewhere, controlling systems and thyristor control power equipments and ACSR conductors

(ii) Electrical domestic and commercial appliances including:-Coffee roasting appliances, Cooking ranges, Cream whippers, curd makers and egg beaters, Floor polishers, Frying pans, sauce pans, kettles and toasters, Geysers, water heaters, boilers and immersion heaters, Grinders (other than wet grain grinders specified elsewhere¹⁹ in this Schedule) mixers and blenders, hair driers, hair curlers, permanent waving apparatus and curling tong beaters, Hot plates, grillers, boiling plates, plate warmers, food warming trays, food warming trolleys and hot food cabinets, Ice-cream churners, Irons, Juice extractors, Massage apparatus, Ovens and microwave ovens, Room heaters, Shavers, sharpeners, Steamers, coffee makers (including percolators), cookers, egg boilers, Vacuum cleaners, Vending machines, ²⁰ [xxx] drying machines First Sale 12% w.e.f. 27.03.2002

Explanation I : All the above goods, notwithstanding that they contain electronic circuits, switchings or control device systems, shall be deemed to be electrical appliances (domestic and commercial)

Explanation II : "Domestic and Commercial electrical appliances" means electrical appliances, normally used in the household and used in hotels, restaurants, hostels, offices, educational institutions, hospitals, train kitchens, air crafts, or ships, pantries, canteens, tailoring establishment, laundry shops, hair dressing saloons and in similar establishments

(iii) Electrical instruments, systems, apparatus, appliances of all kinds, (other than

those specified elsewhere in this Schedule) including chandeliers and their shades, protectors, stands, fixtures, fittings, brackets, torches, sodium and mercury vapour discharge lamps, emergency lamps and emergency lighting system notwithstanding their containing any electronic control circuiting rectifiers, sound or visual signaling apparatus such as bells, sirens, indicator panels, burglar or fire alarms

(iv) Electronic instruments including cash registers, tabulating and calculating machines, electronic duplicating machines, reprographic copiers including duplicators, xerox and photo copying machines and any other electronic apparatus for obtaining duplicate copies, whether reduced, enlarged or the same size as the originals, electronic teleprinters and fax machines of all kinds and electronic typewriters, indexing, card punching, franking, addressing machines, one record units

(v) Wireless reception and transmission equipments and devices including radios, walkie-talkie, transmission and reception apparatus for radio-telephony, radio-telegraphy, radiobroadcasting radar apparatus, radio navigational aids apparatus and radio remote control apparatus, amplifiers, loud speakers and receivers, multiple systems

(vi) Audio and video cassettes, CDs, corresponding recorders and players, Gramophones of all kinds including record players, radio gramophones, gramophone records, matrices for records and record changers, sound recording and reproducing equipments including dicta-phones, car cassette players, tape-decks, tape players, compact disc players (including a combination of any of them) with or without wireless reception instrument and pagers [xxx]²¹ .

(vii) Sound transmitting equipments of every description including 22 [xxx], intercom devices, loud speakers including stereo or hi-fi amplifiers, speaker systems which are used with stereo or hi-fi musical systems, micro phones and stands thereof, headphones, earphones and combined microphones/speaker sets

23 (viii) Television sets, antenna, television and video cameras, projectors, teleprompters, dish antenna and boosters, all electronic toys and games. [The previous rates could not be indicated as the groupings of the goods varied from time to time]

15 Fire works including coloured matches[11% from 17.7.96 and 12% from 23.1.2000]

16 Furnaces and boilers of all types including fluidized bed boilers and ignifluid boilers and boilers using agricultural waste as fuel but not including boilers using municipal waste only as fuel²⁴ [11% from 17.7.96 and 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

17 Glass and glassware of all sorts (other than those specified elsewhere in this Schedule) including

(i) (a) Flat glass, including sheet glass, wired glass and rolled glass whether in the form of plate glass, figured glass or in any other form, coloured glass, cooled glass, toughened glass, laminated safety glass, tinted glass

(b) Laboratory glass wares, hygienic or pharmaceutical glass wares (whether or not graduated or calibrated and glass micro slides)

(c) Glass sheets, glass globes and chimneys for lamps and lanterns

(d) Glass jars and glass bottles

(e) Table wares made of glass

(ii) Glass mirrors, Coloured glass mirrors, Figured glass mirrors and Framed mirrors (on the turnover relating to components thereof which have not already suffered tax)[For item (i), 16% from 17.7.96, 12% from 1.4.2000 and for item (ii),

16% from 17.7.96 and 12% from 1.6.2000] First Sale 12% w.e.f. 27.03.2002

1825

Handmade soap of all kinds (both bathing and washing) including soap flakes, powder, liquids and detergents but excluding shampoo and metal polishers in any form [4% from 17.7.96 and 12% from 18.8.2001] See item 10 of Part E on page 278 for other soaps First Sale 12% w.e.f. 27.03.2002

19 Leather goods other than foot wear made wholly or principally of leather (whether or not other materials such as thread, lining, rivets are used) [11% from 17.7.96 and 12% from 23.1.2000] First Sale 12% w.e.f. 27.03.2002

20 Machineries of all kinds (other than those specifically mentioned in this Schedule) worked by

(i) Electricity

(ii) Nuclear power

(iii) Hydro-dynamic and steam power

(iv) Diesel or petrol

(v) Furnace oil

(vi) Kerosene

(vii) Coal including coke and charcoal

(viii) any other form of fuel or power (excluding human or animal labour)

(ix) Parts and accessories of machineries and tools used with the machineries mentioned in sub-items (i) and (viii) above [11% from 17.7.96 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

21 Mercury [11% from 17.7.96 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

22 (i) Motor cycles, motor cycle combinations, motor scooters, motor scooter combinations, motorettes. mopeds

(ii) Motorised bicycles, tri-cycles, cycle rickshaws, tandem cycles, cycle-combinations, carriages for invalid persons and perambulators Three wheelers by whatever name known including auto rickshaws,

(iii) chassis of auto rickshaws and other three wheelers, bodies or tankers built or meant for mounting on three wheeler chassis belonging to others (on the turnovers relating to bodies)

(iv) Motor cars, motor taxi-cabs, motor omni buses, motor vans, jeeps and motor lorries, chassis of motor vehicles, bodies built on chassis of motor vehicles belonging to others (on the turnover relating to bodies) all varieties of trailers by whatever name known (other than trailers of tractors) other than those specified elsewhere in this Schedule) 26

(v) Paver finishers, dragnets, dredgers, road-rollers and other similar varieties of machinery of which a mechanically propelled vehicle forms an integral part (other than those specified elsewhere in the Schedule)

(vi) Crane lorries including floating cranes, break down lorries, road sweeper lorries, spraying lorries, concrete mixer lorries, mobile workshops, mobile radiological units, ambulances, fire-fighting units including fire floats, drilling rigs mounted on motor vehicles and floating vessels platform trucks, fork lift trucks, and other similar varieties of machinery of which a mechanically propelled vehicle forms an integral part which is subsidiary to their main function

(vii) Dumpers, loaders, scrapers, crawler tractors, excavators, bull dozers and wheel dozers

(viii) Spark plugs of all kinds

(ix) Parts and accessories of motor vehicles and trailers other than those specified in this Schedule [8% for items (i) to (iii) and (v) to (vii), 11% for items (iv) and (ix) and 20% for (viii), from 17.7.96, (18.8.01 for item vii) and 12% from 18.8.01 for

items (i) to (iii) and 23.1.2002 for items (iv) to (vi) and (ix). First Sale 12% w.e.f. 27.03.2002

23 (i) Non-stick wares, kitchenware including heat resistant cookware, metalware and metal articles other than those specified elsewhere in this Schedule.

(ii) Pressure cookers, pressure stoves, gas stoves and gas ovens other than those mentioned in any of the Schedules[Non-stickwares 8% from 17.7.96 and 4% from 5.3.97, Kitchenware etc. 8% from 17.7.96 and pressure cookers etc. 8% from 17.7.96] First Sale 12% w.e.f. 27.03.2002

24 Oil engines[11% from 17.7.96 and 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

25 (i) Paraffin wax - food grade standard [11% from 17.7.96 and 12% from 1.12.2001]

(ii) Paraffin wax of all grade standards other than food grade standard including standard wax and match wax [11% from 17.7.96 and 12% from 1.12.2001]

(iii) Slack wax [11% from 17.7.96 and 12% from 1.12.2001] First Sale 12% w.e.f. 27.03.2002

NOTES.-- By Notification No.II(1)/CT/19(b-14)/- G.O.No.31 dated 27th March 2002, effective from 1st April 2002, the rate of tax payable by any dealer on the sale of paraffin wax of all grade standards and slack wax to Small Scale Industrial Development Corporation for supply to its affiliated units, was reduced to four per cent.

26 Plastic products, including melamine wear and break resistant plastics other than those specified elsewhere in this Schedule [8% from 17.7.96, 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

27 Playing cards[11% from 17.7.96 and 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

28 (i) Polish including metal polishes in any form (but not boot polishes)

(ii) Barbed wire, wire mesh, chicken-mesh, expanded metal and chain link made of any metal or material

(iii) Bolts, nuts and rivets, threaded or tapped and screws of base metal or alloys thereof, including bolt end, screw studs, screw studding, self-tapped screw, screw hooks, screw rings and screw eye and hooks and clamps of all kinds, Cotter pins of all kinds, Valves of all kinds including pressure relief valves and control valves, washers of all kinds, Perforated sheet of any metal or material

(iv) Carbide tips and tools

(v) Hand tools

(vi) Locks of all kinds and varieties except bicycle locks

(vii) Welding electrodes, graphite electrodes, welding rods of all kinds, including brazen rods and soldering wires

[For item (i) the rate was 16% from 17.7.96 and 12% from 1.4.2000 and for all other items except Hand tools it was 11% from 17.7.96 and 12% from 18.8.01. The rate for Hand tools was not specified earlier]. First Sale 12% w.e.f. 27.03.2002

29 Pre-recorded video cassette and compact discs

[11% from 17.7.96 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

30 Pressure lamps

[11% from 17.7.96 and 12% from 1.12.2001] First Sale 12% w.e.f. 27.03.2002

31 Ready mix concrete

[11% from 16.6.2000 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

32 (i) Rubber latex compound and rubber products (excluding pharmaceutical and surgical products) namely: --

(a) Compound rubber, unvulcanised, in primary forms or in plates, sheets or strips

(b) Other forms (like rods, tubes and profile shapes) and articles (for example discs

and rings of rubber)

(c) Rubber thread and cord

(d) Plates, blocks, sheets, strips, rods and profile shapes of rubber

(e) Tubes, pipes and hoses of rubber with or without their fittings (for example, joints, elbows, flanges)

(f) Conveyor, transmission or elevator belts or belting of rubber whether combined with any textile material or otherwise

(g) Interchangeable tyre treads (Tread rubber)

(h) Articles of apparel and clothing accessories (including gloves) for all purposes, of rubber

(i) Hardened rubber (for example ebonite) in all forms, including waste and scrap, and articles of hard rubber

(j) Other articles of rubber

(ii) Rubber of synthetic origin including butadiene acrylonitrile rubber, styrene butadiene rubber and butyl rubber, synthetic rubber latex including pre-vulcanised synthetic rubber latex[Both items (i) and (ii) taxable at 11% from 17.7.96 and at 12% from 23.1.2000 and 18.8.2001 respectively]. First Sale 12% w.e.f. 27.03.2002

33 Sandal wood and sandal wood oil

[12% from 23.1.2000] First Sale 12% w.e.f. 27.03.2002

34 Squashes and essences

[11% from 17.7.96 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

35 (i) Steel almirahs and furniture of all kinds including household furniture (other than those specified elsewhere in this Schedule made from all kinds of metals, fibre glass, wood, reinforced plastics or made primarily from any kind of plastics; upholstered furniture or furniture in the manufacture of which laminated sheets are used, whether sold in assembled or unassembled form and ready to assemble, parts thereof and all kinds of stands

(ii) Office equipments of every description, including filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office stamp stands and similar office or desk equipments whether sold in assembled or unassembled form and ready to assemble, parts thereof (other than those specified elsewhere in this Schedule and stationery articles) First Sale 12% w.e.f. 27.03.2002

Explanation: Slotted angles, gussets, plates, panels and strips which when assembled form furniture or equipments, shall be deemed to be furniture or office equipments as the case may be for the purpose of this item.[For item (i) the rate of tax was 11% from 17.7.96, 10% from 5.3.97 and 12% from 18.8.01. For item (ii) the rate was 11% from 17.7.96 and 12% from 18.8.01]

36 Suit cases, brief cases, attache cases, despatch cases, vanity bags, vanity cases and vanity boxes, other than those specified elsewhere in the Schedule) First Sale 12% w.e.f. 27.03.2002

Explanation: Vanity bag, vanity case and vanity box mean a bag, a case or a box holding a mirror and cosmetics or toiletries[11% from 17.7.96, 10% from 5.3.97 and 12% from 18.8.2001]

37 Transmission Towers[12% from 10.8.2000] First Sale 12% w.e.f. 27.03.2002

38 (i) Water meters, gas meters, industrial thermometers, parts and accessories thereof,

(a) Weighing machines of all kinds including platform scales, weigh bridges,

(ii) counter scales, spring balances, weighing scales and balances, parts and accessories of such machines and weights used therewith.

