



સત્યમેવ જયતે

**THIRD
GUJARAT LEGISLATIVE ASSEMBLY**

**REPORT
OF
SELECT COMMITTEE
ON
L. A. BILL No. 30 OF 1969**

THE GUJARAT SALES TAX BILL

**Printed, published and circulated by the order of the Speaker under rule 179 of
the Gujarat Legislative Assembly Rules.**

**GUJARAT LEGISLATURE SECRETARIAT
AHMEDABAD-16
NOVEMBER, 1969**

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L. A. BILL NO. 3

A BILL

*to consolidate and amend the law relating
to purchase of certain goods in*

COMPOSITION OF SELECT COMMITTEE

Chairman

Shri Jashvantraï N. Mehta,

Members

Shri Premjibhai B. Thacker, Minister for Law,
Shri Kantilal F. Ghiya,
Shri Indubhai C. Patel,
Shri Prataprai T. Shah,
Shri Jashvantlal S. Shah,
Shri Popatlal M. Vyas,
Shri Prabhulal K. Dave,
Shri Mohanlal G. Patel,
Shri Shankerlal M. Patel,
Shri Udesinh V. Vadodia,
Shri Gaurishanker D. Pathak,
Shri Kasturbhai N. Doshi,
Shri Dharmendrasinhji, and
Shri Ratilal Khushaldas.

Gujarat Legislature Secretariat

Shri Dwijen Desai, Secretary,
Shri N. K. Sutaria, Under Secretary.

Representatives of Legal Department

Shri K. M. Satwani, Secretary,
Shri N. C. Buch, Deputy Secretary.

Representatives of Finance Department

Shri V. B. Eswaran, Secretary,
Shri R. K. Ankleshwaria, Commissioner of Sales Tax.

REPORT OF THE SELECT COMMITTEE

1. The Chairman of the Select Committee to which L. A. Bill No. 30 of 1969 (A Bill to consolidate and amend the law relating to the levy of a tax on the sale or purchase of certain goods in the State of Gujarat) was referred, having been authorised by the Committee to submit the report on its behalf, present its report with the Bill as amended by the Committee annexed hereto.

2. The Bill was introduced in the Assembly on the 13th August, 1969. The motion that the Bill be read First Time was moved in the House by Shri Jashwantraj Mehta, Minister for Finance on 13th August, 1969 and discussed on the same day. After the Bill was read for the First Time, the Minister-in-charge moved the motion that it be referred to a Select Committee composed of 15 members including the Chairman and with the instruction to the Committee to report before 25th August, 1969. (Appendix A).

3. While circulating the copies of the Bill, the Members of the Assembly were informed by a Bulletin that Government had intended to refer the Bill to a Select Committee and requiring them to send notices of amendments as early as possible. The amendments which were received from the Members were circulated to all the Members of the Assembly and were referred to the Committee after the motion to refer the Bill to the Select Committee was adopted.

4. At its preliminary sitting held at 3.30 p.m. on the 14th August, 1969, the Committee decided to meet on 16th, 18th and 19th August, 1969. As on these days the House was in session, the Committee decided to meet after the House was adjourned each day. As the Report of the Committee was required to be presented to the House in a very short time and as the House was in session, the Committee decided not to maintain the record of the verbatim proceedings of the Committee during deliberations but to record only the decisions of the Committee and the view-points of the Members of the Assembly. As the Official Bill was mainly based on the recommendations of the Sales Tax Inquiry Committee, namely, the Odedra Committee, it was decided that it would not be necessary to invite suggestions from various trade organisations interested in the subject matter of the Bill or to hear in person the representatives of such organisations once again, since such organisations were already heard by the said Committee. It was, however, decided by the Committee that gist of representations received by Government after the Bill was published in the *Official Gazette* should be circulated to the Committee. Accordingly the same were circulated to the Committee. The Committee also received several representations from trade organisations (Appendix B). The Committee, however, decided to hear in person the members of the Assembly on 16th August, 1969, between 4.00 p.m. and 7.00 p.m. The Committee accordingly heard in person eleven members of the Assembly on 18th August, 1969. However, some members represented that they were not given sufficient time to prepare themselves and express their view-points on the Bill to the Committee.

The Committee, therefore, decided and heard eleven more members on 19th and one member on 20th August, 1969 (Names of members are given in Appendix C).

5. The Committee held in all fourteen sittings spread over forty six hours. It held its sittings on 14th August, 1969 (3.30 p.m. to 5.00 p.m.), 16th (2.30 p.m. to 7.00 p.m.), 18th (5.30 p.m. to 8.00 p.m.), 19th (5.30 p.m. to 8.00 p.m.), 20th (9.30 a.m. to 11.40 a.m. and 2.30 p.m. to 6.30 p.m.), 21st (8.30 p.m. to 12.00 mid-night), 22nd (9.30 a.m. to 11.45 a.m. and 2.30 p.m. to 5.00 p.m.), 25th (5.00 p.m. to 6.30 p.m.), 10th September, 1969 (12.00 noon to 5.20 p.m.), 11th September, 1969 (12.00 noon to 4.30 p.m.). At these sittings, the Committee considered the Bill, clause by clause, schedules, item by item, along with amendments to clauses and the schedules received from the Members of the Assembly and representations received by Government and the Committee from several trade organisations. The Committee considered and approved the Report on 12th September, 1969 (12.00 noon to 4.45 p.m.) and 21st October, 1969 (12.00 noon to 5.00 p.m.).

6. As the Committee could not complete its work as scheduled, on a request made by the Chairman, the Speaker granted the extension of time for the presentation of the Report to the House.

7. The observations of the Committee with regard to the important changes made in the Bill are detailed in the succeeding paragraphs.

8. *Clause 2, sub-clause (4).*—The sub-clause defines the term “business”. It *inter-alia* includes any transaction in connection with or ancillary or incidental to, or resulting from such trade, commerce, manufacture, adventure or concern. The Committee feels that the definition of “business” is rather too wide and requires to be restricted so that isolated transactions which are not closely connected with the business of a dealer are not made subject to payment of tax. The Committee also feels that the institutions and organisations which carry on activities in the nature of mere service or profession, such as, Banking company, non-professional service associations should not also be brought within the scope of the definition. Sub-clause (4) has, therefore, been re-drafted so as to make the intention quite clear.

9. *Clause 2, sub-clause (10).*—The sub-clause defines the term “dealer”. The Committee finds that an agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally is not brought within the definition of “dealer”. Similarly, the Committee thinks that a charitable, religious or educational institution carrying on activity of manufacturing, buying, selling or supplying goods in performance of its functions for achieving its avowed objects should not be deemed to be a dealer within the meaning of this sub-clause. The sub-clause has, therefore, been suitably amended, so as to bring it in line with the definition of the term “business” which has been amended, by adding another exception to make the intention clear.

10. *Clause 2, sub-clause (22).*—The sub-clause defines the term “purchase price”. The Committee, thinks that the definition of “purchase price” would

include within its scope even the service charges recovered before the delivery of goods and would thereby unsettle the prevailing position in this respect. The Sales Tax Inquiry Committee has also suggested not to disturb the existing definition which is well settled. The Committee, therefore, feels that the existing definition of "purchase price" as given in section 2(22) of the Bombay Sales Tax Act, 1959 should be restored. The sub-clause has, therefore, been amended accordingly.

11. *Clause 2, sub-clause (29).*—The sub-clause defines the term "sale price". The Committee feels that for the same reasons as are given for the definition of "purchase price" the definition of "sale price" as given in section 2(29) of the Bombay Sales Tax Act, 1959 should also be restored. The sub-clause has, therefore, been amended accordingly.

12. *Clause 2, sub-clause (37).*—The sub-clause defines the term "year". Under this sub-clause the dealer's liability to pay tax is required to be determined with reference to financial year only regardless of the year of accounting followed by him. This would create hardship to a dealer and therefore the Committee feels that even for the purposes of liability under section 3 and Chapter IV the dealer who maintains regular books of accounts should be allowed to follow his accounting year so that it may be easy and convenient for the dealer to ascertain his liability with reference to his own accounting year. The Committee, therefore, thinks that for all purposes of the Act the "year" should be defined to mean in relation to any dealer who maintains regular books of accounts the year by reference to which the accounts are maintained by him and where dealer has not maintained regular books of accounts, the year should be taken as financial year for that purpose. The sub-clause has, therefore, been amended suitably.

13. *Clause 11, sub-clause (2), para (b) sub-para (iv).*—The Committee feels that in order to avoid double taxation in respect of goods, described in Schedule D or in Schedule E of the Bombay Sales Tax Act, 1959, held in stock on the appointed day by a dealer holding licence under the said Act, necessary provision for set off be made in the rules to be made by Government.

14. *Clause 3, sub-clauses (1) and (2).*—In view of the modifications proposed in the definition of the term "year" in clause 2(37), the sub-clauses (1) and (2) have been suitably modified.

15. *Clause 3, sub-clause (5).*—In item (v), the Committee finds that though this item includes sales of cakes, biscuits and pastries, it does not include the sale of bread. The Committee feels that the word "bread" should be added and the scope be widened.

16. *Clause 12, sub-clause (1).*—The Committee feels that the time limit of three months as laid down in paragraph (a) under this sub-clause for despatching of goods outside the State is likely to cause hardship to some dealers on account of delay caused in obtaining transport facilities and therefore, the Committee

thinks that the time-limit should be extended to six months. The paragraph has, therefore, been suitably amended.

17. *Clause 12, sub-clause (2).*—In paragraph (c) of this sub-clause, the time limit of three months has been laid down for despatching of goods outside the State. The Committee feels that for the reasons as are given in the preceding paragraph, the time-limit should be extended to six months. The paragraph (c) has, therefore, been amended accordingly.

18. *Clause 30.*—The Committee feels that having regard to the spirit in which the Sales Tax Enquiry Committee has recommended for grant of voluntary registration, the conditions laid down in this clause require to be relaxed. Accordingly, the turnover limit specified in sub-clause (1) has been reduced from Rs. 10,000/- to Rs. 5,000/-. The minimum period for which such registration should remain in force has been reduced from “three” complete years to “one” complete year in sub-clause (4) and the period for making an application for cancellation of registration specified in sub-clause (5) has been reduced from “six months” to “two months”.

19. *Clauses 31, 32 and 33.*—In view of the modifications proposed in the definition of the term “year” in clause 2(37), the Explanations in these clauses have suitably been modified.

20. *Clause 35, sub-clause (1).*—The Committee feels that the period of 15 days as laid down in paragraph (c), in item (ii) for presentation of Licence, Recognition, Permit to the Commissioner for cancellation should be extended to thirty days. Accordingly, item (ii) of paragraph (c) has been suitably amended.

21. *Clause 36, sub-clause (3).*—The Committee does not suggest any amendment in the proviso to sub-clause (3). However, in order that the dealers already holding licence under the Bombay Sales Tax Act, 1959 may not have to furnish fresh security at the time of application for substitution of licence, the Committee suggests that suitable provision be made in the rules to be made by Government.

22. *Clause 41, sub-clause (1).*—The Committee feels that there should be a provision to make assessment for more than one year at a time if the assessee so desires and makes an application in this behalf. The sub-clause has therefore been modified accordingly.

23. *Clause 41, sub-clause (7).*—The Committee feels that very wide discretionary powers vested in the Commissioner may cause hardship and act adversely against small dealers and it would, therefore, be desirable to modify or restrict the wide discretionary powers of the Commissioner in making assessment to the best of his judgment. The sub-clause has, therefore, been amended suitably.

24. *Clause 42, sub-clause (2).*—The Committee notes that the time limit has been prescribed for completion of assessment proceeding in sub-clause (1). However no time limit has been prescribed in sub-clause (2), for completion of assessment proceedings pending immediately before the appointed day on which this Act will come into force. The Committee does not prescribe the time limit for such proceedings but it suggests that time limit laid down for completion of assessment proceedings under this Act be kept in mind and that assessment proceedings pending immediately before the appointed day should be completed within a period of four years from the appointed day.

25. *Clause 44, sub-clause (1).*—The Committee feels that the time limit of four years and eight years to be computed from the end of the year in which the order of assessment is passed might require the dealer to maintain books of accounts for more than eight years because the time-lag between the year of assessment and the year in which assessment order is passed may be long, as sometimes passing of assessment orders may take quite a number of years. The Committee feels that it would be fair to the dealer and serve the purposes of authorities, if the time limit is counted from the end of the period to which annual turnover relates and not from the end of the year in which the assessment order is passed. The Committee feels that the assessment should be completed not later than three years from the date of service of notice. Further the existing provision in section 35(1)(b) of the Bombay Sales Tax Act, 1959, should be restored so far as the calculation of the time-limit for re-assessment is concerned. The Committee further feels that the provisions of all provisos to clause 42(1) should also be applied *mutatis mutandis* to assessment proceedings under this sub-clause so that cases of re-assessment do not lapse when the proceedings are kept pending in the specified circumstances. Accordingly, sub-clause (1) has been amended suitably to make the intention clear.

26. *Clause 45, sub-clause (1).*—The Committee feels that the amount of penalty provided in paragraph (a) of this sub-clause should not exceed half the amount of tax if the purchase price is included in the turnover of purchase as required by paragraph (a) of sub-clause (1) of clause 16. The paragraph (a) has, therefore, been modified suitably.

27. *Clause 45, sub-clause (6).*—The Committee feels that the remission of penalty as provided for in the first proviso to this sub-clause should not be left to the discretion of the Commissioner and should be made obligatory and, therefore, the words "may remit" should be substituted by the words "shall remit". The first proviso has, therefore, been amended accordingly.

28. *Clause 45, sub-clause (8).*—The Committee feels that the provision for imposing penalty of a sum of ten rupees per bill or cash memorandum for non-issue of bills or cash memoranda in contravention of clause 57 would cause hardship to dealers and therefore, it should be restricted to a sum not exceeding 10 per cent of the bill or cash memorandum as the case may be. Accordingly the sub-clause has been modified.

29. *Clause 46, sub-clause (1).*—The Committee feels that there should be made a clear distinction between a case of *malafide* contravention of the provisions of section 56 and the *bonafide* contravention of such provisions. The Committee is of the opinion that in case of *malafide* contravention of the provisions of the said section, the penalty to be imposed should not be less than the amount so collected or more than double such amount and in other cases the penalty should be equal to the amount so collected. The sub-clause has, therefore, been suitably modified.

30. *Clause 47, sub-clause (6).*—The sub-clause provides for delegation of powers under the Bombay Land Revenue Code, 1879 for effecting recovery of the amount of tax or penalty due from any dealer or person only under this Act but it does not provide for such recovery relating to the period under an earlier law. The sub-clause has, therefore, been amended suitably.

31. *Clause 50, sub-clause (2).*—The Committee thinks that since statutory time-limit has been laid down in clause 42 for the purpose of normal assessment, it is necessary that similar time-limit should be provided in respect of assessment under this sub-clause. The sub-clause has been amended accordingly.

32. *Clause 57, sub-clause (b).*—Sub-clause (b) requires that a registered dealer whose turnover has exceeded sixty thousand rupees in the previous year and sells in the current year any goods exceeding three rupees shall issue a bill to the purchaser. The Committee feels that in view of overall rise in the commodity prices, the price limit for compulsory issue of bills or cash memo should be raised from “three rupees” to “five rupees”. The sub-clause has been accordingly amended.

33. *Clause 59, sub-clause (4).*—The sub-clause (4) empowers the Commissioner to retain seized books of accounts, Registers etc., so long as may be necessary. The Committee considered this question at length. The implications in respect of seized books of accounts etc. was explained to the Committee by the Government representative. In view of the explanation given by Government representative, the Committee does not suggest any change in the sub-clause. However, it desires that Government should issue suitable executive instructions to see that the Books of accounts, Registers etc. are returned to the dealer within a period of three years as far as possible.

34. *Clause 65, sub-clause (4).*—The Committee feels that the provision should be made to entertain appeals without payment of tax with penalty if any or of the penalty or on proof of payment of a smaller sum or on the appellant furnishing in the prescribed manner security for such amount as may be directed. The sub-clause has been redrafted to carry out this object.

35. *Clause 67, sub-clause (1).*—Paragraph (a) of sub-clause (1), empowers the Commissioner to call for and examine within a period of five years the record of any order passed by any officer appointed under section 27 to assist him. The

Committee feels that these powers of *suo-motu* revision given to the Commissioner require to be curtailed as the proposed time limit is fairly high and likely to cause the feeling of uncertainty about the orders passed by subordinate officers. The Committee thinks that it should be reduced to three years. The paragraph has been amended suitably.

36. *Clause 72, sub-clause (1).*—The Committee thinks that the period of two years as laid down for the purpose of rectification of a mistake in a record, should commence from the date of communication of any order passed by him to the person affected by such order and not from the date of passing of such order by the Commissioner. The sub-clause has been amended accordingly.

37. *Clause 74, sub-clause (1).*—Paragraph (a) of sub-clause (1) provides for payment of such fee in court fee stamps as may be prescribed in respect of every application for a certificate of registration, licences etc. This is a new provision made in this Act. The Committee feels that on such application no payment of fee in court fee stamps is necessary and, therefore, this paragraph has been amended so as to restore the existing provisions in section 62B of the Bombay Sales Tax Act, 1959.

38. *Clause 81, sub-clause (1).*—The Committee feels that the expression “whichever is greater” occurring in this sub-clause is likely to create an impression that the acceptance of minimum amount from any person charged with offence by way of composition of offence would be rupees two thousand even if the amount of tax involved in respect of offence charged under (a), (b), (d), (e), (f), (g), (i), or (j) of sub-clause (1) of clause 75 is very small. The Committee, therefore, thinks that sub-clause should suitably be recast so as to remove this impression. The sub-clause has, therefore, been modified accordingly.

39. *Clause 82.*—The Committee feels that this clause should be deleted.

40. *Clause 89 (new Clause 88), sub-clause (2).*—The Committee is of the opinion that specific provision should be made for the continuance of the rights of persons entitled to appear before any authority under any of the repealed laws as is provided under section 77(1)(c) of the Bombay Sales Tax Act, 1959. A new paragraph (e) has, therefore, been added to the sub-clause.

41. The Committee discussed one by one all the entries in the Schedules with particular reference to the rates of tax against each of them. The Committee had carefully noted the various view points and suggestions made by the Members of the Assembly at the time of the First Reading of the Bill in the House and at the time they appeared before it. The Committee also considered the memoranda that were received from various trade organisations and suggestions made therein. In light of all these view points, the Committee—(i) has made tax free Gur, Chilly powder, chillies, tamarind and turmeric, coconut in shell and separated kernel of coconut, ready made garments and articles excluding hosiery, sold at a price not exceeding Rs. 10 per article or suit, the footwear made by

hand without using power when sold at a price not exceeding Rs. 15 per pair, Deshi Nalia, Khari and butter biscuits except when sold in bags or sealed containers, Khakhra and Papad, edible tubers, slide rules etc. with a view to grant relief to middle and poor sections of the society. (ii) has expanded the exemption in respect of Mangal sutra and agricultural implements etc. (iii) has recommended to consider and examine the grant of exemption or reduction in tax to sales of X-Ray plates to certain hospitals, sales of mechanically produced cattle-feed used for local consumption in the State, uncut diamonds, coffee, tea, Isabgul etc. and to issue necessary notifications as per requirement of the situation. Though the Committee was aware of rationalisation in the tax structure recommended by the Odedra Committee, in order, however, to balance significant loss of revenue as a result of exemptions or reductions in the rates of tax, the Committee has increased the rate of tax on residuary goods, natural crude oil and cement by 1%, on timber by 2% and has also maintained the *status quo* in the rate of tax as per provisions of the Bombay Sales Tax Act, 1959 in respect of domestic electrical appliances, hydrogenated vegetable oils, perfumes, tractors and water pumps, rain coats and umbrellas, braids, borders and laces, aerated waters, articles of cement, toilet articles etc. The details of the modifications are given in the succeeding paragraphs.

SCHEDULE I

42. *Serial No. 1.*—The Committee thinks that Khari and Butter biscuits, when not sold in packets or sealed containers and Khakhra and Papad be made tax free. The entry has been amended accordingly.

43. *Serial No. 3.*—The Committee thinks that the word “immediately” appearing in this entry should be deleted so as to exempt the cooked food served outside the premises and that the cooked food served outside any eating house etc., at any function or party should be excluded from exemption. The entry has, therefore, been amended accordingly.

44. *Serial No. 6.*—The Committee does not suggest any change in this entry but it desires that Government should issue executive instructions that where Sag wood is commonly used and sold as firewood in any area, it should be considered as firewood.

45. *Serial No. 8.*—The Committee thinks that the words “and edible tubers” should be added after the words “Fresh Vegetables” in order to make intention clear. The entry has, therefore, been amended accordingly.

46. *Serial No. 16.*—The Committee thinks that coconut in shell and separated kernel of coconut other than copra be exempted from tax. This entry has been amended suitably. A new entry 49 has been added in this Schedule.

47. *Serial No. 19.*—The Committee thinks that the word “basic” appearing in this entry should be deleted and *Varat and Varatadi* be made tax free. The entry has been amended accordingly.

48. *Serial No. 21.*—The Committee thinks that the cattlefeed which is mechanically produced be excluded from the purview of this entry. The entry has, therefore, been amended suitably.

49. *Serial No. 23.*—The Committee thinks that the word “tubers” should be inserted between the word “bulbs” and “and plants” in order to make entry more clear.

50. *Serial No. 28.*—The Committee thinks that the words “slide rules” should be inserted between the words “foot rules” and “lead pencils”. The entry has, therefore, been amended accordingly.

51. *Serial No. 33.*—The Committee thinks that the price limit for exemption from tax of handloom fabrics be reduced to five rupees from ten rupees. The entry has, therefore, been amended accordingly. As *Durries* are the same as *Shetranji* within the meaning of handloom fabrics Government should by executive instructions clarify that they are exempt from tax like *Shetranji* under this entry when sold at a price less than Rs. 5 per metre.

52. *Serial No. 34.*—The Committee thinks that exemption granted in respect of *Patola Sarees* etc. should be available only to producer. The condition has, therefore, been amended accordingly.

53. *Serial No. 47.*—The Committee thinks that the price limit for exemption from tax of “*Mangal Sutra*” should be raised from “rupees fifty” to “rupees two hundred fifty” each and the words “with black glass beads” be deleted. The entry has, therefore, been amended accordingly.

54. *Serial No. 48 (New entry).*—The Committee thinks that chillies, chilly powder, tamarind and turmeric, whole or powdered be made tax free. A new entry 48 has, therefore, been added in this Schedule.

55. *Serial No. 49 (New entry).*—For the reasons given for amendment of entry 16, a new entry 49 has been added in this Schedule.

56. *Serial No. 50 (New entry).*—The Committee thinks that “*Deshi Nalia*” be exempted from tax. A new entry has, therefore, been added in this Schedule.

57. *Serial No. 51 (New entry).*—The Committee thinks that ready made garments and articles (excluding hosiery goods and garments and articles to which entry 35 of this Schedule applies) prepared from any textile or handloom fabrics including those which have been embroidered or otherwise decorated when sold at a price not exceeding ten rupees per article or suit should be exempted from tax. A new entry 51 has, therefore, been added in this Schedule.

58. *Serial No. 52 (New entry)*.—The Committee thinks that Footwear made by hand without using power when sold at a price not exceeding rupees fifteen be exempted from tax. A new entry 52 has, therefore, been added in this Schedule.

59. *Serial No. 53 (New entry)*.—The Committee thinks that “Gur” should be made tax free. A new entry 53 has, therefore, been added in this Schedule.

SCHEDULE II—PART A

60. *Serial No. 5*.—The Committee thinks that the word “basic” appearing in sub-entry (i) of this entry should be deleted. The Committee also thinks that the rate of tax in respect of tractors and spare parts and accessories thereof and water pumps and pumping sets be raised from three paise as in the Bill to six paise in the rupee so as to maintain *status quo* in respect of the rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The items (2) and (3) in this entry have, therefore, been deleted and added at Serial No. 36 in this Schedule.

61. *Serial No. 7*.—The Committee desires that Government should examine and consider the grant of exemption to sales of chemical fertilisers within the State with a view to helping local agriculturists.

62. *Serial No. 10*.—The Committee thinks that this entry be made non-prohibited. This entry has, therefore, been deleted and added as entry 26 in this Schedule and consequential change has been made in section 2(21) of the Act.

63. *Serial No. [13] 12*.—The Committee thinks that the articles “tin seals, wooden frames and wooden rolls” should be declared by Government as packing materials by issuing a notification at the appropriate time.

64. *Serial No. [14] 13*.—In view of the reduction in price limit for exemption from tax made in respect of handloom fabrics etc. specified in entry 33 of Schedule I, the price limit in this entry has been reduced to five rupees from ten rupees. The entry has been amended accordingly.

