

**<sup>1</sup>[6-D. Levy of road cess.-** (1) In addition to the tax payable under section 5 or 5-A or 5-B or 5-C or 6, there shall be levied and collected by way of cess for the purpose of establishing a Road Maintenance Fund, a tax on sale or purchase effected by any dealer, at the rate of ten per cent of tax payable under the said sections:

Provided that no tax shall be payable under this section on sale or purchase in respect of which no tax is payable under section 5 or 5-A or 5-B or 5-C or 6.

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

(3) The provision of this Act and the rules made thereunder, shall so far as may be apply in relation to the levy, assessment, collection or refund of the cess, as they apply in relation to the levy, assessment, collection or refund of tax under the other provisions of this Act.

**6-E. Levy of infrastructure cess.-** (1) In addition to the tax payable under section 5 or 5-A or 5-B or 5-C or 6, there shall be levied and collected by way of cess for the purpose of various infrastructure projects across the State, equity investment in Bangalore Mass Rapid Transit Limited and establishing a Mukhya Manthri Grameena Rasthe Abhivruddhi Nidhi in the proportion of 57:28:15 respectively, a tax, on sale or purchase effected by any dealer, at the rate of five per cent of tax payable under the said sections:

Provided that no tax shall be payable under this section on sale or purchase in respect of which no tax is payable under section 5 or 5-A or 5-B or 5-C or 6.

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

(3) The provision of this Act and the rules made thereunder, shall so far as may be apply in relation to the levy, assessment, collection or refund of the cess, as they apply in relation to the levy, assessment, collection or refund of tax under other provisions of this Act.]<sup>1</sup>

1. Sections 6-D and 6-E Inserted by Act 2 of 2004 w.e.f. 1.2.2004 .

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

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

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

1. Re-numbered by Act 9 of 1958 w.e.f. 14.12.1957.

<sup>1</sup>[(2) x x x]<sup>1</sup>

1. Inserted by Act 9 of 1958 w.e.f. 14.12.1957 & omitted by Act 7 of 1966 w.e.f. 1.4.1966.

<sup>1</sup>[(3) x x x]<sup>1</sup>

1. Inserted by Act 12 of 1961 w.e.f. 1.3.1961 & omitted by Act 7 of 1966 w.e.f. 1.4.1966.

**<sup>1</sup>[8-A. Power of State Government to notify exemptions and reductions of tax.- (1) The State Government may, by notification, make an exemption, or reduction in rate, <sup>2</sup>[xxx]<sup>2</sup> in respect of any tax payable under this Act,—**

1. Inserted by Act 16 of 1967 w.e.f. 1.1.1968 by notification. Text of Notification is at the end of the Act.  
2. Deemed to have been Inserted w.e.f. 1.4.2000 and omitted by Act 5 of 2001 w.e.f. 1.4.2001.

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

(b) by any specified class of persons, in regard to the whole or any part of their turnover; <sup>1</sup>[or]<sup>1</sup> 1. Inserted by Act 27 of 1985 w.e.f. 1.8.1985.

<sup>1</sup>[(c) on the sale or purchase of any specified class of goods by any specified class of dealers in regard to the whole or part of their turnover.]<sup>1</sup>

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

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

<sup>1</sup>[(2A) The State Government may, by notification, transpose any entry or part thereof from one schedule to another schedule and alter the point of levy of sale or purchase, but not so as to enhance the rate of tax in any case:

Provided that where the point of levy is altered under this sub-section in respect of any goods and if such goods have been subjected to tax under the unaltered entry, then such goods shall not be subjected to tax under the transferred entry.]<sup>1</sup>

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

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

<sup>3</sup>[Provided that where Government has withdrawn the scheme of giving exemption of tax to any class or category of new investors in general by way of general or special order and in pursuant to such order, the Government may, by notification, withdraw such exemption including exemption granted by special order, if any, from a retrospective date. However, such date shall not be beyond the date of such general

or special order.]<sup>3</sup>

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

2. Deemed to have been Inserted w.e.f. 1.4.2000 and omitted by Act 5 of 2001 w.e.f. 1.4.2001.

3. Inserted by Act 5 of 2007 w.e.f. 1.1.2000.

<sup>1</sup>[(3A) x x x]<sup>1</sup>

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

<sup>1</sup>[Proviso x x x]<sup>1</sup>

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

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

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

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

2. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(aa) Where the purchaser is a registered dealer, the assessing authority of such purchaser and in other cases the Assistant Commissioner of Commercial Taxes of the area or any officer empowered under sub-section (1) of Section 28, may levy penalty under this sub-section."

Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

(b) The difference of the tax amount and the penalty levied under this sub-section

shall be recovered in the manner specified under section 13.]<sup>1</sup>

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

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

**<sup>1</sup>[Explanation.- x x x]**<sup>1</sup>

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

9. Act to apply to non-resident dealers with certain modifications and additions.- In the case of any person carrying on the business of buying or selling goods <sup>1</sup>[or of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract or of delivery of goods on hire purchase or any system of payment of instalments or of transfer of the right to use any goods for any purpose]<sup>1</sup> in the <sup>2</sup>[State of Karnataka]<sup>2</sup> but residing outside the <sup>2</sup>[State of Karnataka]<sup>2</sup> (hereinafter in this section referred to as a "non-resident"), the provisions of this Act shall apply subject to the following modifications and additions, namely:—

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

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

(i) In respect of the business of the non-resident, his manager or agent residing in the <sup>1</sup>[State of Karnataka]<sup>1</sup> shall be deemed to be the dealer;

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

(ii) The manager or agent of a non-resident shall be assessed to tax under this Act at the rate or rates leviable thereunder in respect of the business of such non-resident in which the manager or agent is concerned, irrespective of the amount of the turnover of such business being less than the minimum specified in sub-section (5) of section 5 <sup>1</sup>[or section 6B;]<sup>1</sup>

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

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

## CHAPTER IV

### registration and grant of licenses

<sup>1</sup>[10. Registration of dealers, commission agents, etc.- (1) Every dealer whose total turnover in any year is not less than <sup>2</sup>[two lakh]<sup>2</sup> rupees shall, and any other dealer may, get himself registered under this Act:

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

2. Substituted by Act 4 of 1992 w.e.f. 1.10.1991

1[Provided that every <sup>2</sup>[x x x]<sup>2</sup> manufacturer, <sup>3</sup>[x x x]<sup>3</sup> or dealer who brings any goods into the State or to whom any goods are despatched from any place outside the State shall get himself registered under this Act, if his total turnover is not less than one lakh rupees in any year;]<sup>1</sup>

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

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

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

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

(i) every casual trader <sup>1</sup>[x x x]<sup>1</sup>;

1. Omitted by Act 8 of 1984 w.e.f. 1.4.1984.

(ii) every dealer registered under the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

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

<sup>1</sup>[(iii-a) every dealer in liquor and/or beer and every dealer in jewellery;]<sup>1</sup>

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

(iv) every manager or agent of a non-resident dealer; and

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

shall get himself registered under this Act, irrespective of the quantum of his total turnover in such goods.

<sup>1</sup>[(3) Every miller whether he is a dealer or not shall get himself registered under this Act.]<sup>1</sup>

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

<sup>1</sup>[(4) Nothing contained in this section shall apply to any State Government or the Central Government]<sup>1</sup> <sup>2</sup>[or a statutory body or a local authority except when they buy, sell, supply or distribute goods directly or otherwise for cash or deferred payment or for commission or remuneration or other valuable consideration in the course of business.]<sup>2</sup>

1. Inserted by Act 23 of 1983 w.e.f. 1.4.1976. 2. Inserted by Act 4 of 1992 w.e.f.

1.4.1992.

<sup>1</sup>[(5) Nothing in this section shall apply to any dealer registered under the Karnataka Value Added Tax Act, 2003 and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.]<sup>1</sup>

1. Inserted by Act 7 of 2003 w.e.f. 1.4.2003.

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

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

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

<sup>1</sup>[Provided that the applicant shall be deemed to be registered if the prescribed authority does not reject the application submitted within a period of thirty days from the date of submission of such application.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

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

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

<sup>1</sup>[(4) <sup>2</sup>(a) The prescribed authority shall for good and sufficient reasons demand from any dealer who is registered or has applied for registration under sub-section (1) or has applied for renewal of registration under this Act, security for proper payment of tax by him or for the proper custody and use of the forms referred to in <sup>3</sup>[section 5-A, proviso to sub-section (2) of section 6-A and sub-section (2) of section 28-A or any of these provisions]<sup>3</sup> and on such demand such dealer shall furnish the same.]<sup>2</sup>

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

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

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

<sup>1</sup>[Provided that in the case of different categories of dealers in liquor and/or beer, the prescribed authority shall demand security, for proper payment of tax as the State Government may fix from time to time by notification.]<sup>1</sup>

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

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

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

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

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

(c) The security paid under this sub-section in any year shall be maintained in full until it is dispensed with by the assessing authority on being satisfied that the reasons for its demand no longer exist or until the registration certificate is cancelled, whichever is earlier.]<sup>1</sup>

<sup>1</sup>[(d) The assessing authority may by order and for good and sufficient cause forfeit the whole or any part of the security furnished by a dealer,—

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

(ii) if the dealer is found to have mis-used any of <sup>2</sup>[the forms referred to in clause (a) or to] <sup>2</sup>have failed to keep them in proper custody:

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

(e) The assessing authority issuing the forms referred to in clause (a) may refuse to issue such forms to a dealer who has failed to comply with a demand under that clause or under clause (b), until the dealer has complied with such demand.]<sup>1</sup>

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

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

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

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

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

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

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

(9) When a dealer has ceased to do business in any year and gives notice of that

fact to the prescribed authority, he shall not be liable to pay any registration fee from the commencement of the following year unless he resumes business.