(b) Dipping measures, metric pouring measures, conical measures, cylindrical measures

(c) Meter scales, measuring tapes, steel yards and survey chains.[For item (i), the rate was 11% from 17.7.96 and 12% from 18.8.01. For item (ii) it was 11% from 17.7.96 and 12% from 1.12.01] First Sale 12% w.e.f. 27.03.2002

39 Wet grain grinders worked by any form of power, other than human labour (whether or not sold as a composite unit, with or without motors)[11% from 17.7.96 and 12% from 18.8.2001] First Sale 12% w.e.f. 27.03.2002

40 All other goods not specified elsewhere in any of the Schedules [The general rate for unspecified Goods was 8% from 12.3.93, 11% upto 30.11.01 and 12% from 1.12.01] First Sale 12% w.e.f. 27.03.2002

PART DD - GOODS TAXABLE AT THE RATE OF 12.5%

1 Telephones and Cellular telephones First Sale 12% w.e.f. 21.03.2003

2 Washing Machines First Sale 12% w.e.f. 21.03.2003

NOTES

1. This part of this Schedule was inserted by Notification No. II(1)/CT/14(a-1)/2003 dated 21st March 2003 (Act No. 21 of 2003) with effect from that date, after deleting these goods from sub-items (ii),(vi) and (vii) of item 14 of Part D of this Schedule.

2. The rate of tax payable by any dealer under Section 3(2) on the sales of Cellular telephones was reduced to 4 per cent (as it was before by Notification No. II(1)CT14(a-2)-2003 dated 21st March 2003 from the same date. Imported cellular telephones will, however, be taxable at 20 per cent under item no.9 of Eleventh Schedule as per Departmental circular No. Acts Cell-II/53041/2002 dated 29th August 2002, but as that item has not yet been amended to include goods in this part also the higher rate will not be applicable till then. This view is confirmed by Departmental Clarification No. 104 of 2004 / Page 52 of TNCTJ-2004-05(10).

3. The rates of tax prior to 21.3.03 were as under Telephones 11% from 17.7.96, 12% from 23.1.2000 Cellular telephones 2% from 23.1.00, 8% from 1.4.2000 and 4% from 24.12.02, Washing machines 16% from 17.7.96 and 12% from 1.4.2000.

PART E - GOODS TAXABLE AT THE RATE OF 16%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 Cement articles, asbestos articles and asbestos cement articles other than RCC pipes and those specified elsewhere in the Schedule [16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

2 Foam rubber products, plastic foam products, fibre foam products or other synthetic foam products of every description including,

(i) Sheets

(ii) Cushions

(iii) Pillows and

(iv) Mattresses[16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

3 (i) Foods and food preparations including cheese, milk foods, milk powder, recombined milk (except direct re-constitution without additives other than water) and condensed milk, mixes including instant foods, sweets and savouries like, popcorn sold with a brand name.[8% for unbranded, 16% for branded from 17.7.96]

(ii) Non-alcoholic beverages²⁷ and aerated drinks sold with a brand name registered under Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958). [12% from 1.4.2000]

(iii) Chips of all kinds such as potato chips and coconut milk powder sold with a brand name registered under Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958)²⁸ . [16% from 1.4.99]

First Sale 16% w.e.f. 27.03.2002

NOTES.--For food and drinks sold or served by hotels and restaurants, See entry

29 of Part C of this Schedule on page 258.

Food and drinks taxable under Section 3-D of this Act by any dealer whose total turnover does not exceed ten lakh of rupees per annum, are exempted from tax by item no.2 of Notification No.II(1)/CT/19(b-20)/2002 dated 27th March 2002, effective from that date, as previously exempted by item no.48 of the then Third Schedule

Packed pickles weighing below fifty grams are also exempted by item 5 of the aforesaid notification.

4 (i) Gases other than those specified elsewhere in this Schedule in all its forms

(ii) Purified and processed gases in all its forms[16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

5 (i) Generators, Generating sets, transformers and non-electronic voltage stabilizers

(ii) All electrical transformers (other than the small transformers) including -

(a) Transmission power transformers (33 KV to 232 KV),

(b) Distribution transformers (33 KV to 3.3 KV)

(c) Traction power transformers (110 KV),

(d) Booster transformers (25 KV or thereabouts),

(e) Furnace transformers

(f) Resin potted transformers (11 KV or thereabouts)

(g) Welding transformers

(h) Step up transformers 230 V/up, 5 to 50 KV and 415/5 to 50 KV,

(i) Auto transformers (variac)

(j) Instrument transformers like current transformers and potential transformers [16% from 17.7.96]

See item D-37 on page 274 for Transmission Towers First Sale 16% w.e.f. 27.03.2002

6 Glazed earthen wares of all kinds including china-wares, porcelain wares, stone wares other than those mentioned in this Schedule and terracotta.

[16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

7 (i) Paints and enamels not otherwise specified in this Schedule, including powder paints, stiff paste paints and liquid paints

(ii) Colours

(iii) Pigments, including water pigments and leather finishes

(iv) Dry distempers including cement based water-paints, oil-bound distempers, plastic emulsion paints

(v) Varnishes, french polish, bituminous and coal-tar blacks

(vi) Cellulose lacquers, nitro-cellulose lacquers, clear and pigments and nitrocellulose ancillaries in liquid, semi-solid or pasty forms

(vii) Turpentine oil, bale oil, none oil

(viii) Dilutents and thinners including natural and synthetic drying and semi-drying oils such as double boiled linseed oil, blown linseed oil, stand oil, sulphurised linseed oil, parilla oil, whale oil and tung oil

(ix) Glaziers putty, grafting putty, resin cements, caulking compounds and other mastics, painters fillings, non-refractory surfacing preparations for facades, indoor walls, false ceiling or the like

(x) Primers of all kinds

29 (xi) All other materials used in painting and varnishing such as flint papers, emery clothes, brushes, paint removers and stainers of all kinds[16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

8 (i) Plywood, hard board, particle board, block board, insulation board, lamin board, batten board, hard or soft wall ceiling, floor boards and similar boards of

wood, of all kinds, whether or not containing any material other than wood.(ii) All other non-soft boards or insulating material made of any other material other than wood [16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

9 Refractory cement, none cement and other cement substitutes [16% from 17.7.96] See Fifth Schedule on page 311 for ordinary cement. First Sale 16% w.e.f. 27.03.2002

10 (i) Shaving sets (with or without contents), razors, safety razors, razor blades, shaving brushes and shaving creams

(ii) Soaps, machine made, that is to say -(a) Toilet soaps of all kinds including medicated soaps, liquid soaps and moisturised soaps, but excluding hand-made soaps and shampoo (b) Washing soaps of all kinds including floor washing soaps, soap flakes, soap powders, soap liquids and detergents in all forms, excluding hand-made items of these goods.(See item 18 of Part D for handmade soaps.)

(iii) Ultramarine blue, washing blue, robin blue, laundry brightener of all kinds in all its forms other than those mentioned in item 30 (iii) of Part-B of this Schedule

(iv) Tooth pastes, tooth powders and mouthwashes and other dentifrices whether or not medicated or as defined in Section 3 of the Drugs and Cosmetics Act, 1940 (Central Act XXIII of 1940) as manufactured under a license issued under that Act, tooth brushes, tongue cleaners [16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

11 (i) Vacuum Flasks of all kinds including refills(ii) All domestic and commercial receptacles designed to keep food or beverages or other articles hot or cold including ice buckets or boxes[16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002
PART F - GOODS WHICH ARE TAXABLE AT THE RATE OF 20%

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 (i) Air-conditioning plants, air-conditioners and other air-conditioning appliances, air-coolers, room coolers including all cooling appliances, apparatus and instruments

(ii) Refrigeration plants, and all kinds of refrigerating appliances and equipments including refrigerators, deep freezers, mechanical water coolers, coffee coolers, walk-in-coolers

(iii) Cold storage equipments including refrigeration materials like polysterene and polyurethane foam materials used in refrigerators and cold storage equipments

(iv) Water cooler cum heater units

[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

2 Air purifiers, cupboard freshners and deodorizers, whether odourless or with odour

[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

3 (i) Arms of all kinds including rifles, revolvers, pistols and bayonets, truncheons and ammunition used therewith

(ii) Hand grenades

(iii) Air guns, air rifles and pellets used therewith

[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

4 Binoculars, monoculars, opera glasses, other optical telescope, astronomical instruments, microscopes, binocular microscopes, magnifying glasses, diffraction apparatus and mounting therefor including theodolite, survey instruments and optical lenses other than lenses for spectacles

[20% from 17.7.96. For lenses for spectacles see item no. 35 of Part C on page 259.] First Sale 20% w.e.f. 27.03.2002

5 (i) Cigar and cigarette gases, holders, tobacco pipes, cigarette filters and hookah

(ii) Lighters of all kinds including spark lighters[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

6 Electric storage batteries including containers, covers and plates[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

7 (i) Floor coverings, that is to say, carpets, carpentry and rugs whether tufted, piled or otherwise whether made from cotton, silk synthetic or other fibres, whether machine made, handmade or made on handlooms but excluding handmade or handloom made woven durries and jamakkalams and also excluding handmade or hand woven coir mattings

(ii) Linoleum

(iii) PVC (vinyl) asbestos floor tiles, wall tiles and flexible flooring materials [20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

8 Lifts and hoists operated by electricity or hydraulic power [20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

9 Narcotics[20% from 10.8.2000] First Sale 20% w.e.f. 27.03.2002

10 (i) (a) Scents and perfumes in any form excluding doop and agarbathis but including aragaja, jawadu and punugu.

(b) Hair oils, hair creams, hair dyes, hair darkeners, hairtonics, brilliantines, pomades and vaselines and all hair applicants (other than shampoos).

(c) Lipsticks, lipsalve, nail polishers, nail varnishes, nail brushes, beauty boxes, face powders, toilet powders, baby powders, talcum powders, powder compacts, powder pads and puffs, toilet sets made of all materials (with or without contents), toilet sponges, scent spray, depilatories, blemish removers eye liners all sorts, eye shadow, eye brow pencils, eye-lash brushes, eau de cologne, solid colognes, lavender water, snow, face creams, all purpose creams cold creams , cleaning creams, make-up creams, beauty creams, beauty milk, cleaning milk, hair foods, skin tonics, complexion rouge, nail cutters, sanitary towels and napkins, astringent lotions, after-shave lotions and creams, moisturisers of all sorts and personal (body) deodorants First Sale 20% w.e.f. 27.03.2002

Explanation. Any of the items listed above even if medicated or as defined in Section 3 of the Drugs and Cosmetics Act..1940 (Central XXIII of 1940) or manufactured on the license issued under the said Act will fall under this item

(ii) Shampoos of all kinds including herbal and medicinal preparations sold in bottles, containers, sachets and in any other forms [20% from 17.7.96]

11 Strong room or Vault doors and ventilators, armoured or reinforced safes, strong boxes and doors, cash chests, cash or deed boxes wall coffer, safe deposit lockers and locker cabinets[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

12 Teleprinters other than electronic teleprinters and ribbons used therewith[20% from 17.7.96] First Sale 20% w.e.f. 27.03.2002

30 PART G - GOODS WHICH ARE TAXABLE AT THE RATES SPECIFIED BELOW UPTO 30TH JUNE 2002

Sl. No. DESCRIPTION OF GOODS Point of Levy in the State Rate of Tax

1 Alcoholic liquors of all kinds for human consumption which are purchased / procured / brought from outside the State (other than foreign liquors falling under item 5 of this Part, toddy and arrack)[30% from 17.7.96, 40% from 27.3.98, 50% from 12.11.99, 55% from 1.12.01] First Sale 55% w.e.f. 27.03.2002

2 Asphalt (bitumen) [11% from 17.7.96 and 12% from 18.8.01] First Sale 12% w.e.f. 27.03.2002

3 Aviation Gasoline [24% from 17.7.96] First Sale 24% w.e.f. 27.03.2002

4 Aviation turbine fuel including jet fuel [24% from 17.7.96] First Sale 24% w.e.f. 27.03.2002

5 Foreign liquors, that is to say wines, spirits and beers imported into India from foreign countries and dealt with under the Indian Tariff Act, 1934 (Central Act

XXXII of 1934) or under any other law for the time being in force relating to the duties of customs on goods imported into India [60% from 17.7.96 and 70% from 27.3.98] First Sale 70% w.e.f. 27.03.2002

6 Fuel gas including liquefied petroleum gas Rate of tax reduced to 8% from 27* March 2002 to 31st March 2002 by Notification No. II(1)/CT/19(e-2) read with No. II(1)/CT/19(e-6)/2002 dated 31st March 2002; See Act No. 18 of 2002. [8% from 17.7.96] First Sale 10% w.e.f. 27.03.2002 8% w.e.f. 01.04.2002

7 High Speed Diesel Oil Additional sales tax on High Speed Diesel Oil exempted from 1st April 2002 by Notification No. H(1)/CT/19(e-3)/2001 dated 31st March 2002 as amended on 27th June 2002. Rate of tax was increased from 18% to 22% from 1st April 2002 by Notification No. II(1)/CT/19(e-2) read with No. II(1)/CT/19(e-6)/2002 dated 31st March 2002; See Act No. 18 of 2002. [18% from 17.7.96] First Sale 18% w.e.f. 27.03.2002 22% w.e.f. 01.04.2002

8 Imported cigarettes medium density fibre boards, textiles and other items falling in Parts D and E of the First Schedule [For imported cigarettes alone, the rate of tax was 16% from 4.5.98] First Sale 20% w.e.f. 27.03.2002

9 Kerosene [This rate of 4% was in force from 17.7.96] First Sale 4% w.e.f. 27.03.2002

10 Light Diesel Oil [This rate of 18% was in force from 17.7.96] First Sale 18% w.e.f. 27.03.2002

11 Lubricating oils, quenching oils and greases [16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

NOTES.-- By notification No. II(1)/CT/19(b-13)/2002 - G.O.No.31 dated 27th March 2002, effective from 1st April 2002, a reduction has been granted in the tax payable by the Indian Oil Corporation, Bharath Petroleum Corporation, Hindustan Petroleum Corporation and Indo-Burma Petroleum Corporation in respect of sale of lubricants manufactured by them inside the State out of lube base oil purchased from Chennai Petroleum Corporation to the extent of an amount equal to the purchase tax paid under Section 7-A of this Act over and above nine per cent.