65. *Serial No. 18*.—The Committee thinks that the rate of tax in respect of rain coats and umbrellas of all kinds be raised from three paise as in the Bill to six paise in the rupee so as to maintain the *status quo* in respect of rate of tax as existing under the provisions of the Bombay Sales Tax Act 1959. This entry has, therefore, been deleted and a new entry 35 has been added in this Schedule.

66. *Serial No. [20] 18*.—In view of the ready made garments exempted from tax when sold at a price not exceeding rupees ten per article or suit, *vide* entry 51 in Schedule I, this entry has been amended so as to tax such garments when sold at a price exceeding rupees ten per article or suit. The Committee also thinks that the hosiery goods be taxed at the rates of three paise in the rupee. A sub-entry has, therefore, been added.

67. *Serial No. 27.*—The Committee thinks that the entry regarding Zari thread etc. be made non-prohibited and that the rate of tax be raised from three paise as in the Bill to six paise in the rupee so as to maintain the *status quo* in respect of rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The entry has, therefore, been deleted and a new entry 37 has been added in this Schedule. The Committee also thinks *Champa*, *gota* and *full Thappa* be included in the new entry.

68. *Serial No. 25 (New entry).*—Consequent to the amendment made in entry 21 in Schedule I, this entry has been added in this Schedule. However, the Committee desires that Government should examine and consider the great of exemption by notification to sales of mechanically produced cattle-feed used for local consumption in the State.

69. *Serial No. 30.*—The Committee thinks that the rate of tax in respect of Braids, borders etc. specified in this entry be raised from five paise as in the Bill to eleven paise in the rupee so as to maintain *status quo* in respect of rate of tax as existing under the provisions of Bombay Sales Tax Act, 1959. This entry has been deleted and a new entry 68 has been added in this Schedule. The elastic tapes have been excluded from the new entry and will be covered under the residuary entry as per position under the Bombay Sales Tax Act, 1959.

70. *Serial No. [31] 29.*—Consequent to "*Deshi Nalia*" suggested tax free (*vide* entry No. 50 in Schedule I) this entry has been amended so as to exclude "*Deshi Nalia*".

71. *Serial No. 33.*—The Committee thinks that footwear made by hand without using power when sold at a price not exceeding rupees fifteen per pair, should be declared tax free and the footwear other than declared tax free should be taxed at ten paise in the rupee. This entry has therefore been deleted and a new entry 52 in Schedule I and another new entry 64 has been added in this Schedule.

72. *Serial No. 38.*—The Committee thinks that rate of tax on Timber (excluding fire-wood and wood specified in entry 6 in Schedule I) and bamboo whether whole or split be raised from five paise to seven paise in the rupee, and that flush doors of plywood be added in this entry. This entry has, therefore, been deleted and a new entry 43 has been added in this Schedule.

73. *Serial No. 39.*—The Committee thinks that the rate of tax on Aerated waters and all non-alcoholic beverages etc. be raised from seven paise as in the Bill to ten paise in the rupee so as to maintain the *status quo* in the rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The entry has been deleted and a new entry 65 has been added in this Schedule.

74. *Serial No. [40] 38.*—This entry relating to cakes, etc. has been amended consequent to the amendment made in entry 1 in Schedule I.

75. *Serial No. 42.*—The Committee thinks that rate of tax in respect of cement and articles made of cement etc. specified in this entry be raised from seven paise to eight paise in the rupee. The entry has, therefore, been deleted and a new entry 53 has been added in this Schedule. Floor and wall tiles have been excluded from the new entry and suggested for being taxed at nine paise in the rupee (*vide* new entry 56 in this Schedule) so as to maintain the *status quo* in the rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959.

76. *Serial No. 44.*—The Committee thinks that the rate of tax in respect of crude oil etc., specified in this entry be raised from seven paise to eight paise in the rupee. This entry has, therefore, been deleted and a new entry 54 has been added in this Schedule.

77. *Serial No. 47.*—The Committee thinks that rate of tax on hydrogenated vegetable oils including Vanaspati be raised from seven paise as in the Bill to eight paise in the rupee so as to maintain the *status quo* in the rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959. This entry has been deleted and a new entry 55 has been added in this Schedule.

78. *Serial No. [49] 45.*—The Committee desires that Government should examine and reduce the rate of tax on uncut diamonds upto 5 per cent, as per requirement of the situation.

79. *Serial No. [56] 52.*—The Committee thinks that X'ray plates when sold to hospitals and dispensaries run by Government, Local Authorities and Charitable Institutions should be exempted by issuing a notification at the appropriate time.

80. *Serial No. 56 (New entry).*—Consequent to the amendment made in entry [42 (2)] 53 (2) floor and wall tiles be taxed at the existing rate of nine paise in the rupee. A new entry 56 has, therefore, been added in this Schedule.

81. *Serial No. 57.*—The Committee desires that Government should examine and reduce the rate of tax as per requirement of the situation if the rate of tax creates diversion of trade.

82. *Serial No. 58.*—The Committee thinks that the rate of tax on domestic electrical appliances, etc. specified in this entry be raised from ten paise as in the Bill to thirteen paise in the rupee so as to maintain the *status quo* in the rate of tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The entry has, therefore, been deleted and a new entry 92 has been added in this Schedule.

83. *Serial No. [63] 62.*—The Committee thinks that the words “flush doors” should be deleted from this entry. The entry has been amended accordingly.

84. *Serial No. 64 (New Entry).*—The Committee feels that foot-wear other than foot-wear declared tax-free under entry 52 in Schedule I, be taxed at the rate of ten paise in the rupee. A new entry has therefore been added in the Schedule.

85. *Serial No. 69.*—The Committee thinks that iron and steel safes, almirhas and furniture, upholstered furniture and skeletons of any of them be taxed at twelve paise in the rupee. Other furniture be taxed at ten paise in the rupee. However wooden cradles (*Ghodia*) and frames of wooden Charpai (*Khatla*) be governed by residuary entry and be taxed at eight paise in the rupee. Therefore, entry 69 has been deleted and new entries 67 and 73 have been added to achieve the object.

86. *Serial No. [70] 74.*—The Committee thinks that component parts of motor lorries and other articles (including rubber and other tyres and tubes and batteries) adapted for use as parts and accessories of such lorries not being such articles as are ordinarily also used otherwise than as such parts and accessories be taxed at ten paise in the rupee instead of twelve paise in the rupee. This entry has been amended accordingly and a new entry 66 has been added in this Schedule to achieve the purpose.

87. *Serial No. [92] 97.*—The Committee thinks that the words “duty paid” be deleted from this entry. The entry has, therefore, been amended accordingly.

SCHEDULE II—PART B

88. *Serial No. 8.*—Consequent to the ‘*Gur*’ having been declared tax free *vide* entry 53 in Schedule I, the entry has been amended so as to exclude ‘*Gur*’.

89. *Serial No. 9.*—The Committee does not make any change in the entry relating to *Isabgul*. However, in order to reduce the impact of tax on *Sat-Isabgul* manufactured therefrom and exported outside India, it would suggest that Government should examine and reduce by notification the rate of tax as per requirement of the situation.

90. *Serial No. 10.*—Consequent to chillies, chilly-powder, tamarind and turmeric whole or powdered having been declared tax free *vide* entry 48 in Schedule I, they are deleted from this entry. The Committee thinks that the words *kalingada* seeds” and ‘*Ashalia*’ be added at the end of the entry. The Committee also suggests that the present position in respect of rate of tax on inter-State sale of *Jira* be maintained.

SCHEDULE III

91. *Serial No. 3.*—The Committee thinks that from sub-entry (1) of this entry, the words “and tooth paste” be deleted and the rate of sales tax in respect of goods specified in sub-entry (2) be raised from five paise as in the Bill to ten paise in the rupee except hair oils the rate of sales tax for which be raised from five paise as in the Bill to six paise in the rupee so as to maintain the *status quo* in the rate of sales tax as existing under the provisions of the Bombay Sales Tax Act, 1959. This entry has been modified suitably and new entries 7 and 12 have been added in this Schedule.

92. *Serial No. 7.*—The Committee thinks that the rate of sales tax in respect of perfumes etc., specified in this entry be raised from five paise as in the Bill to seven paise in the rupee so as to maintain the *status quo* in the rate of sales tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The entry has, therefore, been deleted and a new entry 9 has been added in this Schedule.

93. *Serial No. 8.*—The Committee thinks that this entry relating to stainless steel articles etc. be deleted and that such articles be taxed under the residuary entry. The entry has, therefore, been deleted and would be governed by residuary entry 13 in this Schedule.

94. *Serial No. 10.*—The Committee thinks that the rate of sales tax in respect of Table cutlery, etc. specified in this entry be raised from seven paise as in the Bill to ten paise in the rupee so as to maintain the *status quo* in the rate of sales tax as existing under the provisions of the Bombay Sales Tax Act, 1959. The entry has been amended accordingly.

95. *Serial No. 12.*—The Committee thinks that the rate of sales tax on all goods other than those specified from time to time in section 18 and in Schedule I and II and entries 1 to 11 in this Schedule be raised from four paise in a rupee to five paise in a rupee. The entry has, therefore, been deleted and a new entry 13 has been added in this Schedule.

96. The changes made by the Committee in clauses 2(21), 3(6)(c), 11(1)(c), 26(4), 26(6) and proviso, 36(1), 38(a), 42(1) and its first proviso, 58(3), 61(2) and Schedule II—Part A, Serial Nos. 4 and 45, are either minor or of a consequential nature or relating to drafting.

97. The Committee recommends that the Bill as amended be passed during the ensuing session so that the objects underlying it are achieved at an early date.

98. The Committee expresses its thanks to the Secretary and the Staff of the Finance Department and the Sales Tax Department, Legal Department and the Legislature Secretariat for their valuable assistance in its deliberations.

Ahmedabad,
30th October 1969

JASHVANT MEHTA
Chairman
Select Committee

**Minute of Dissent by Sarvashri G. D. Pathak, Dharmendrasinhji,
K. N. Doshi and Shankerlal Guro**

The Gujarat Sales Tax Bill No. 30 of 1969 has come up for consideration before the Select Committee. The Committee has considered all the Clauses of the Bill and suggested several changes. It is a matter of great pleasure that this Committee has worked in perfect co-operation and several of its suggestions have been carried out and the bill has been amended accordingly.

This being a matter of taxation, we feel it our duty to point out that though the bill was brought in with a view to make working of Sales Tax easy and simple, yet all the avowed objects are not carried out. The following loop holes yet require further consideration :

(1) The Bill has tried to define "business". In the old act, there was no definition of "business", and the attempted definition given at Cl. 2 (4) is yet too wide and likely to raise complications which may entail litigation;

(2) The word "dealer" is also defined in this Bill.

The words "Business" and "dealer" were recognised, analysed and interpreted long ago by highest Judicial Tribunal of India and there was no necessity to disturb the same, especially in view of consideration given by Shri Odedra Sales Tax Inquiry Committee.

Similarly the definitions of "Purchase" and "Sales Price" should be according to the definitions in the Bombay Sales Tax Act before 16th April 1963. The present definitions would result, in taxing the freight charges and service charges which would ultimately be borne by the consumers.

Clause 41 of the act gives very wide powers to the Sales Tax Commissioner which are to be delegated to the Sales Tax Officers may be misused and would result in hardships to dealers.

The penalty prescribed under Clause 45 (1)(a) is too much for a certified holder.

In Clause 46 the excess Tax wrongly collected and paid to the Government should not be charged as penalty and if so charged at least the tax payer be exonerated from Civil liability to the Third party.

The Committee has considered the Schedules at great length and we thank the Hon. Chairman Shri Jashvant Mehta for keeping broad mind in accepting several suggestions.

At several places the rates of taxation are increased and in some places, especially in items of bare necessities of life, they are totally removed. The rate of taxation on oils used for human consumption has been sought to be increased to

5% and it certainly affects the consumer at large. It is a daily necessity and there should be no taxation over it; and there is no justification for the increase in tax.

The retail tax is abolished and it has brought considerable relief to the business community and ultimately to consumers also.

This is good relief but figures estimated by the Department are very conservative and hence the Committee has remained in suspense but the actual income received will be much more—and may amount to 20% above the present revenue. In view of this, greater relief could have been awarded.

We earnestly thank Hon. Chairman Shri Jashwantrao Mehta, the Hon. Law Minister and Hon. members who made great efforts in making this Bill an epoch making over in the country. We also thank the Law, Finance and Legislature Secretaries and we can't forget the Sales Tax Commissioner and the staff who took great pains in helping the deliberations of the Committee.

Ahmedabad
22nd October, 1969

(Signed) G. D. Pathak
(Signed) Dharmendrasinhji
(Signed) U. V. Vadodia
(Signed) K. N. Doshi
(Signed) Shankarlal Guru

THE GUJARAT SALES TAX BILL, 1969

(AS REPORTED BY THE SELECT COMMITTEE)

ARRANGEMENT OF CLAUSES**CLAUSES**

1. Short title, extent and commencement
2. Definitions
3. Incidence of tax
4. Liability of dealer registered under Act LXXIV of 1956 to pay tax
5. Sales and purchases of certain goods, free from all tax
6. Taxes payable by a dealer
7. Levy of Sales tax on goods in Schedule II, Part A
8. Levy of general Sales tax on goods in Schedule II, Part B
9. Restriction on levy of tax on declared goods
10. Levy of Sales tax and general Sales tax on goods specified in Schedule III
11. Exclusion or inclusion of certain purchases for the purposes of deduction under Section 7, 8 or 10
12. Tax payable at a reduced rate on certain sales
13. No deduction from turnover except on a certificate
14. Commission agent to send copy of certificate to principal
15. Purchase tax payable on certain purchases of goods
16. Liability to purchase tax for contravention of terms of certificates etc
17. Joint and several liability of Commission agent and principal in respect of goods purchased on behalf of principal
18. Levy of sales tax or purchase tax on sugarcane
19. Liability to pay tax on sale or purchase in contravention of Section 18
20. Liability to purchase tax on certain stocks of goods
21. Rate of tax on packing materials
22. Commission agent liable to tax for sales on behalf of principal
23. Power to reduce rate of tax and to amend Schedules
24. No deductions under section 7, 8 and 10 in certain cases
25. Liability of firm
26. Special provision regarding liability to pay tax in certain cases
27. Sales Tax Authorities
28. Tribunal
29. Registration
30. Voluntary Registration of dealers
31. Licences
32. Recognitions
33. Permits
34. Commissioner may refuse Licence etc
35. Cancellation or suspension of Licence, etc

36. Substitution of Licence under Bombay Sales Tax Act, 1959 by a fresh Licence
37. Non-transferability of Registration, Licence, etc
38. Information to be furnished regarding changes in business, etc
39. Certificate of registration, Licence, etc to continue in certain circumstances
40. Declarations and Returns
41. Assessment of taxes
42. Time limit for completion of assessments
43. Applicability of the Act or earlier law to other persons liable to pay tax
44. Reassessment of turnover escaping assessment
45. Imposition of penalty in certain cases and bar to prosecutions
46. Imposition of penalty for contravening certain provisions
47. Payment of tax etc
48. Special mode of recovery
49. Exemptions
50. Liability to pay tax in event of breach of condition of exemption
51. Drawback, set off, refund etc
52. Refund of excess payment
53. Refund of tax on declared goods in the course of inter State trade or commerce
54. Interest on delayed refunds
55. Remission of taxes
56. Prohibition against collection of tax in certain cases
57. Memorandum of sales or purchases
58. Accounts
59. Production and inspection of accounts and documents and search of premises
60. Dealer to declare the name of manager of his business
61. Powers to collect statistics
62. Determination of disputed questions
63. Power of Tribunal and Commissioner
64. Bar to certain proceedings
65. Appeals
66. Non-appealable orders
67. Revision
68. Court-fee on appeal and application for revision
69. Statement of case to the High Court
70. Application of sections 4 and 12 of Limitation Act, 1963
71. Extension of period of limitation in certain cases
72. Rectification of mistakes
73. Transfer to defraud revenue void
74. Levy of fee on applications for copies of orders, documents and of fee for making copies
75. Offences and penalties
76. Disclosure of information by a public servant
77. Disclosure of information required under section 61 and failure to furnish information or return under that section

78. Offences by companies
79. Cognizance of offences
80. Investigation of offences
81. Compounding of offences
82. Powers to transfer proceedings
83. Appearance before any authority in proceedings
84. Persons appointed under section 27 and members of Tribunal to be public servants
85. Indemnity
86. Power to make rules
87. Certain sales and purchases not to be liable to tax
88. Repeal and savings.

L. A. Bill No. 30 of 1969

THE GUJARAT SALES TAX BILL, 1969

(AS REPORTED BY THE SELECT COMMITTEE)

[Deletions made by the Select Committee are shown in square brackets and additions are side-lined or under-lined.]

A BILL

to consolidate and amend the law relating to the levy of a tax on the sale or purchase of certain goods in the State of Gujarat.

It is hereby enacted in the Twentieth Year of the Republic of India as follows :—

CHAPTER I

1. (1) This Act may be called the Gujarat Sales Tax Act, 1969.
- (2) It extends to the whole of the State of Gujarat.
- (3) This section shall come into force at once, and the remaining provisions of this Act shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Short title,
extent and
commence-
ment.

(4) Any notification, order or rule may be made, and certificates of Registration, Licences, Recognitions or Permits may be granted or issued under this Act, at any time after the passing thereof; but such notification, order, rule or certificate of Registration, Licence, Recognition or Permit made, granted or issued shall not take effect until the appointed day.

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2. In this Act, unless the context otherwise requires,—

(1) “agriculture” with all its grammatical variations and cognate expressions includes horticulture, the raising of crops, grass or garden produce, and also grazing; but does not include dairy farming, poultry farming, stock breeding or the mere cutting of wood or grass or gathering of fruit;

5

(2) “agriculturist” means a person who cultivates land personally;

(3) “appointed day” means the date on which the remaining provisions of this Act shall come into force under sub-section (3) of section 1;

(4) “business” includes—

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

10

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

15

(ii) any transaction of buying, selling or supplying plant, machinery, raw material, processing materials, packing materials, empties, consumable stores, waste products, or such other goods, or waste or scrap of any of them which is ancillary or incidental to or resulting from such trade, commerce, manufacture, adventure or concern;

20

but does not include any activity in the nature of mere service or profession;

(5) “Commission agent” means a dealer who *bona fide* buys or sells, for an agreed commission, any goods on behalf of principals mentioned in his accounts in respect of each transaction;

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(6) “Commissioner” means the person appointed to be the Commissioner of Sales Tax for the purposes of this Act;

(7) “to cultivate” with all its grammatical variations and cognate expressions, means to carry on any agricultural operation;

(8) “to cultivate personally” means to cultivate on one’s own account—

30

(i) by one’s own labour, or

(ii) by the labour of one’s own family, or

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

Explanation I.—A widow or a minor, or a person who is subject to any physical or mental disability or is a serving member of the armed forces of the Union, shall be deemed to cultivate land personally if it is cultivated by her or his servants or by hired labour;

Explanation II.—In the case of a Hindu undivided family, land shall be deemed to be cultivated personally, if it is cultivated by any member of such family;

(9) "declared goods" means declared goods as defined in the Central Sales Tax Act, 1956;

(10) "dealer" means any person who buys or sells goods in connection with his business; and includes Central Government, a State Government or any local authority and also any society, club or other association of persons which buys goods from or sells goods to its members or to other persons;

Exception I.—An agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally, shall not be deemed to be a dealer within the meaning of this clause;

Exception II.—A charitable, religious or educational institution, carrying on the activity of manufacturing, buying, selling or supplying goods, in performance of its functions for achieving its avowed objects, shall not be deemed to be a dealer within the meaning of this clause;

(11) "earlier law" means any of the following laws, that is to say--

Bom.
V of
1946.

(i) the Bombay Sales Tax Act, 1946,

Bom.
Ord.
No.
III of
1952.

(ii) the Bombay Sales Tax (No. 2) Ordinance, 1952,

Bom.
III of
1953.

(iii) the Bombay Sales Tax Act, 1953,

Bom.
XLVII
of
1953.

(iv) the Bombay Sales of Intoxicants Taxation Act, 1953

Sau.
Ord.
No.
XVIII
of
1950.

(v) the Saurashtra Sales Tax Ordinance, 1950,

(vi) the Central Provinces and Berar Sales Tax Act, 1947, as extended to the Kutch area of the State of Gujarat, or

C. P.
and
Berar
Act
No.
XXI of
1947. 60

(vii) the Bombay Sales Tax Act, 1959,

Bom.
LI of
1959.

as amended from time to time and includes enactments which have validated anything done or omitted to be done under these laws;

(12) "goods" means all kinds of moveable property (not being news-papers or actionable claims, or stocks, shares or securities) and all materials, articles and commodities, including standing timber and things attached to or forming part of the land, which are agreed to be severed before sale or under the contract of sale; 65

(13) "importer" means a dealer who brings any goods into the State, or to whom any goods are despatched from any place outside the State; 70

(14) "Licence" means a licence granted under section 31 or, as the case may be, section 36 and includes a Licence deemed to have been granted under this Act;

(15) "Licensed dealer" means a Registered dealer holding a Licence;

(16) "manufacture" with all its grammatical variations and cognate expressions, means producing, making, extracting, collecting, altering, ornamenting, finishing or otherwise processing, treating, or adapting any goods; but does not include such manufactures or manufacturing processes as may be prescribed. 75

(17) "Permit" means a permit granted to a Commission agent under section 33 and includes a Permit deemed to have been granted under this Act; 80

(18) "person" includes any company or association or body of individuals, whether incorporated or not, a society, club or other institution and also a Hindu undivided family, a firm, a local authority, Central Government or a State Government;

(19) "place of business" includes a ware-house, godown or other place where dealer stores his goods and any place where he keeps his books of accounts; 85

(20) "prescribed" means prescribed by rules;

(21) "prohibited goods" means the goods described in entries 1 to [27] 25 (both inclusive) in Part A of Schedule II, or in entries 1 to 12 (both inclusive) in Part B of Schedule II or in entries 1 and 2 in Schedule III and 90

such other goods as the State Government may, from time to time, by notification in the *Official Gazette*, specify, as such;

95 (22) "purchase price" means the amount of valuable consideration paid or payable by a person for any purchase made [and in addition, any further amount recovered, collected or charged for anything done including any services rendered,] including any sum charged for any thing done by the seller in respect of the goods at the time of or before delivery thereof, other than the cost of insurance for transit or of installation when such cost is separately charged;

(23) "Recognised dealer" means a Registered dealer who holds a Recognition;

100 (24) "Recognition" means a Recognition granted under section 32 and includes a Recognition deemed to have been granted under this Act;

(25) "Registered dealer" means a dealer registered under section 29 or 30 and includes a dealer who holds a registration certificate deemed to have been granted under this Act;

105 (26) "resale" for the purposes of sections 7, 8, 10, 13 and 15 means a sale of purchased goods:—

(i) in the same form in which they were purchased, or

(ii) without doing anything to them which amounts to, or results in, a manufacture, or

110 (iii) being goods specified in entries 1 to 3 in Part A of Schedule II and in entries 1 to 6 in Part B of Schedule II without doing anything to them which takes them out of the description thereof in those entries,

and the word "resell" shall be construed accordingly;

(27) "rules" means rules made under this Act;

115 (28) "sale" means a sale of goods made within the State, for cash or deferred payment or other valuable consideration, and includes any supply by a society or club or an association to its members on payment of a price or of fees or subscription, but does not include a mortgage, hypothecation, charge or pledge, and the words "sell", "buy" and "purchase" with all their grammatical variations and cognate expressions, shall be construed accordingly;

120 *Explanation.*—For the purposes of this clause, sale within the State includes a sale determined to be inside the State in accordance with the principles formulated in sub-section (2) of section 4 of the Central Sales Tax Act, 1956;

125 LXXI
IV of
1956.
(29) "sale price" means the amount of valuable consideration paid or payable to a dealer for any sale made [and in addition, any further amount recovered, collected or charged for anything done including any services rendered] including any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof, other than the cost of insurance for transit or of installation when such cost is separately charged.

(30) "Schedule" means a Schedule appended to this Act;

(31) "the State" means the State of Gujarat; 130

(32) "tax" means a sales tax, general sales tax, or purchase tax, payable under this Act;

(33) "taxable goods" means goods other than those on the sale or purchase of which no tax is payable under section 5 or section 49 or a notification issued thereunder; 135

(34) "Tribunal" means the Tribunal constituted under section 28;

(35) "turnover of purchases" means the aggregate of the amounts of purchase price paid and payable by a dealer in respect of any purchase of goods made by him during a given period, after deducting the amount of purchase price, if any, refunded to the dealer by the seller in respect of any goods purchased from the seller and returned to him within the prescribed period; 140

(36) "turnover of sales" means the aggregate of the amounts of sale price received and receivable by a dealer in respect of any sale of goods made during a given period after deducting the amount of sale price, if any, refunded by the dealer to a purchaser, in respect of any goods purchased and returned by the purchaser within the prescribed period; and 145

[(37) "year" means a financial year, but in relation to any particular registered dealer for the purposes of this Act (except section 3 and Chapter IV thereof), means the year by reference to which, according to the option declared by such dealer, the accounts of that dealer are ordinarily maintained in his books : 150

Provided that where an option has once been exercised by a Registered dealer, he shall not, except with the consent of the Commissioner and upon such conditions as the Commissioner may determine, make any variation in respect thereof.