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

<sup>1</sup>[(11) No dealer who is registered under the Karnataka Value Added Tax Act, 2003, shall be required to pay registration or renewal fee under this Act.]<sup>1</sup>

1. Inserted by Act 7 of 2003 w.e.f. 1.4.2003.

<sup>1</sup>**[10-B. Suo motu registration.-** Any person who is liable to get himself registered under this Act fails to do so, the prescribed authority may after conducting such survey, inspection or inquiry as may be prescribed, proceed to register such person under the Act and the provisions of section 10-A shall apply mutatis mutandis.]<sup>1</sup>

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

<sup>1</sup>**[11. Agents liable to pay tax.-** (1) Notwithstanding anything contained in any law for the time being in force including this Act, every person who for an agreed commission or brokerage buys or sells on behalf of any principal who is a resident of the State of Karnataka shall, subject to the provisions of sub-section (5) of section 5 or section 6B be assessed to tax or taxes under this Act at the rate or rates leviable thereunder in respect of such purchase or sale notwithstanding that such principal is not a dealer or that the turnover of sale or purchase relating to such principal is less than the minimum specified in sub-section (5) of section 5 or section 6B:

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

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

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

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



<sup>1</sup>[(4)xxx]<sup>1</sup>

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

## CHAPTER V

### Returns, assessment, payment, recovery, composition and collection of tax

**12. Returns and assessment.-** <sup>1</sup>[(1) Notwithstanding anything contained in section 12-B, every registered dealer and every dealer who is

liable to get himself registered under sub-section (1) or (2) of section 10, shall submit such return or returns relating to his turnover, in such manner and within such period as may be prescribed.]<sup>1</sup>

<sup>2</sup>[Provided that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.]<sup>2</sup>

<sup>3</sup>[Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.]<sup>3</sup>

1. Substituted by Act 8 of 1990 w.e.f. 1.4.1990.
2. Deemed to have been inserted w.e.f. 1.4.2005 by Act 5 of 2006.
3. Inserted by Act 5 of 2010 w.e.f.01.04.2010.

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

<sup>3</sup>[Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.]<sup>3</sup>

1. Inserted by Act 5 of 1972 w.e.f. 14.8.1972.
2. Inserted by Act 8 of 1984 w.e.f. 1.4.1984.
3. Inserted by Act 5 of 2010 w.e.f.1.4.2010.

<sup>1</sup>[(1-B) If default is committed in the payment of full amount of tax payable in

advance for any year as reduced by any amount of tax already paid under Section 12B, beyond thirty days after the close of the year, whether or not a return as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax so payable, the dealer defaulting payment of tax or making short payment of tax shall, in addition to the tax, pay interest calculated at the rate of two per cent per month from the thirty first day to the date of payment of such tax or upto the date

specified for payment of tax assessed under section 12, as the case may be.]<sup>1</sup>

1. Inserted by Act, 5 of 2001 w.e.f. 1.4.2001.

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

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

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

<sup>1</sup>[(4) When making an assessment under sub-section (3), the assessing authority may also direct the dealer to pay in addition to the tax assessed, a penalty,—

1. Sub-sections (4), (5), (6) and (7) substituted by Act 27 of 1985 w.e.f. 1.8.1985.

(a) not exceeding <sup>1</sup>[an amount equivalent to the tax due]<sup>1</sup> <sup>2</sup>[but not less than one half of]<sup>2</sup> the amount of tax due on the turnover that was not disclosed by the dealer in his return; or

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

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

(b) not exceeding <sup>1</sup>[an amount equivalent to the tax due]<sup>1</sup> the tax assessed in the case of failure to submit a return; or

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

(c) not exceeding <sup>1</sup>[an amount equivalent to the tax due]<sup>1</sup> <sup>2</sup>[but not less than one half of]<sup>2</sup> the amount of tax due on the turnover which in the opinion of the assessing authority would not have been disclosed voluntarily by the dealer in his return if such turnover was not noticed by any of the authorities empowered under this Act.