12 Mineral oils of all kinds (other than those mentioned in item 11 of this Part and under item 3-A of the Second Schedule) including furnace oil and Naphtha [16% from 17.7.96] First Sale 16% w.e.f. 27.03.2002

13 Molasses [30% from 17.7.96] First Sale 30% w.e.f. 27.03.2002

NOTES.-- By Notification No. II(1)/CT/19(b-15)/2002 - G.O.No.31 dated 27th March 2002, effective from 1st April 2002, a reduction in the rate of tax to 20 per cent has been granted in respect of tax payable by any dealer under this Act on the sale of molasses to M/s Chemplast Sanmar, Chennai, Lactochem, Chennai, Malladi Drugs and Pharmaceuticals, Chennai and Trichy Distilleries and Chemicals, Chennai, for use in the manufacture of other goods in the State for sale, subject to the condition that the seller produces before the assessing authority a declaration duly filled in and signed by the purchaser in the form below:--

FORM OF DECLARATION

To

(Seller)

Certified that molasses specified below supplied by you are for use by me/us as raw material in the manufacture of the goods specified below inside the State for sale

Purchase Order No. and date Bill No. and date Challan No. and date Quantity purchased Value (Rs.) Description of goods manufactured

1. 2. 3. 4. 5. 6.

Name and address of the purchasing dealer (in full)

Signature and status of the person signing the declaration

1 14 Panmasala by whatever name called containing betel nuts, that is to say, nut of areca, catachu broken and perfumed and lime or menthol or sandal oils or cardamom or any one or more of these ingredients[11% from 17.7.96, 20% from 5.3.97, 30% from 27.3.98 and 40% from 17.3.99] First Sale 40% w.e.f. 27.03.2002

15 Petrol [24% from 17.7.96](Rate of tax was increased from 24% to 28% from 1st April 2002 by Notification No. II(1)/CT/19(e-2) dated 31st March 2002 ; See Act No. 18 of 2002).Additional sales tax on petrol exempted from 1st April 2002 by Notification No. II(1)/CT/19(e-3)/2002 dated 31st March 2002 as amended on 27th June 2002. First Sale 24% w.e.f. 27.03.2002 28% w.e.f. 01.04.2002

Explanation 1:- For the purpose of petroleum products of this Part, a sale by one oil company to another oil company shall not be deemed to be the First sale in this State and accordingly any sale by one oil company to another person (not being an oil company) shall be deemed to be the First sale in the State.

Explanation II:- For the purpose of Explanation I, Oil Company means (a) Chennai Petroleum Corporation Limited (b) The Indian Oil Corporation Ltd. (c) The Bharat Petroleum Corporation Ltd. (d) The Hindustan Petroleum Corporation Ltd. (e) Indo-Burma Petroleum Company Ltd and includes any other oil company notified in this behalf by the Government";

See notes "on page 320a

Notes.--1. By Notification .No. II(1)/CT/19(b-8)/2002 -G.O.No.31 dated 27th March 2002 effective from 1st April 2002, a reduction has been granted in the rate of tax payable under Section 7-A of this Act by companies specified below on the purchase of petroleum products [except High Speed Diesel Oil and Petrol[31 without additives] (added from 1st April 2002) specified in 32 [the Eleventh Schedule] taxable at a rate exceeding five per cent which are dispatched to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce, to five per cent.--

(a) The Chennai Petroleum Corporation Ltd.

(b) The Indian Oil Corporation Ltd

(c) The Bharath Petroleum Corporation Ltd.

(d) The Hindustan Petroleum Corporation Ltd

2. By Notification No. II(1)/CT/19(e-4)/2002 - G.O.No. 38 dated 31st March 2002, effective from 1st April 2002, a reduction in the rate of tax payable under Section 7-A of this Act by the aforesaid Oil Companies on the purchase of High Speed Diesel Oil and Petrol [without additives] which are despatched to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade to nine per cent has been granted.

16 Brake fluid(This item was item 6 of Part D from 27th March to 31st March 2002) [11% from 17.7.96 and 12% from 18.8.01] First Sale 12% w.e.f. 01.04.2002

NOTE:.

All spare parts, components and accessories of the above said goods shall be taxed at the same rate as that of the goods, provided such spare parts, components and accessories are not specifically enumerated in this Schedules and made liable to tax under this Schedule.

1. Packed pickles weighing below 50 grams exempt from 27.3.02 by Notification No. II(i)/CT/19(b-20)/2002 - G.O. no. 33 of that date.

2. See item 3 of Part C for brand named chips

3. See item 3 (ii) of Part E for brand named goods

4. See item 38 of Part B of the Third Schedule for unbranded goods.

5. For machine made items, see item 10 of Part E on page 278.

6. See item 19(ii) of Part C for surgical items.

7. See notes below item (iv) of clause (j) - Goods on page 13.
8. Stitched handloom and mill made handkerchiefs are exempt from tax from 1st July 2002 by Notification No.II(2)/CT/568(f-6)2002 of that date. See item No.56 of Part B of Third Schedule before 27th March 2002. Item (i) includes Rain coats and Caps as per Supreme Court decision in Collector of Central Excise vs. India W and D Works (2003) 132 STC 99. But, if these are made of rubber, Entry No. 32 (i)(h) of Part D of this Schedule (12%) will apply.
9. See footnote on page 270 for Reva Car
10. See item 4(iii) of Part B for unbranded chips and item 3(iii) of Part E for chips with registered brand names.
11. By Notification No. II(1)/CT/40(b-2)/2002 dated 27th June 2002, effective from 1st July 2002, a reduction to the extent of the tax paid under Section 3(3) on the purchase of any goods except fuel used in the manufacture of these goods has been allowed from the tax payable on the sales of the manufactured goods, subject to the condition that the sale shall not be effected at a lower rate than the schedule rate reduced by any notification.
12. Under item No. 2 of Part B of Third Schedule this item has been exempted from tax.
13. See item 35 of Part B for the Indian Musical Instruments.
14. See item 2(iii) of Part B for these pumpsets.
15. The words under Section 3(2) were added in a revised Notification No. II(1)/CT/47(c-2)/2002 - G.O. Ms. No. 102 dated 2nd September 2002, effective from that date, after cancelling the earlier Notification dated 27th June 2002 by Notification No. II(1)/CT/47(c-1)/2002 dated 2nd September 2002.
16. Item No. 6 was originally Brake Fluid from 27th to 31st March 2002 but that item has been transferred to Part G as item No. 16 from 1st April 2002.
17. The rate of tax is reduced to 8 per cent on sales of ethanol, that is, anhydrous ethyl alcohol, from 1st October 2003, to the SCX Oil companies mentioned in the Explanation II below the Eleventh schedule by Notification No. G.O.142-CT-II (1)/CT/42(a-1)/2003 of that date.
18. In respect of all electric and electronic goods specified in this item, tax paid under Section 3(3) on the purchase of any goods (except fuel) and used in the manufacture of these goods by any dealer, is allowed to be deducted from the tax payable on the sale of these goods, subject to the condition that the sale shall be effected at a lower rate than the schedule rate reduced by any notification. [Notification No. II(1)/CT/40(b-2)/2002 dated 27th June 2002, effective from 1st July 2002].
19. See item 39 of this Part
20. The term Washing Machines which appeared here, was deleted from 21st March 2003 and taken to Part DD as item 2 thereof. See that Part of this Schedule. This commodity was taxable at 16% from 17.7.96 and 12% from 1.4.2000.
21. Cellular telephones have been taken as item 1 of Part DD from 21st March 2003 - See that Part of this Schedule. Before this transfer, the rate of tax on their sales was reduced from 12% to 4% from 24th December 2002 by Notification No. II (1)/CT/74(d)/2002 of that date.
22. Telephones have been taken to Part DD of this Schedule from 21st March 2003 as item 1 thereof.
23. Set top boxes used by cable T.V. operators are taxable under this item at 12% as per Departmental clarification No. Act Cell-11/46397 dated 15.10.2003 -see page 113 of 2003-04 (9) TNCTJ. Imported ones are taxable at 20% under Entry 9 of the Eleventh Schedule.
24. See item 51 (iii) of Part B of Third Schedule for the excluded item exempted

from tax

25. The concession mentioned in the footnote below item 14 of this Part on page 265 has been notified for this item also from 1st July 2002 by the same notification.

26. Reva, the Electricity car, operated by rechargeable batteries, is taxable at 4 per cent under item 54 (xvi) of Part B of this Schedule, as per departmental clarification No. Acts Cell-II/ 65926/2002 dated 17th October 2002.

27. For these beverages sold without a brand name, see item 4(v) of Part B of this Schedule on page 234.

28. See items 4(iii) of Part B on page 234 and item 8 of Part C on page 251 for other chips.

29. This item does not include Grinding wheels, that is, machine operated abrasives which should be taxed under item 20 of Part D - see Special Tribunals decision in Carborundum Universal vs. C.T.O (2003) 132 STC 112.

30. This part was omitted by Section 21 of the Seventh Amendment Act, (22 of) 2002 and the entries incorporated in the Eleventh Schedule from the date of commencement of that Act. viz., 1st July 2002.

31. Added from 1st October 2003 by Notification Nos. II(1)/CT/42(a-3) and(a-4) G.O.No. 142 of that date

32. The words Part G of the First Schedule have been substituted by the words the Eleventh Schedule from 1st July 2002, by Notification No. II(1)/CT/40(b-6)/2002 dated 27th June 2002.

SCHEDULE 2

SECOND SCHEDULE

DECLARED GOODS IN RESPECT OF WHICH SINGLE POINT ~~TAX~~ IS LEVIABLE UNDER SECTION 4

Sl. No. Description of the Goods Point of levy Rate of tax

1. Cereals, that is to say. -

(i) Paddy (*Oryza Sativa* L);

(ii) Rice (*Oryza Sativa* L);

(iii) Wheat (*Triticum vulgare*. *T. compactum*, *T. sphaerococcum*, *T. durum*, *T. aestivum*, *L.T dicoccum*);

(iv) Jowar or milo (*Sorghum vulgare pers*)

(v) Bajra (*Pennisetum typhoideum* L);

(vi) Maize (*Zea mays* L);

(vii) Ragi (*Eleusine Coracana gaertn*);

(vii) Kodon (*Paspalum Scro biculatum*; L);

(ix) Kutki;(panicum miliare, L);

(x) Barley (*Hordeum vulgare*, L); At the point of First Sale in the State 1% from 07-09-76 by Act No.40 of 1976 4% by Act No. 18 of 2002 with effect from 27-03-2002

NOTES.-- The rate of tax for Rice including broken rice and wheat not sold through Public Distribution System was reduced to 2 per cent from 27th March 2002 by Notification No. II (1)/19(b-19)/2002 - G.O.Ms. No. 33 of that date, the sales of these goods through the PDS being exempted from tax from the same date by Notification No. II(1)/19(b-20)/2002 of that date. Section 4-F was inserted in the Act by the Eight Amendment Ordinance (5 of) 2002 with effect from 13th August 2002. See notes under that Section. By Notification No. II of G.O. No. 97 dated 13th August 2002 (see page 2 of 128 STC-statutes) the rate of 2 per cent (prescribed in the aforesaid notification (b-19) dated 27th March 2002) was retained for wheat not sold through Public Distribution System. By Notification No.