Explanation.—An option exercised by a dealer under any earlier law and in force immediately before the commencement of this Act shall be deemed to be an option exercised under this clause.] 155

(37)†"year" means—

(i) in relation to any dealer who maintains regular books of accounts the year by reference to which the accounts are maintained by him; and

(ii) in relation to any other dealer, a financial year: 160

Provided that a Registered dealer shall not be entitled to vary the year by reference to which he maintains his books of accounts, except with the consent of the Commissioner and upon such conditions as the Commissioner may determine. 165

CHAPTER II.

INCIDENCE AND LEVY OF TAX.

3. (1) Every dealer whose turnover either of all sales or of all purchases, made ^{Incidence} during — ^{of tax.}

[(i) the year ending on the 31st day of March, 1969.

or

(ii) the year commencing on the 1st day of April, 1969.]

5 (i) the year immediately preceding the year within which the appointed day falls,

or

(ii) the year commencing on the first day of the year within which the appointed day falls,

10 has exceeded or exceeds the relevant limit specified in sub-section (4), shall, until such liability ceases under sub-section (3), be liable to pay tax under this Act on his turnover of sales, and on his turnover of purchases, made on or after the appointed day :

15 Provided that a dealer to whom sub-clause (i) does not apply but sub-clause (ii) applies and whose turnover either of all sales or of all purchases first exceeds the relevant limit specified in sub-section (4) after the appointed day shall not be liable to pay tax in respect of sales and purchases which take place upto the time when his turnover of sales, or his turnover of purchases as computed [from the 1st day of April, 1969] from the first day of the year in which the appointed day falls, first exceeds the relevant limit applicable to him under sub-section (4).

20 (2) Every dealer whose turnover, either of all sales or of all purchases made during any year [commencing on the 1st day of April,] being a year subsequent to the [years] year mentioned in sub-section (1), first exceeds the relevant limit specified in sub-section (4), shall, until such liability ceases under sub-section (3), be liable to pay tax under this Act with effect [from the said date:] on and from

25 the first day that year :

30 Provided that the dealer shall not be liable to pay tax in respect of such sales and purchases as take place during the period commencing [on the 1st day of April of the said year] on the first day of any such year, upto the time when his turnover of sales or, turnover of purchases as computed [from the 1st day of April of the said year,] from the said first day first exceeds the relevant limit applicable to him under sub-section (4).

(3) Every dealer who has become liable to pay tax under this Act, shall continue to be so liable until his registration is duly cancelled; and upon such cancellation his liability to pay tax, other than tax already levied or leviable, shall, until his

35 turnover of sales or turnover of purchases again first exceeds the relevant limit specified in sub-section (4), cease :

Provided that, where the dealer becomes liable to pay tax again in the same year in which he ceased to be liable as aforesaid, then, in respect of such sales and purchases as take place during the period commencing on the date of the cessation of liability to tax upto the time when his turnover of sales or of purchases first exceeds the relevant limit applicable to him under sub-section (4), no tax shall be payable. 40

(4) For the purposes of this section, the limits of turnover shall be as follows:—

| | | | |
|---------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (i) Limit of turnover Rs. 20,000. | { | (a) in the case of a dealer, who is an importer, and the value of taxable goods sold or purchased by him during the year exceeds Rs. 3,000 and the value of any taxable goods brought by him into the State or despatched to him from outside the State during the year exceeds Rs. 3,000; | 45 |
| | | or | 50 |
| (ii) Limit of turnover Rs. 30,000. | { | (b) in the case of a dealer (other than the one to whom item (a) of clause (i) applies), who is a manufacturer or who gathers any goods other than agricultural produce as a dealer and the value of taxable goods sold or purchased by him during the year exceeds Rs. 3,000 and the value of any taxable goods manufactured by him or of any taxable goods other than agricultural produce gathered by him during the year exceeds Rs. 3,000. | 55 |
| | | (a) in the case of a dealer of special category, as specified in sub-section (5), who is a manufacturer or who gathers any goods other than agricultural produce as a dealer and the value of taxable goods sold or purchased by him during the year exceeds Rs. 3,000 and the value of any taxable goods manufactured by him or of such goods other than agricultural produce gathered by him during the year exceeds Rs. 3,000; | 60 |
| (ii) Limit of turnover Rs. 30,000. | { | or | 65 |
| | | (b) in case of a dealer to whom neither clause (i) nor item (a) of this clause applies and the value of taxable goods sold or purchased by him during the year exceeds Rs. 3,000. | 70 |
| | | or | 75 |

(5) For the purpose of sub-section (4) a dealer of special category means a dealer who belongs to any one or more of the following categories of dealers, namely:—

(i) dealers who carry on business of conducting a printing press;

80 (ii) dealers who manufacture footwear made by hand without using power at any stage;

(iii) dealers who are engaged in the process of parching, roasting or salting (with or without adding turmeric) groundnut seeds or groundnut, cereals or pulses;

85 (iv) dealers who carry on business of photography;

9 (v) dealers who conduct an eating house, restaurant, hotel, refreshment room or boarding establishment or a shop or an establishment conducted primarily for the sale of *farsan*, sweetmeats, bread, cakes, biscuits and pastries;

90 (vi) such class of village artisans and craftsmen engaged in manufacture of products of village industries or handicrafts as the State Government may notify in the *Official Gazette*;

1 (vii) any other class of small manufacturers or craftsmen or class of establishments which the State Government may notify in the *Official Gazette*.

(6) For the purpose of calculating the limit of turnover for liability to tax :—

95 (a) except as otherwise expressly provided, the turnover of all sales or, as the case may be, the turnover of all purchases, shall be taken whether such sales or purchases are taxable or not;

(b) the turnover shall include all sales and purchases made by a dealer on his own account, and also on behalf of principals mentioned in his accounts; and

100 (c) the value of packing material which is used in packing any goods specified in Schedule I and on which no tax is leviable under sub-section (1) of section 21 shall not be taken into account in computing the value of taxable goods under sub-section (4).

LXX-
IV of
1956. 4. (1) Notwithstanding anything contained in section 3, a dealer who is registered under the Central Sales Tax Act, 1956, but who is not liable to pay tax under the said section 3, shall nevertheless be liable to pay tax—

5 (a) on sales of goods in respect of the purchase of which he has furnished a declaration under sub-section (4) of section 8 of the Central Sales Tax Act, 1956, and

(b) on sales of goods in the manufacture of which the goods so purchased have been used;

10 and accordingly, the provisions of sections 7 to 13 (both inclusive) shall apply to such sales, as they apply to the sales made by a dealer liable to pay tax under section 3 :

15 Provided that the tax under this section shall not be payable if the seller shows to the satisfaction of the Commissioner that the purchaser of goods is a dealer registered under this Act and has furnished to such seller a certificate in the prescribed form declaring *inter alia* that the goods so sold to him are intended for resale by him or for use by him in the manufacture or processing of any goods for sale.

Liability of
dealer regis-
tered under
Act No.
LXXIV of
1956 to pay
tax.

(2) Every dealer who is liable to pay tax under sub-section (1) shall, for the purposes of sections 40, 41, 43, 44, 45, 46, 47, 56, 57 and 58 be deemed to be a Registered dealer. 20

Sales and purchases of certain goods free from all tax. 5. (1) Subject to the conditions or exceptions (if any) set out against each of the goods specified in column 3 of Schedule I, no tax shall be payable on the sales or purchases of any goods specified in that Schedule.

(2) The State Government may, by notification in the *Official Gazette* add to, or enlarge, any entry in Schedule I, or relax or omit any condition or exception specified therein; and thereupon, the said Schedule shall be deemed to be amended accordingly. 5

(3) Every notification issued under sub-section (2) shall be laid for not less than thirty days before the State Legislature as soon as possible after it is issued and shall be subject to rescission by the State Legislature or to such modification as the State Legislature may make, during the session in which it is so laid or the session immediately following. Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect. 10

Taxes payable by a dealer. 6. Subject to the provisions of this Act, and to any rules made thereunder there shall be paid by every dealer, who is liable to pay tax under this Act, the tax or taxes leviable in accordance with the provisions of this Chapter.

Levy of sales tax on goods in Schedule II, Part A. 7. There shall be levied a sales tax on the turnover of sales of goods specified in Part A of Schedule II at the rate set out against each of them in column 3 thereof, but after deducting from such turnover,—

(i) resales of goods on the purchase of which the dealer is liable to pay purchase tax under section 16. 5

(ii) resales of goods purchased by him from a Registered dealer.

(iii) sales of goods, or resales of goods to which clauses (i) and (ii) do not apply, to a Recognised dealer or to a Commission agent holding a permit who purchases on behalf of a principal who is a Recognised dealer, upon such dealer or Commission agent as the case may be, furnishing in the circumstances and subject to the conditions specified in sub-clause (B) and item (ii) of sub-clause (C) of sub-section (1) of section 13, a certificate as provided therein, and 10

(iv) sales of goods or resales of goods to which clauses (i) and (ii) do not apply, to a Licensed dealer or to a Commission agent holding a permit who purchases on behalf of a principal who is a Licensed dealer, upon such dealer or Commission agent as the case may be, furnishing in the circumstances and subject to the conditions specified in item (i) of sub-clause (A) and item (i) (a) of sub-clause (C) of sub-section (1) of section 13, a certificate as provided therein. 15

Levy of general sales tax on goods in Schedule II, Part B. 8. There shall be levied a general sales tax on the turnover of sales of goods specified in Part B of Schedule II at the rate set out against each of them in column 3 thereof, but after deducting from such turnover,—

(i) resales of goods on the purchase of which the dealer is liable to pay purchase tax under section 16, 5

(ii) resales of goods, purchased from a Registered dealer by a dealer who is not a Licensed dealer at the time of such purchase, and

10 (iii) sales of goods, or resales of goods to which clauses (i) and (ii) do not apply, to a Licensed dealer, Recognised dealer or to a Commission agent holding a permit, who purchases on behalf of a principal who is a Licensed dealer or a Recognised dealer, upon such dealer or Commission agent as the case may be furnishing, in the circumstances and subject to the conditions specified in section 13, a certificate as provided therein.

LXX- 9. In order to ensure that after the date of the coming into force of section 15 Restriction on levy of tax on declared goods.
 IV of 1956. of the Central Sales Tax Act, 1956, tax shall not be levied on the sales or purchases of declared goods at more than one stage, it is hereby provided that if under this Act, or any earlier law, any tax has been levied or is leviable on the sale or purchase
 5 of such goods, then no further tax shall be levied under this Act on any subsequent sale or purchase thereof; and accordingly, for the purpose of arriving at the taxable turnover of sales or purchases of a dealer, there shall be deducted from his total turnover of sales, or as the case may be, of purchases, the sales or purchases of such declared goods, as have borne tax at any earlier stage.

10. (1) There shall be levied a sales tax on the turnover of sales of goods, Levy of sales tax and general sales tax on goods specified in Schedule III.
 specified in Schedule III at the rate set out against each of such goods in column 3 thereof, but after deducting from such turnover,—

5 (i) resales of goods on the purchase of which the dealer is liable to pay purchase tax under section 16,

(ii) resales of goods purchased by him from a Registered dealer,

10 (iii) sales of goods, or resales of goods to which clauses (i) and (ii) do not apply, to a Recognised dealer or to a Commission agent holding a permit who purchases on behalf of a principal who is a Recognised dealer, upon such dealer or Commission agent as the case may be, furnishing in the circumstances and subject to the conditions specified in sub-clause (B) and item (ii) of sub-clause (C) of sub-section (1) of section 13, a certificate as provided therein, and

15 (iv) sales of goods or resales of goods to which clauses (i) and (ii) do not apply, to a Licensed dealer or to a Commission agent holding a permit who purchases on behalf of a principal who is a Licensed dealer, upon such dealer or Commission agent as the case may be, furnishing in the circumstances and subject to the conditions specified in item (i) of sub-clause (A) and item (i) (a) of sub-clause (C) of sub-section (1) of section 13, a certificate as provided therein.

20 (2) There shall be levied a general sales tax on the turnover of sales of goods specified in Schedule III at the rate set out against each of such goods in column 4 thereof, but after deducting from such turnover,—

(i) resales of goods purchased from a Registered dealer, by a dealer who is not a Licensed dealer at the time of such purchase; and

25 (ii) sales of goods, or resales of goods to which clause (i) does not apply to a Licensed dealer, or Recognised dealer or to a Commission agent holding a

Permit who purchases on behalf of a principal who is a Licensed dealer or a Recognised dealer upon such dealer or Commission agent, as the case may be furnishing in the circumstances and subject to the conditions specified in section 13, a certificate as provided therein.

Exclusion or inclusion of certain purchases for the purposes of deduction under section 7, 8 or 10.

11. For the purposes of deducting under section 7, 8 or 10, resales of goods purchased from a Registered dealer from the turnover of sales, the expression "goods purchased from a Registered dealer" —

(1) shall be construed so as not to include the following classes of purchases :—

(a) a purchase of goods if the goods at the time of their purchase were the goods specified in Schedule I; 5

(b) a purchase of goods from any person whose sale of such goods has been wholly exempted from payment of tax under section 49 or any notification issued thereunder;

(c) a purchase of goods which is not liable to tax by virtue of the provisions of section [88] 87, and

(2) shall be construed so as to include the following classes of purchases :—

(a) a purchase of goods after the appointed day from a Registered dealer, but not being purchases specified in sub-section (1);

(b) a purchase of goods before the appointed day from a dealer registered under the Bombay Sales Tax Act, 1959, but not being the following classes of purchases :— 15
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1959.

(i) a purchase of any goods if the goods at the time of their purchase were the goods specified in Schedule A of the said Act;

(ii) a purchase of any goods from any person whose sale of such goods had been wholly exempted from payment of tax under section 41 of the said Act; 20

(iii) a purchase of any goods which was not liable to tax by virtue of the provisions of section 75 of the said Act;

(iv) a purchase of any goods described in Part II of Schedule B, or Schedule D or Schedule E of the said Act by a dealer holding a Licence under section 23 of the said Act, on the date of such purchase. 25

Tax payable at a reduced rate on certain sales.

12. Where any dealer liable to pay tax under this Act, sells any taxable goods—

(1) to a Licensed dealer, who certifies in the prescribed form—

(a) that the goods will be despatched in the same form in which they were purchased and without doing anything to them which might amount to or result in a manufacture thereof, within [three months] six months from the date of purchase, to his own place of business outside the State for sale or for use in the manufacture of goods for sale outside the State, and 5

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1956.

(b) that in respect of the said place of business he or his manager or agent at that place is a registered dealer under the Central Sales Tax Act, 1956;

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(2) to a Commission agent holding a Permit who certifies in the prescribed form—

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IV of
1956.

(a) that he is registered under the Central Sales Tax Act, 1956, and

(b) that the goods are purchased by him as Commission agent for his principal who is—

15

(i) the Central Government and that the goods will be despatched on behalf of such Government outside the State, or

20

(ii) a dealer whose place of business is outside the State and who is registered under the Central Sales Tax Act, 1956 and that the goods will be sold or will be used in the manufacture of goods for sale outside the State by the principal, or

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IV of
1956.

(iii) a Registered dealer having a place of business also outside the State and that such principal or his manager or agent is a registered dealer under the Central Sales Tax Act, 1956 and that the goods will be sold or will be used in the manufacture of goods for sale outside the State by such principal, and

25

(c) that the goods will be despatched outside the State within [three months] six months from the date of their purchase by the Commission agent,

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then, notwithstanding anything contained in section 7, 8 or 10, on such sale of goods to the Licensed dealer or, as the case may be, the Commission agent, the dealer shall be liable to pay a sales tax at the rate of three *paise* in the rupee, or where a lesser rate is specified in any Schedule in respect of those goods at that lesser rate.

13. (1) There shall not be deducted from the turnover of sales, sales of goods to a Licensed dealer, Recognised dealer or to a Commission agent holding a permit purchasing on behalf of his principal, as provided in sections 7, 8 and 10 unless—

No deduc-
tion from
turnover ex-
cept on a
certificate.

(A) the Licensed dealer—

5

(i) certifies in the prescribed form that the goods are purchased for resale in the course of inter-State trade or commerce, or in the course of export out of the territory of India, and that such goods will be so resold within twelve months from the date of such purchase by himself or by another Licensed dealer to whom he resells the goods; or

10

(ii) certifies in the prescribed form that the goods are intended—

(a) for resale by him otherwise than in the course of inter-State trade or commerce or export out of the territory of India, or

15

(b) for resale by him in the course of inter-State trade or commerce or export out of the territory of India, within twelve months from the date of such purchase, or

(B) the Recognised dealer certifies in the prescribed form, that the goods other than prohibited goods sold to him are goods purchased by him for use by him as raw or processing materials or as consumable stores in the manufacture of taxable goods for sale by him; or

(C) the Commission agent certifies in the prescribed form that the goods are purchased on behalf of his principal who—

(i) is a Licensed dealer—

(a) and the goods will be resold either by the principal himself or by another Licensed dealer to whom that principal will sell the goods in the course of inter-State trade or commerce, or in the course of export out of the territory of India within twelve months from the date of their purchase by the Commission agent, or

(b) who will resell the goods—

(i) otherwise than in the course of inter-State trade or commerce or export out of the territory of India, or

(ii) in the course of inter-State trade or commerce or export out of the territory of India, within twelve months from the date of such purchase, or

(ii) is a Recognised dealer, and the goods purchased being goods other than prohibited goods will be used by the principal as raw or processing materials or as consumable stores in the manufacture of taxable goods for sale,

and that the Commission agent will despatch the goods to his principal or to the principal's order within three months from the date of their purchase by the Commission agent.

(2) Where a Licensed dealer or a Commission agent has given a certificate as required by clause (A) (i) or as the case may be, clause (C) (i) (a), of sub-section (1) and the goods specified in the certificate are sold to another Licensed dealer, the Licensed dealer, to whom the goods are sold shall, when he resells the goods, send to the first mentioned Licensed dealer or, as the case may be, the Commission agent, a certificate in the prescribed form stating *inter-alia* whether goods were resold in the course of inter-State trade or commerce or in the course of export out of the territory of India and the date on which the goods were so resold.

Commission agent to send copy of certificate to principal.

14. Where a Commission agent purchases any goods under a certificate given by him under section 12 or 13 he shall simultaneously send a copy of such certificate to his principal.

Purchase tax payable on certain purchases of goods.

15. Where a dealer who is liable to pay tax under this Act purchases any goods specified in Schedule II or III from a person who is not a Registered dealer, then, unless the goods so purchased are resold by the dealer, there shall be levied, subject to the provisions of section 9,—

(i) in the case of goods specified in Schedule II, a purchase tax on the turnover of such purchases at the rate set out against them in that Schedule, and

10 (ii) in the case of goods specified in Schedule III, a purchase tax on the turnover of such purchases at a rate equivalent to the rate of sales tax set out against them in that Schedule.

16. (1) Where any dealer or Commission agent has purchased any taxable goods under a certificate given by him under section 12 or 13, and

(a) contrary to such certificate, the goods are used for another purpose, or are not resold or despatched in the manner and within the period certified, or

(b) on the resales in the course of inter-State trade or commerce, of the goods so purchased, no tax under the Central Sales Tax Act, 1956 is actually payable by him on account of any deduction admissible under any of the provisions of the said Act,

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IV of
1956.

Liability to
purchase tax
for contra-
vention of
terms of certi-
ficates etc.

10 then such dealer or Commission agent shall be liable to pay tax on the purchase price of the goods purchased under such certificate; and accordingly, he shall include the purchase price thereof in his turnover of purchases in his declaration or return under section 40 which he is to furnish next thereafter.

(2) If, in respect of any transaction by a Commission agent made under a certificate given by him under section 12 or 13, the Commission agent—

(a) purchases the goods at one rate, and passes them on to his principal at an increased rate (such increase not being by reason only of his commission or packing, carriage, freight or insurance of the goods and other reasonable charges incidental to their despatch or charged according to trade practice), or

(b) acts for a non-existent principal,

01 20 the Commission agent shall be liable to pay purchase tax on the purchase price of the goods so purchased, and accordingly he shall include the purchase price in his turnover of purchases in his declaration or return under section 40 which he is to furnish next thereafter.

25 (3) The purchase tax leviable under this section in respect of any goods specified in Schedule II or III shall be the aggregate of all taxes which would have been leviable thereon but for the certificate given under section 12 or 13.

30 (4) If any question arises whether the purchase price of goods purchased under a certificate given under section 12 or 13 is not liable to be included in the turnover of purchases of a dealer or Commission agent under this section, the burden of so proving shall be upon such dealer, or as the case may be, the Commission agent.

5 17. (1) Where a Commission agent purchases any taxable goods on behalf of his principal, such Commission agent and his principal shall both be jointly and severally liable to pay the tax or taxes, if any, payable under section 15, 16 or 18 as the case may be and nothing in sections 15, 16 and 18 shall affect the liability of the principal under this section.

(2) If the Commission agent shows to the satisfaction of the Commissioner that the tax payable by him under section 15, 16 or 18 as the case may be in respect

Joint and
several liabi-
lity of Com-
mission agent
and principal
in respect of
goods pur-
chased on
behalf of
principal.

of any goods, has been paid by the principal on whose behalf the goods were purchased, the Commission agent shall not be liable to pay the tax again in respect of the same transaction.

10

Levy of sales tax or purchase tax on sugarcane.

18. (1) There shall be levied a sales tax or purchase tax on the turnover of sales or as the case may be, turnover of purchases, of sugarcane sold or purchased for such purposes and at such rate not exceeding ten *paise* in the rupee and at such one stage as the State Government may, by notification in the *Official Gazette*, specify; and the seller or purchaser, as the case may be, shall be liable to pay tax on such turnover notwithstanding anything contained in section 3.

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(2) Every person who is liable to pay tax under sub-section (1) shall, unless he is already a registered dealer, be deemed to be a registered dealer for the purposes of sections 40, 41, 47, 57 and 58 and a dealer for the purposes of sections 43, 44, 45, 46 and 56.

10

Liability to pay tax on sale or purchase in contravention of section 18.

19. (1) Where sugarcane purchased for a purpose other than a purpose specified in the notification issued under section 18 is used for a purpose specified in such notification, the purchaser shall be liable to pay the tax leviable under section 18 on the purchase price of the sugarcane so purchased and used.

5

(2) If the Commissioner has reason to believe that any person has incurred liability to pay tax under sub-section (1), he shall serve on the purchaser a notice requiring him on a date and at a place specified therein, either to attend and produce or cause to be produced all evidence on which the purchaser relies in connection with his liability under this section or to produce such evidence, as is specified in the notice. On the date specified in the notice or as soon as may be thereafter, the Commissioner shall, after considering all the evidence which may be produced, assess to the best of his judgment, the amount of tax due from him.

10

Liability to purchase tax on certain stocks of goods.

20. (1) Where a dealer, liable to pay tax under this Act,—

(a) dies, or

(b) transfers or otherwise disposes of his business, or effects any change in the ownership thereof, or

(c) is a firm, company, society or other association of persons, or a trust, which is dissolved, liquidated, wound up, or revoked, or

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(d) is a Hindu undivided family, and the family is partitioned, or

(e) discontinues his business,

and the stock of goods held by such dealer immediately before the death, transfer, disposal, change, dissolution, liquidation, winding up, revocation, partition or discontinuance, as the case may be, includes—

10

(i) taxable goods purchased by him from a person who is not a Registered dealer, or

15 (ii) taxable goods purchased by him on a certificate given by him under section 12 or 13 or on a certificate given by him under section 49,

then there shall be levied a purchase tax on the purchase price of such taxable goods at the relevant rate of purchase tax applicable thereto, as if the dealer had become liable to pay purchase tax on such goods under section 15, 16 or 50 as the case may be :

20 Provided that, where the business carried on by such dealer is continued after such death, transfer, disposal, change, dissolution, liquidation, winding up, revocation or partition, as the case may be, and the person carrying on such business shows to the satisfaction of the Commissioner that,—

(a) any taxable goods referred to in sub-clause (i) have been resold, or

25 (b) any taxable goods referred to in sub-clause (ii) have been used for the purpose certified or, as the case may be, resold or despatched in the manner and within the period certified,

then in respect of such goods, no purchase tax shall be levied under this section.