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

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

<sup>1</sup>[Provided that no penalty shall be levied on any turnover that has been subject to penalty under sub-section (3-A) of Section 12-B.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

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

1. Substituted by Act 4 of 1999 w.e.f. 1.4.1997.

<sup>1</sup>[<sup>2</sup>Provided that assessment proceedings relating to any year ending before the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 1997 in respect of which a return under sub-section (1) has been submitted before such commencement, shall be completed within a period of 3[three years]<sup>3</sup> from the date of such commencement.]<sup>2</sup>

Provided further that nothing in this sub-section limiting the time within which assessment may be made, shall apply to an assessment made in consequence of, or to give effect to, any findings, directions or orders made under section 20, 21, 22 or 22A or any judgment or order made by any Court.]<sup>1</sup>

1. Provisos inserted by Act 8 of 1989 w.e.f. 1.8.1985.

2. Proviso substituted by Act 7 of 1997 w.e.f. 1.4.1997.

3. Substituted by Act 4 of 1999 w.e.f. 1.4.1997.

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

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

(b) the time during which the assessment has been deferred in any case or class of cases by the <sup>1</sup>[Joint Commissioner]<sup>1</sup> for reasons to be recorded in writing shall be excluded:

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

<sup>1</sup>[(c) in the case of a dealer who has been issued with eligibility certificate extending tax concessions under any of the package of incentives and concessions offered by the State and where such certificate issued is under dispute and such dispute has been referred to the authority constituted to resolve such disputes or the authority issuing such certificate, the time taken in such case to resolve such dispute shall be excluded.]<sup>1</sup>

1. Inserted by Act 5 of 2000 w.e.f. 1.4.1997.

<sup>1</sup>[Provisos x x x]<sup>1</sup>

1. Omitted by Act 8 of 1989 w.e.f. 1.8.1985.

<sup>1</sup>[(7) Where an assessment under this section is not concluded within the time specified in sub-section (5), the total and the taxable turnover declared by a dealer in

his annual return shall be deemed to have been assessed for that year on the basis of the said return and the provisions of this Act relating to assessment of escaped turnover, payment and recovery, appeal and revision shall mutatis mutandis apply to such deemed assessment.]<sup>1</sup>

1. Substituted by Act 8 of 1989 w.e.f. 1.8.1985.

**<sup>1</sup>[12-A. Assessment of escaped turnover.-** <sup>2</sup>(1) If the assessing authority has reason to believe that the whole or any part of the turnover of a dealer in respect of any period has escaped assessment to tax or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable under this Act or any deductions or exemptions have been wrongly allowed in respect thereof, the assessing authority may, notwithstanding the fact that the whole or part of such escaped turnover was already before the said authority at the time of the original assessment or re-assessment but subject to the provisions of sub-section (2), at any time within a period of <sup>3</sup>[eight years]<sup>3</sup> from the expiry of the year to which the tax relates, proceed to assess or re-assess to the best of its judgment the tax payable by the dealer in respect of such turnover after issuing a notice to the dealer and after making such enquiry as it may consider necessary.]<sup>2</sup>

1. Section 12A inserted by Act 9 of 1970 w.e.f. 1.10.1957.

2. Substituted by Act 10 of 1983 w.e.f. 1.4.1983.

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

(1-A) In making an assessment under sub-section (1) the assessing authority may, if it is satisfied that the escape from assessment is due to wilful non-disclosure of assessable turnover by the dealer, direct the dealer to pay, in addition to the tax assessed under sub-section (1), a penalty not exceeding <sup>1</sup>[an amount equivalent to the tax but not less than one half of]<sup>1</sup> the tax so assessed:

1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

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

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

Provided that nothing contained in this section limiting the time within which any action may be taken or any order, assessment or re-assessment may be made, shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, direction or order made under section

20, 21, 22, <sup>1</sup>[22A]<sup>1</sup>, 23 or 24 or any judgment, or order made by the Supreme Court, the High Court, or any other Court.]<sup>1</sup>

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

**<sup>1</sup>[12-AA. Assessment in cases of price variation or price revision.- (1)** Notwithstanding anything contained in sub-section (1) of section 12A,—

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

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

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

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

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

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

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

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

return, a penalty not exceeding one and a half times the tax assessed as the case may be: Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.]<sup>1</sup>

**<sup>1</sup>[12-B. Payment of tax in advance.-** <sup>2</sup>(1) Subject to such rules as may be prescribed, every dealer shall send every month <sup>6</sup>[xxx]<sup>6</sup> a statement containing such particulars as may be prescribed including the taxable turnover during the preceding month and shall pay in advance the full amount of <sup>3</sup>[tax payable by him <sup>4</sup>[under this Act within twenty days after the close of the preceding month to which such tax relates on the basis of the turnover particulars shown in the statement]<sup>4</sup>]<sup>3</sup> and the amount so

payable shall for the purposes of <sup>5</sup>[x x x]<sup>5</sup> section 13 be deemed to be an amount due under this Act from such dealer.]<sup>2</sup>