II(1)/CT/61(c-2)/2002 dated 28th October 2002, effective from that date, the tax payable under Sections 4 and 4-F by any dealer on the sales of rice, including broken rice has been exempted. Thus, dealers in these goods were liable to pay tax at 2% from 27th March 2002 to 12th August 2002 irrespective of their turnover, from 13th August 2002 to 27th October 2002, dealers whose turnover did not exceed Rs. 2 crores were liable for tax as prescribed in Section 4-F and those whose turnover exceeded Rs. 2 crores were liable for tax at two per cent as prescribed in Notification No. II(1)/CT/44(d-2)/2002 dated 13th August 2002 which was cancelled by G.O. No. 124 dated 28th October 2002 and all the dealers exempted from the levy from that date as stated above.

Parched or fried grams are not declared goods [Gopuram Gram Mill Co vs. State of Andhra Pradesh (1994) 95 STC 358 SC]. Malted barley was held to be a cereal [Commissioner of Trade Tax vs. National Cereal Products (1998) 111 STC 241 Allahabad]. The term wheat does not include wheat products, such as flour, maida or rava [Rajasthan Roller Flour Mills Assn. vs. State of Rajasthan (1993) 91 STC 408 SC at P. 418. This principle has to be applied also to the products of other cereals.

1-A. Coal, including coke in all its forms but excluding charcoal;

Provided that during the period commencing on the 23rd February, 1967 and ending with 1st April, 1973, this clause shall have effect subject to the modification that the words "but excluding charcoal" had been omitted. At the point of First Sale in the State 2% from 1st April 1959 3% from 18th June 1967 (Act 5 of 1967) 4% from 17th July 1996 (Act 37 of 1996)

NOTES.--The following goods have been held to fall within the meaning of coal and coke, mentioned in this entry:--

Coal briquettes, obtained by mixing coal dust, soil and molasses (66 STC 128 Patna; 64 STC 335 Allahabad; 101 STC 267 Karnataka). See also 45 STC 308 Madras.

Coal dust, being only a residue of coal (57 STC 303 Allahabad).

Hard coke, manufactured from coal (82 STC 337 Patni).

Leco or lignite, is also a form of coal and it is produced by direct mining, it being only an inferior form of coal (45 STC 308 Madras ; 101 STC 212 Karnataka).

Nalidhar coal, made from mixing charcoal dust and coal dust with some earth and water so as to have a shape of a brick or cylinder is a form of coal (47 STC 351 M.P) like coal briquettes mentioned above.

Petroleum coke is a form of coke, being a residue of petroleum production (28 STC 603 SC) and in its raw or calcined form also it is coke (96 STC 204 SC ; 96 STC 636 Gauhati)

Stoker coke, manufactured out of coal is also a form of coke (101 STC 294 AP)

The following are not forms of coal or coke:-

Cinder or coal ash is completely burnt part of coal and is left over on the coal being burnt (30 STC 57 Madras at p.66) but half burnt coal has been held to be coal (50 STC 243 Gujarat), as it can still be used as fuel. See also the decision of Supreme Court in Union of India vs. Ahmedabad Electricity Co. (2004) 134 STC 24 at page 35, in which it was held that coal is not a raw material for the manufacture of cinder.

Sludge and slurry, are waste products in coal washeries and even briquettes prepared from them do not come under this term (66 STC 128 Patna at p. 135).

2. Cotton that is to say, all kinds of Cotton (indigenous or imported) in its unmanufactured state whether ginned or unginned, baled, pressed or otherwise, but excluding cotton waste [The rate of tax was reduced to 2% from 5th March 1997 to 17th August 2001 by notification.] At the point of last purchase in the State 1% from 1st April 1959 2% from 1st April 1964 by Act 7 of 1964 3% from 3rd

March 1975 by Act 15 of 1975 4% from 17th July 1996 by Act 37 of 1996

NOTES.--Cotton waste, excluded from this entry, is made taxable under item 16 of the First Schedule upto 11th March 1993, item C-16 of the same Schedule from 12th March 1993 item C-13 of the Schedule from 17th July 1996 and B-56 (i)(c) of the present First Schedule from 27.03.02. It will have to be treated as such even if the waste cotton is used for the manufacture of low count yam [State of Tamil Nadu vs. Ramachandra Textiles, (1993)91 STC 103 Madras].

Surgical cotton or absorbant cotton wool will not fall under this entry but will have to be taxed as surgical dressings under the entry 95 of the First Schedule [Sri Ram Products vs. State of Tamil Nadu, (1983)52 STC 187 Madras] corresponding to item C-19(ii)(a) of the present Schedule. The contrary view in C.S.T. vs. Ruby Surgical and Allied Products, (1997) 106 STC 26 Bombay is not applicable in this State in view of the aforesaid specific decision of the Madras High Court. For cottonseeds, produced in ginning of cotton, see item 6 (iii) of this Schedule.

In arriving at the purchase value of cotton for levy of tax on the last purchase in the State, when the dealer could not produce accounts and assessment had to be made according to best of judgment, no allowance is admissible for driage or wastage or other invisible losses [Murugan Chettiar vs. State of Tamil Nadu, (1983)53 STC 227 Madras].

3. (a) Cotton yarn, other than those falling under sub-item (b) but excluding cotton yam waste. At the point of First Sale in the State 1% from 1st April 1959 2% from 1st April 1964 by Act 7 of 1964 3% from 3rd March 1975 by Act 15 of 1975 4% from 17th July 1996 by Act 37 of 1996

(b) Cotton yarn sold for use in powerlooms in the form of cones At the point of First Sale in the State 4% from 1st March 1982 by Act 23 of 1982

NOTES.-- Cotton yarn manufactured by mills in the State and sold to exporters exempted from tax from 27th July 1970 by Notification No.197 (a) of that date ; See also Section 5(3) of the Central Sales Tax Act effective from 1st April 1976.

Cotton hosiery yarn was taxable at 2 per cent as per Notification G.O.P. 227 dated 3rd March 1984 till 26th March 2002, the notification being cancelled from 27.03.02 by item (3) of Notification No. 1 - G.O. No. 34 / CT of that date

Sales of Hank yarn plain reel were made taxable at 2 per cent from 17th July 1996 by Notification No. II (1)/ CTRE/82 (a-4)/996 - G.O. No. 253 of that date.

Cotton yam waste, excluded from this entry, is taxable under item 17 of the First Schedule as it existed till 11th March 1993, item C-17 of that Schedule till 16th July 1996 item C-14 of the First Schedule till 26.03.02 and B-56(i) of the present Schedule.

Any spun thread primarily used in weaving, knitting or rope making can be considered as yam [C.S.T. vs. Sarin Textile Mills, (1975) 35 STC 634 SC].

Sewing thread has been held to be not different from cotton yarn (Popular Thread Factory vs Commercial Tax Officer (2001) 124 STC 569 Madras) but in view of item 37(iii) of Part B of the First Schedule, it is to be treated as a separate commodity taxable at 4%

Man-made staple fibres, fibre yam and filament yam are taxable at 4% by item No. 37 (ii) of Part B of the First Schedule. See page 242.

Cotton tyre cord warp was held as cotton yam [Madura Mills vs. Government of Madras, (1970) 25 STC 407 Madras]. Doubling and twisting together two or more threads to make it stronger or firmer will still result only in yam (See cases cited in 92 STC 262 at p.264 mentioned above). Cotton ropes used for tying cattle will not be yarn within the meaning of this entry [Yacub Hussain vs. State of Tamil Nadu, (1980) 46 STC 470 Madras].

Blended cotton yarn will still be cotton yam [Sree Arunachaleswara Mills vs. State

of Tamil Nadu, (1991) 81 STC 137 Madras].

3-A. Crude oil, that is to say, crude petroleum oil and crude oil obtained from bituminous minerals (such as shale, calcareous rock, sand), whatever their composition, whether obtained from normal or condensation oil deposits or by the destructive distillation of bituminous minerals and whether or not subjected to all or any of the following process :--

- (1) decantation ;
- (2) de-salting ;
- (3) de-hydration ;
- (4) stabilisation in order to normalise the vapour pressure ;
- (5) elimination of very light fractions with a view to returning them to the oil-deposits in order to improve the drainage and maintain the pressure ;
- (6) the addition of only those hydrocarbons previously recovered by physical methods during the course of the above mentioned processes ;
- (7) any other minor process (including addition of pour point depressants or flow improver) which does not change the essential character of the substance At the point of First Sale in the State 4% by Act No.40 of 1976 w.e.f. 7.9.76

NOTES.--This entry was inserted by Act 40 of 1976 with effect from 7th September 1976

"Condensate" a liquid coming out from gas wells is also crude oil [Indequip Chem Dyes vs. State of Gujarat. (1993) 91 STC 105 Gujarat] as also raw naptha [National Organic Chemical Industries vs. Collector of Central Excise.(1997) 106 STC 467 SC]

3-B. Dessicated Coconut At the point of First Sale in the State 4% from 27.03.2002 by Act 18 of 2002

NOTES.--This commodity, previously exempt from tax from 1st April 1994 under item no.62 of the then Third Schedule, has become taxable from 27th March 2002. See notes below item 6 below.

4. Iron and steel, that is to say, --

- (i) pig iron and cast iron including ingots, moulds, bottom plates, iron scrap, cast iron scrap, runner scrap and iron skull scrap ;
- (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 structural (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 of any of the above categories ;
- (x) steel melting scrap in all forms including steel skull, turnings and borings ;
- (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 At the point of First Sale in the State 1% from 1st April 1959 2% from 1st April 1964 by Act 7 of 1964 3% from 18th June 1967 by Act 5 of 1967 4% from 1st July 1975 by Act 41 of 1975

1. Each item in this clause is a separate taxable commodity, though they may belong to the genus iron and steel as each of them has a separate identity and is also commercially different [State of Tamil Nadu vs. Pyare Lal Malhotra, (1976) 37 STC 319 SC at p. 326 ; State of Tamil Nadu vs. Syam Rolling Mills, (1977) 40 STC 156 Madras]. As this clause contains a large number of goods, some of them being finished goods used as such and some of them like moulds, ingots, scrap etc. being raw materials for the manufacture of other goods, disputes often arise whether a particular commodity falls within the meaning of these terms or they do not, having undergone physical, chemical or structural changes in the hands of the dealer, manufacturer or user.

2. The basic rule is that if any goods are manufactured out of these goods, the sales of the manufactured goods could be taxed again even if the original goods had been taxed, if they are no longer declared goods. Thus, in Bengal Iron Corporation vs. C.T.O.. (1993) 90 STC 47 SC, it was held that cast iron as different from cast iron castings viz., man-hole covers, bends, pipes etc. made out of the former. In Jai Shakti Traders vs. State of Uttar Pradesh, (1995) 97 STC 114 SC, it was held that shoe tips, heels, tip toes and tip nails made of iron and steel did not come under plates described in item (vii) above. The position was made clear again in Vasantham Foundry vs. Union of India, (1995) 99 STC 87 SC, in which it was laid down that there could be no change in the nature of the goods, if molten metal was cast into moulds, but if cast iron castings were subjected to machining, polishing or any other process to produce other goods, those goods cannot come under declared goods (See also the departmental circular dated 30th August 1995 reproduced on page 2 of 99 STC in the section circulars and clarifications). This principle finds support also in Rajasthan Roller Flour Mills case (1993) 91 STC 408 SC, that atta, maida and suji produced out of wheat are not declared goods but when there is no change in the basic nature of the goods, even after they are subjected to a manufacturing process, they continue to be declared goods . Thus, in Telangana Steel Industries vs. State of Andhra Pradesh, (1994) 93 STC 187 SC and in Usha Martin Industries vs. State of Bihar, (1997) 104 STC 531 Patna, it was held that the two goods, rods and wires listed as item (xv) in this clause, are so closely knit that wires produced from rods cannot be taxed again when the rods have borne the levy. Cold rolled strips obtained from hot rolled ones or vice versa are not different goods [Master Strips vs. D.C.C.T., (1995) 99 STC 216 Karnataka] ; Precision Strips vs. C.T.O.. (1996) 102 STC 82 WBTT and so also corrugated iron sheets [item (vi) of this clause] obtained by corrugating plain sheets included in the same item [Shree Kamrup Industries vs. State of Assam, (1995) 97 STC 29 Gauhati]. Galvanising steel pipe - or merely varying the width or thickness of the sheets does not result in new goods [Gujarat Steel Tubes vs. State of Kerala. (1989) 74 STC 176 SC ; State of Andhra Pradesh vs. Southern Steel, (1996) 96 STC 452 Andhra Pradesh]. Steel tubes, manufactured according to the specifications of the buyer and supplied to him for being used as exhaust pipes in automobiles, continue to be pipes falling under this item and not spare parts of motor vehicles (Tube Investments of India vs Deputy Commercial Tax Officer (2003) 129 STC 238 Madras). The Allahabad High Court held, in Dhampur Sugar Mills vs. C.S.T., (1996) 100 STC 434, that sales of scrap obtained from iron and steel materials already

taxed, cannot be taxed again, as the nature of the goods had not changed as a result of any manufacture or processing. The basic principles established in the decided cases are thus ;

(i) the object of taxation under this clause is not the substance, viz., iron and steel, but the goods which have been made from that substance and hence if the goods in one item of this clause are different from those in another item , both can be taxed, such as when sheets, plates etc are manufactured out of scrap iron, the two goods falling under different items in this clause (Pyare Lal Malhotras case cited above).