(2) Where the certificate of registration issued to a dealer is cancelled on the 30 ground that in the previous year his turnover of purchases or his turnover of sales did not exceed the relevant limit applicable to him under sub-section (4) of section 3 and the stock of goods held by him immediately before such cancellation includes taxable goods purchased by him on a certificate given under section 12, 13 or 49 there shall be levied on the purchase price of such goods a purchase tax which shall 30 be calculated at the relevant rate of purchase tax applicable thereto under section 15 or under sub-section (3) of section 16, or as the case may be, under section 50.

21. Notwithstanding anything contained in sections 7, 8, 10, 15 and 16—
Rate of tax on packing materials.

5 (1) where goods packed in any materials are sold or purchased, the materials in which the goods are so packed shall be deemed to have been sold or purchased along with the goods and the tax shall be leviable on such sale or purchase of the materials at the rate of tax, if any, as applicable to the sales, or as the case may be, purchases of the goods themselves;

10 (2) where any packing material is purchased on a certificate under section 13 for resale as packing material but is used in packing any tax-free goods and the goods so packed are sold, then in respect of the material in which the goods are so packed, the tax shall be leviable on the sale of such packing material at the rate applicable thereto under the relevant Schedule, as if the material were sold separately.

22. (1) Where a Commission agent sells any taxable goods on behalf of his principal, such Commission agent and his principal shall both be jointly and severally liable to pay the tax or taxes on the turnover of such sales under section 6.
Commission agent liable to tax for sales on behalf of principal.

(2) If the principal, on whose behalf the Commission agent has sold goods, shows to the satisfaction of the Commissioner that the tax has been paid by his Commission agent on such goods under sub-section (1), the principal shall not be liable to pay the tax again in respect of the same transaction. 5

Power to reduce rate of tax and to amend Schedules.

23. (1) The State Government may by notification in the *Official Gazette* reduce any rate of tax specified in Schedule II or III in respect of any entry (or part thereof) in the said Schedules; and may, by like notification,—

(a) omit or amend any entry (or part thereof) in the said Schedules but not so as to enhance the rate of tax in any case; 5

(b) transpose any entry (or part thereof) from one of the said Schedules to another;

(c) transpose any entry (or part thereof) from Part A to Part B of Schedule II or *vice versa*;

and thereupon, the Schedule shall be deemed to have been amended accordingly. 10

(2) Every notification issued under sub-section (1) shall be laid for not less than thirty days before the State Legislature as soon as possible after it is issued and shall be subject to rescission by the State Legislature or to such modification as the State Legislature may make, during the session in which it is so laid or the session immediately following. Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect. 15

No deductions under sections 7, 8 and 10 in certain cases.

24. Where any entry (or part thereof) in any Schedule is transposed to any other Schedule or any entry (or part thereof) is transposed from Part A to Part B of Schedule II or *vice-versa*, and as a result of such transposition and on account of the deductions permitted under sections 7, 8 and 10, no tax on any sale or purchase of the goods specified in that entry (or part thereof) be leviable, then notwithstanding anything contained in those sections, the deductions provided in clause (i) of section 7, or clause (ii) of section 8 or as the case may be, clause (ii) of sub-section (1) of section 10 or clause (i) of sub-section (2) of that section, shall not apply to the resale of those goods. 5

Liability of firm.

25. Notwithstanding any contract to the contrary, where any firm is liable to pay tax under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment :

Provided that, where any such partner retires from the firm he shall intimate the date of his retirement to the Commissioner by a notice in that behalf in writing and he shall be liable to pay the tax and the penalty (if any) remaining unpaid at the time of his retirement and any tax due up to the date of retirement though unassessed at that date : 5

Provided further that where no such intimation is given within fifteen days from the date of retirement the liability of the partner under the first proviso 10

shall continue until the date on which such intimation is received by the Commissioner.

26. (1) Where a person who is or has been a dealer, liable to pay tax under this Act, dies, then,

Special provision regarding liability to pay tax in certain cases.

5 (a) if the business carried on by the dealer is continued after his death by his legal representative or any other person, such legal representative or other person, shall be liable to pay the tax including any penalty due from such dealer under this Act or under any earlier law, and

10 (b) if the business carried on by the dealer is discontinued, whether before or after his death, his legal representative shall be liable to pay out of the estate of the deceased, to the extent to which the estate is capable of meeting the charge, the tax (including any penalty) due from such dealer under this Act or under any earlier law, whether such tax (including any penalty) has been assessed before his death but has remained unpaid or is assessed after his death.

15 (2) Where a dealer, liable to pay tax under this Act, is a Hindu undivided family, and the joint family property is partitioned amongst the various members or groups of members then each member or group of members shall be jointly and severally liable to pay the tax (including any penalty) due from the dealer under this Act or under any earlier law up to the time of the partition whether such tax (including any penalty) has been assessed before partition but has remained unpaid or is assessed after partition.

20 (3) Where a dealer, liable to pay tax under this Act, is a firm, and the firm is dissolved, then every person who was a partner shall be jointly and severally liable to pay to the extent to which he is liable under section 25, the tax (including any penalty) due from the firm under this Act or under any earlier law, up to the time of dissolution, whether such tax (including any penalty) has been
25 assessed before such dissolution but has remained unpaid, or is assessed after dissolution.

30 (4) Where a dealer, liable to pay tax under this Act, transfers his business in whole or in part, by sale, lease, leave or licence, hire or in any other manner whatsoever, the dealer and the person to whom the business is transferred shall jointly and severally be liable to pay the tax (including any penalty) due from the dealer under this Act or under any earlier law upto the time of such transfer, [disposal or change] whether such tax (including any penalty) has been assessed before such transfer, [disposal or change] but has remained unpaid or is assessed thereafter.

(5) Where the dealer liable to pay tax under this Act,—

35 (a) is the guardian of a ward on whose behalf the business is carried on by the guardian, or

(b) is a trustee who carries on the business under a trust for a beneficiary,

then, if the guardianship or trust is terminated, the ward or, as the case may be, the beneficiary shall be liable to pay the tax (including any penalty) due from the dealer upto the time of the termination of the guardianship or trust, whether such tax (including any penalty) has been assessed before the termination of the guardianship or trust but has remained unpaid or is assessed thereafter. 40

(6) Where a person becomes liable to pay tax in the manner described in clause (a) of sub-section (1) or in sub-section (4), then, such person shall, notwithstanding anything contained in section 3, be liable to pay tax on the sales or purchases of goods made by him on and after the date of such [succession, transfer, disposal or as the case may be, change] succession or transfer and shall (unless he already holds a certificate of registration) within thirty days thereof apply for registration : 45

Provided that, where such person resells any goods purchased by the dealer while carrying on business before such [succession, transfer, disposal or as the case may be, change] succession or transfer he shall be entitled to such deductions in respect thereof as are permissible under section 7, 8 or 10, as the case may be, had the resale been effected by the dealer himself. 50

CHAPTER III.

SALES TAX AUTHORITIES AND TRIBUNAL.

Sales Tax Authorities. 27. (1) For carrying out the purposes of this Act, the State Government shall appoint an officer to be called the Commissioner of Sales Tax.

(2) To assist the Commissioner in the execution of his functions under this Act, the State Government may appoint Additional Commissioners of Sales Tax (if any), and such number of,— 5

(a) Deputy Commissioners,

(b) Assistant Commissioners,

(c) Sales Tax Officers, and

(d) other officers and persons, and give them such designations (if any), as the State Government thinks necessary. 10

(3) The Commissioner shall have jurisdiction over the whole of the State of Gujarat; and an Additional Commissioner of Sales Tax, if any be appointed, shall have jurisdiction over the whole of the State or where the State Government so directs, over any local area thereof. All other officers shall have jurisdiction over the whole of the State or over such local areas as the State Government may specify. 15

(4) The Commissioner shall have and exercise all the powers and perform all the duties, conferred or imposed on the Commissioner by or under this Act, and an Additional Commissioner, if any be appointed, shall, save as otherwise directed by the State Government, have and exercise within his jurisdiction all the powers and perform all the duties, conferred or imposed on the Commissioner by or under this Act. 20

(5) A Deputy Commissioner shall have and exercise in the area within his jurisdiction all the powers, and shall perform all the duties, conferred or imposed on the Commissioner, by or under this Act; but the Commissioner may, by order published in the *Official Gazette*, direct that any Deputy Commissioner, or all Deputy Commissioners generally, shall not exercise such powers or perform such duties as are specified in the order, and thereupon such Deputy Commissioner or, as the case may be, all Deputy Commissioners, shall cease to exercise those powers and perform those duties. The Commissioner may in like manner revoke any such direction and thereupon the powers or duties exercisable or performable by such Deputy Commissioner or, as the case may be, all Deputy Commissioners before such direction was issued, shall be restored to him or them.

(6) Assistant Commissioners, Sales Tax Officers and other Officers shall within their jurisdiction exercise such of the powers and perform such of the duties of the Commissioner under this Act, as the Commissioner may, subject to such conditions and restrictions as the State Government may by general or special order impose, by order in writing delegate to them either generally or as respects any particular matter or class of matters.

(7) The State Government may, subject to such restrictions and conditions (if any), as it may impose by notification in the *Official Gazette*, delegate to the Commissioner the powers (not being powers relating to the appointment of Additional Commissioners or Deputy Commissioners), conferred on the State Government by sub-sections (2) and (3).

(8) All officers and persons appointed under sub-section (2) shall be subordinate to the Commissioner; and the subordination of officers (other than the Commissioner), and of persons amongst themselves shall be such as may be prescribed.

28. (1) The State Government shall constitute a Tribunal consisting of as many members as it thinks fit to discharge the functions conferred on the Tribunal by or under this Act. Tribunal.

(2) The State Government shall appoint one of the members of the Tribunal to be the President thereof.

(3) The qualifications of the members constituting the Tribunal shall be such as may be prescribed and a member shall hold office for such period as the State Government may fix in his case.

(4) The State Government may terminate the appointment of any member of the Tribunal before the expiry of the term of his office if such member—

(a) is adjudged an insolvent, or

(b) engages during his term of office in any paid employment outside the duties of his office, or

(c) is or becomes in any way concerned or interested in any contract or agreement made by or on behalf of the State Government or participates in any way in the profit thereof or in any benefit or emoluments arising therefrom otherwise than as a member, or 15

(d) is in the opinion of the State Government, unfit to continue in office by reason of infirmity of mind or body, or

(e) is convicted of an offence involving moral turpitude. 20

(5) Any vacancy in the membership of the Tribunal shall be filled up by the State Government as soon as practicable.

(6) The functions of the Tribunal may be discharged by one or more Benches thereof constituted in accordance with the regulations made under sub-section (9).

(7) If the members of the Tribunal or a Bench thereof are divided, the decision shall be the decision of the majority, if there be a majority; but if the members are equally divided they shall state the point or points on which they differ, and the case shall be referred by the President of the Tribunal for hearing on such point or points to one or more of the other members of the Tribunal; and such point or points shall be decided according to the majority of the members of the Tribunal who heard the case including those who first heard it. 25 30

(8) Subject to such conditions and limitations as may be prescribed the Tribunal shall have power to award costs and the amount of such costs shall be recoverable from the person ordered to pay the same as an arrear of land revenue.

(9) Subject to the previous sanction of the State Government the Tribunal shall, for the purpose of regulating its procedure (including the place or places at which the Tribunal or the Benches thereof shall sit) and the disposal of its business, make regulations consistent with the provisions of this Act and the rules. 35

(10) The regulations made under sub-section (9) shall be published in the *Official Gazette*. 40

CHAPTER IV

REGISTRATIONS, LICENCES, RECOGNITIONS AND PERMITS.

Registration. 29. (1) No dealer shall, while being liable to pay tax under section 3 or under sub-section (6) of section 26, carry on business as a dealer, unless he possesses a valid certificate of registration as provided by this Act :

Provided that the provisions of this sub-section shall not be deemed to have been contravened if the dealer having applied for such registration as in this section provided, within the prescribed time or, as the case may be, within the period specified in sub-section (6) of section 26, carries on such business. 5

(2) Every dealer, required by sub-section (1) to possess a certificate of registration, shall apply in the prescribed manner to the prescribed authority.

10 (3) If the prescribed authority is satisfied that an application for registration is in order, it shall register the applicant and issue to him a certificate of registration in the prescribed form.

15 (4) The prescribed authority may, after considering any information furnished under any provisions of this Act or otherwise received, amend, from time to time, any certificate of registration.

20 (5) When any dealer has been subjected or is liable to be subjected to a penalty under section 45, or is convicted under section 75 or has compounded an offence under section 81 in respect of any contravention of sub-section (1), the prescribed authority shall register such dealer, if such dealer is not a registered dealer, and issue to him a certificate of registration, and such registration shall take effect from the date of the issue of the certificate in every respect as if it had been issued under sub-section (3) on the dealer's application.

25 (6) If any person upon an application made by him has been registered as a dealer under this section, and thereafter it is found that he ought not to have been so registered under the provisions of this section, either because he is not a dealer or because he is not liable to pay tax, he shall be liable to pay tax on his sales or purchases made during the period commencing on the date on which his registration certificate took effect and ending with its cancellation, notwithstanding that he may not be liable to pay tax under the provisions of this Act.

30 (7) Where—

(a) any business, in respect of which a certificate of registration has been issued under this section, has been discontinued or transferred, or

(b) neither the turnover of sales nor the turnover of purchases of a dealer has during the preceding year exceeded the relevant limit specified in sub-section

35 (4) of section 3,

and the dealer applies in the prescribed manner for cancellation of his registration, the prescribed authority shall cancel the registration with effect from such date as it may fix in accordance with the rules :

40 Provided that, where the Commissioner is satisfied that any business in respect of which a certificate has been issued under this section, has been discontinued and the dealer has failed to apply as aforesaid for cancellation of registration, the Commissioner may, after giving the dealer a reasonable opportunity of being heard, cancel the registration with effect from such date as he may fix to be the date from which the business has been discontinued :

Provided further that, the cancellation of a certificate of registration on an application of the dealer or otherwise, shall not affect the liability of the dealer to pay the tax (including any penalty) due for any period prior to the date of cancellation whether such tax (including any penalty) is assessed before the date of cancellation but remains unpaid, or is assessed thereafter or his liability to pay tax as provided in section 20. 45

Voluntary
Registration
of dealers.

30. (1) If on the application of any dealer having a fixed or regular place of business in the State, for registration under this section, the authority prescribed for the purpose of section 29 is satisfied that his gross turnover of sales or purchases during a year has exceeded or is likely to exceed [Rs. 10,000,] Rs. 5,000, the said authority, may, notwithstanding that the dealer may not be liable to pay tax under section 3, register the dealer and grant him a certificate of registration in the prescribed manner. 5

(2) The provisions of sub-sections (3) and (4) and clause (a) of sub-section (7) of section 29 shall apply in respect of applications for registration under this section. 10

(3) Every dealer who has been registered upon application made under this section shall, so long as his registration remains in force, be liable to pay tax under this Act, notwithstanding anything contained in section 3.

(4) The registration of a dealer upon application made under this section shall be in force for a period of not less than [three complete years] one complete year and shall remain in force thereafter unless cancelled under the provisions of this Act. 15

(5) Subject to the provisions of sub-section (4), a dealer registered upon application made under this section may apply in prescribed manner not less than [six months] two months before the end of a year to the authority which granted him the certificate of registration for the cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made and the said authority shall, unless the dealer is liable to pay tax under section 3, cancel the registration accordingly. 20

Licences.

31. Where, during the previous or current year,—

(a) the turnover of sales by a Registered dealer to other Registered dealers, or

(b) the turnover of sales of a Registered dealer, of goods which are exported by him from the State outside the territory of India, or despatched by him from the State to any place in India outside the State, 5

exceeds thirty thousand rupees, he may apply for a Licence to the Commissioner. Subject to the provisions of section 34, the Commissioner shall if the dealer satisfies such further requirements (including the furnishing of adequate security) as may be prescribed, issue to him a Licence in such form, and subject to such conditions, as may be prescribed. 10

Explanation.—Where a Registered dealer has, during [the year ending on 31st day of March, 1969 or the year commencing on 1st day of April, 1969] the year immediately preceding the year within which the appointed day falls or the year commencing on the first day of the year within which the appointed day falls,

15 Bom.
LI of
1959.

been a dealer registered under the Bombay Sales Tax Act, 1959 and the turnover of sales made by him during any such year to other dealers registered under that Act, or the turnover of sales made by him during any such year of goods which were exported or despatched by him to a destination referred to in clause (b) had exceeded thirty thousand rupees, he may also apply under this section for a Licence to the Commissioner and the Commissioner shall issue to him a Licence in the manner aforesaid.

32. Where during the previous or current year, the value of all taxable goods manufactured for sale by a dealer registered under section 29 or by a dealer registered under section 30, whose turnover of sales or purchases has subsequently, exceeded the limits specified in sub-section (4) of section 3, exceeds Rs. 3,000, such dealer may apply for Recognition to the Commissioner. Subject to the provisions of section 34, the Commissioner shall issue to him a Recognition in such form, and on such conditions, as may be prescribed.

Explanation.—Where a Registered dealer has, during [the year ending on the 31st day of March, 1969 or the year commencing on the 1st day of April, 1969] the year immediately preceding the year within which the appointed day falls or the year commencing on the first day of the year within which the appointed day falls, been a dealer registered under the Bombay Sales Tax Act, 1959 and the value of all taxable goods manufactured in any such year for sale by him had exceeded Rs. 3,000, he may also apply for a Recognition to the Commissioner and the Commissioner shall issue to him a Recognition in the manner aforesaid.

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1959.

33. A Registered dealer, who *bona fide* buys for an agreed commission any goods on behalf of a principal mentioned in his account in respect of each transaction and whose turnover of such purchases during the previous year or current year exceeds thirty thousand rupees, may apply for a Permit to the Commissioner. Subject to the provisions of section 34, the Commissioner shall issue to him a Permit in such form, and subject to such conditions, as may be prescribed.

Explanation.—Where a Registered dealer has, during [the year ending on the 31st day of March, 1969 or the year commencing on the 1st day of April, 1969] the year immediately preceding the year within which the appointed day falls or the year commencing on the first day of the year within which the appointed day

10 Bom.
LI of
1959.

falls, been a dealer registered under the Bombay Sales Tax Act, 1959 and who *bona fide* bought for an agreed commission any goods on behalf of a principal mentioned in his account in respect of each transaction and whose turnover of such purchases has exceeded thirty thousand rupees in any such year, he may also apply under this section for a Permit to the Commissioner and the Commissioner may issue to him a Permit in the manner aforesaid.

Commissioner may refuse Licence etc. 34. The Commissioner may refuse to grant a Licence or Recognition or as the case may be, Permit to a dealer under any of the following circumstances, that is to say,—

(a) if a Licence, Recognition or, as the case may be, Permit previously granted under this Act or a Licence, Authorisation, Recognition, or as the case may be, Permit granted under the Bombay Sales Tax Act, 1959, to such dealer, has been cancelled in the circumstances other than those referred to in sub-section (1) of section 35, 5
Bom. LI of 1959.

(b) if the dealer's Licence, or Recognition, or as the case may be, Permit has been suspended and the period of suspension has not expired, 10

(c) if the dealer—

(i) has failed to pay any tax (including any penalty) due from him by or under any provisions of this Act, or any earlier law; or

(ii) has failed, without sufficient cause, to furnish any declaration or return required to be furnished by or under the provisions of this Act (other than the provisions of section 61), or any earlier law; or 15

(iii) is an undischarged insolvent; or

(iv) has been convicted of an offence under this Act or any earlier law,

(d) if the dealer is a firm, and any partner thereof is a person,—

(i) whose Licence, Authorization, Recognition or Permit has been cancelled in the circumstances referred to in clause (a), or 20

(ii) to whom a Licence, Recognition or Permit, was previously refused in the circumstances referred to in clause (c).

Cancellation or suspension of Licence etc.

35. (1) If—

(a) the registration of a Licensed dealer, Recognised dealer or Commission agent holding a Permit is cancelled; or

(b) in any year,—

(i) the turnover of sales of a Licensed dealer or as the case may be, the turnover of purchases of a Commission agent holding a Permit fails to exceed the amount requisite for the grant of a Licence, or Permit, or 5

(ii) the value of taxable goods manufactured for sale by a Recognised dealer fails to exceed the amount requisite for the grant of a Recognition; or

(c) the Licensed dealer, Recognised dealer or Commission agent holding a Permit does not wish to continue to have a Licence, Recognition or Permit, 10

then, in the circumstances stated—

(i) in clause (a), the dealer shall forthwith,

15 (ii) in clause (b), *the dealer shall [within fifteen days] within thirty days*
from the end of such year, and

(iii) in clause (c), the dealer may at any time,
present his Licence, Recognition or Permit to the Commissioner for cancellation,
and the Commissioner shall cancel the Licence, Recognition or, as the case may
be, Permit; and accordingly, in the circumstances stated in clause (a) the
20 Licence, Recognition or Permit shall stand cancelled from the date of the cancel-
lation of the registration, and in any other case it shall cease to have effect from
the date of presentation for cancellation.

(2) If a Licensed dealer, Recognised dealer or Commission agent holding a
Permit—

25 (a) fails to pay any tax (including any penalty) due from him under any
provisions of this Act, or of any earlier law, or

(b) contravenes or has contravened any provisions of this Act or the rules
or any conditions of his Licence, Recognition or Permit, or

(c) becomes an insolvent, or

30 (d) has been convicted of an offence under this Act, or any earlier law,
the Commissioner may, after giving the Licensed dealer, or Recognised dealer or
as the case may be, Commission agent a reasonable opportunity of being heard,
suspend the Licence or, Recognition or as the case may be, Permit, for such
period as he thinks fit, or cancel it.

Bom. 36. (1) Every Registered dealer whose Licence issued under the Bombay Substitution
LI of Sales Tax Act, 1959 (hereinafter in this section referred to as the existing Licence) of Licence
1959. is deemed to be a Licence under clause (b) of sub-section (2) of section [89] 88 of bay Sales
Tax Act,
this Act, shall obtain from the Commissioner, a fresh Licence. 1959 by a
fresh Licence.

5 (2) An application for the purpose of obtaining a fresh Licence under sub-
section (1) shall be made by a dealer in the prescribed form and within the prescribed
period, to the Commissioner and such application shall be accompanied by a
copy of the existing Licence. The dealer shall produce the Licence held by him,
together with the additional copies thereof, if any, which were issued to him,
10 before the Commissioner when he is asked to do so.

(3) On receipt of such application, the Commissioner shall, subject to the
provisions of this Act, grant a fresh Licence to such dealer and endorse the fact
of such grant of fresh Licence on the existing Licence and on the additional
copies thereof, if any, produced before him :

15 Provided that where the existing Licence was issued on the dealer's furnishing
any security, the dealer shall be liable to furnish fresh security in accordance with
the rules for obtaining a fresh Licence under this section.

(4) Where the dealer fails to make an application required to be made under
sub-section (2), the existing Licence shall stand cancelled from the date of the
20 expiry of the period prescribed under sub-section (2) and the dealer shall forth-
with present the same to the Commissioner for cancellation.

Non-transferability of Registration, Licence, etc. 37. Save as otherwise provided in section 39, a certificate of registration, Licence, Recognition or Permit shall be personal to the dealer to whom it is granted, and shall not be transferable.

Information to be furnished regarding changes in business, etc.

38. If any dealer liable to pay tax under this Act—

(a) [sells] transfers his business, in whole or in part, by sale, lease, leave or licence, hire or in any other manner whatsoever, or otherwise disposes of his business or any part thereof, or effects or knows of any other change in the ownership of the business, or

(b) discontinues his business or, changes the place thereof or opens a new place of business, or

(c) changes the name of his business, or

(d) enters into a partnership or other association in regard to his business,

he shall, within the prescribed time, inform the prescribed authority accordingly; and where any such dealer dies, his executor, administrator or other legal representative, or where any such dealer is a firm and there is a change in the constitution of the firm or the firm is dissolved, every person who was a partner thereof, shall, in like manner, inform the said authority of such death, change in the constitution or, as the case may be, dissolution.

Certificate of registration, Licence, etc., to continue in certain circumstances.

39. Where a Registered dealer—

(a) effects a change in the name of his business, or

(b) is a firm, and there is a change in the constitution of the firm without dissolution thereof, or

(c) is a trustee of a trust, and there is change in the trustees thereof, or

(d) is a guardian of a ward, and there is a change in the guardian, or

(e) is a Hindu undivided family and the business of such family is converted into a partnership business with all or any of the coparceners as partners thereof,

then, merely by reason of any of the circumstances aforesaid, it shall not be necessary for the dealer, or the firm with the changed constitution, or the new trustees, or new guardian or as the case may be, the partners of such partnership business, to apply for a fresh certificate of registration and on information being furnished in the manner required by section 38, the certificate of registration shall be amended; and any Licence, Recognition or Permit granted to the Registered dealer prior to any such change as is mentioned aforesaid shall, subject to the provisions of section 35, also continue to be valid, as also any certificates given under section 12 or 13 under such Licence, Recognition or Permit.