1. Section 12B inserted by Act 12 of 1961 w.e.f. 8.6.1961 & substituted by Act 9 of 1970 w.e.f. 1.4.1970.
2. Substituted by Act 5 of 1972 w.e.f. 14.8.1972.
3. Substituted by Act 7 of 1981 w.e.f. 4.4.1981.
4. Substituted by Act 27 of 1985 w.e.f. 1.8.1985.
5. Omitted by Act 23 of 1983 w.e.f. 18.11.1983.
6. Omitted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>[<sup>2</sup>Provided that,— (i) in the case of a dealer where payment by way of composition under sub-section (1) of section 17 is accepted, the provisions of sub-section (1) shall not apply; and

(ii) in the case of a dealer being a small scale industry registered with the Director of Industries and Commerce, Government of Karnataka, such dealer shall send such a statement in accordance with sub-section (1) but shall pay in advance the full amount of tax payable for every quarter within twenty days after the close of that quarter.]<sup>2</sup>

<sup>3</sup>[(iii) in the case of a dealer whose total turnover in any year is not more than seven lakh fifty thousand rupees shall submit statements for each month in accordance with sub-section (1) once in a quarter and pay in advance the full amount of tax payable for every quarter within twenty days after the close of that quarter to which such tax relates.]<sup>3</sup>

Provided further that the full amount of tax payable by a dealer in advance for the year as reduced by the amount of tax already paid under this section shall be paid within thirty days after the close of the year to which such tax relates.]<sup>1</sup> 1. Provisos inserted by Act 9 of 1986 w.e.f. 1.4.1986.

2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
3. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.

<sup>1</sup>[Provided also that where the tax payable for any quarter by a small scale industrial undertaking is not paid within thirty days after the close of the quarter to which such tax relates, such undertaking shall be liable to pay tax thereafter as provided under this sub-section excluding the first proviso.]<sup>1</sup>

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

<sup>1</sup>[Provided also that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.]<sup>1</sup>

1. Deemed to have been inserted w.e.f. 1.4.2005 by Act 5 of 2006.

<sup>1</sup>[Provided also that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification.]<sup>1</sup>

1. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

<sup>1</sup>[(2) If default is committed in the payment of tax for any month or quarter as the case may be, beyond ten days, whether or not a statement as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax payable for any month or quarter as the case may be, the dealer defaulting payment of tax or making short payment of tax shall in addition to the tax, pay interest calculated at the rate of <sup>3</sup>[one and a quarter per cent]<sup>3</sup> per month from the date of such default or short payment to the date of payment of such tax <sup>2</sup>[or upto the date specified for payment of tax assessed under section 12, as the case may be.]<sup>2</sup>]<sup>1</sup>

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

2. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

3. Substituted by Act 11 of 2005 w.e.f. 1.4.2005

<sup>1</sup><sup>2</sup>[(3)]<sup>2</sup> If no such statement is submitted by a dealer under sub-section (1) before the date prescribed or if the statement submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority may assess the dealer provisionally for that month to the best of his judgment, recording the reasons for such assessment, and proceed to demand and collect the tax on the basis of such assessment :

Provided that before taking action under this sub-section the dealer shall be given a reasonable opportunity of being heard.]<sup>1</sup>

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

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

<sup>1</sup>[(3A) When making assessment under sub-section (3), the assessing authority may also direct the dealer to pay in addition to tax assessed a penalty.- (a) not exceeding one and a half times but not less than one half of the amount of tax due on turnover that was not disclosed by the dealer in his statement; or (b) not exceeding one and half times the tax assessed in the case of failure to submit a statement.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup><sup>2</sup>[(4)]<sup>2</sup> If at the end of the year it is found that the amount of tax paid in advance by any dealer for any month or quarter or for the whole year in the aggregate was less than the tax payable for that month or quarter or the tax for the whole year as finally assessed, as the case may be, by more than fifteen per cent, the assessing authority may direct such dealer to pay, in addition to the tax, a penalty <sup>3</sup>[which shall not be less

than one half of the tax so paid in short, but not exceeding <sup>4</sup>[xxx]<sup>4</sup> the amount by which the tax so paid fall short]<sup>3</sup> of the tax payable for the month or quarter or for the whole year as the case may be:]<sup>1</sup>

1. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
2. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.
3. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001.
4. Omitted by Act 5 of 2002 w.e.f. 1.4.2002.