(ii) when the goods manufactured are mentioned in the same item, such as wire rods and wires and one is an integral part of the other so closely knit that one cannot be separated from the other, taxation of one will bar taxation of the other (Telangana Steels case cited above), and

(iii) when the goods manufactured from declared goods are not themselves such goods, taxation of the former will not bar the taxation of the other [Rajasthan Roller Flour Mills case cited above], and

(iv) when goods like scrap, cuttings and wastes result in the process of manufacture or processing of the declared goods, no new goods can be deemed to come into existence [Dhampur Sugar Mills case cited above)and but the correctness of this decision is open to discussion in view of the observation in Pyarelal Malhotras case that even if the substance of the goods may be the same, if the goods fall under different items in this clause, they are different goods liable to be taxed separately.

3. Perforated iron sheet has been considered as not one of the items mentioned in this clause [Agra Metal Perforators vs. C.S.T., (1981) 48 STC 378 Allahabad], but if scrap iron was purchased, and partly used for making washers, the remainder sold would still be scrap [Ratna Metal Works vs. State of Tamil Nadu, (1995) 99 STC 6 18 Madras]. Only steel tubes are mentioned in item (xi) of this clause and not iron tubes. Axles mentioned in item (xiv) include axles with hubs and bearings [A.C.T.O. vs. Raj Agro Industries, (1987) 67 STC 178 Rajasthan], cycle rims also come within the meaning of the term wheels [Dewan Enterprises vs. C.S.T.. (1996) 102 STC 67 SC] but pulleys do not come within the meaning of that term [C.S.T. vs. Kamal Engineering Works, (1981) 48 STC 394 Allahabad].

4. Iron and steel scraps come under items (i) and (x) of this clause, while defectives, rejects, cuttings or end pieces come under item (xvi). The term scrap will apply also to any old articles, machinery etc. which are purchased only for their metal value and are used, after melting, to make other goods. When an assessee bought old railway coaches and Nissen huts from Government in an auction of condemned goods and later sold the scrap metals, his sale was considered as second sales of scrap, though the first sale by Government was of condemned goods [State of Madras vs. Roman & Co., (1974) 33 STC 1 Madras affirmed in (1994)93 STC 185 SC]. To the same effect is the decision in Dhampur Sugar Mills case (100 STC 434) cited above, in which it was held that when the scrap was the residue in the form of cut pieces of cast iron and steel angles, tax cannot be levied again on the sales of the former when the sales of the latter had been taxed [See also KAC Trading Corporation vs. State of Tamil Nadu, (1984) 55 STC 62 Madras]. Defective and rejected cuttings are not different from the original materials [Gemini Steel Tubes vs. State of Karnataka (2000) 119 STC 30 Karnataka. Merely breaking up the scrap into smaller pieces was held as not amounting to manufacture of different goods [Ashok Kumar and Co. vs. Commissioner of Trade Tax, (1998) 110 STC 462 Allahabad]

5. Alloy steel and stainless steel are also included in the meaning of Iron and Steel

as made clear in item (ix) of this clause [Hindustan Wires vs. State of Tamil Nadu, (1992) 86 STC 1 Madras].

6. When the first sale of these goods by a particular dealer is exempted from tax by the State, the subsequent sale by the purchaser cannot be taxed, as the sale of declared goods having been fixed as taxable at the first point of sale, the levy cannot be shifted to the subsequent point by an executive order [Shanmugha Traders vs. State of Tamil Nadu, (1999) 114 STC 1 1998-99 (4) TNCTJ 311 SC]. The second proviso to Section 3 (2) is applicable only to the First Schedule and not to the Second Schedule. Purchase tax under Section 7A in such cases will be attracted if the conditions in that section exist in the transaction. (Jindal Strips vs Commercial Tax Officer (2002-03) (8) TNCTJ 48 affirmed in (2002) 128 STC 141 Madras).

5. Jute, that is to say, the fibre extracted from plants belonging to the species *Corchorus capsularis* and *Corchorus olitorius* and the fibre known as mesta or bimli extracted from plants of the species *Hibiscus cannabinus* and *Hibiscus sobdariffa-var-altissima* and the fibre known as Sunn or Sunn nemp extracted from plants of the species *Grotalaria juncea*, whether baled or otherwise. At the point of First Sale in the State 2% from 1st April 1959 3% from 18th June 1967 by Act 5 of 1967 4% from 17th July 1996 by Act 37 of 1996.

NOTES.--Though not mentioned in this clause, jute waste (known as jute caddies) cannot be considered as jute as defined here, in the same way as cotton and cotton waste [Sapt Textile Products vs. State of Madras, (1965) 16 STC 267 Madras], as the two are commercially different goods. Jute goods like gunny bags, cloth made of jute etc., are not covered by this clause, as the word otherwise used at the end of the clause refers to the word baled and to the state of packing of the jute; hence, there is no bar to tax being levied on jute goods in addition to the tax levied on raw jute from which the goods were manufactured [Kharchah & Co. vs. C.T.O., (1976) 37 STC 382 Calcutta]. See also Hotel Balaji vs. State of Andhra Pradesh, (1993) 88 STC 98 SC at p.126 in which it has been held that old hemp rope cuttings, old jute rope cuttings etc., are not jute and hemp goods.

6. (i) Oilseeds, that is to say --

Groundnut or Peanut (*Arachis Hypogaea*) a. At the point of first sale in the State in respect of goods purchased from outside the State

b. At the point of first purchase in the State* in respect of goods not falling under item (a) above. 3% by Act No.41 1986 w.e.f 17.03.1986 4% w.e.f. 17.07.1996 by Act No. 37 of 1996

(ii) Sesamum or Til (*Sesamum orientate*); At the point of First Sale in the State 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

(iii) Cottonseed (*Gossypium Spp*); At the point of First Sale in the State 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

(iv) Soyabean (*Glycine soja*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

(v) Rapeseed and Mustard -

(1) Toria (*Brassica Campestris var toria*);

(2) Rai (*Brassica Funcea*);

(3) Jamba-Taramira (*Eruca Satiya*);

(4) Sarson, yellow and brown (*Brassica campestris var sarson*)

(5) Banarsi Rai or True Mustard (*Brassica nigra*); At the point of First Sale in the State 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

(vi) Linseed (*linum usitatissimum*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

- (vii) Castor (*Ricinus communis*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (viii) Coconut including Copra (*Cocos nucifera*)(This entry read as coconut (i.e. copra excluding tender coconuts (*Cocos nucifera*) from 1st April 1973 to 31st March 1994, taxable at the first purchase in the State at 3% increased to 4% from 17th March 1990 by Act 30 of 1990).See item 10 of Part B of the Third Schedule for other purchases and sales.Rate of tax reduced for these goods purchased for crushing oil, to 2% from 5th March 1997 (G.O. 75 of that date page 9 Statutes of 105 STC) amended as 1% by G.O. 95 dated 27.3.98. (page 39 of Statutes in 109 STC) from that date. At the point of last purchase in the State by a dealer of crushing oil 4% w.e.f. 01.04.94 by Act 32 of 1994 2% w.e.f. 05.03.1997 by Notn. No.11(1)/CTRE /25 (b) of 1997 1% w.e.f. 27.03.1998 by Notn. No.11(1)/CTRE/41 (C-3)/98
- (ix) Sunflower (*Helianthus annus*); At the point of First Sale in the State 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (x) Nigar seed. (*Guizotia abyssinica*) Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (xi) Neem, vepa (*Azadirachta Indica*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (xii) Mahua, illupai Ippe (*Madhuca indica* M. *Latifolia* *Bassia Latifolia* and *Madhuca Longifolia* Syn, M. *Longifolia*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (xiii) Karanja, Pongam Honga (*Pongamia Pinnata* Syn P. *Glabra*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (xiv) Kusum (*Schichera aleosa*. Syn. S. *Trijuga*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No. 37 of 1996
- (xv) Punna Undi (*Calophyllum inophyllum*) Do.3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (xvi) Kokum (*Carcinia indica*) Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (xvii) Sal (*Shorea robusta*) Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (xviii) Tung (*Aleurites fordii* and A. *Montana*) At the point of First sale in the State 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (xix) Red Palm (*Elaeis guinensis*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996
- (xx) Safflower (*Carthamus tinctorious*); Do. 3% w.e.f. 01.04.73 by Act 39 of 1973 4% w.e.f. 17.07.96 by Act No.37 of 1996

* In the case of sales of an agent on behalf of his principals, the first purchase will be by the buyers of the goods from the agent and not by the agent when he took delivery of the goods from his principals [Salem A.P.C.M. Society vs Commercial Tax Officer (2003) 130 STC 181 Madras].

NOTES

1. Any oil seed, which is parched or fried, generally loses its oil content and hence it cannot be considered as coming within this clause [D.C.C.T. vs. Kuppusami Chettiar, (1976) 38 STC 587 Madras]. Similarly, if they are salted, they cease to be oil seeds [A.C.T.O. vs. Shankar Namkin Bhandar, (1989) 73 STC 252 Rajasthan ; See also Gopuram Gram Mill Co.vs. State of Andhra Pradesh, (1994) 95 STC 358 SC].
2. Groundnut kernal obtained by removing the shell of groundnut is also an oil seed [Jothi Andavar & Co. vs. Union of India, (1994) 92 STC 386 Madras].
3. Dessicated coconut or coconut powder came within the meaning of this clause

[State of Karnataka vs. Lakshmi Coconut Industries, (1997) 107STC 566 SC, but this commodity had, from 1st April 1994, been exempted from tax and included as item 62 in the Third Schedule ; from 27th March 2002, this commodity has become taxable under item 3-B above]. Ordinary Coconut with nectar comes within this entry and hence all types of Coconut (except tender Coconuts (Ilaneer) which does not contain oil producing kernal) can be considered as oil seeds (Madan Mohan Ghosh vs. State of Orissa (1988) 71 STC 73 Orissa ; Vinod KumarArvin Kumar vs. C.S.T., (1995) 96 STC 274 Allahabad]. Watery coconuts are directly used as oil seeds copra being an intermediary product [See Ganpat Lal Lakotia vs. State of Rajasthan (1997) 104 STC 91 SC ; Commissioner of Sales Tax vs. Popular Trading Co. (2000) 118 STC 379 SC].

As per the general trade practice, particularly in Kerala which produces enormous numbers of coconuts and is major producer of coconut oil, raw watery coconuts are broken, dried and after extracting the kernal called copra, oil is produced therefrom.

6-A. Pulses, that is to say, --

- (i) gram or gulab gram (*Cicerarietinum* L);
- (ii) tur or arhar (*Gajanus cajan*);
- (iii) moong or green gram (*phaseolus aureus*);
- (iv) Masur or lentil (*Lens esculenta* Moench, *Lens Culinaris* Medic);
- (v) Urad or black gram (*Phaseolus mungo*);
- (vi) Moth (*Phaseolus aconi-tifolius* facq);
- (vii) Lekh or khesari (*Lathyrus sativus* L) At the point of First Sale in the State 4% from 7th September 1976

NOTES.-- In State of Tamil Nadu vs. Keerthi Stores (1997) 107 STC 139 Madras, it has been held that while chick peas would fall under item (iv) of this entry, peas and peas dhal would not fall under that item. See also Hemraj Lalji and Co. vs State of Tamil Nadu (2003) 130 STC 147 Madras.

7. (a) Raw hides and skins At the point of Last Purchase in the State 4% by Act 34 of 1991 from 5th September 1991

(b) Dressed hides and skins (which were not subjected to tax under this Act as raw hides and skins); At the point of First Sale in the State 1% by Act 30 of 1992 from 7th March 1992 2% w.e.f. 17.07.96 by Act No. 37 of 1996 4% w.e.f. 18th August 2001 by Act No. 23 of 2001

NOTES

1. This entry will include hides and skins of all animals and reptiles [Adam vs. State of Madras, (1973) 31 STC 349 Madras]. It will include

- (i) leather splits and coloured leather [State of Tamil Nadu vs. Mahi Traders, (1989) 73 STC 228 SC at p.235], and
- (ii) leather clippings used as soles in footwear [A.C.T.O. vs. Ramesh Leather Stores, (1987) 67 STC 462 Rajasthan].

Leather sheets manufactured from powdered learner obtained from waste leather will not come under this entry [Munjai Synthetics vs. State of Punjab, (1990) 78 STC 368 Punjab & Haryana].