CHAPTER V.

DECLARATIONS, RETURNS, ASSESSMENTS, PAYMENTS, PENALTY AND RECOVERY AND
REFUND OF TAX.

40. (1) Every Registered dealer shall furnish declarations or returns for such period, by such dates, and to such authority, as may be prescribed :

Declarations
and
Returns.

5 Provided that the Commissioner may, subject to such terms and conditions as may be prescribed, exempt any such dealer from furnishing such declarations or returns or permit any such dealer,—

(a) to furnish them for such different periods, or

(b) to furnish a consolidated declaration or return relating to all or any of the places of business of the dealer in the State for the said period, or for such different period, to such authority,

10 as he may direct.

(2) If the Commissioner has reason to believe—

(a) that the turnover of sales or the turnover of purchases of any dealer is likely to exceed the relevant limit specified in sub-section (4) of section 3 for liability to pay tax, or

15 (b) that either the turnover of sales or the turnover of purchases of any dealer has during any year exceeded—

(i) Rs. 15,000 in the case of a dealer who is an importer or manufacturer other than a dealer of special category specified in sub-section (5) of section 3, or

20 (ii) Rs. 25,000 in the case of any other dealer,

he may, by notice served in the prescribed manner, require such dealer to furnish declarations or returns as if he were a Registered dealer; but no tax shall be payable by such dealer, unless his turnover exceeds the relevant limit specified in sub-section (4) of section 3, nor otherwise than in accordance with the other provisions of this Act.

25

(3) If any dealer having furnished declarations or returns under sub-section (1) or (2), discovers any omission or incorrect statement therein, he may furnish a revised declaration or return before the expiry of three months next following he last date prescribed for furnishing the original declaration or return.

41. (1) The amount of tax due from a Registered dealer shall be assessed parately for each year during which he is liable to pay the tax [:] or, on an application by any such dealer to that effect, for such period exceeding one year during which he is so liable as is specified in the application :

Assessment
of taxes.

Provided that when such dealer fails to furnish any declaration or return relating to any period of any year, by the prescribed date, the Commissioner may, if he thinks fit, assess the tax due from such dealer separately for different parts of such year : 5

Provided further that the Commissioner may, subject to such conditions as may be prescribed, and for reasons to be recorded in writing, assess the tax due from any dealer during a part of a year. 10

(2) If the Commissioner is satisfied that the declarations or returns furnished in respect of any period are correct and complete, he shall assess the amount of tax due from the dealer on the basis of such declarations or returns.

(3) If the Commissioner is not satisfied that the declarations or returns furnished in respect of any period are correct and complete, and he thinks it necessary to require the presence of the dealer or the production of further evidence, he shall serve on such dealer in the prescribed manner a notice requiring him on a date and at a place specified therein, either to attend and produce or cause to be produced all evidence on which such dealer relies in support of his declarations or returns, or to produce such evidence as is specified in the notice. 15 20

On the date specified in the notice, or as soon as may be thereafter, the Commissioner shall, after considering all the evidence which may be produced, assess the amount of tax due from the dealer.

(4) If a dealer fails to comply with the terms of any notice issued under subsection (3), the Commissioner shall assess, to the best of his judgment, the amount of tax due from him. 25

(5) If a dealer does not furnish declarations or returns in respect of any period by the prescribed date, the Commissioner shall, after giving the dealer a reasonable opportunity of being heard, assess to the best of his judgment, the amount of tax (if any) due from him. 30

(6) If the Commissioner has reason to believe that a dealer is liable to pay tax in respect of any period, but has failed to apply for registration within time as required by section 29, the Commissioner shall, after giving him a notice in the prescribed form for a reasonable opportunity of being heard, assess to the best of his judgment, the amount of tax (if any) due from the dealer in respect of such period, and any period subsequent thereto. 35

[(7) Notwithstanding anything contained in this section, if a dealer liable to pay tax has not regularly employed any method of accounting or if the method employed is such that in the opinion of the Commissioner, assessment cannot be properly made on the basis thereof, the Commissioner shall assess to the best of his judgment, the amount of tax due from such dealer.] 40

(7) Notwithstanding anything contained in this section, if a dealer liable to pay tax has not employed regularly any method of accounting or if in the opinion of the Commissioner, assessment cannot be made properly on the basis of the accounts maintained by a dealer, the Commissioner shall assess to the best of his judgment, the amount of tax due from such dealer. 45

(8) Any assessment made under this section shall be without prejudice to any penalty or prosecution for an offence, under this Act.

42. (1)(a) No order of assessment for a year or part of a year shall be made under sub-section [(3), (4) or (5)] (3) or (4) of section 41 at any time after the expiry of three years from the end of the year in which the last monthly, quarterly or as the case may be, annual return is filed. Time limit for completion of assessments.

5 (b) Where the Commissioner issues a notice under sub-section (6) of section 41 to any dealer for assessment of tax in respect of any period, no order of assessment shall be made for such part of the period, if any, as is prior to :—

10 (i) a period of eight years ending on the last date of the year immediately preceding the year in which such notice is issued, in a case where the Commissioner has reason to believe that such dealer has failed to apply for registration with intention to defraud Government revenue; and

(ii) a period of four years ending on the last date as aforesaid, in any other case ;

15 Provided that for the purpose of this section if it is considered necessary so to do, the State Government may, subject to such conditions as it may deem fit, and the Commissioner may, subject to such conditions as may be prescribed, by a general or special order, stay, either generally or for a specified period, the assessment proceedings of a dealer or class of dealers :

20 Provided further that in computing the period of limitation for the purposes of this section, any period during which assessment proceedings are stayed under the first proviso or by an order or injunction of any court or authority shall be excluded :

25 Provided further that where a fresh assessment is required to be made in pursuance of any order under section 65, 67 or 69 or in pursuance of any order of any court or authority such fresh assessment shall be made at any time within three years from the date of such order.

(2) Nothing in sub-section (1) shall apply to any assessment proceedings (including any notice issued) pending immediately before the appointed day.

5 43. Where in respect of any tax (including any penalty) due from a dealer under this Act or under any earlier law, any other person is liable for the payment thereof under any provisions of this Act or earlier law, all the relevant provisions of this Act or, as the case may be, of the earlier law, shall in respect of such liability apply to such person also, as if he were the dealer himself. Applicability of the Act or earlier law to other persons liable to pay tax.

44. [(1)] If the Commissioner has reason to believe that any turnover of sales or turnover of purchases of any goods chargeable to tax under this Act has not been assessed in respect of any period in an order of assessment made under section 41, then the Commissioner may— Reassessment of turnover escaping assessment.

(a) where he has reason to believe that the dealer has concealed such sales or purchases or any material particulars relating thereto, or has knowingly furnished incorrect declarations or returns, at any time within eight years, and 5

(b) in any other case, at any time within [four years,] five years,

[of the end of the year in which the order of assessment was passed,] of the end of the period to which such turnover relates, serve on the dealer liable to pay tax in respect of such turnover, a notice containing all or any of the requisitions which may be included in a notice in the prescribed manner [and may proceed to assess the amount of tax due from such dealer to the best of his judgment :] and assess, not later than three years from the date of service of the notice, the amount of tax due from such dealer to the best of his judgment : 10 15

Provided that the amount of tax shall be assessed at the rates at which it would have been liable to tax had there been no escapement of assessment but after making deductions (if any) permitted from time to time by or under this Act :

Provided further that where in respect of such assessment, proceedings are pending in appeal or revision, the appropriate appellate or revisional authority under this Act may, on its own motion or on the report of the Commissioner after giving the dealer concerned a reasonable opportunity of being heard, pass such order as it deems fit: 20

Provided further that the provisions of all the provisos to sub-section (1) of section 42 shall *mutatis-mutandis* apply to assessment proceedings under this section. 25

[(2) Nothing in sub-section (1) shall apply to any proceeding (including any notice issued) under section 41, 67 or 72.

(3) Nothing in section 67, or 72 shall affect a proceeding under this section.]

Imposition
of penalty
in certain
cases and
bar to pro-
secution.

45. (1) Where any dealer or Commission agent becomes liable to pay purchase tax under the provisions of sub-section (1) or (2) of section 16, then, the Commissioner may impose on him, in addition to any tax payable,—

(a) if he has included the purchase price of the goods in his turnover of purchases as required by sub-section (1) of section 16, a sum by way of penalty not exceeding [the amount of tax] half the amount of tax, and 5

(b) if he has not so included the purchase price as aforesaid, a sum by way of penalty not exceeding twice the amount of tax.

(2) If, while assessing the amount of tax due from a dealer under section 41, it appears to the Commissioner that such dealer— 10

(a) has failed to apply for registration as required by section 29, or

(b) has without reasonable cause, failed to comply with the notice under section 41, or

(c) has concealed the particulars of any transaction or deliberately furnished inaccurate particulars of any transaction liable to tax, 15

the Commissioner may impose upon the dealer by way of penalty, in addition to any tax assessed under section 41, a sum not exceeding one and one-half times the amount of the tax.

(3) If a dealer fails to present his Licence, Recognition or as the case may be, Permit for cancellation as required by section 35 or 36, the Commissioner may impose upon the dealer by way of penalty, a sum not exceeding two thousand rupees.

(4) If a dealer fails without sufficient cause to furnish any declaration or any return as required by section 40, the Commissioner may impose upon the dealer by way of penalty, a sum not exceeding two thousand rupees.

(5) If a dealer does not, without reasonable cause, pay tax within the time he is required by or under the provisions of this Act to pay it, he shall, subject to the provisions of sub-section (4) of section 65, pay by way of penalty, in addition to the amount of tax, a sum equal to,—

(a) one per cent of the amount of tax per month for the first three months, after the last date by which he should have paid that tax, and

(b) one and one-half per cent of the amount of tax per month thereafter,

during the time he continues to make default in the payment of tax :

Provided that the Commissioner may, subject to such conditions as may be prescribed, and an appellate authority in an appeal under section 65 may, remit the whole or any part of the penalty payable in respect of any period.

(6) Where a dealer has failed to pay the whole of the amount of tax as required by sub-section (2) of section 47 or the whole of the extra amount of tax as required by sub-section (3) of that section or where in the case of a dealer, the amount of tax assessed or re-assessed for any period under section 41 or section 44 exceeds the sum already paid by a dealer in respect of such period prior to such assessment or reassessment by more than twenty per cent of the sum so paid, the dealer shall be deemed to have failed to pay the tax to the extent of the difference between the amount payable as aforesaid and the amount paid and the dealer shall pay by way of penalty on the amount of difference a sum calculated in accordance with the provisions of sub-section (5) and the provisions of sub-section (5) shall, so far as may be, apply thereto:

Provided that where in assessing the amount of tax from any dealer under section 41 in respect of any period the time taken for making an order of assessment exceeds eighteen months from the date of expiry of the time prescribed for the payment of tax under section 47, the Commissioner [may remit] shall remit the amount of penalty payable by the dealer for the period between the date of expiry of the said period of eighteen months and the date of payment of tax specified in the notice under sub-section (4) of section 47 :

Provided further that where the Commissioner is satisfied that the difference between the amount payable as assessed or reassessed and the amount paid, has taken place not without a reasonable cause, the Commissioner may remit the whole or the part of the penalty, payable in respect of any period by any dealer.

(7) Wherever any person fails without sufficient cause, to furnish any information required by section 38, the Commissioner may, by an order in writing, impose upon the dealer by way of penalty a sum not exceeding two thousand rupees: 60

(8) If any dealer contravenes the provisions of section 57, the Commissioner may, direct him to pay by way of penalty [a sum of ten rupees per] a sum not exceeding ten percent of the amount of the bill or cash memorandum in respect of which such contravention has [occurred, or ten percent of such bill or cash memorandum, whichever is more.] been made. 65

(9) If the Commissioner has reason to believe that any person is liable to a penalty under any of the provisions of this section, he shall serve on him a notice requiring him on a date and at a place specified in the notice to attend and to show cause why a penalty as provided in such provision should not be imposed on him. 70

(10) The Commissioner shall thereupon hold an inquiry and shall make such order as he thinks fit.

Imposition
of penalty
for contra-
vening cer-
tain provi-
sions.

46. [(1) If any person collects an amount by way of tax in contravention of the provisions of section 56, he shall be liable to pay, in addition to any tax, for which he may be liable, a penalty equal to such amount as shall not be less than the amount of the tax so collected or more than double such amount.]

[(1) If any person collects any amount by way of tax in contravention of the provisions of section 56, he shall be liable to pay, in addition to any tax for which he may be liable, 5

(i) a penalty equal to such amount as shall not be less than the amount so collected or more than double such amount, in a case where the Commissioner has reason to believe that such person has wilfully contravened the provisions of section 56, and 10

(ii) a penalty equal to the amount so collected, in any other case.

(2) If any person being a dealer liable to pay tax under this Act or being a dealer who was required to do so by the Commissioner by notice served on him, fails to maintain accounts in the manner specified in sub-section (1) of section 58, or fails when directed to do so under that section to keep any accounts or record in accordance with the direction, he shall be liable to pay in addition to any tax for which he may be liable, a penalty of the amount not exceeding two thousand rupees or double the amount of tax which would have been payable had there been no such contravention, whichever is less. 15 20

(3) If the Commissioner, in the course of any proceedings under this Act or otherwise, has reason to believe that any person has become liable to a penalty under sub-section (1) or (2), he shall serve on such person a notice requiring him on a date and at a place specified in the notice to attend and to show cause why a penalty as provided in sub-section (1) or (2) should not be imposed on him. 25

(4) The Commissioner shall thereupon hold an inquiry and shall make such order as he thinks fit.

47. (1) Tax shall be paid in the manner herein provided, and at such inter-^{Payment of}vals as may be prescribed. ^{tax, etc.}

5 (2) A Registered dealer furnishing declarations or returns as required by sub-section (1) of section 40, shall first pay into a Government treasury, in the manner prescribed the whole amount of tax due from him according to such declaration or return alongwith the amount of any penalty payable by him under section 45.

10 (3) A Registered dealer furnishing a revised declaration or revised return in accordance with sub-section (3) of section 40 which revised declaration or revised return shows that a larger amount of tax than already paid is payable, shall first pay into a Government treasury the extra amount of tax.

(4) (a) The amount of tax—

(i) due where declarations or returns have been furnished without full payment therefor, or

15 (ii) assessed or re-assessed for any period under section 41 or section 44 less any sum already paid by the dealer in respect of such period, or assessed under section 19 or 50, and

(b) the amount of penalty (if any) levied under section 45 or 46,

20 shall be paid by the dealer or the person liable therefor into a Government treasury by such date as may be specified in a notice issued by the Commissioner for this purpose, being a date not earlier than thirty days from the date of service of the notice :

25 Provided that the Commissioner or an appellate authority in an appeal under section 65 may, in respect of any particular dealer or person, and for reasons to be recorded in writing, extend the date of payment, or allow him to pay the tax or penalty (if any) by instalments.

(5) Any tax or penalty which remains unpaid after the date specified in the notice for payment, or after the extended date of payment, and any instalment not duly paid, shall be recoverable as an arrear of land revenue.

30 (6) The State Government may, by general or special order published in the *Official Gazette*, authorise any officer not below the rank of a Sales Tax Officer, to exercise, for the purpose of effecting recovery of the amount of tax or penalty due from any dealer or person under this Act or under an earlier law, the

35 ^{Bom.} powers of a Collector under the Bombay Land Revenue Code, 1879 to recover ^{V of} arrears of land revenue.

Special mode
of recovery.

48. Notwithstanding anything contained in any law or contract to the contrary, the Commissioner 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 Commissioner, require,—

(a) any person from whom any amount of money is due, or may become due, to a dealer and on whom notice has been served under sub-section (4) of section 47, or

(b) any person who holds or may subsequently hold money for or on account of such dealer,

to pay to the Commissioner, either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid), so much of the money as is sufficient to pay the amount due by the dealer in respect of the arrears of tax and penalty, or the whole of the money when it is equal to or less than that amount.

Explanation.—For the purpose of this section, the amount of money due to a dealer from, or money held for or on account of a dealer by, any person, shall be calculated after deducting therefrom such claims (if any), lawfully subsisting, as may have fallen due for payment by such dealer to such person.

The Commissioner 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

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 Commissioner shall constitute a good and sufficient discharge of the liability of such person, to the extent of the amount referred to in the receipt.

Any person discharging any liability to the dealer after receipt of the notice referred to in this section, shall be personally liable to the Commissioner to the extent of the liability discharged, or to the extent of the liability of the dealer for tax and penalty, whichever is less.

Where a person to whom a notice under this section is sent objects to it, by a statement in writing that the sum demanded or any part thereof is not due or payable to the dealer or that the amount held for or on account of the dealer is under genuine dispute, the Commissioner shall hold an enquiry and after giving a reasonable opportunity of being heard to such person and the dealer, shall make such order as he thinks fit.

Any amount of money which a person is required to pay to the Commissioner, or for which he is personally liable to the Commissioner under this section shall, if it remains unpaid, be recoverable as an arrear of land revenue.

49. (I) Subject to the conditions or exemptions, if any, specified in relation to Exemptions, them, the following classes of sales or purchases shall be exempt from the payment of the whole of tax payable under the provisions of this Act, namely :—

5 (i) Sales to the Canteen Stores Department (India) of goods certified by it as being intended for being sold directly or through Canteens to members of the Armed Forces of India at any place whether in Gujarat State or outside it;

(ii) Sales by the Canteen Stores Department (India) to the Unit Canteens run by officers of the Armed Forces of India, of goods which are intended for being sold to members of the Armed Forces of India;

10 (iii) Sales by Unit Canteens run by officers of the Armed Forces of India, of goods obtained by such Unit Canteens from the Canteen Stores Department (India), to members of the Armed Forces of India;

(iv) Sales of goods by the Canteen Stores Department (India) to members of the Armed Forces of India;

15 (v) Sales to branches or depots of the Military Farms Department (India) situated in the State of Gujarat, of milk products including cream, butter, *ghee*, and *khoa* (except buttermilk, curds, *lassi* and *chakka*, and sweetmeats including *shrikhand*, *basudi* and *dudhpak*), certified by the officers in charge of the said branches or depots as being intended for being supplied directly or through the parent farms conducted by the said department anywhere in India, to the members
20 of the Armed Forces of India;

(vi) Sales of goods to the offices and agencies of the United Nations Organisation specified hereunder, if the purchasing office or agency furnishes to the selling dealer a certificate in the prescribed form declaring *inter alia* that the
25 goods are purchased for official use of such office or agency, namely :—

(1) The United Nations World Health Organisation;

(2) The United Nations Children's Fund;

(3) The United Nations Informations Centre;

(4) The United Nations Technical Assistance Board;

30 (5) The United Nations Military Observers Group in India and Pakistan;

(6) The International Labour Office;

(7) The United Nations Food and Agriculture Organisation;

(8) The United Nations Educational Scientific and Cultural Organisation;

(vii) Sales of goods to the duly accredited representatives of CARE India
35 (Co-operative for American Relief Everywhere, Incorporated), if the accredited representative furnishes to the selling dealer a certificate in the prescribed form declaring *inter alia* that the goods are purchased by CARE India for distribution in India free of cost.

(2) Subject to such conditions as it may impose, the State Government may, if it considers it necessary so to do in the public interest, by notification in the *Official Gazette*, exempt any specified class of sales or purchases from payment of the whole or any part of any tax payable under the provisions of this Act. 40

(3) Every notification issued under sub-section (2) shall be laid for not less than thirty days before the State Legislature as soon as possible after it is issued and shall be subject to rescission by the State Legislature or to such modifications as the State Legislature may make, during the session in which it is so laid or the session immediately following. Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect. 45

Liability to pay tax in event of breach of condition of exemption.

50. (1) If any specified class of sales or purchases is exempted under section 49 from the whole or any part of any tax payable under this Act subject to any condition, then, in the event of a breach of such condition in respect of any goods so sold or purchased, the seller or purchaser responsible for such breach shall, notwithstanding anything contained in section 3, be liable to pay tax on such sale or purchase, as the case may be, to the extent to which it was exempted under section 49 from the payment of tax. 5

(2) If the Commissioner has reason to believe that the seller or purchaser, as the case may be, has incurred liability to pay tax under sub-section (1), he shall serve on the seller or purchaser, as the case may be, a notice requiring him on a date and a place specified therein, either to attend and produce or cause to be produced all evidence on which such person relies in connection with his liability under this section or to produce such evidence as is specified in the notice. On the date specified in the notice, or as soon as may be thereafter, the Commissioner shall, after considering all the evidence which may be produced, assess to the best of his judgment, the amount of tax due from him [.] within a period of not more than four years from the date on which the breach concerned has come to the notice of the Commissioner : 10
15

Provided that the provisions of all the provisos to sub-section (1) of section 42 shall *mutatis-mutandis* apply to assessment proceedings under this section. 20

Drawback, set off, refund etc.

51. The State Government may by rules provide, that —

(a) in such circumstances and subject to such conditions as may be specified in the rules a drawback, set off, or refund of the whole or any part of the tax —

(i) paid or levied or leviable under the Bombay Sales Tax Act, 1959 in respect of any earlier sales or purchases of goods which are held in stock by a dealer on the appointed day, be granted to such dealer, or ^{Bom. LI of 1959.} 5

Bom.
LI of
1959.

(ii) paid or levied or leviable in respect of any earlier sale or purchase of goods under this Act or the Bombay Sales Tax Act, 1959, be granted to the purchasing dealer;

10 (b) for the purpose of the levy of tax under any of the provisions of this Act, the sale price or purchase price shall, in the case of any class of sales or purchases, be reduced to such extent, and in such manner, as may be specified in the rules.

52. The Commissioner shall refund to a person the amount of tax and penalty (if any) paid by such person in excess of the amount due from him. The refund may be either by cash payment or, at the option of the person by deduction of such excess from the amount of tax and penalty due in respect of any other period: Refund of excess payment.

5 Provided that the Commissioner shall first apply such excess towards the recovery of any amount due in respect of which a notice under sub-section (4) of section 47 or under the relevant provisions of the earlier law has been issued, and shall then refund the balance (if any).

5 LXX-
IV of
1956. 53. Where any declared goods are sold by a dealer in the course of inter-State trade or commerce, and such dealer shows to the satisfaction of the Commissioner that a tax under this Act, or any earlier law has been levied in respect of any earlier sale or purchase of such goods made in the State after the date of the coming into force of section 15 of the Central Sales Tax Act, 1956, then an amount equal to the tax so levied shall be refunded to such dealer in such manner, and subject to such conditions, as may be prescribed. Refund of tax on dual-need goods in the course of inter State trade or commerce.

54. (1) Where an amount required to be refunded by the Commissioner to any person by virtue of an order issued after the appointed day is not so refunded to him within ninety days of the date of the order, the State Government shall pay to such person simple interest at four and half per cent per annum on the said amount from the date immediately following the expiry of the period of ninety days to the date of the refund: Interest on delayed refunds.

Provided that no interest shall be payable where an appeal or revision application is filed or where an application has been made to the Tribunal to refer to the High Court any question of law.

10 *Explanation 1.*—If the delay in granting the refund within the period of ninety days aforesaid is attributable to the dealer, whether wholly or in part, the period of the delay attributable to him shall be excluded from the period for which interest is payable.

15 *Explanation 2.*—In case of an order relating to refund passed in appeal or in revision, the period of ninety days shall be calculated from the date of the receipt of such order by the Sales Tax Officer.

(2) Where any question arises as to the period to be excluded for the purposes of calculation of interest under the provisions of this section, such question shall be determined by the Commissioner whose decision shall be final.

Remission of taxes. 55. (1) Subject to such conditions as it may impose the State Government may, if it is necessary so to do in the public interest or to grant concession in case of double taxation or to redress an inequitable situation, remit by an order either generally or specially, the whole or any part of the taxes payable in respect of any period by any dealer or a class of dealers or of any specified class of sales or purchases. 5

(2) The Commissioner may, in such circumstances and subject to such conditions and limits as may be prescribed, remit the whole or any part of the tax payable, in respect of any period, by any dealer.

Prohibition against collection of tax in certain cases. 56. (1) No person shall collect any sum by way of tax in respect of sale of any goods on which by virtue of section 5 or section 49 or a notification issued thereunder no tax is payable.