Provided that no penalty under this sub-section shall be imposed unless the dealer affected has had a reasonable opportunity of showing cause against such imposition.]<sup>1</sup>

<sup>1</sup>[Provided further that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which any tax paid in short relates.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>[Explanation.— For the purpose of this section "quarter" means the period of three months ending on 31st day of May, 31st day of August, 30th day of November and 28th day (or 29th day) of February.]<sup>1</sup>

1. Inserted by Act 9 of 1986 w.e.f. 1.4.1986. 1[12-C. Self-assessment in the case of certain dealers.-

(1) Notwithstanding anything contained in sub-section (3) of Section 12, the assessing authority in respect of any year commencing from the First day of April, 2000 shall assess a dealer engaged in,

(a) Selling of goods <sup>1</sup>[whose total turnover in a year is not more than fifty lakh rupees]<sup>1</sup> on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that. -

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

(i) such goods do not include Cement sold by a first seller, Iron and Steel, Liquor including Beer, Wine and Fenny, Spirits and Alcohol;

(ii) such dealer is not an oil company or is engaged in the execution of any works contract;

(iii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;



(iv) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or despatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).

<sup>1</sup>[(v) xxx]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002 and omitted by Act 26 of 2004 w.e.f. 1.8.2004.

(b) processing or manufacturing goods whose total turnover in any year is not more than <sup>1</sup>[one hundred lakhs]<sup>1</sup>, on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that.-

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

(i) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;

(ii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or dispatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).

<sup>1</sup>[(iii) xxx]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002 and omitted by Act 26 of 2004 w.e.f. 1.8.2004.

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

(3) Self-assessment under sub-section (1) shall not be made in respect of a dealer for any year if;

(i) the return filed or any compliances furnished as required by sub-section (1) for any year is incomplete or incorrect or defective, save for mistakes apparent on record;

(ii) it is found that the dealer attempted to conceal any turnover to evade tax, for that year;

(iii) the dealer has ceased to do any business or has closed down business, for that year.

(4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall direct the assessing authority concerned to make assessment under sub-section (3) of Section 12.

(5) The assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under sub-section (4), serve upon the dealer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4).

(6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any dealer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 12-A, 21, 22-A and 25-A.<sup>1</sup>

1. Section 12-C Inserted by Act 10 of 1983 w.e.f. 1.4.1983 and Substituted by Act, 7 of 1987 w.e.f. 1.4.1997 and again Substituted by Act, 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[(8) Notwithstanding anything contained in this Section or Section 12, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of dealers for any year shall be deemed to have been made on the basis of the return submitted in accordance with sub-section (1) of Section 12 without requiring the presence of the dealer or production of books of account by the dealer.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

**<sup>1</sup>[12-D. Cancellation of assessment in certain cases.-** (1) Where an assessee within one month from the service of a notice of demand makes an application and satisfies the assessing authority that he was prevented by sufficient cause from appearing as required under section 12, or that he did not receive the notice issued under that section <sup>2</sup>[x x x]<sup>2</sup> the assessing authority shall cancel the assessment and proceed to make a fresh assessment in accordance with the provisions of section 12:

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

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

<sup>1</sup>[Provided that no application under this sub-section shall be entertained by the assessing authority if tax admitted in the return of turnover is not paid;]<sup>1</sup>

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

(2) Nothing contained in sub-section (1) shall apply to an assessment which has been made the subject-matter of an appeal under section 20.

(3) No appeal shall lie under section 20 against an order passed under this section.

(4) Every order passed under this section shall, subject to the provisions of sections 22 to 24 and 25-A, be final.]<sup>1</sup>

**[12-E. Re-assessment in certain cases.-** (1) Where an assessee within one year from the service of a notice of demand makes an application that failure to furnish declarations prescribed under Section 5-A prevented him from claiming the concessional rate of tax on sale of inputs, the assessing authority shall cancel the assessment and proceed to re-assess such assessee to the extent of claims made under Section 5-A.

Provided that no application under this sub-section shall be entertained by the assessing authority if the tax assessed is not paid and the declarations prescribed under section 5-A are not furnished together with such application.

(2) Nothing contained in sub-section (1) shall apply to an assessment which has been made the subject – matter of an appeal under Section 20.

(3) No appeal shall lie under Section 20 against an order passed under this Section.

(4) Every order passed under this Section, shall subject to the provisions of Sections 22, 23, 24 and 25-A, be final.]<sup>1</sup>

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994 and omitted by Act 5 of 2001 w.e.f. 1.4.2001 and again Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

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

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

**13. Payment and Recovery of Tax.-** <sup>1</sup>[(1) The Tax 2[or any other amount due]2 under this Act shall be paid in such manner 3[in such instalments, subject to such

conditions, on payment of such interest]<sup>3</sup> and within such time, as may be prescribed.]<sup>1</sup>

1. Substituted by Act 32 of 1958 w.e.f. 1.1.1959.
2. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.
3. Substituted by Act 13 of 1982 w.e.f. 1.4.1982.