2. By the exemption in clause (b) of this entry being restricted to finished goods produced out of raw goods purchased locally after paying tax under this Act and denying the benefit to the raw goods purchased from outside the State, no discrimination attracting Article 304 of the Constitution was found as the two goods are different [Guruviah Naidu & Sons vs. State of Tamil Nadu (1976) 38 STC 565 SC]. Levy of purchase tax in the State on raw hides and skins when the finished leather was sold in the course of inter-State trade or commerce was held valid [Gordon Woodroffe & Co vs. State of Tamil Nadu, (1984) 55 STC 222 Madras]. Both

these decisions turn on the fact that the goods mentioned in clauses (a) and (b) of this entry are not the same, a finding approved in K.A.K. Anwars case (108 STC 258) cited above and in Shafeeq Shameel & Co. vs Assistant Commissioner (2003) 129 STC 1 SC.

8. Omitted from 18th December 1968

9. (i) Sugar, in or in relation to the manufacture of which no process is ordinarily carried on with the aid of power. (ii) Khandsari sugar At the point of First Sale in the State 4% by Act No. 3 of 1994 w.e.f. 11.8.93

Burra sugar and sugar candy were exempted from tax by Notification No.II(1)/CTRE/47(b)/86 dated 17th March 1986 from that date but this Notification was cancelled from 1st April 1994/ by notification No.II (1) / CTRE/ 29 (a-5)/94 dated 23-3-94 item 41 thereof, when burra sugar and sugar candy were made taxable by being inserted as item 75 of the First Schedule-Part B, by entry B-71 of the First Schedule upto 31st March 2000. The goods were exempted from 1st April 2000 by being included as item No. 108 of the then Third Schedule and item No. 45 of Part B of the present Third Schedule.

See entry 1 of Part A of the present Third Schedule regarding Sugar manufactured otherwise.

10. Woven fabrics of wool (produced or manufactured in India), that is to say, --(a) hair belting (b) blankets and fabrics of width not exceeding 15 cms, At the point of First Sale in the State 4% by Act No. 3 of 1994 w.e.f. 11.8.1993

11. Rubberised textile fabrics, other than tyre cord fabrics of high tenacity yarn or polyamides, polyesters or viscose rayon At the point of First Sale in the State 4% by Act No. 3 of 1994 w.e.f. 11.8.1993

SCHEDULE 3

THIRD SCHEDULE

(As substituted from 27th March 2002 by Notification No.II(1)/CT/19(b-1)/2002-G.O. No. 29 CT dated 27th March 2002 as replaced by Section 4 of the Fourth Amendment Act, (18 of) 2002.

GOODS EXEMPTED FROM TAX BY SECTION 8

PART-A

DESCRIPTION OF THE GOODS

The following goods produced or manufactured in India as described in column (3) against the relevant heading in column (1) of the First Schedule to the Additional Duties of Excise (Goods of Special Importance Act, 1957 (Central Act 58 of 1957):--

1. (i) Sugar, other than Khandsari sugar as described against the heading 17.01

(ii) Palmyrah sugar as described against the heading 17.02

NOTES

Imported Sugar is taxable at 4% under item 61 of Part B of the First Schedule.

2 (i) Unmanufactured tobacco and tobacco refuse as described against the heading 24.01

(ii) Cigars and Cheroots of tobacco or of tobacco substitutes as described against the heading 24.02

(iii) Cigarettes and Cigarillos of tobacco as described against the heading 24.03

(iv) Other manufactured tobacco as described against the heading 24.04", including-

-

(a) smoking mixtures for pipes and cigarettes.

(b) cut tobacco

(c) Bins

(d) Chewing tobacco and preparations containing chewing tobacco.

(e) Snuff of tobacco and preparations containing snuff of tobacco in any proportion

NOTES

Imported cigarettes taxable at 20 per cent under item no. 9 of the Eleventh Schedule.

3 Woven fabrics of silk or of silk waste as described against the heading 50.05

4 (i) Woven fabrics of carded wool excluding hair belting as described against the heading 51.10.

(ii) Woven fabrics of combed wool excluding hair belting as described against the heading 51.11

5 Woven fabrics of cotton as described against the heading 52.07, 52.08 and 52.09

NOTES

Imported textiles are taxable at 20 per cent under item no. 9 of the Eleventh Schedule.

6 (i) Woven fabrics of synthetic filament yarn as described against the heading 54.06

(ii) Woven fabrics of artificial filament yarn, as described against the heading 54.07

7 (i) Woven fabrics of synthetic staple fibres as described against the heading 55.11, 55.12 and 55.13

(ii) Woven fabrics of artificial staple fibres, as described against the heading 55.14

8 (i) Woven pile fabrics and chenille fabrics of wool, cotton or manmade fibres, as described against the heading 58.01

(ii) Terry towelling and similar woven terry fabrics and tufted textile fabrics as described against the heading 58.02

(iii) Gauze as described against the heading 58.03

(iv) Lace in the piece in strips or in motifs of cotton or manmade fibres as described against the heading 58.04

(v) Embroidery in the piece, in strips or in motifs as described against the heading 58.05

(vi) Narrow woven fabrics as described against the heading 58.06

9 (i) Textile fabrics coated with gum or amylaceous substances of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics as described against the heading 59.01

(ii) Tyre cord fabric of high tenacity yarn or polyamides, polyesters or viscose rayon as described against the heading 59.02

(iii) Textile fabrics, of cotton and manmade textile materials impregnated, coated, covered or laminated with plastics as described against the heading 59.03

(iv) Fabrics covered partially or fully with textile flocks or with preparation containing textile flocks on base fabrics of cotton or manmade textile material as described against the heading 59.07

10 Pile fabrics, including long pile fabrics and terry fabrics, knitted or crocheted, of cotton or manmade fabrics as described against the heading 60.01 and 60.02

PART-B

1 Agricultural implements worked or operated exclusively by human or animal agency and their parts and accessories as notified by the Government.

NOTES.--By Notification No. II(1)/CT/19(b-2)/2002 -G.O.No.32 dated 27th March 2002 effective from the same date, the following goods have been notified as coming under this item:--

I. Agricultural implements worked or operated exclusively by human power :

1. Crowbar 7. Hand operated sprayers

and dusters 12. Mamoty fork

2. Spades 13. Sub-soil injector

3. Sickles 8. Kozhu 14. Levellers

4. Knives 9. Koonthalam 15. Hoes

5. Rotary Hoes 10. Pickaxe 16. Sledge Hammer.

6. Shovels 11. Digging fork

II. Agricultural implements worked or operated exclusively by animal power:

1. All makes of country ploughs 4. Iron water shifting cover

2. Kavalai Thoni 5. Levellers

3. Thopparai Valayam

2. Aids for physically disadvantaged persons as notified by the Government.

NOTES.--By Notification No. II(1)/CT/19(b-3)/2002 -G.O.No. 30 dated 27th March 2002, effective from the same date, the following goods have been notified as coming under this item:--

1. Electrical hearing aids and hearing aid cords

2. Simple spectacles sold to Government for distribution at Government Free Eye Camps

3. Crutches, Wheel chairs, support sticks of all materials, prosthetics, artificial limbs and parts and three wheelers with or without motor used by physically handicapped person and cycle carriage for invalid persons

4. Intra-ocular lenses

5. Orthotics

3. Aluminium domestic Utensils not operated by pressure or electricity

4. (i) Appalams and vadams of all varieties

(ii) Vegetable vathals of all kinds sold without a brand name 1 [2% from 1.4.99 to 31.3.2000]

5. Aquatic feed, poultry feed, feeding stuff for animals 1 other than those specified elsewhere in any of the Schedules

6. Asafoetida sold by any dealer whose total turnover in respect of this item does not exceed Rs. 300 crores in a year

7. Bacterial culture for agricultural purpose, organic manures and all kinds of seeds including green manure seeds, excluding oil seeds those described in Second Schedule.

8. Bagasse

9. (i) Bangles other than those made of platinum, gold or silver

(ii) Kumkum, khajal and bindi

10. Black sugarcane for retail human consumption (not for purchase by mills)

11. Blood and blood plasma

12. Butter sold without a brand name

(See item 4(i) of Part C of First Schedule for butter sold with a brand name)

13 Candles

14 (i) Cereals mentioned in item 1 of the Second Schedule excluding rice and wheat and

(ii) Hand-pounded rice, parched (beaten) rice, puffed rice, rice flour, rice-bran and de-oiled rice-bran

15 (i) Charkas

(ii) handspun yarn

(iii) handloom cloth

16 Chillies, tamarind, coriander, turmeric and shikakai sold by any dealer whose total turnover in respect of these items does not exceed Rs. 300 crores in a year

(Shikakai Powder exempt from tax under item 49 below)

As per the departmental clarification No, 126 of 2004 (on page 65 of TNCTJ (10) 2004-05) chilli powder, coriander powder and turmeric powder are also exempt under this entry on the same conditions.

17 Coconut, copra other than those falling under the Second Schedule

18 Common salt (Sodium Chloride) including iodised or vitaminized salt for human

consumption, other than salt for industrial use

(Purchase of salt for industrial use is taxable under item 55 of Part B of the First Schedule.)

19 (i) Condoms and contraceptives

(ii) Nirodh advertisement and publicity materials

20 (i) Cycle-rickshaws (without motor) (ii) Bullock carts

21 Declared goods taxable at the point of last purchase if such goods are sold in the course of inter-State trade and tax paid under Central Sales Tax Act, 1956 (Central Act 74 of 1956)

22 (i) Electrical energy (ii) charcoal (iii) firewood

23 Electoral rolls

24 Fish net and fishing hook

25 Footwear with MRP rate of less than rupees one hundred (See item C-14 of First Schedule for other footwear)

26 (i) Fresh meat poultry fish, seafood (other than branded, processed and packed items)

(ii) Eggs and dry fish

27 (i) Fresh milk, pasteurised milk and directly reconstituted milk

(ii) Curd

28 Fresh vegetables, tender coconut, potatoes, garlic and fruits

29 Frozen Semen Straws

30 Goods manufactured by Village blacksmiths as notified by the Government

NOTES.--The following goods have been notified by Government in Notification No. II(1)CT/19(b-4)- G.O..NO.30 dated 27th March 2002, effective from that date, as falling under this item:--

1 Adi Thanda 24 T. Thappal

2 Angle Brackets 25 Vandi Patti

3 Arukamanai 26 Vandi Acchu

4 Bed Bolt 27 Vasakkal Brackets

5 Clamps used in pump sets 28 Iron vadai chatti

6 Door Chains 29 Iron aduppu

7 Door Jakki 30 Iron karandi

8 Door Kundu 31 Iron murukku and idiappa ural

9 Door Pattas

10 Dosai Chatti 32 Oothu kuzhai, Thee idukki, Pathira kuradu

11 Ghamellas or Santhu Chatti

12 Keels 33 Zinc milk can

13 Keels used in pump sets. 34 Zinc bucket and Andaa

14 Kokki Bolt 35 Iron Muram and Koodai

15 Kolu Pattai used in tractor 36 Dosai kal and Kinatru urulai

16 Kolu Pattai 37 Rat traps

17 Kolu Aani, Kasu Aani used in ploughs 38 Iron salladai

39 Mathu, Baji Kattai, Poori Palagai, Kuzhavi,

18 Kumizh sets.

19 Kondis 40 Horse-shoe and horse-shoe nails"

20 L. Brackets 41 Ladam and Ladam aani:

21 Mookanam Kayiru Chains

22 Nembu

23 Spoons made of steels

31 Hand pumps used for the supply and distribution of water, parts and accessories thereof.

32 Handmade matches and partly machine made matches (See item 18 of Part C of

First Schedule for machine made matches)

33 Handmade or handloom madewoven durries, coir mattings and jamakkalams

34 (i) Hurricane lights and bedroom lights burning on oil

(ii) Kerosene lamps (other than gas lights and petromax lights)

(iii) Kerosene stoves

(iv) Parts and accessories including wicks and chimneys of the above goods

35 Indigenous products of sericulture and silk yarn

NOTES.--By a clarification No. 122 of 2004, it was clarified by the Department that Spun Silk Yarn obtained out of silk waste is also a product of sericulture and if it is of indigenous source, exemption from tax will be available therefor.

36 Life saving drugs as notified by the Government

NOTES.--By Notification No. II(1)CT/19(b-5)/2002 - G.O.No.30 dated 27th March 2002 effective from the same date, the following goods have been notified by the Government under this item:--

Cyclosporin, Bleomycin, Cystosine, Arabinoside, Asathioprine, Nitroglycerine, Pentoxifylline, Inj. Streptomycin, Rifampicin Cap. and TAB. Tab. INH, Tab. Ethambutol, Tab. Pyrazinamide, Tab. Diamine-Diphenyl Sulphone (DAPSONE), Tab. Azathioprine, Inj. Adriamycin, Inj. Cisplatin, Inj. 5-Fluorouracil, Inj. Mitomycin-C, Inj. Vincristine, Inj. Cyclophosphamide, Tab. Cyclophosphamide, Inj. Etoposide, Vinblastine Sulphate Inj., Tab. Busulphan, Inj. Methotrexate, Tab. Methotrexate, Danazol Cap., Tamoxifen citrate Tab.

Explanation. For the purpose of above items, the anti-T.B. drugs mentioned shall include the combination pack of such drugs.

See also notes under item No. 19 of Part C on page 255 for other drugs.