(2) No person selling any goods shall collect from the purchaser any amount by way of tax unless such person is a registered dealer and is liable to pay the tax in respect of such sale. 5

(3) Subject to sub-sections (1) and (2), no dealer shall collect any amount by way of tax in excess of the amount of tax payable by him under the provisions of this Act in respect of any transaction :

Provided that sub-sections (2) and (3) shall not apply where a person is required to collect such amount of the tax separately in order to comply with the conditions and restrictions imposed on him under the provisions of any law for the time being in force. 10

Memorandum of sales or purchases. 57. If—

(a) a Registered dealer sells goods to another Registered dealer, or

(b) a Registered dealer whose turnover of sales has exceeded sixty thousand rupees in the previous year, sells in the current year any goods exceeding [three rupees] five rupees in value in any one transaction to any other person. 5

he shall issue to the purchaser a bill or cash memorandum serially numbered, signed and dated by him or his servant, manager or agent, and showing therein such other particulars as may be prescribed. He shall keep a counterfoil or duplicate of such bill or cash memorandum duly signed and dated and preserve it for a period of not less than three years from the date of sale. 10

CHAPTER VI

LIABILITY TO PRODUCE ACCOUNTS
AND SUPPLY INFORMATION

58. (1) Every dealer liable to pay tax under this Act, and every other dealer ^{Accounts.} who is required so to do by the Commissioner by notice served on him in the prescribed manner, shall maintain regularly in the course of his business correct and complete books of accounts.

5 (2) If the Commissioner considers that the accounts kept are not sufficiently clear or intelligible to enable him to determine whether or not a dealer is liable to pay tax during any period, or are so kept as not to enable a proper scrutiny of the declarations, returns or the statements furnished, the Commissioner may require such dealer by notice in writing to keep such accounts (including records of sales
10 or purchases) in such form or manner as in his opinion is necessary for the purpose of proper assessment and as he may, subject to anything that may be prescribed in that behalf, in writing direct.

(3) The Commissioner may, subject to such conditions or restrictions as may be prescribed in this behalf (.) by notice in writing [.] direct any dealer or by
15 notification in the *Official Gazette* direct any class of dealers, to maintain accounts and records showing such particulars regarding their purchases, sales or deliveries of goods, in such form, and in such manner, as may be specified by him.

59. (1) The Commissioner may, subject to such conditions as may be prescribed, require any dealer to produce before him any accounts or documents, or to
furnish any information relating to stocks of goods of, or to sales, purchases and deliveries of goods by, the dealer or any other information relating to his business,
as may be necessary for the purposes of this Act. ^{Production and inspection of accounts and documents and search of premises.}

(2) All accounts, registers and documents relating to stocks of goods of, or to purchases, sales and deliveries of goods by, any dealer and all goods kept in any place of business of any dealer, shall at all reasonable times be open to inspection by the Commissioner, and the Commissioner may take or cause to be taken such
10 copies or extracts therefrom or may place or cause to be placed such marks of identifications thereon, as appear to him necessary for the purposes of this Act.

(3) The Commissioner may, for the purposes of this Act, impound and retain in his custody for such period as he considers necessary any books of account or other documents produced before him in any proceeding under this Act.

15 (4) If the Commissioner has reason to believe that any dealer has evaded or is attempting to evade the payment of any tax due from him he may, for reasons to be recorded in writing, seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same for so long as may be necessary, in connection with any proceeding under
20 this Act or for a prosecution.

(5) For the purposes of sub-section (2) or sub-section (4), the Commissioner may enter and search any place of business of any dealer, or any other place where the Commissioner has reason to believe that the dealer keeps or is for the time being keeping any accounts, registers or documents of his business or stocks of goods relating to his business and may make a note or an inventory of any articles or things found in the course of any search which in his opinion will be useful for, or relevant to, any proceeding under this Act, or for a prosecution. 25

(6) The provisions of the Code of Criminal Procedure, 1898 relating to searches shall apply, so far as may be, to a search made under sub-section (5). ^{V of 1898}

Dealer to declare the name of manager of his business.

60. Every dealer, who is liable to pay tax, and who is a Hindu undivided family, or an association or club or society or firm or company, or who carries on business as the guardian or trustee or otherwise on behalf of another person, shall within the period prescribed send to the authority prescribed a declaration in the manner prescribed stating the name of the person or persons who shall be deemed to be the manager or managers of such dealer's business for the purposes of this Act. Such declaration may be revised from time to time. 5

Powers to collect statistics.

61. (1) If the State Government considers that for the purposes of the better administration of this Act, it is necessary so to do, it may, by notification in the *Official Gazette*, direct that statistics be collected relating to any matter dealt with by or under this Act.

(2) [Upto] Upon such direction being made, the State Government or any person authorised by it in this behalf may, by notification in the *Official Gazette*, and by notice in any newspapers or in such other manner as in its or his opinion is best calculated to bring the notice to the attention of dealers, call upon all dealers or any class of dealers to furnish such information or returns as may be stated therein relating to any matter in respect of which statistics are to be collected. The form in which, the persons to whom or, the authorities to which such information or returns should be furnished, the particulars which they should contain, and the intervals at which such information or returns should be furnished, shall be such as may be prescribed. 5 10

CHAPTER VII.

PROCEEDINGS.

Determination of disputed questions.

62. (1) If any question arises, otherwise than in proceedings before a court, or proceedings under section 41 or 44, whether for the purposes of this Act—

(a) any person, society, club or association or any firm or any branch or department of any firm is a dealer, or

(b) any particular thing done to any goods amounts to or results in the manufacture of goods within the meaning of that term, or 5

(c) any transaction is a sale or purchase, or

(d) any particular dealer is required to be registered, or

10 (e) any tax is payable in respect of any particular sale or purchase or if tax is payable the rate thereof,

the Commissioner shall make an order determining such question.

(2) The Commissioner may direct that the determination shall not affect the liability of any person under this Act, as respects any sale or purchase effected prior to the determination.

15 (3) If any such question arises from any order already passed under this Act or any earlier law, no such question shall be entertained for determination under this section; but such question may be raised in appeal against, or by way of revision of such order.

63. (1) In discharging their functions under this Act, the Tribunal and the Commissioner shall have all the powers of a Civil Court for the purpose of— Power of Tribunal and Commissioner.

(a) proof of facts by affidavit;

5 (b) summoning and enforcing the attendance of any person, and examining him on oath or affirmation;

(c) compelling the production of documents; and

(d) issuing commissions for the examination of witnesses.

10 (2) In the case of any affidavit to be made for the purposes of this Act, any officer appointed by the Tribunal or the Commissioner, may administer the oath to the deponent.

64. Save as is provided by section 69, no assessment made and no order passed under this Act or the rules made thereunder by the Commissioner or any officer appointed to assist him shall be called in question in any Court and save as is provided by sections 65 and 67 no appeal or application for revision shall lie Bar to certain proceedings. against any such assessment or order.

65. (1) An appeal from every original order, not being an order mentioned in section 66, passed under this Act or the rules made thereunder, shall lie— Appeals.

(a) if the order is made by a Sales Tax Officer, or any other officer subordinate thereto, to the Assistant Commissioner;

5 (b) if the order is made by an Assistant Commissioner, to the Commissioner;

(c) if the order is made by a Deputy Commissioner, Additional Commissioner or Commissioner, to the Tribunal.

(2) In the case of an order passed in appeal by an Assistant Commissioner, a second appeal shall lie, at the option of the appellant, either to the Commissioner or to the Tribunal. 10

(3) Subject to the provisions of section 71, no appeal shall be entertained unless it is filed within sixty days from the date of communication of the order appealed against.

(4) No appeal against an order of assessment with or without penalty or against an order imposing penalty shall ordinarily be entertained by an appellate authority, unless such appeal is accompanied by satisfactory proof of payment of the tax with or without penalty or, as the case may be, of the payment of the penalty in respect of which an appeal has been preferred : 15

Provided that an appellate authority may, if it thinks fit, for reasons to be recorded in writing, entertain an appeal against such order— 20

(a) without payment of tax with penalty (if any) or as the case may be, of the penalty, or

(b) on proof of payment of such smaller sum as [he] it may consider reasonable,

[and may direct the appellant to furnish security for such amount of tax or penalty or both, as he thinks fit.] or 25

(c) on the appellant furnishing in the prescribed manner security for such amount as the appellate authority may direct.

(5) The Commissioner on receipt of notice that an appeal against the order passed in appeal by the Assistant Commissioner has been preferred by the other party to the Tribunal, may, within thirty days of the receipt of the notice, file a memorandum of cross objections against any part of the order passed in appeal by the Assistant Commissioner and such memorandum shall be disposed of by the Tribunal as if it were an appeal. 30

(6) Subject to such rules of procedure as may be prescribed, an appellate authority may pass such order on appeal as it deems just and proper. 35

(7) Every order passed in appeal under this section shall, subject to the provisions of sections 67, 69 and 72, be final.

Non-appealable orders.

66. No appeal and no application for revision shall lie against,—

(1) a notice issued under this Act calling upon a dealer for assessment or asking a dealer to show cause as to why he should not be prosecuted for an offence under this Act, or

(2) an order pertaining to the seizure or retention of account books registers and other documents, or 5

(3) an order sanctioning a prosecution under this Act, or

(4) an order staying assessment proceedings under the first proviso to sub-section (1) of section 42.

67. (1) Subject to the provisions of section 66 and to any rules which may be made in this behalf,—

(a) the Commissioner of his own motion within [five years] three years from the date of any order passed by any officer appointed under section 27 to assist him, may call for and examine the record of any such order and pass such order thereon as he thinks just and proper;

(b) the Tribunal, on application made to it against an order of the Commissioner (not being an order passed under sub-section (2) of section 65 in second appeal) within four months from the date of the communication of the order, may call for and examine the record of any such order, and pass such order thereon as it thinks just and proper.

(2) Where an appeal lies under section 65 and no appeal has been filed, no proceedings in revision under this section shall be entertained upon application.

(3) No order shall be passed under this section which adversely affects any person, unless such person has been given reasonable opportunity of being heard.

(4) If the Tribunal rejects any application for revision under this section, the Tribunal shall record the reasons for such rejection.

Bom. **68.** Notwithstanding anything contained in the Bombay Court-fees Act, 1959, an appeal preferred under section 65 and an application for revision made under section 67 shall bear a Court-fee stamp of such value as may be prescribed. Court-fee on appeal and application for revision.

69. (1) Within ninety days from the date of the communication of the order of the Tribunal, passed in appeal or revision, being an order which affects the liability of any person to pay tax or penalty, or which affects the recovery from any person of any amount under section 48, that person, or the Commissioner, may by application in writing (accompanied, where the application is made by that person, by a fee of one hundred rupees) require the Tribunal to refer to the High Court any question of law arising out of such order; and where the Tribunal agrees, the Tribunal shall, as soon as may be after the receipt of such application, draw up a statement of the case and refer it to the High Court :

10 Provided that if in the exercise of its power under this sub-section the Tribunal refuses to state the case which it has been required to do on the ground that no question of law arises, that person, or as the case may be, the Commissioner may, within thirty days of such refusal either withdraw his application (and if he does so, any fee paid shall be refunded), or apply to the High Court against such refusal.

(2) If upon receipt of an application under sub-section (1), the High Court is not satisfied as to the correctness of the decision of the Tribunal, it may require the Tribunal to state the case and refer it; and accordingly, on receipt of any such requisition, the Tribunal shall state the case and refer it to the High Court.

(3) If the High Court is not satisfied that the statements in the case referred under this section are sufficient to enable it to determine the question raised thereby, it may refer the case back to the Tribunal to make such additions thereto or alterations therein, as the High Court may direct in that behalf. 20

(4) The High Court upon the hearing of any such case, shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the Tribunal a copy of such judgment under the seal of the court and the signature of the Registrar, and the Tribunal shall dispose of the case accordingly. 25

(5) Where a reference is made to the High Court under this section, the costs including the disposal of the fee referred to in sub-section (1), shall be in the discretion of the Court. 30

(6) The payment of the amount of the tax, if any, due in accordance with the order of the Tribunal in respect of which an application has been made under sub-section (1) shall not be stayed pending the disposal of such application or any reference made in consequence thereof; but if such amount is reduced as a result of such reference, the excess tax paid shall be refunded in accordance with the provisions of section 52. 35

Application of sections 4 and 12 of Limitation Act, 1963. 70. In computing the period laid down under sections 65, 67 and 69, the provisions of sections 4 and 12 of the Limitation Act, 1963 shall, so far as may be, apply. 63 of 1963.

Extension of period of limitation in certain cases. 71. An appellate authority may admit any appeal or permit the filing of a memorandum of cross objections under section 65 and the Tribunal may admit an application under section 67 or under section 69 after the period of limitation laid down in the said sections, if the appellant or the applicant satisfies the appellate authority or the Tribunal, as the case may be, that he had sufficient cause for not preferring the appeal or filing a memorandum of cross objections or making the application, within such period. 5

Rectification of mistakes. 72. (1) The Commissioner may at any time within two years from the date of [any order passed by him,] the communication of the order passed by him, to the person affected by such order, on his own motion, rectify any mistake of fact apparent from the record, and shall within a like period rectify any such mistake which has been brought to his notice by any person affected by such order : 5

Provided that, no such rectification shall be made if it has the effect of enhancing the tax or reducing the amount of a refund, unless the Commissioner has given notice in writing to such person of his intention to do so and has allowed such person a reasonable opportunity of being heard.

10 (2) The provisions of sub-section (1) shall apply to the rectification of a mistake by the Tribunal or an appellate authority under section 65 as they apply to the rectification of a mistake by the Commissioner.

15 (3) Where any such rectification has the effect of reducing the amount of the tax or penalty, the Commissioner shall, in the prescribed manner, refund any amount due to such person.

(4) Where any such rectification has the effect of enhancing the amount of the tax or penalty or reducing the amount of refund, the Commissioner shall recover the amount due from such person in the manner provided for in section 47.

73. Where, during the pendency of any proceedings under this Act, any dealer liable to pay tax creates a charge on, or parts with the possession by way of sale, mortgage, exchange or any other mode of transfer whatsoever of, any of his property in favour of any other person with the intention of defrauding the Government 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 :

Provided that such charge or transfer shall not be void if made for valuable consideration and without notice of such proceeding.

74. (1) On every application—

[(a) for a certificate of Registration, Licence, Recognition or Permit under this Act, or for a certified or duplicate copy of any of these documents, or]

5 (a) for a certified or duplicate copy of a certificate of Registration, Licence, Recognition or Permit, or

(b) for a certified copy of an order of assessment or any other order passed or any document produced or filed in any proceeding under this Act, or

(c) for the determination of any question under section 62,

there shall be paid such fee in Court fee stamps as may be prescribed.

10 (2) There shall be charged such fee in cash as may be prescribed for making and supplying a duplicate or certified copy of an order or document under this Act or the rules made thereunder and where any copy is required urgently, there shall be charged such extra fee as may be prescribed.

15 (3) Where an application is made for a copy of any order or document, the applicant may be required to deposit in accordance with the rules made in this behalf such amount as may be necessary to cover the amount of fee chargeable under sub-section (2).

Levy of fee on applications [and] for copies of orders, documents and of fee for making copies.

Transfer to defraud revenue void.

CHAPTER VIII.

OFFENCES AND PENALTIES.

Offences
and penalties.

75. (1) Whoever—

(a) carries on business as a dealer without being registered in contravention of section 29, or

(b) knowingly furnishes a false declaration or a false return, or

(c) not being a Registered dealer under section 29 or 30 falsely represents that he is or was a registered dealer at the time when he sells or buys any goods, or

(d) not holding a Licence, Recognition or Permit represents at the time when he purchases or sells any goods that he holds as the case may be, a Licence, Recognition or Permit, or

(e) gives a certificate under section 12 or 13 which he knows or has reasons to believe to be false, or

(f) gives a certificate regarding compliance with any condition imposed under section 49 which he knows or has reason to believe to be false, or

(g) fails when directed so to do under section 58 to keep any accounts or records in accordance with the direction, or

(h) fails to comply with any requirement made of him under section 59, or

(i) knowingly produces false accounts, registers or documents or knowingly furnishes incorrect information, or

(j) obstructs any officer making an inspection or search or seizure under section 59, or

(k) aids or abets any person in the commission of any acts specified in clauses (a) to (j),

shall, on conviction, be punished with simple imprisonment which may extend to six months or with fine not exceeding two thousand rupees, or with both; and when the offence is a continuing one, with a daily fine not exceeding one hundred rupees during the period of the continuance of the offence.

(2) Where a dealer is accused of an offence specified in clause (b), (d), (e), (f), (g), (h) or (i) of sub-section (1), the person deemed to be the manager of the business of such dealer under section 60 shall also be deemed to be guilty of such offence unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission thereof.

35 (3) No prosecution for an offence under this Act shall be instituted in respect of the same facts on which a penalty has been imposed by the Commissioner under any provisions of this Act.

76. (1) All particulars contained in any statement made, declaration or return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act, (other than proceedings before a Criminal Court), shall, save as provided in sub-section (3), be treated as confidential; and notwithstanding anything contained in the Indian Evidence Act, 1872, no court shall, save as aforesaid, be entitled to require any servant of the Government to produce before it any statement, declaration, return, account, document or record or any part thereof, or to give evidence before it in respect thereof.

10 (2) If, save as provided in sub-section (3), any servant of the Government discloses any of the particulars referred to in sub-section (1), he shall, on conviction, be punished with imprisonment which may extend to six months or with fine or with both.

(3) Nothing contained in this section shall apply to the disclosure,—

15 (a) of any such particulars in respect of any such statement, declaration, return, accounts, documents, evidence, affidavit or deposition for the purpose of any prosecution under the Indian Penal Code or the Prevention of Corruption Act, 1947, or this Act; or

20 (b) of any such particulars to the State Government or to any person acting in the execution of this Act, for the purposes of carrying out the object of this Act; or

(c) of any such particulars when such disclosure is occasioned by the lawful employment under this Act, of any process for the service of any notice or the recovery of any demand; or

25 (d) of any such particulars to a Civil Court in any suit, to which the Government is a party, which relates to any matter arising out of any proceeding under this Act; or

(e) of any such particulars to any officer appointed to audit receipts or refunds of the tax imposed by this Act; or

30 (f) of any such particulars where such particulars are relevant to any inquiry into the conduct of an official of the Sales Tax Department to any person or persons appointed as Commissioners under the Public Servants (Inquiries) Act, 1850, or to any officer otherwise appointed to hold such inquiry or to a Public Service Commission established under the Constitution when exercising its functions in relation to any matter arising out of such inquiry; or

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(g) of such facts to an officer of the Central Government or a State Government as may be necessary for the purpose of enabling that Government to levy or realise any tax or duty imposed by it; or

(h) of any such particulars, when such disclosure is occasioned by the lawful exercise by a public servant of his powers under the Bombay Stamp Act, 1958 or the Indian Stamp Act, 1899, to impound an insufficiently stamped document; or

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Bom.
LX of
1958
II of
1899.

(i) of any such particulars where such particulars are relevant to any inquiry into a charge of misconduct in connection with sales tax proceedings against a legal practitioner, sales tax practitioner or Chartered Accountant, to the authority empowered to take disciplinary action against members practising the profession of a legal practitioner, sales tax practitioner or Chartered Accountant, as the case may be; or

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(j) of any such particulars to the Director, Bureau of Economics and Statistics or any officer serving under him or to any person or persons authorised under sub-section (2) of section 61 as may be necessary for enabling the Director or such person or persons to work out the incidence of tax on any commodity; or

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(k) of any such particulars to an officer of the Central Government or a State Government for the purpose of investigation or prosecution under any law for the time being in force, as the State Government may direct in any specific case.

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Disclosure
of informa-
tion required
under section
61 and failure
to furnish
information
or return
under that
section.

77. (1) No information of any individual return and no part of any individual return, with respect to any matter given for the purposes of section 61 shall, without the previous consent in writing of the owner for the time being or his authorised agent, be published in such manner as to enable any particulars to be identified as referring to a particular dealer and no such information shall be used for the purpose of any proceedings under the provisions of this Act.

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(2) Except for the purposes of prosecution under this Act, or under the Indian Penal Code, no person who is not engaged in the collection of statistics under section 61 or in the administration of this Act shall be permitted to see or have access to any information or any individual return referred to in that section.

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of
1860.

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(3) If any person required to furnish any information or return under section 61,—

(a) wilfully refuses or without lawful excuse neglects to furnish such information or return as may by that section be required, or

(b) wilfully furnishes or causes to be furnished any information or return which he knows to be false,

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he shall, on conviction, be punished with fine which may extend to one hundred rupees and in case of a continuing offence to a further fine which may extend to ten rupees for each day after the first day during which the offence continues.

(4) If any person engaged in connection with the collection of statistics under section 61 wilfully discloses any information or the contents of any return given or made under that section, otherwise than in execution of his duties under that section or for the purposes of the prosecution of an offence under this Act or under the Indian Penal Code, he shall on conviction be punished with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees or with both.

78. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purpose of this section,—

(a) “company” means a body corporate, and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

79. (1) No Court shall take cognizance of any offence punishable under section 75, 76 or 77 or under any rules made under this Act, except with the previous sanction of the Commissioner.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, all offences punishable under this Act or rules made thereunder shall be cognizable and bailable.

80. (1) Subject to such conditions as may be prescribed, the Commissioner may authorise either generally or in respect of a particular case or class of cases any officer appointed under section 27 to assist him to investigate all or any of the offences punishable under this Act.

(2) Every officer so authorised shall, in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer in charge of a police station for the investigation of a cognizable offence.

Compounding
of offences.

81. [(1) The Commissioner may, either before or after the institution of proceedings for any offence punishable under section 75 or under any rules made under this Act, accept from any person charged with such offence by way of composition of the offence a sum not exceeding two thousand rupees or where the offence charged is under clause (a), (b), (d), (e), (f), (g), (i), or (j) of sub-section (1) of section 75 not exceeding double the amount of tax which would have been payable on the sale, purchase or turnover to which the said offence relates, whichever is greater.] 5

(1) The Commissioner may, either before or after the institution of proceedings for any offence punishable under section 75 or under any rule, accept from any person charged with such offence by way of composition of the offence a sum not exceeding. 10

(i) two thousand rupees, where the offence charged is under clause (c), (h) or (k) of sub-section (1) of section 75 or under any rule;

(ii) double the amount of tax which would have been payable on the sale, purchase or turnover to which the offence relates, where the offence charged is under any of the other clauses of sub-section (1) of section 75 : 15

Provided that where any such offence, whether referred to in clause (i) or (ii) is such as involves moral turpitude, the Commissioner may accept a sum not exceeding two thousand rupees or double the amount of tax which would have been payable on the sale, purchase or turnover to which such offence relates, whichever is greater. 20

(2) On payment of such sum as may be determined by the Commissioner under sub-section (1), no further proceedings shall be taken against the accused person in respect of the same offence. 25

CHAPTER IX.

MISCELLANEOUS.

Instructions
to subordinate
officers.

[82. All officers and persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the State Government and the Commissioner:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of any appellate authority in the exercise of its appellate functions.] 5

Powers to
transfer
proceedings.

[83.] 82. The Commissioner may, after due notice to the parties, by order in writing transfer any proceedings or class of proceedings under any provision of this Act from himself to any other officer and he may likewise transfer any such proceedings (including a proceeding already transferred under this section) from one such officer to another or to himself. 5

Appearance
before any
authority in
proceedings.

[84.] 83. (1) Any person who is entitled or required to attend before any authority in connection with any proceeding under this Act, may attend—

(a) by a person authorised by him in this behalf, being a relative or a person regularly employed by him, or

5 (b) by a legal practitioner or Chartered Accountant, who is not disqualified by or under sub-section (2), or

(c) by a sales tax practitioner who possesses the prescribed qualifications and whose name is entered in the list, which the Commissioner shall maintain in that behalf, and who is not disqualified by or under sub-section (2).

10 (2) The Commissioner may, by order in writing and for reasons to be recorded therein, disqualify, for such period as is stated in the order, from attending before any such authority, any legal practitioner, Chartered Accountant or sales tax practitioner—

(i) who has been removed or dismissed from Government service, or

15 (ii) who being a legal practitioner or Chartered Accountant is found guilty of misconduct in connection with any proceedings under this Act by an authority empowered to take disciplinary action against the members of the profession to which he belongs, or

20 (iii) who being a sales tax practitioner is found guilty of such misconduct by the Commissioner.

(3) No order of disqualification shall be made in respect of any particular person unless he is given a reasonable opportunity of being heard.

25 (4) Any person against whom any order of disqualification is made under this section may, within one month of the date of communication of such order, appeal to the Tribunal to have the order cancelled.

(5) The order of the Commissioner shall not take effect until one month of the communication thereof or when an appeal is preferred until the appeal is decided.

30 (6) The Commissioner may at any time *suo motu* or on an application made to him in this behalf, revoke any order made against any person under sub-section (2) and thereupon such person shall cease to be disqualified.

[85.] 84. The Commissioner and all officers and persons appointed under section 27 to assist the Commissioner and all members of the Tribunal shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

Persons appointed under section 27 and members of Tribunal to be public servants.

[86.] 85. No suit, prosecution or other legal proceedings shall lie against any servant of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder. Indemnity.