<sup>1</sup>[Provided that where the amount paid falls short of the aggregate of the tax or any other amount due and interest payable, the amount so paid shall first be adjusted towards interest payable and the balance, if any, shall be adjusted towards the tax or any other amount due.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification.]<sup>1</sup>

1. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

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

1. Substituted by Act 32 of 1958 w.e.f. 1.1.1959.

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the person or persons liable to pay the tax <sup>1</sup>[or any other amount due]<sup>1</sup> under this Act; and

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

<sup>1</sup>[(ii) the person or persons liable to pay the tax <sup>2</sup>[other than tax payable in advance for any year under sections 12 and 12B]<sup>2</sup> or any other amount due under this Act shall pay a <sup>3</sup>[interest]<sup>3</sup> equal to <sup>4</sup>[one and a quarter per cent]<sup>4</sup> of the amount of tax or any other amount due remaining unpaid for each month after the expiry of the time specified under sub-section (1)]<sup>1</sup>

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.
2. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.
3. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.
4. Substituted by Act 11 of 2005 w.e.f. 1.4.2005

<sup>1</sup>[**Explanation** <sup>3</sup>[1]<sup>3</sup>.— For purposes of clause (ii), the <sup>2</sup>[interest]<sup>2</sup> payable for a part of a month shall be proportionately determined.]<sup>1</sup>

1. Inserted by Act 16 of 1967 w.e.f. 1.1.1968.
2. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.
3. Re-numbered by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[**Explanation – II.** – For the purpose of this sub-Section non- payment during any period during which recovery of any tax or other amount due under the Act is stayed by

an order of any authority or Court in any appeal or other proceedings disputing such tax or amount, shall be deemed to be a 'default'.<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(2A) Notwithstanding anything contained in sub-section (2), <sup>2</sup>[where the amount of <sup>3</sup>[interest]<sup>3</sup> does not exceed rupees five lakh the Commissioner and in other cases the State Government]<sup>2</sup> may, subject to such conditions as may be prescribed, remit the whole or any part of the <sup>3</sup>[interest]<sup>3</sup> payable in respect of any period by any person or class of persons.]<sup>1</sup>

1. Inserted by Act 3 of 1966 w.e.f. 1.3.1966.

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

3. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

(3) Any tax assessed, or any other amount due under this Act from a dealer <sup>1</sup>[or any other person]<sup>1</sup> may without prejudice to any other mode of collection be recovered—

1. Inserted by Act 9 of 1970 w.e.f. 1.10.1957.

(a) as if it were an arrear of land revenue, or

<sup>1</sup>[(aa) by attachment and sale or by sale without attachment of any property of such dealer or any other person by the assessing authority or the prescribed officer in accordance with such rules as may be prescribed;]<sup>1</sup>

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

<sup>1</sup>[(aaa) as if it were an arrear of excise revenue under the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) in the case of a dealer engaged in the manufacture or sale of liquor including beer, spirit and alcohol; or]<sup>1</sup>

1. Inserted by Act 21 of 2000 w.e.f. 11.1.2001 by notification. Text of the notification is at the end of the Act.

(b) <sup>1</sup>[notwithstanding anything contained in <sup>2</sup>[the Code of Criminal Procedure, 1973 (Central Act 2 of 1974)]<sup>2</sup>, on application to any Magistrate]<sup>1</sup> by such Magistrate as if it were a fine imposed by him:

1. Substituted by Act 7 of 1972 w.e.f. 29.9.1972.

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

<sup>1</sup>[Provided that where a dealer or other person who has appealed or applied for revision of any order made under this Act and has complied with an order made by the appellate or the revising authority in regard to the

payment of the tax or other amount, no proceedings for recovery under this sub-section shall be taken or continued until the disposal of such appeal or application for revision.]<sup>1</sup>

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

<sup>1</sup>[(4) The High Court may either suo motu or on an application by the Commissioner or any person aggrieved by the order revise any order made by a Magistrate under clause (b) of sub-section (3).]<sup>1</sup>

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

**<sup>1</sup>[13-A. Payment of interest.-** Where any amount refundable to any person under an order made under any provision of this Act is not refunded to him within ninety days,—

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

(a) of the date of such order, if that order is made by the refunding authority; or

(b) of the date of receipt of such order by the refunding authority, if that order is made by an authority other than the refunding authority, the refunding authority shall pay such person simple interest at the rate of <sup>1</sup>[six percent]<sup>1</sup> per annum on the said amount from the day immediately following the expiry of the said ninety days to the day of the refund:

1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.

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

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

**Explanation II.**—The expression "refunding authority" means an <sup>1</sup>[Commercial Tax Officer]<sup>1</sup> or <sup>1</sup>[Assistant Commissioner of Commercial Taxes]<sup>1</sup> or any other officer of the Commercial Taxes Department authorised to make any assessment or to levy penalty or both by or under this Act.