37 Livestock other than racehorses

38 Masala Powder or paste whether or not with oil or additives, sold without a brand name

See item B-22 (iv) of the First Schedule for goods with a brand name.

39 Medicinal herbs and country drugs including roots in fresh or dried form as notified by Government

NOTES.--By Notification No. II(1)/CT/39(b-6)/2002 - G.O.No.30 dated 27th March 2002, effective from the same date, the following goods have been notified as falling under this item:--

Piper cubeba Linn, Kaempferia galanga, Tribulus terrestris Linn, Woodfordia fruticosa Kunt, Aconitum heterophyllum Wall, Quercus infectoria Oliv, Magnolia fuscata Andr, Somolopsis racemosa Roxb, Indigofera tinctoria Linn, Boerhaavia diffusa Linn, Nellikai, Thippilli, Cassia flower, Galangal roots, Big Galangal roots, Karbogarisi, Hemidusmus, Calamus root, Gymnena sylvestris, Sarja. Rasam (Damarbatu), Bondu nut, Black cumin, Athimathuram (Clyzorrhiza or Liquorice roots), Nellap Panai Kizangu, Andrographis paniculata, Mulaippal Vidhai, Andropogon muricatus, Oxilium savivum, Satavari, Bishop Weed, Dill seeds, Withania somnifera, Benjamine Pomogranite shell, Vilvapaiyazham, Velpapaiyazham, Siruthekku, Pippra Moolam, Patakam, Stramonium seeds, Saraswathi leaves, Thulasi leaves, Stone flower, Vempadampattal, (Hibiscus, Kasthuri turmeric and kasini keera powder), Senna leaves, pods and Cassia leaves and Vinca rosea (Nithya Kalyani) leaves and roots.

40 Natural flowers and plants, all green leaves, green tea leaves and betel leaves other than those specified elsewhere in the Schedule

41 Panjamirdham

42 Paper bags and paper envelopes whether printed or not

[Paper Envelopes were taxable at 4% from 1.4.99 to 31.3.2000 and exempted from 1.4.2000]

43 Pottery

44. Products of millets(rice, flour, brokens and bran of cholam, cumbu, ragi, thinai, varagu, samai,Kudiraivali, and milo)

45 (i) Products of palmindustry other than those listed in the First Schedule and of articles such asbaskets, mats, brushes, fans manufactured out of palm leaves, coconut leaves andDate leaves and Thatti, Koodai, Muram andother products made of bamboo or cane,palmyrah fibres and stalks, dry leaves (manthara leaves), coconut thatches,korai grass and korai mats, coir, coir dust, coir fibre, coir rope and coir husk(excluding coir products), deccan hemp fibre (excluding deccan hemp products);broom stick, and thonnai

(ii) Tapioca kappi andtapioca thippi, groundnut shell, coconut shell and its chips,

(iii) Cotton rope,pulichakeera rope and braided cord

(iv) Cotton seed husk,coconut husk and paddy husk

(v) Palm jaggery andpalmyrah sugar candy

(vi) Sugar candy and burasugar

46 Rubber play balls andballoons

47 Saree falls

48 Sea shell and articlesmade thereof

49 Shikakai powder

NOTE.-- See item 16 abovefor shikakai.

50 (i) Slate, slate pencils,chalk piece and wood covered lead pencils

(ii) Educational charts andmaps including tourist guide maps

(iii) Reading booksincluding text books

(iv) Writing pencils, colourpencils, erasers, sharpeners,

(v) Pens, ballpoint pens,refills, ebonite pens, ebonite ball pens, writing ink including ink tablets,

(vi) Stainless steel nibs

(vii) Black boards, dusters,geometric boxes, dissection boxes, other instruments for drawing or dissection.

51 (i) Energy saving choolas

(ii) Solar cookers

(iii) Municipal wasteconversion devices for producing energy

52 Steam

53 Vibuthi and namakatty

54 Water including plainwater sold in bulk in large barrels or drum or tanks pulled by animals ortractors or lorries (other than water sold in bottles, sachets, jugs or Jerrycans and distilled water or mineral water sold in any form of container).

NOTE.-- See item 39 of PartC of First Schedule for the excluded items.

NOTES

The following goods,previously included in the Third Schedule as it was before 27th March 2002 andthereby statutorily exempt from tax, are not included in the present Schedule,or notified under Section 17:--

Item No. in the previous Schedule Name of the Commodity Reference to the Present Schedules

42 Cloth rags I - B-56 (i) (c)

46 Renewable energy equipments and devices I - B-54

62 Dessicated coconut II - 3B

80 Thanjavur Art Plates I-B - 29 (i)

81 Pulses and grams, pepper, jaggery etc., II - 6A, I-B-58 (for pepper) and I-B-36 (for jaggery)

99 Straps of footwear I - D-19

1. The feeding stuff foranimals may include Hay, straw and green grass (if used for

feeding animals and pig feed etc., previously exempt specifically under items B-16 and 57 of the then Third Schedule.) See item No. 13 of Part B of the First Schedule on page 236 for cattle feed supplements and concentrates.

By Notification No. II(1)/CT12(a-6)/2004 - G.O. No. 45 dated 12th February 2004, effective from that date, sales of limestone powder for use in the manufacture of poultry feed in the State for sale, is exempted from tax subject to the production of the declaration (reproduced on page 320b-Annexure A) by the seller before the assessing authority, duly signed by the purchaser.

2. Exemption is available only for those who buy or sell firewood for use as firewood and not for manufacture of pulp [Subramanyam vs State of Tamil Nadu (2003) 130 STC 41 SC; Samiyappan and Co. vs T.N. Taxation Special Tribunal (2003) 130 STC 44 Madras].

SCHEDULE 4

FOURTH SCHEDULE

(See Section 3-B)

(Omitted from 12th March 1993 by Act No. 25 of 1993)

SCHEDULE 5

FIFTH SCHEDULE

[See Section 3(2-A)]

Sl. No. DESCRIPTION OF THE GOODS Point of levy and rate of tax

At the point of First Sale in the State At the point of every sale other than First Sale in the State

1 PPC grade cement the selling price (inclusive of tax) of which is not more than Rs. 135 per bag of 50 kg 16 1

2 OPC grade cement the selling price (inclusive of tax) of which is not more than Rs. 145 per bag of 50 kg 16 1

3 PPC grade cement the selling price (inclusive of tax) of which is more than Rs. 135 per bag of 50 kg 24 5

4 OPC grade cement the selling price (inclusive of tax) of which is more than Rs. 145 per bag of 50 kg 24 5

NOTES

1. This Schedule was substituted for the previous one by Act No. 18 of 2002 with effect from 27th March 2002.

2. Ordinary Cement was taxable before 27th March 2002, at 16 per cent under item 2 of Part E of the First Schedule. See item 9 thereof for refractory cement, none cement and other cement substitutes.

SCHEDULE 6

SIXTH SCHEDULE

GOODS LIABLE FOR TAX AT TWO POINTS UNDER SECTION 3(2B)

Sl. No. Description of Goods Point of levy Rate of Tax

1. All kinds of alcoholic liquors for human consumption, other than

(i) foreign liquors falling under item 1 of Part I of the First Schedule,

(ii) toddy,

(iii) arrack and

(iv) all kinds of alcoholic liquors for human consumption falling under item 2 of Part H of the First Schedule

As substituted by Act No. 37 of 1996 w. e. f. 17.07.1996 At the first point of sale and the second point of sale in the State 25% by Act No. 24 of 1993 w.e.f. 12.3.1993

All kinds of alcoholic liquors for human consumption, other than

(i) foreign liquors falling under item 1 of Part J of the First Schedule,
(ii) toddy,
(iii) arrack and
(iv) all kinds of alcoholic liquors for human consumption falling under item 1 of Part I of the First Schedule As substituted by Act No. 21 of 1998 w.e.f. 27.03.1998 At the first point of sale and the second point of sale in the State 30% w.e.f. 17.07.1996 by Act No. 37 of 1996

All kinds of alcoholic liquors for human consumption, other than

(i) foreign liquors falling under item 1 of Part K of the First Schedule,
(ii) toddy,
(iii) arrack and

(iv) all kinds of alcoholic liquors for human consumption falling under item I of Part JJ of the First Schedule [The letters "JJ" were substituted for the letters "J" and the rate increased to 50 percent from 12th November 1999 by Act 42 of 1999. Item 1 of Part K of the First Schedule and item 1 of Part JJ of the First Schedule, the expressions item 5 of Part G of the First Schedule and item 1 of Part G of the First Schedule were substituted from 27.03.2002 by Act no. 18 of 2002 and again substituted from 1st July 2002 by the expressions item 6 of the Eleventh Schedule and item 1 of the Eleventh Schedule by Act no. 22 of 2002.] At the first point of sale and the second point of sale in the State 40% w.e.f. 27.03.1998 by Act No. 21 of 1998 50 % w.e.f. from 12.11.1999 55% w.e.f. 1.12.01 by Act No. 13 of 2002 As substituted by Act No. 16 of 2004 w. e. f. 18.05.2004 At the first point of first sale in the State At the second point of sale in the State

NOTES

Item 2 to 17 were inserted and deleted from various dates in 1993 and 1994.

SCHEDULE 7

SEVENTH SCHEDULE

GOODS FOR WHICH TRANSIT PASS IS REQUIRED UNDER SECTION 44-A

Items 1 to 5 inserted by Act No. 17 of 1994 with effect from 1st October 1994

SI No. DESCRIPTION OF THE GOODS

(1) (2)

1. Vegetable oils including refined vegetable oils.
2. Pulses and grams falling under First and Second Schedules
3. Washing machines
4. Refrigerators, Air-Conditioners, Air-Coolers, Water Coolers
5. Diesel engines
6. Raw Rubber Added by Act No. 38 of 2000 from 6th July 2000
7. Marbles Added by Act No. 38 of 2000 from 6th July 2000
- 1 8.

All kinds of alcoholic liquors for human consumption other than foreign liquors, toddy and arrack

1 9.

Foreign liquors and liquors that is to say, wines, spirits and beers imported into India from foreign countries and dealt with under Indian Tariff Act, 1934 (Central Act 32 of 1934) or under any other law for the time being in force relating to the duties of customs on goods imported into India

1 10.

none Kerosene (Superior Kerosene oil)

2 11.

All types of plastic granules and plastic raw materials

1. Added by Act No. 40 of 2003 with effect from 3rd June 2003.
2. Added by Act No. 15 of 2004 with effect from 6th April 2004.

SCHEDULE 8

EIGHTH SCHEDULE

GOODS ELIGIBLE FOR CONCESSION UNDER SECTION 3(5)

(Inserted by Act No. 13 of 1997 with effect from 17th July 1996)

Sl. No. DESCRIPTION OF GOODS

1. Furnaces and boilers of all types including fluidized boilers, bed boilers and ignifluid boilers and boilers using agricultural waste as fuel but not including boilers using municipal waste only as fuel, parts and accessories thereof
2. (A) Generators, Generating sets, transformer and non-electronic voltage stabilizers
(B) All Electrical transformers (other than the small transformers mentioned under item 2-A in Part A of the First Schedule) including
 - (i) Transmission power transformers (33 kV to 232 kV)
 - (ii) Distribution transformers (33 kV to 3.3. kV)
 - (iii) Traction power transformers (110 KV)
 - (iv) Booster transformers (25 kV or thereabouts)
 - (v) Furnace transformer
 - (vi) Resinpotted transformers (11 kV or thereabouts)
 - (vii) Welding transformers
 - (viii) Step up transformers 230 V up, 5 to 50 kV and 415/5 to 50 kV
 - (ix) Auto transformer (variac)
 - (x) Instrument transformers like current transformers and potential transformers(C) Parts and accessories of sub items (A) and (B) above.
3. Machineries of all kinds (other than those specifically mentioned in the First Schedule) worked by -
 - (i) Electricity
 - (ii) Nuclear power
 - (iii) Hydro-dynamic and steam power
 - (iv) Diesel or petrol
 - (v) Furnace oil
 - (vi) Kerosene
 - (vii) Coal including coke and charcoal or
 - (viii) any other form or fuel or power (excluding human or animal labour)
 - (ix) parts and accessories of machineries and tools used with the machineries mentioned in sub-item (i) to (viii) above.
4. Oil engines, parts and accessories thereof
5. Power driven pumps for liquids and elevators whether or not fitted with a measuring device, excluding pump sets 3 h.p. and 5 h.p but including
 - (a) Motor pumps
 - (b) Centrifugal pumps (horizontal or vertical pumps)
 - (c) Deep tube well turbine pumps
 - (d) Submersible pumps
 - (e) Axial flow and mixed flow vertical pumps
 - (f) Jet and monobloc pumpsets
 - (g) parts and accessories which are actually adapted for use with pumps in sub-items (d) to (f) above and
 - (h) Valves
6. Power factor and shunt capacitors of all kinds and parts and accessories thereof
7. Electrical Panel Boards and parts thereof (added by Act No. 18 of 2002w.e.f.

27th March 2002).