[87.] 86. (1) The State Government may, by notification in the *Official Gazette*, make rules for carrying out the purposes of this Act. Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may be made to provide for all or any of the matters expressly required or allowed by this Act to be prescribed by rules. 5

(3) In making any rules under this section the State Government may direct that a breach thereof shall be punishable with fine not exceeding two thousand rupees, and when the offence is a continuing one, with a daily fine not exceeding one hundred rupees during the continuance of the offence.

(4) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication : 10

Provided that if the State Government is satisfied that circumstances exist which render it necessary to take immediate action, it may dispense with the previous publication of any rule to be made under this section.

(5) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as may be after they are made and shall be subject to rescission by the State Legislature or to such modifications as the State Legislature may make during the session in which they are so laid or the session immediately following. 15

(6) Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect. 20

Certain sales and purchases not to be liable to tax. [88.] 87. Nothing in this Act or the rules made thereunder shall be deemed to impose or authorise the imposition of a tax on any sale or purchase of any goods, where such sale or purchase takes place—

(i) in the course of inter-State trade or commerce, or

(ii) outside the State, or 5

(iii) in the course of the import of the goods into the territory of India or the export of the goods out of such territory,

and the provisions of this Act and the said rules shall be read and construed accordingly.

Explanation.—For the purpose of this section whether a sale or purchase takes place — 10

(a) in the course of inter-State trade or commerce, or

(b) outside the State, or

(c) in the course of the import of the goods into the territory of India or export of the goods out of such territory, 15

LXX. shall be determined in accordance with the principles specified in sections 3, 4 and
 IV of 5 of the Central Sales Tax Act, 1956.
 1956.

Bom. [89.] 88. (1) The Bombay Sales Tax Act, 1959 is hereby repealed.
 LI of 1959. i

Repeal and
 savings.

(2) Notwithstanding the repeal of the Act referred to in sub-section (1) (herein-
 after in this section referred to as the "said Act")—

(a) all rules, regulations, orders, notifications, forms and notices issued under
 5 the said Act and in force immediately before the appointed day shall continue
 to have effect for the purposes of the levy, assessment, reassessment, collection,
 refund or set-off of any tax, or the granting of a drawback in respect thereof, or
 the imposition of any penalty, which levy, assessment, reassessment, collection,
 10 refund, set-off, drawback or penalty relates to any period before the appointed
 day or for any other purpose whatsoever connected with or incidental to any
 of the purposes aforesaid;

(b) any registration certificate, Licence, Recognition or Permit issued under
 the said Act and in force immediately before the appointed day shall be deemed
 to be the registration certificate, Licence, Recognition, or as the case may be,
 15 Permit issued under this Act, and accordingly such registration certificate,
 Licence, Recognition or Permit shall be valid and effectual as a registration certi-
 ficate, Licence, Recognition or, as the case may be, Permit under this Act until
 such certificate, Licence, Recognition, or as the case may be Permit is issued,
 substituted, suspended or cancelled under the provisions of this Act;

(c) any Authorisation issued under the said Act and in force immediately
 20 before the appointed day shall be deemed to be a Licence issued under this Act,
 but for such period only as may be prescribed from the appointed day or for a
 period ending on the date immediately preceding the date on which Licence
 is duly issued to the holder of such Authorisation, whichever period expires
 25 earlier;

(d) any appointment, notification, order, rule, regulation, form or notice made
 or issued under the said Act shall, so far as it is not inconsistent with the pro-
 visions of this Act, continue in force, and be deemed to have been made or
 issued under the provisions of this Act, unless and until it is superseded by any
 30 appointment, notification, order, rule, regulation, form or notice made or issued
 under the provisions of this Act.

(e) any person entitled to appear before any authority under the said Act
 shall be deemed to be entitled to appear before any authority under this Act,
 and accordingly if such person be a sales tax practitioner he shall be entitled
 35 to have his name entered in the list maintained under section [84] 83.

(3) Without prejudice to the provisions contained in sub-section (2) and sub-
 ject thereto, section 7 of the Bombay General Clauses Act, 1904 shall apply in
 1904. relation to the repeal of the said Act as if the said Act had been an enactment
 within the meaning of the said section 7.

SCHEDULE I

(See section 5)

Goods, the sale or purchase of which is free from all taxes.

| Sr. No. | Description of goods | Conditions and exceptions subject to which exemption is granted |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 2 | 3 |
| 1 | (a) Bread in any form. | * * * |
| | (b) <u>Khari</u> and butter biscuits. | <u>Except when sold in packets or sealed containers.</u> |
| | (c) <u>Khakhra</u> and <u>Papad</u> | * * * |
| 2 | Cereals and pulses in all forms and flour thereof except maize flour. | Except when sold in sealed containers. |
| 3 | Cooked food (excluding ice-cream and <i>Kulfi</i>) and non-alcoholic drinks not containing ice-creams served at one time at a price of not more than two rupees per person, for consumption at or [immediately] outside any eating house, restaurant, hotel, refreshment room or boarding establishment which is not a shop or establishment conducted primarily for the sale of sweet-meats, confectionery, cakes, biscuits or pastries. | <u>Except when served outside any eating house, restaurant, hotel, refreshment room or boarding establishment at functions and parties.</u> |
| 4 | Eggs. | * * * |
| 5 | <i>Farsan</i> , that is to say, eatables (other than sweet preparations) prepared wholly or mainly from gram or other pulses or gram flour or flour of other pulses and such preparations as the State Government may, by notification in the <i>Official Gazette</i> , specify for the purposes of this entry. | * * * |
| 6 | (a) Firewood and charcoal. | * * * |
| | (b) Wood of <i>Limda</i> , <i>Pipla</i> , <i>Gando Baval</i> and <i>Valla</i> , sold in form other than firewood. | When sold for the purpose of being used as firewood. |

| 1 | 2 | 3 |
|-----------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------|
| (c) Coal gas. | | When sold by a gas supply company to a local authority for consumption by such local authority for the purposes of street lighting. |
| 7 Fish. | | Except when sold in sealed containers. |
| 8 <u>Fresh vegetables and edible tubers.</u> | | * * * |
| 9 Meat (excluding flesh of poultry and of feathered game). | | Except when sold in sealed containers. |
| 10 (i) Milk, whole or separated or reconstituted. | | * * * |
| (ii) Butter-milk, curds and <i>lassi</i> and <i>chakka</i> . | | * * * |
| 11 Salt. | | * * * |
| 12 Vaccines, toxoids or sera. | | * * * |
| 13 Water (other than aerated, mineral, medicinal or tonic water). | | * * * |
| 14 Betel leaves and <i>pan</i> , <i>tambul</i> , <i>vida</i> , or <i>patti</i> prepared from betel leaves. | | * * * |
| 15 (i) Flowers (excluding artificial flowers). | | * * * |
| (ii) <i>Veni</i> , <i>gajra</i> , garlands and such other articles prepared from fresh flowers (excluding those of artificial flowers). | | * * * |
| 16 Fresh fruits [excluding coconut in shell and separated kernel of coconut]. | | * * * |
| 17 Plantain leaves. | | * * * |
| 18 Wet dates known as <i>Khajur</i> or <i>Zahedi</i> or by any other name. | | * * * |

| 1 | 2 | 3 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------|
| 19 Agricultural implements (<u>including varat and varatadi</u>) worked or operated exclusively by human or animal agency exclusively used in [basic] agricultural operations and the parts thereof which are ordinarily not also used otherwise than as such parts. | | * * * |
| 20 Bullock carts and spare parts thereof. | | * * * |
| 21 Cattle-feed (<u>other than mechanically produced cattle-feed</u>) including fodder and concentrates but excluding cotton-seeds and oil cakes. | | * * * |
| 22 Cattle, sheep and goats. | | * * * |
| 23 Flower, fruit and vegetable seed; seeds of lucerne grass (<i>Rajka</i>) and of <i>sann</i> hemp; bulbs, <u>tubers</u> and plants other than orchids. | | * * * |
| 24 Manures (excluding chemical fertilisers and oil cakes). | | * * * |
| 25 Poultry feed. | | * * * |
| 26 Books and periodicals including almanacs, <i>panchangs</i> , exercise books, drawing books and examination answer books (but excluding catalogues, all publications which mainly publicise goods and articles for commercial purposes, racecards, account books, diaries, calendars and books containing space exceeding eight pages for writing). | | * * * |
| 27 Films certified by the State Government to be predominantly educational in nature. | | * * * |
| 28 Slates and slate pencils; chalk-sticks and crayons; foot-rules; <u>slide rules</u> ; lead pencils; mathematical instrument boxes and school colour boxes. | | * * * |

| 1 | 2 | 3 |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 29 | Agate (<i>Akik</i>) stones and articles made therefrom. | • • • |
| 30 | <i>Charkha</i> and other implements (and spare parts thereof), used in the production of handspun yarn as may be specified by the State Government by notification in the <i>Official Gazette</i> . | • • • |
| 31 | Condoms and loops (intra uterine contraceptive devices), and other contraceptives as may be specified by the State Government by notification in the <i>Official Gazette</i> . | • • • |
| 32 | Handloom and parts thereof. | • • • |
| 33 | Handloom fabrics of all varieties when sold at a price less than [ten] <u>five rupees</u> per metre. | • • • |
| 34 | <i>Patola sarees</i> , scarves or other articles woven on handlooms by artisans engaged in <i>patola</i> industry. | When sold by a producer [or a dealer certified for this purpose by the Commissioner.] |
| 35 | (a) Products of Village Industries as defined in the Khadi and Village Industries Commission Act, 1956. | 1. When sold by a producer or a dealer certified for this purpose by the Commissioner in the manner prescribed. |
| | (b) Silk <i>Khadi</i> and ready made garments and other articles prepared from <i>Khadi</i> . | 2. When sold by another dealer who has purchased the goods from a producer or dealer certified under condition 1. |
| | (c) Cotton, silk or woollen yarn handspun in India and articles knitted by hand from such yarn or from a mixture of any two or all such yarns. | |
| | <i>Explanation.</i> —For the purposes of this entry “ <i>Khadi</i> ” means any cloth woven on handloom in India from cotton, silk or woollen yarn handspun in India or from the mixture of any two or all such yarns, and “ <i>Silk Khadi</i> ” means cloth woven on handloom in India from silk yarn handspun in India. | |

| 1 | 2 | 3 |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 36 Pure silk <i>kinkhab</i> fabrics. | <p><i>Explanation.—(1) “Kinkhab fabrics” means handloom cloth inter woven with pure silk yarn and jari thread in which the design or patterns are made without the use of jacquard or dobbies or both.</i></p> <p><i>(2) “Pure silk fabrics” means cloth of which the content (excluding the jari thread content) is not less than 60 per cent of pure silk.</i></p> | When sold by a producer or a dealer certified for this purpose by the Commissioner. |
| 37 Cotton fabrics as defined in Item No. 19 of the First Schedule to the Central Excises and Salt Act, 1944. | | * * * |
| 38 Electrical energy. | | * * * |
| 39 Motor spirit as defined in the Bombay Sales of Motor Spirit Taxation Act, 1958. | | * * * |
| 40 Rayon or artificial silk fabrics as defined in Item No. 22 of the First Schedule to the Central Excises and Salt Act, 1944. | | * * * |
| 41 Stamp-papers sold by vendors duly authorised under the provisions of the Bombay Stamp Act, 1958, or the Indian Stamp Act, 1899. | | * * * |
| 42 Sugar as defined in Item No. 1 of the First Schedule to the Central Excises and Salt Act, 1944. | | * * * |
| 43 Tobacco as defined in Item No. 4 of the First Schedule to the Central Excises and Salt Act, 1944. | | * * * |
| 44 Woollen fabrics as defined in Item No. 21 of the First Schedule to the Central Excises and Salt Act, 1944. | | * * * |

| 1 | 2 | 3 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------|
| 45 Glass bangles and ivory bangles (<i>chudas</i> and <i>chudis</i>) not ornamented in any manner. | | * * * |
| <i>Explanation.</i> —Colouring of ivory bangles (<i>chudas</i> and <i>chudis</i>) shall not be considered as ornamentation. | | |
| 46 <i>Kumkum.</i> | | * * * |
| 47 <i>Mangalsutra</i> [with black glass beads] sold at a price not exceeding rupees [fifty] <u>two hundred and fifty each.</u> | | * * * |
| 48 <u>Chillies, chilly powder, tamarind and turmeric, whole or powdered.</u> | | * * * |
| 49 <u>Coconut in shell and separated kernel of coconut other than <i>Copra</i>.</u> | | * * * |
| 50 <u><i>Deshi Nalia.</i></u> | | * * * |
| 51 <u>Readymade garments and articles (excluding hosiery goods and garments and articles to which entry 35 of this Schedule applies) prepared from any textile or handloom fabrics including those which have been embroidered or otherwise decorated sold at a price not exceeding ten rupees per article or suit.</u> | | |
| 52 <u>Footwear made by hand without using power when sold at a price not exceeding fifteen rupees per pair.</u> | | * * * |
| 53 <u><i>Gur</i> but not including <i>Kakavi</i> or <i>Kakab</i> or molasses.</u> | | * * * |

SCHEDULE II-PART A

(See section 7)

Goods, the sale or purchase of which is subject to sales tax or purchase tax and the rates of tax

| Sr. No. | Description of goods | Rate of sales tax | Rate of purchase tax |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------|
| 1 | 2 | 3 | 4 |
| 1 | Coal including coke in all its forms | Three paise in the rupee | Three paise in the rupee |
| 2 | Cotton yarn, but not including cotton yarn waste. | Do | Do |
| 3 | Iron and steel, that is to say— | Do | Do |
| | (a) pig iron and iron scrap; | | |
| | (b) iron plates sold in the same form in which they are directly produced by the rolling mill; | | |
| | (c) steel scrap, steel ingots, steel billets, steel bars and rods; | | |
| | (d) (i) steel plates | } sold in the same form in which they are directly produced by the rolling mill. | |
| | (ii) steel sheets | | |
| | (iii) steel bars and tin bars | | |
| | (iv) rolled steel sections | | |
| | (v) tool alloy steel | | |
| 4 | Pure silk fabrics (not being silk <i>Khadi</i> to which entry 35 in Schedule I applies, or fabrics woven on handloom and sold at a price less than rupees [ten] five per metre or pile carpets, braids, borders, laces and trimmings). | Do | Do |

Explanation.—“Pure silk fabrics” means fabrics of which the content (excluding the *jari* thread content) is not less than 60 per cent of pure silk.

| 1 | 2 | 3 | 4 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------------|-----------------------------|
| 5 [(1)] Agricultural machinery and implements (other than implements specified in entry 19 in Schedule I) exclusively used in [basic] agricultural operations and spare parts of such machinery and implements. | | Three paise in the rupee | Three paise in the rupee |
| [(2)] Tractors and spare parts and accessories thereof.] | | | |
| [(3)] Water pumps and water pumping sets.] | | | |
| 6 Artificial silk yarn including artificial silk yarn waste. | | Do | Do |
| 7 Chemical fertilisers | | Do | Do |
| 8 Cotton yarn waste and cotton waste | | Do | Do |
| 9 Dyes and chemicals other than those specified in any other entry in this or any other Schedule. | | Do | Do |
| [10] (1) Drugs and medicines (other than those specified in entry 12 in Schedule I and entry 91 in this Schedule). | | Do | Do] |
| (2) Vitaminised infant milk food sold in sealed containers. | | | |
| [11] <u>10</u> Furnace oil | | Do | Do |
| [12] <u>11</u> Groundnut husks (<i>fotri</i>) | | Do | Do |
| [13] <u>12</u> The following articles, that is to say— | | Do | Do |
| (i) gunny bags and hessian | | | |
| (ii) jute twine | | | |
| (iii) brown paper and other paper adapted for use in packing goods | | | |
| (iv) cardboard boxes and cartons | | | |
| (v) empty tins and empty barrels | | | |
| (vi) wooden boxes (<i>Khokhas</i>) and tin boxes | | | |

| 1 | 2 | 3 | 4 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------|---------------------------------|
| <p>(vii) empty bottles and corks (viii) polythene packing materials (ix) paper lables</p> | | | |
| <p>and such other packing materials as the State Government may, by a notification in the <i>Official Gazette</i>, specify for the purpose of this entry.</p> | | | |
| <p>[14] <u>13</u> Handloom fabrics of all varieties (excluding those fabrics to which entries 37, 40 and 44 of Schedule I apply) when sold at a price not less than [ten] <u>five rupees</u> per metre.</p> | | <p>Three paise in the rupee</p> | <p>Three paise in the rupee</p> |
| <p>[15] <u>14</u> Kerosene</p> | | <p>Do</p> | <p>Do</p> |
| <p>[16] <u>15</u> Lubricants</p> | | <p>Do</p> | <p>Do</p> |
| <p>[17] <u>16</u> (1) Machinery used in the manufacture of goods excluding machinery specified in any other entry in this or any other Schedule</p> | | <p>Do</p> | <p>Do</p> |
| <p>(2) Electric motors and oil engines and spare parts and accessories thereof.</p> | | | |
| <p>[18] Rain coats and umbrellas of all kinds</p> | | <p>Do</p> | <p>Do]</p> |
| <p>[19] <u>17</u> Raw silk and silk yarn including waste thereof.</p> | | <p>Do</p> | <p>Do</p> |
| <p>[20] <u>18</u> (a) Ready-made garments and articles (not being garments and articles to which entry 35 in Schedule I applies) prepared from any textile or handloom fabrics including those which have been embroidered or otherwise decorated <u>when sold at a price exceeding ten rupees per article or suit.</u></p> | | <p>Do</p> | <p>Do</p> |
| <p>(b) <u>Hosiery goods.</u></p> | | | |
| <p>[21] <u>19</u> Safety matches (excluding matches ordinarily used as fire-works).</p> | | <p>Do</p> | <p>Do</p> |

| 1 | 2 | 3 | 4 |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| [22] <u>20</u> | (1) <i>Sarees</i> of all kinds embroidered or otherwise decorated. | Three paise in the rupee | Three paise in the rupee |
| | (2) Fabrics of all kinds embroidered or otherwise decorated. | | |
| | <i>Explanation.</i> —(i) A <i>saree</i> or fabric decorated in the process of its weaving shall not be deemed to be a decorated <i>saree</i> or fabric for the purpose of this entry. | | |
| | (ii) Merely to tie the ends or to untie the ends by removing weft thread would not be considered decoration. | | |
| [23] <u>21</u> | Staple fibre and staple fibre yarn, terylene fibre and terylene fibre yarn and all other synthetic fibres and synthetic yarns (other than those specified in any other entry in this or any other Schedule) including waste thereof. | Do | Do |
| [24] <u>22</u> | Steam | Do | Do |
| [25] <u>23</u> | Starches and maize flour and tapioca flour. | Do | Do |
| [26] <u>24</u> | Woollen yarn (other than knitting yarn) but including woollen yarn waste. | Do | Do |
| [27] | <i>Zari</i> thread and embroidery materials of gold, silver and gilded metal including <i>badla</i> and <i>kasab</i> . | Do | Do] |
| <u>25</u> | <u>Mechanically produced cattle feed.</u> | <u>Do</u> | <u>Do</u> |
| <u>26</u> | (1) <u>Drugs and medicines (other than those specified in entry 12 in Schedule I and entry [91] 96 in this Schedule).</u> | <u>Do</u> | <u>Do</u> |
| | (2) <u>Vitaminised infant milk food sold in sealed containers.</u> | | |
| [28] <u>27</u> | Sheets, rods, bars, slabs, blocks, ingots, circles, and scrap of non-ferrous metals and alloys. | Five paise in the rupee | Five paise in the rupee |

| 1 | 2 | 3 | 4 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| [29] | <u>28</u> Betel nuts | Five paise in the rupee | Five paise in the rupee |
| [30] | Braids, borders, laces and trimmings (excluding those to which entries 37, 40 and 44 of Schedule I apply) and elastic tapes. | Do | Do] |
| [31] | <u>29</u> Bricks and roofing tiles (<u>other than deshi nalia</u>) | Do | Do |
| [32] | <u>30</u> Caustic soda, soda ash and silicate of soda. | Do | Do |
| [33] | Footwear | Do | Do] |
| [34] | <u>31</u> Paper, including newsprint and straw boards and card boards but exclu- ding paper specified in entry [13] <u>12</u> in this Schedule. | Do | Do |
| [35] | <u>32</u> Petroleum products, including light die- sel oil but excluding lubricants, kero- sene, solvent oil, furnace oil and also excluding motor spirit declared tax free under entry 39 in Schedule I. | Do | Do |
| [36] | <u>33</u> Sewing machines and spare parts and ac- cessories thereof. | Do | Do |
| [37] | <u>34</u> Soaps (excluding shampoo) | Do | Do |
| [38] | Timber (excluding firewood and wood specified in entry 6 in Schedule I) and <i>bamboo</i> whether whole or split. | Do | Do] |
| <u>35</u> | <u>Rain coats and umbrellas of all kinds.</u> | <u>Six paise in the rupee</u> | <u>Six paise in the rupee</u> |
| <u>36</u> | (1) <u>Tractors and spare parts and acce- sories thereof</u> | <u>Do</u> | <u>Do</u> |
| | (2) <u>Water pumps and water pumping sets.</u> | | |
| <u>37</u> | <u>Zari thread and embroidery materials of gold, silver and gilded metal inclu- ding badla, kasab, champa, gota and full happa.</u> | <u>Do</u> | <u>Do</u> |

| 1 | 2 | 3 | 4 |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------|
| [39] | Aerated waters and all non-alcoholic beverages (including fruit juices, squashes, syrups and cordials) when sold in sealed or capsuled or corked bottles or jars. | Seven paise in the rupee | Seven paise in the rupee] |
| [40] | <u>38</u> Cakes, pastries and biscuits (other than biscuits declared tax free under entry 1 in Schedule I) | Do | Do |
| [41] | <u>39</u> Bicycles, tricycles, tandem cycles and cycles combinations and tyres, tubes and accessories and parts thereof. | Do | Do |
| [42] | (1) Cement. (2) Articles made of cement, that is to say, articles in making of which cement is used irrespective of the proportion in which it is used including floor and wall tiles. | Do | Do] |
| [43] | <u>40</u> Coal gas (other than that declared tax free under entry 6 in Schedule I or specified in entry [84] <u>88</u> in this Schedule). | Do | Do |
| [44] | Crude oil, that is to say, petroleum in its natural state before it has been refined or otherwise treated. | Do | Do] |
| [45] | <u>41</u> Electrical goods (other than those specified in entry [58] <u>92</u> in this Schedule) not being machinery used in the manufacture of goods and spare parts and accessories of such machinery. | Do | Do |
| [46] | <u>42</u> Glassware, chinaware or articles made of porcelain and glazed earthenware. | Do | Do |
| [47] | Hydrogenated vegetable oils including vanaspati. | Do | Do] |
| | <u>43</u> <u>Timber (excluding firewood and wood specified in entry 6 of Schedule I), flush doors of plywood and bamboo whether whole or split.</u> | <u>Do</u> | <u>Do</u> |
| [48] | <u>44</u> Ice-cream, <i>kulfi</i> and non-alcoholic drinks containing ice-cream. | Do | Do |

| 1 | 2 | 3 | 4 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| [49] | 45 Jewellery, (not being articles specified in entry 2 in Schedule III) and precious stones, synthetic or artificial precious stones and pearls, real, artificial or cultured. | Seven paise in the rupee | Seven paise in the rupee |
| [50] | 46 Musical instruments | Do | Do |
| [51] | 47 Natural and associated gas (other than inflammable gas supplied in closed containers as specified in entry [84] 88 in this Schedule.). | Do | Do |
| [52] | 48 Pepper and other spices. | Do | Do |
| [53] | 49 Spectacles and lenses, goggles and glasses, rough blanks and spectacle frames and parts and accessories used therewith. | Do | Do |
| [54] | 50 Sweets and sweetmeats (including <i>shrikhand</i> , <i>basudi</i> and <i>doodhpak</i>) except when sold in sealed containers of weight not exceeding five kilograms in each container. | Do | Do |
| [55] | 51 <i>Timru</i> leaves. | Do | Do |
| [56] | 52 X-Ray apparatus and films, plates and other equipment required for use therewith and spare parts and accessories thereof. | Do | Do |
| | <u>53 (1) Cement</u> | <u>Eight paise in the rupee</u> | <u>Eight paise in the rupee</u> |
| | <u>(2) Articles made of cement, that is to say, articles in making of which cement is used irrespective of the proportion in which it is used excluding floor and wall tiles.</u> | | |
| | <u>54 Crude oil, that is to say, petroleum in its natural state before it has been refined or otherwise treated.</u> | <u>Do</u> | <u>Do</u> |
| | <u>55 Hydrogenated vegetable oils including <i>vanaspati</i>.</u> | <u>Do</u> | <u>Do</u> |