SCHEDULE 9

NINTH SCHEDULE

PART-A

[See Section 3-D]

By Section 8 of the Fourth Amendment Act, (18 of)2002, Part A of this Schedule was substituted as under, with effect from 1st April 2002 :--

Rate of tax

(i) Where the total turnover exceeds ten lakhs of rupees but does not exceed twenty-five lakhs of rupees Twelve thousand rupees per annum

(ii) Where the total turnover exceeds twenty-five lakhs of rupees but does not exceed thirty lakhs of rupees Twenty-four thousand rupees per annum

(iii) Where the total turnover exceeds thirty lakhs of rupees but does not exceed forty lakhs of rupees Thirty six thousand rupees per annum

(iv) Where the total turnover exceeds forty lakhs of rupees but does not exceed fifty lakhs of rupees Forty-eight thousand rupees per annum

Explanation.-- For the purposes of computing the total turnover, the purchase turnover liable to tax under Section 7-A of the Act and the turnover on outdoor catering shall be added to the sales turnover.

By Section 23 of the Seventh Amendment Act, (22 of) 2002, effective from 1st July 2002 and as amended by Act No. 48 of 2002 with effect from 19th August 2002, Part-B of this Schedule has also been substituted as under :--

PART - B

[See Section 3-E]

Rate of tax

1(i) Where the total turnover does not exceed three lakhs of rupees Four thousand six hundred and eighty rupees per annum

(i-a) Where the total turnover exceeds three lakhs of rupees but does not exceed five lakhs of rupees Seven thousand and eight hundred rupees per annum

(ii) Where the total turnover exceeds five lakhs of rupees but does not exceed ten lakhs of rupees Fifteen thousand and six hundred rupees per annum

(iii) Where the total turnover exceeds ten lakhs of rupees but does not exceed twenty lakhs of rupees Thirty-one thousand and two hundred rupees per annum

(iv) Where the total turnover exceeds twenty lakhs of rupees but does not exceed thirty lakhs of rupees Sixty-two thousand and four hundred rupees per annum

(v) Where the total turnover exceeds thirty lakhs of rupees but does not exceed forty lakhs of rupees Ninety-three thousand and six hundred rupees per annum

(vi) Where the total turnover exceeds forty lakhs of rupees but does not exceed fifty lakhs of rupees One lakh nine thousand and two hundred rupees per annum

NOTES

Prior to the amendment made from 19th August 2002, clause (i-a) of this Part was clause (i) from 1st July 2002 and the present clause (i) became effective from 19th August 2002 consequent on the amendment made from that date to Section 3(1) (a) of the Act by which dealers in bullion, gold, etc. were made liable for tax even if their total turnover was less than Rs. 3 lakhs.

See Notes under Section 3E on page 47

PART C

[See Section 4-F]

This Part of the Schedule was inserted by Section 3 of the Ordinance No.5 of 2002 by which a compounded levy of tax on dealers in rice including broken rice, was

imposed from 13th August 2002. See Notes under Section 4F of the Act. As this levy is no longer in force from 28th October 2002, this Part of this Schedule is not reproduced here. A text of the Ordinance No. 5 may be seen on page 33 of 128 STC and Page 265 of 2002-03 (8) TNCTJ.

1. As amended from 19th August 2002.

SCHEDULE 10

TENTH SCHEDULE

[See Section 7D]

TYPE OF DRAW RATE PER DRAW

- (i) Weekly draw or draw, the period of which is less than a week Twenty thousand rupees
- (ii) Fortnightly draw Twenty-five thousand rupees
- (iii) Monthly draw Forty thousand rupees
- (iv) Monthly bumper draw Sixty thousand rupees
- (iv) Special bumper draw or Festival bumper draw One lakh rupees

Notes

Section 7D had been notified to come into force from 6th July, 2000 and hence this Schedule had also come into force on that date. Prior to that date the rate of tax for the sales of lottery tickets had been prescribed as 4 per cent by Entry B-43 of the First Schedule and the dealers had an option to pay tax at compounded rates prescribed in this Schedule as it then existed before 6th July 2000.

SCHEDULE 11

ELEVENTH SCHEDULE

[See Section 3 (2-C)]

[See notes under the same items in Part G on pages 282 to 286 for the previous rates of tax]

Sl. No. DESCRIPTION OF GOODS Point of Levy Rate of Tax

- 1. Alcoholic liquors of all kinds for human consumption which are purchased/procured/brought from outside the State (other than foreign liquors falling under item 5, toddy and arrack) First Sale 55%
- 2. Asphalt (bitumen) First Sale 12%
- 3. Aviation Gasoline First Sale 24%29% w.e.f 21.03.03
- 4. Aviation turbine fuel including jet fuel First Sale 24%29% w.e.f 21.03.03
- 5. Brake Fluid First Sale 12%
- 6. Foreign liquors, that is to say, wines, spirits and beers imported into India from foreign countries and dealt with under the Indian Tariff Act, 1934 (Central Act 32 of 1934) or under any other law for the time being in force relating to the duties of customs on goods imported into India. First Sale 70%
- 7. Fuel gas including liquified petroleum gas² First Sale 8%
- 8. High Speed Diesel Oil First Sale 7 [23.43%w.e.f 12.06.06]
- 9. Imported cigarettes, medium density fibre boards, textiles and other items falling in Parts D and E of the First Schedule First Sale 20%
- 10. Kerosene 3 [other than none kerosene (superior kerosene oil)] First Sale 4%
- 11. Light Diesel Oil First Sale 18%25% w.e.f 21.03.03
- 12. Lubricating oils, quenching oils and greases First Sale 16%
- 13. Mineral oils of all kinds other than those mentioned in item 12 of this Schedule and under item 3-A of the Second Schedule including furnace oil and Naphtha First Sale 16%

14. Molasses(See notes below item No. 13 of Part G) First Sale 30%
15. Panmasala by whatever name called containing betel nuts, that is to say, nut of areca, catachu broken and perfumed and lime or menthol or sandal oils or cardamom or any one or more of these ingredients First Sale 40%
16. Petrel [with or without additives][See notes 1 to 6 below] First Sale 28%30% w.e.f. 21.03.03
17. Sugarcane Last Purchase Rupees sixty per metric tonne
18. none Kerosene (Superior Kerosene Oil)(This item was added by NotificationNo. II(1)/CT/14(a-1)2003 dated 21st March 2003. Act No. 21 of 2003).First Sale 25% w.e.f. 21.03.03

Explanation I. -For the purpose of this Schedule, a sale of petroleum product by one oil company to another oil company shall not be deemed to be the First sale in this State and any sale by one oil company to another person (not being an oil company) shall be deemed to be the First Sale in the State.

Explanation II. --For the purpose of Explanation I, Oil Company means (a) Chennai Petroleum Corporation Ltd. (b) The Indian Oil Corporation (c) TheBharat Petroleum Corporation Ltd. (a) The Hindustan Petroleum Corporation Ltd. (e) Indo-Bunna Petroleum Company Ltd. and includesany other oil company as may be notified in this behalf by the Government in the Tamil Nadu Government Gazette. Kochin Refineries Ltd was notified as an oil company for this purpose from 21st August 2002 by Notification No. (II)(1)/CT/47(a)/2002 of that date.

NOTES--1. By Notification No. II(1)/CT/19(b-8)/2002-G.O.No.31 dated 27th March 2002 effective from 1st April 2002, a reduction has been granted in the rate of tax payable under Section 7-A of this Act by companies specified below on the purchase of petroleum products [except High Speed Diesel Oil and Petrol[@ without additives] (added from 1st April 2002) specified in 5 [the Eleventh Schedule] taxable at a rate exceeding five per cent which are dispatched to a place, outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce, to five per cent.--

(a) The Chennai Petroleum Corporation Ltd.

(b) The Indian Oil Corporation Ltd

(c) The Bharath Petroleum Corporation Ltd.

(d) The Hindustan Petroleum Corporation Ltd

2. By Notification No. II(1)/CT/19(e-4)/2002 -G.O.No. 38 dated 31st March 2002, effective from 1st April 2002, a reduction in the rate of tax payable under Section 7-A of this Act by the aforesaid Oil Companies on the purchase of High Speed Diesel Oil and Petrol 6 [without additives] which are despatched to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade to nine per cent has been granted.

3. Additional Sales Tax on Petrol and High Speed Diesel oil exempted from 1st April 2002 - see item No.9 on page 515.

4. Surcharge under Section 3-I exempted on the sales of Aviation Gasoline, Aviation Turbine Fuel including jet fuel, Petrol, High Speed Diesel and Light Diesel Oil, from 21st March 2003 - see para 3 of the Notes under that Section on page 52.

5. Additional Sales Tax on sales or purchases of Aviation gasoline, Aviation Turbine fuel including jet fuel and Light Diesel Oil exempted from 21st March 2003 - see item No. 12 on page 515.

6. The words with or without additives were added from 1st October 2003, after the word Petrol in entry No. 16 of this Schedule by Notification No.II(1)/CT/42(a-2)/ 2003 - G.O. No. 142 of that date, ratified by Amendment Act No. 4 of 2004. The words with or without additives were added after the word Petrol in the two Notifications mentioned in 1 and 2 above by Notification Nos.II(1)/CT/42(a-3) and

(a-4)/2003 - G.O. No. 142 dated 1st October 2003, effective from that date.

7. See entry No. 13 of Part D of the First Schedule on page 265 for the rate of tax on Ethanol, that is, anhydrous ethyl alcohol and the reduced rate of 8 per cent notified from 1st October 2003 for sales to Oil Companies for blending with petrol.

1. This Schedule was added by Section 24 of the Seventh Amendment Act, (22 of) 2002 with effect from 1st July 2002. See Part G of the First Schedule for the rates before that date.

2. The rate of tax is reduced to 4% from 12th February 2004 by Notification No. II(1)/CT/12(a-7)/2004-G.O. No. 45 of that date, on sales of natural gas by ONGC Chennai to Gas Authority of India, Tamil Nadu subject to the conditions that (1) the gas purchased by the latter is sold only to the Tamil Nadu Electricity Board and (2) the ONGC produces before the assessing authority a certificate duly filled in and signed by the Gas Authority and countersigned by the Electricity Board in the form given on page 320c-Annexure B.

3. These words were added and the rates of tax for items 3, 4, 8 and 11 were increased from 21st March 2003 by Notification No. II(1)/CT/14(a-1)/ 2003 of that date. (Act No. 21 of 2003).

4. The words with or without additives were added from 1st October 2003 by Notification No. II(1)CT/42(a-2) - G.O. No. 142 of that date and Act No. 4 of 2004.

5. The words Part G of the First Schedule have been substituted by the words the Eleventh Schedule from 1st July 2002, by Notification No. II(1)/CT/40(b-6)/2002 dated 27th June 2002.

6. Added from 1st October 2003 by Notification Nos. 11(1) / CT / 42(a-3) and (a-4) G.O. No. 142 of that date. See note no. 6 below.

7. Substituted by G.O.Ms. 52 dated 11th June 2006 for "25%" w.e.f. 12th June 2006.

APPENDIX 1

ANNEXURE A

(Item 5 of Part B of the Third Schedule on p. 305)

FORM OF DECLARATION.

To

.....

.....

(Seller)

Certified that the limestone powder supplied by you is for use by me/us as raw material in the manufacture of poultry feed inside the State for sale.

Purchase Bill No. and Date

(1) Quantity purchased

(2) Value in Rupees (3) Description of goods manufactured

(4)

Name and address of purchasing dealer (complete address).

Signature and status of the person signing the declaration.

(To be filled up and signed by the dealer purchasing limestone powder and the Form given to his selling dealer who will produce it to his assessing authority in support of his claim for the reduced tax of 4 per cent)

APPENDIX 2

ANNEXURE B

(Item 7 of the Eleventh Schedule on Page 319)

Certificate

PART-I

(To be issued by M/s. Gas Authority of India Limited)

To

Messrs Oil and Natural Gas Commission, TNGST No.

Certified that the following quantity of natural gas purchased by us from Oil and Natural Gas Commission was sold to Tamil Nadu Electricity Board during the year in the following invoices:--

Details of sale invoices by Oil and Natural Gas Commission during the year.....

S.No. (1) Inv. No. and date (2) Description of goods (3) Quantity (4) Basic price (5) ST @4% reduced rate) (6) SC@ 5% on the tax due (7) Total value (Rs.) (8) (Rupees

.....only)

Place :

Date : Signature :

Name:

Status:

Seal of Office (By GAIL)

PART -II

(To be countersigned by Tamil Nadu Electricity Board) To TNGST No. (Name and address of the selling dealer)

It is hereby certified that natural gas has been purchased by us as indicated below from Messrs. Gas Authority of India Limited for use in generation /transmission and distribution of electrical energy during the year.....

S.No. (1) Invoice No. and Date (2) Description of Goods (3) Quantity (4) Value (Rs.) (5)

Total

(Rupees only)

Place :

Date : Signature :

Name:

Status:

Seal of Office: (By TNEB)

Note : One certificate is permitted to be issued for the whole year.