| 1 | 2 | 3 | 4 |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| 56 | <u>Floor and wall tiles</u> | <u>Nine paise in the rupee</u> | <u>Nine paise in the rupee</u> |
| 57 | Coffee, chicori and tea in leaf or powder | Ten paise in the rupee | Ten paise in the rupee |
| [58 | Domestic electrical appliances including fans and flourescent tubes (including chokes, starters, fixtures and fittings and accessories) and other parts appertaining to such appliances but excluding bulbs. | Do | Do] |
| [59] 58 | Fire works including matches and other substances ordinarily used as fire works. | Do | Do |
| [60] 59 | Ice. | Do | Do |
| [61] 60 | Lifts whether operated by electricity or hydraulic power. | Do | Do |
| [62] 61 | Paints, lacquors and varnishes. | Do | Do |
| [63] 62 | Plywood, [flushdoors,] decorative sheets, such as formica, sanmica and others and articles prepared from plywood and decorative sheets. | Do | Do |
| [64] 63 | Vaccum flasks of all kinds including thermoses. | Do | Do |
| 64 | <u>Footwear (other than footwear specified in entry 52 in Schedule I)</u> | <u>Do</u> | <u>Do</u> |
| 65 | <u>Aerated waters and all non-alcoholic beverages (including fruit juices, squashes, syrups and cordials) when sold in sealed or capsuled or corked bottles or jars.</u> | <u>Do</u> | <u>Do</u> |
| 66 | <u>Component parts of motor lorries and other articles (including rubber and other tyres and tubes and batteries) adapted for use as parts and accessories of such lorries not being such articles as are ordinarily also used otherwise than as such parts and accessories.</u> | <u>Do</u> | <u>Do</u> |

| 1 | 2 | 3 | 4 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| 67 | <u>Furniture (other than that specified in entry 73 of this Schedule) and skeletons thereof excluding wooden cradles (<i>ghodia</i>) and frames of wooden charpai (<i>khalla</i>).</u> | <u>Ten paise in the rupee</u> | <u>Ten paise in the rupee</u> |
| 68 | <u>Braids, borders, laces and trimmings (excluding those to which entries 37, 40 and 44 of Schedule I apply).</u> | <u>Eleven paise in the rupee</u> | <u>Eleven paise in the rupee</u> |
| [65] | 69 Air-conditioning plant and spare parts and accessories thereof. | Twelve paise in the rupee | Twelve paise in the rupee |
| [66] | 70 Cinematographic equipments including cameras, projectors and sound recording and reproducing equipments, lenses and films required for use therewith and spare parts and accessories thereof but excluding films certified by the State Government to be predominantly educational in nature. | Do | Do |
| [67] | 71 Clocks, time pieces and watches and spare parts and accessories thereof. | Do | Do |
| [68] | 72 Dictaphone and other similar apparatus for recording sound and spare-parts and accessories thereof. | Do | Do |
| [69] | Furniture of all kinds including safes, cup-boards, almirahs, upholstered furniture, and skeletons of furniture. | Do | Do] |
| 73 | <u>Iron and steel safes, almirahs and furniture; upholstered furniture and skeletons of any of them.</u> | <u>Do</u> | <u>Do</u> |
| [70] | 74 (1) Motor vehicles including motor cars, motor taxi cabs, motor cycles, motor cycle combinations, motor scooters, motorettes, motor omnibuses, motor vans, motor lorries and chassis of motor vehicles. | Do | Do |

| 1 | 2 | 3 | 4 |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| | (2) <u>Component parts of motor vehicles (other than the component parts of motor lorries as specified in entry 66 of this Schedule) specified in sub-entry (1) and other articles (including rubber and other tyres and tubes and batteries) adapted for use as parts and accessories of such vehicles, not being such articles as are ordinarily also used otherwise than as such parts and accessories.</u> | Twelve paise in the rupee | Twelve paise in the rupee |
| [71] <u>75</u> | Photographic and other cameras and enlargers, lenses, paper, films and plates required for use therewith and spare parts and accessories thereof. | Do | Do |
| [72] <u>76</u> | Refrigerators and mechanical water-coolers and spare parts and accessories thereof. | Do | Do |
| [73] <u>77</u> | (1) Sound transmitting equipment including telephones, loudspeakers and electrically operated gramophone record changers and spare parts and accessories of such equipments (but excluding sound amplifying apparatus carried on the person and adapted for use as a hearing aid). (2) Gramophones of every description and component parts thereof and gramophone records. | Do | Do |
| [74] <u>78</u> | Tabulating, calculating, cash registering, indexing, card punching, franking and addressing machines and spare parts and accessories of such machines. | Do | Do |
| [75] <u>79</u> | Typewriting and duplicating machines and teleprinters and tape recorders including tape for use in connection therewith and spare parts and accessories thereof. | Do | Do |

| 1 | 2 | 3 | 4 |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| [76] <u>80</u> | Wireless reception instruments and apparatus and radio gramophones and electrical valves, batteries, transmitters, accumulators, amplifiers and loud-speakers required for use therewith and spare parts and accessories of such wireless instruments, apparatuses and radio gramophones. | Twelve paise in the rupee | Twelve paise in the rupee |
| [77] <u>81</u> | Aeroplanes and spare parts and accessories thereof. | Do | Do |
| [78] <u>82</u> | Arms including rifles, revolvers, pistols and ammunitions thereof and spare parts and accessories thereof. | Do | Do |
| [79] <u>83</u> | Binoculars, telescopes, opera glasses and spare parts and accessories thereof. | Do | Do |
| [80] <u>84</u> | Cigarette cases and lighters | Do | Do |
| [81] <u>85</u> | Culinary and flavouring essences | Do | Do |
| [82] <u>86</u> | Furs and articles of personal or domestic use made therefrom. | Do | Do |
| [83] <u>87</u> | Gold and silver filigree. | Do | Do |
| [84] <u>88</u> | Inflammable gas supplied in closed containers. | Do | Do |
| [85] <u>89</u> | Marble and articles made of marble | Do | Do |
| [86] <u>90</u> | Pile carpets (excluding <i>shetranji</i>) | Do | Do |
| [87] <u>91</u> | Solvent oil | Do | Do |
| <u>92</u> | <u>Domestic electrical appliances including electric fans and fluorescent tubes (including chokes, starters, fixtures and fittings and accessories) and other parts appertaining to such appliances but excluding bulbs.</u> | <u>Thirteen paise in the rupee</u> | <u>Thirteen paise in the rupee</u> |

| 1 | 2 | 3 | 4 |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| [88] <u>93</u> | <i>Ganja</i> and <i>bhang</i> | Fifteen paise in the rupee | Fifteen paise in the rupee |
| [89] <u>94</u> | Non-potable liquors, that is — | Do | Do |
| | (a) rectified spirit ; | | |
| | (b) denatured spirit ; | | |
| | (c) mythyl alcohol ; | | |
| | (d) absolute alcohol ; | | |
| | (e) any other liquor which the State Government may, by notification in the <i>Official Gazette</i> , declare to be non-potable for the purposes of this entry. | | |
| [90] <u>95</u> | Opium | Do | Do |
| [91] <u>96</u> | Spirituous medicinal preparations containing more than 12 percent by volume of alcohol (but other than those which are declared by the State Government by notification in the <i>Official Gazette</i> to be not capable of causing intoxication). | Thirty paise in the rupee | Thirty paise in the rupee |
| [92] <u>97</u> | Country liquors, that is, all liquors other than foreign liquors manufactured in India, and foreign liquors, that is, [duty paid] potable foreign liquors brought into or manufactured in India including spirit, wines and fermented liquors. | Forty five paise in the rupee | Forty five paise in the rupee |

SCHEDULE II-PART B

(See section 8)

Goods, the sale or purchase of which is subject to general sales tax or purchase tax and the rates of tax.

| Sr. No. | Description of goods | Rate of general sales tax | Rate of purchase tax |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| 1 | 2 | 3 | 4 |
| 1 | Cotton, that is to say, all kinds of cotton (indigeneous or imported) in its unmanufactured state, whether ginned or unginned, baled, pressed or otherwise but not including cotton waste. | Three paise in the rupee | Three paise in the rupee. |
| 2 | Cotton seed | Do | Do |
| 3 | Ground nut | Do | Do |
| 4 | Hides and skins, whether in a raw or dressed state. | Do | Do |
| 5 | Jute, that is to say, the fibre extracted from plants belonging to the species <i>corchorous capsularies</i> and <i>corchorus olitorious</i> and the fibre known as <i>mesta</i> or <i>bimli</i> extracted from plants or the species <i>hibiscus cannabinus</i> and <i>hibiscus sabdariffavar allissima</i> , whether baled or otherwise. | Do | Do |
| 6 | Oil seeds, that is to say, seeds yielding non-volatile oils used for human consumption, or in industry, or in the manufacture of varnishes, soaps and the like, or in lubrication, and volatile oils used chiefly in medicines, perfumes, cosmetics and the like, but not cotton seeds and groundnuts. | Do | Do |
| 7 | Butter and ghee. | Do | Do |
| 8 | [Gur including] <i>Kakavi</i> or <i>kakab</i> or molasses. | Do | Do |

| 1 | 2 | 3 | 4 |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| 9 | <i>Isabgul.</i> | Three paise in the rupee | Three paise in the rupee. |
| 10 | <i>Jira</i> (Cumin seeds), <i>methi</i> (fenugru seeds), <i>ajma</i> (ajwa), [chillies, chilly powder, tamarind and turmeric, whole or powdered] <u><i>kalingada</i> seeds and <i>asalia</i>.</u> | Do | Do |
| 11 | Oil cakes | Do | Do |
| 12 | Raw wool and wool tops | Do | Do |
| 13 | Vegetable non essential oils other than hydrogenated vegetable oils. | Five paise in the rupee | Five paise in the rupee. |

SCHEDULE III

(See section 10)

Goods, the sale or purchase of which is subject to sales tax, general sales tax or purchase tax and the rates of sales tax and general sales tax

| Sr. No. | Description of goods | Rate of sales tax | Rate of general sales tax |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 1 | 2 | 3 | 4 |
| 1 | Bullion and specie. | One-fourth of one per cent | One-fourth of one per cent |
| 2 | Articles made of gold (of fineness of not less than fifty percent) and of silver (of fineness of not less than fifty percent) both not containing precious stones or pearls whether real, artificial or cultured of a value exceeding one tenth of the value of each such article. | Do | Do |
| 3 | [(1) Hair combs, hair pins, hair brush, razor and razor blade, shaving brush, shaving soap, shaving cream, shaving stick and tooth brush. [and tooth paste.] | Five paise in the rupee | Three paise in the rupee |
| | [(2) Toilet articles, that is to say, all articles used in cleansing or grooming parts of human body including hair oils, hair cream, hair tonics, shampoo and dentifrices of all kinds but excluding soap. | Five paise in the rupee | Three paise in the rupee] |
| 4 | All kinds of stoves, pressure lamps, incandescent lanterns and lamps, and cookers, and spareparts and accessories of any of these articles. | Do | Do |
| 5 | Fountain pens, stylograph pens, ball-point pens and propelling pencils and spareparts and accessories of such pens and pencils. | Do | Do |

| 1 | 2 | 3 | 4 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|---|
| 6 Foodstuff and food provisions of all kinds (including dried fruits and dried vegetables; raw, semi-cooked, semi-processed or ready to serve foods, pickles, sauces, jams, marmalades, jellies; preserved fruit and honey) when sold in sealed containers of weight not exceeding five kilograms in each container, but excepting whole, separated or reconstituted milk, milk products, as specified in entry 7 in Schedule II Part B, vitaminised infant milk food sold in sealed containers as specified in entry [10] 26 in Schedule II Part A, edible oil, chilly powder and salt. | Five paise in the rupee. | Three paise in the rupee. | |
| [7. Perfumes, natural and synthetic essential oils and their compounds and aromatic chemicals and their compounds, depilatories and cosmetics. | Five paise in the rupee | Three paise in the rupee] | |
| [8. Stainless steel articles including utensils (other than those used as part of industrial machinery or plant). | Seven paise in the rupee | Three paise in the rupee] | |
| <u>7 Hair oils</u> | <u>Six paise in the rupee</u> | <u>Three paise in the rupee</u> | |
| [9] <u>8 Suit cases, attachee cases and despatch cases but excluding steel trunks and school bags made of steel or aluminium.</u> | Seven paise in the rupee | Three paise in the rupee | |
| <u>9 Perfumes, natural and synthetic essential oils and their compounds and aromatic chemicals and their compounds, depilatories and cosmetics.</u> | <u>Do</u> | <u>Do</u> | |
| [10 Table cutlery including knives, forks and spoons. | Do | Do] | |
| <u>10 Table cutlery including knives, forks and spoons</u> | <u>Ten paise in the rupee</u> | <u>Three paise in the rupee</u> | |
| 11 Articles of ivory { other than ivory bangles (<i>chudas</i> and <i>chudis</i>) not ornamented in any manner, sandalwood or black wood or inlaid therewith and ornamental metalware (not being articles specified in entry 2 in this Schedule.) } | Do | Do | |

| 1 | 2 | 3 | 4 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------------------------------|-------------------------------------|
| [12. All goods other than those specified from time to time in section 18 and in Schedules I and II and in the preceding entries. | | Four paise in the rupee | Three paise in the rupee] |
| <u>12. Toilet articles, that is to say, all articles used in cleansing or grooming parts, of human body including hair cream, hair tonics, shampoo and dentifrices of all kinds but excluding soap.</u> | | <u>Ten paise in the rupee</u> | <u>Three paise in the rupee</u> |
| <u>13. All goods other than those specified from time to time in section 18 and in Schedules I and II and in the preceding entries.</u> | | <u>Five paise in the rupee</u> | <u>Three paise in the rupee</u> |

APPENDICES

APPENDIX-A

(Vide para 2 of the Report)

Motion in Gujarat Legislative Assembly for reference of the Bill to Select Committee

“That the Bill to consolidate and amend the law relating to the levy of a tax on the sale or purchase of certain goods in the State of Gujarat be referred to a Select Committee consisting of 15 members, namely :—

1. Shri Jashvantrai N. Mehta,
2. Shri Premjibhai B. Thacker,
3. Shri Kantilal F. Ghiya,
4. Shri Indubhai C. Patel,
5. Shri Prataprai T. Shah,
6. Shri Jashwantlal S. Shah,
7. Shri Popatlal M. Vyas,
8. Shri Prabhulal K. Dave,
9. Shri Mohanbhai G. Patel,
10. Shri Shankerlal M. Patel,
11. Shri Udesinh V. Vadodiya,
12. Shri Gaurishanker D. Pathak,
13. Shri Kasturbhai N. Doshi,
14. Shri Dharmendrasinhji, .
15. Shri Ratilal Khushaldas.

with instructions to report before the 25th day of August, 1969”.

The Speaker appointed Shri Jashvantrai Mehta as the Chairman of the Committee under rule 156 of the Gujarat Legislative Assembly Rules.

APPENDIX--B

(Vide para 4 of the Report)

List of the Memoranda received by the Select Committee

1. Gujarat Chamber of Commerce & Industry, Ahmedabad,
2. Southern Gujarat Chamber of Commerce & Industry, Surat,
3. Navanagar Chamber of Commerce, Jamnagar,
4. Gandhidham Chamber of Commerce & Industry, Kutch,
5. Surat Bakers' Association, Surat,
6. Gujarat Rajya Sahakari Khand Udyog Sangh Ltd., Bardoli,
7. Himmatlal & Co., Dhoraji,
8. Shri Chandravadan J. Pandya, Advocate, Surat,
9. Gujarat Kanta Utpadak Mandal, Savarkundla,
10. Bhavnagar Parchuran Anaj Kariyana Vepari Mandal, Bhavnagar,
11. Shri Kantilal A. Shah & Other Practitioners, Surat,
12. Bhavnagar Municipality, Bhavnagar,
13. Surat Art Silk Cloth Manufacturers' Association, Surat,
14. Surat Photographers' Association, Surat,
15. Rajkot Cloth Merchants' Association, Rajkot,
16. Vepari Mahamandal, Gozaria,
17. Vepari Mandal, Sathamba,
18. Vepari Mandal, Jotana,
19. Harij Vepari Mahajan, Harij,
20. Vepari Mandal, Deesa,
21. Vepari Mandal, Kukarwada,
22. Adarsh Chemicals, Surat,
23. Surat Jari Vepari Mandal, Surat,
24. Dhansura General Merchant's Association, Dhansura,
25. Vadgam Vepari Mahajan, Dhansura,
26. Rajkot Chamber of Commerce, Rajkot,
27. Market Yard, Siddhpur,
28. Isabgul Manufacturers' & Exporters' Association,
29. Siddhpur Chamber of Commerce, Siddhpur,
30. Central Gujarat Cotton Dealer's Association,
31. Sandesh News Service, Baroda,
32. Gujarat Rajya Hotel Federation & Ahmedabad Hotel Association, Ahmedabad.
33. Ahmedabad Hotel Owners' Association, Ahmedabad,
34. Gujarat Rajya Gramodyog Board, Ahmedabad,
35. Mandvi Hath Vanat Mashroo Mandal, Mandvi,

36. Garlic Vepari Mahamandal, Jamnagar,
37. Polson Model Dairy,
38. D. K. Corporation, Surat,
39. Ahmedabad whole-sale Hosiery Merchants' Association, Ahmedabad,
40. Ahmedabad Ready-made Cloth & Hosiery Merchants' Association, Ahmedabad,
41. Gujarat Kariyana Vepari Mahamandal, Ahmedabad,
42. Shri Narbhesbanker Paneri, Amreli,
43. Junagadh District Shoe-Maker's Association, Junagadh,
44. Gujarat State Foot-wear Manufacturers' & Sellers' Mahamandal,
45. Sheth & Co., Nadiad,
46. Surat Diamond Cutters' & Polishers' Association, Surat,
47. Ahmedabad Timber Merchants' Association, Ahmedabad,
48. Time Industry India Ltd., Ahmedabad,
49. Niranjan Furnitures, Bhavnagar,
50. All India Motor Union Congress, New Delhi,
51. Ahmedabad Motor Transport Association, Ahmedabad,
52. Ahmedabad Automobiles Dealers' Association, Ahmedabad,
53. Jamnagar Motor Merchants' Association, Jamnagar,
54. Bhavnagar Motor Sangh, Bhavnagar,
55. D. K. Trivedi & Sons, Abu Road,
56. Bhavnagar Gur Manufacturers' & Importers' Association, Bhavnagar,
57. Siddhpur Taluka Gur Merchants' Association, Siddhpur,
58. Ahmedabad Gur & Sugar Vepari Mahajan, Ahmedabad,
59. Modasa Food-grains & Oil Seeds Majahan, Modasa,
60. Rasiklal Deliwala, Jangala,
61. President, Mahila Mandal, Lathi,
62. Shah Dahyabhai Panachand & others, Lathi,
63. Chillies Merchants' Association, Lathi,
64. Seventeen Merchants of Lathi, Lathi,
65. Sardarsing G. Kshatriya, Bhuj,
66. Ahmedabad Radios Merchants' Association, Ahmedabad,
67. Handloom Udyog Mandal, Savarkundla,
68. Onion Merchants' Association,
69. Shrifala Merchants' Association, Broach,
70. Gujarat Sales-Tax-Bar Association, Ahmedabad,
71. Sheth & Co., Jamnagar,
72. Ganj-Bazar Vepari Mandal, Visnagar,
73. Gujarat State Bar Association, Ahmedabad,
74. Sales Tax Practitioners Association, Navsari,
75. South Gujarat Engineering Association, Surat,

76. Gujarat Rajya Khadi Gramodyog Board, Ahmedabad,
77. J. V. Mistry, Surat,
78. Saurashtra Oil Mills Association,
79. Bhavnagar Ready Made & Hosiery Association, Bhavnagar,
80. Onion Association, Dungar, Amreli,
81. M. Bapalal & Co., Surendranagar,
82. Virchand Bechar, Rajkot,
83. Junagadh Chamber of Commerce, Junagadh,
84. Rajkot Kariyana Vepari Mahamandal, Rajkot,
85. Adarsh Chemicals & Fertilisers' Ltd., Udhna,
86. Alembic Chemical Works Co. Ltd., Baroda,
87. Gujarat State Fertilizers Co. Ltd., Baroda,
88. Navsari Gandhi Mahajan, Navsari,
89. Junagadh Kirana Merchants' Association, Junagadh,
90. Bhavnagar Fruit, Vegetable, Onion, Potatoes Merchants Association, Bhavnagar,
91. Botad Taluka Congress Committee, Botad,
92. Shri Nagindas, Botad,
93. Shri Varia & Co., Botad,
94. Kaira District Charmodyog Sangh, Anand,
95. Patel Mohanlal Hargovandas, Visnagar,
96. Unjha Vepari Mandal, Unjha,
97. Porbandar Kirana Merchant's Association, Porbandar,
98. Gondal Handmade Foot-wear Mandal, Gondal,
99. President, Jamnagar District Mochi Gnati, Jamnagar,
100. Patan Mochi Gnati Samaj, Patan,
101. Gujarat Goldsmith Sangh,
102. Baroda Automobiles Dealers' Association, Baroda,
103. Saurashtra Motor Trade Association, Rajkot,
104. Shri Jivabhai Bhajibhai Mehmedabad,
105. Gujarat Contractors' Association, Ahmedabad,
106. Surat Weaving Industries, Surat,
107. Pharmaceutical Manufacturers' Organisation, Ahmedabad,
108. Mochi, Rajkot,
109. Tea Merchants' Association, Surat,
110. Mahuva Chamber of Commerce, Mahuva,
111. Mukhi Tapubhai Keshavji, Gondal,
112. Vyas Prabhashankar Shamji, Jamnagar,
113. Chamber of Commerce, Patan,
114. Ahmedabad Mill-Owners' Association, Ahmedabad,
115. Jagdish S. Joshi, Ahmedabad,

116. C. V. Mashroo, Rajkot,
117. Anil Starch Products, Ahmedabad,
118. Nadiad Shoe Merchants' Association, Nadiad,
119. Himmatnagar Foot-wear Merchants' Association, Himatnagar,
120. Foot-wear Merchants' Association, Surat,
121. Charmodyog Mandal, Lathi,
122. Palanpur Jankshatriya Mochi-Samaj, Palanpur,
123. Saurashtra Chamber of Commerce, Bhavnagar,
124. Central Ball Bearing & Machinery Mart, Ahmdabad.
125. Onion, Chillies, Garlic Merchants' Association, Cambay,
126. Shri H. N. Kakkad, Porbandar,
127. Gujarat Rajya Sweets, Farsan Vepari Mahamandal, Nadiad,
128. Thakker Ramniklal Chatrabhuj, Rajula,
129. Ahmedabad Whole-sale Handloom Merchant's Association, Ahmedabad,
130. Solvent Extractor's Association of India, West Zone, Rajkot,
131. Whole-sale & Retail Parch Grams & Groundnuts Association, Ahmedabad,
132. The Gujarat State Industrial Co-operative Association, Ltd., Ahmedabad,
133. Ahmedabad Pustak Prakashak Vikreta Mandal, Ahmedabad.
134. Surat Yarn Merchants' Association, Surat,
135. Karjan Tea Traders Association, Karjan.

APPENDIX--C

(Vide para 4 of the Report)

I. The names of M.L.As. who were heard in person by the Committee on Friday, 16th August, 1969 from 5.30 P.M. to 7-00 P.M.

1. Shri Narsinhdas G. Gondhia,
2. Shri Babubhai H. Patel,
3. Shri Gonsaibhai C. Patel,
4. Shri Manubhai Pancholi,
5. Shri Keshubhai G. Raichura,
6. Shri Dalsukhbhai J. Patel,
7. Shri Bhanji Bhimji Patel,
8. Shri Jinabbhai D. Kansagra,
9. Shri Mangaldas G. Pola,
10. Shri Manilal A. Shah,
11. Shri Karsanbhai H. Chaudhari.

II. The names of the M.L.As. who were heard in person on Tuesday, the 19th August, 1969 from 5-30 P.M. to 7-00 P.M.

1. Shri Sanat Mehta,
2. Shri M. P. Jadeja,
3. Shri Chandrakant M. Parikh,
4. Shri Martandray G. Shastri,
5. Shri Uttambhai H. Patel,
6. Shri Dharmasinhbhai D. Patel,
7. Shri Keshar B. Dodiya,
8. Shri Jamubhai P. Bhatt,
9. Shri Manubhai H. Palkhiwala,
10. Shri Dahyabhai B. Jadav,
11. Shri Kamlashanker B. Dave.

III. Shri Virumal K. Tarachandani, M.L.A. was heard in persons on 20th August, 1969 at 4-00 P.M.

IV. The names of M.L.As. who could not appear before the Committee but sent their written Memoranda to the Committee.

1. Shri Dhirajlal B. Mehta,
2. Shri Vasantlal V. Mehta,
3. Shri Liladhar P. Patel.