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

**Explanation III.**—The interest payable for a part of a month shall be proportionately determined.]<sup>1</sup>

**<sup>1</sup>[13-B. Power to withhold refund in certain cases.-** (1) Where an order giving rise to refund is the subject-matter of an appeal or further proceeding or where any other proceeding under this Act is pending, and the authority competent to grant such refund is of the opinion that the grant of refund is likely to adversely affect the revenue, such authority may, with the previous approval of the Commissioner, withhold the refund till such time as the Commissioner may determine.

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

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

#### **<sup>1</sup>[13-C. Purchase by the State Government in auction of property.-**

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

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

(3) The purchase and disposal of the property under this section shall not be questioned in any court of law.]<sup>1</sup>

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

#### **<sup>1</sup>[13-D. Special powers for recovery of amounts due to Government.-**

Notwithstanding anything contained in this Act and the rules made thereunder, where any tax payable under this Act by a dealer has been deferred under section 19-C and where such deferred tax has been converted into loan by the Department of Industries and Commerce, Government of Karnataka, and upon such amounts becoming due, the assessing authority or any other officer exercising powers under section 13 may recover such amounts from such dealer as if it were an amount due under this Act.]<sup>1</sup>

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

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

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

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

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

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

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

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

**<sup>1</sup>[Explanation I]**<sup>1</sup>.—For the purposes of this section, the amount due to a dealer or money held for or on account of a dealer by any person shall be

computed after taking into account such claims, if any, as may have fallen due for payment by such dealer to such person and as may be lawfully subsisting.

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

**<sup>1</sup>[Explanation II]**.—Notwithstanding anything contained in this Act, for the purpose of this section, the expression "assessing authority" shall include <sup>2</sup>[any officer empowered to levy tax or penalty under any of the provisions of this Act, or]<sup>2</sup> any other officer exercising powers under clause (aa) of sub-section (3) of section 13.]<sup>1</sup>

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

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

**<sup>4</sup>[14-A. Issuance of Clearance Certificates to registered dealers.-**

Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a registered dealer makes an application to the assessing authority of the area, the assessing authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the



provisions of sub-section (1) of section 12-B is outstanding from such registered dealer, issue a clearance certificate in the prescribed form.]<sup>1</sup>

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

**<sup>1</sup>[15. Tax payable on transfer of business, etc.-<sup>2</sup>**[(1) When the ownership of the business of a dealer is transferred, the transferor and the transferee shall jointly and severally be liable to pay any tax or penalty or any other amount remaining unpaid at the time of transfer or that may become payable in respect of such business after the date of transfer but relating to the years upto the date of transfer and for the purpose of recovery from the transferee, such transferee shall be deemed to be the dealer liable to pay the tax or penalty or other amount due under this Act.]<sup>2</sup>

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

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

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

<sup>1</sup>[(2A) Where any firm is liable to pay any tax or penalty or any other amount under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

(2B) Where a partner of a firm liable to pay any tax or penalty or any other amount under this Act retires, he shall, notwithstanding any contract to the contrary, be liable to pay any tax or penalty or any other amount remaining unpaid at the time of his retirement and any tax or penalty or any other amount due upto the date of retirement, though unassessed.]<sup>1</sup>

1. Subsections (2A) and (2B) Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

(3) When an undivided Hindu family or Aliyasanthana family liable to pay the tax or penalty is partitioned, the assessment of the tax and the imposition of penalty shall be made as if no partition of the family had taken place, and every person who was a member of the family before the partition shall be jointly and severally liable to pay the tax or penalty assessed or imposed.]<sup>1</sup>

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

deceased in his hands.

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

**<sup>1</sup>[17. Composition of Tax <sup>2</sup>[x x x]<sup>2</sup>.-** 3[(1) Subject to such conditions and in such circumstances as may be prescribed, the assessing authority may, if a dealer whose total turnover in a year is not exceeding <sup>4</sup>[rupees ten lakh]<sup>4</sup> and who is liable to tax under sections <sup>5</sup>[5, 5-A, 6 and 6-B]<sup>5</sup>, so elects, accept in lieu of the amount of tax payable by him under this Act, during any year, by way of composition, an amount at the following rates, namely:—

1. Substituted by Act 32 of 1958 w.e.f. 1.4.1959.

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

3. Sub-sections (1), (2), (3) substituted by Act 7 of 1997 w.e.f. 1.4.1997.

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

5. Substituted by Act 18 of 1997 w.e.f. 1.4.1997.

#### TABLE

Sl. No.	Total turnover	Rates
(I)	Where the total turnover does not exceed three lakh rupees.	One thousand five hundred rupees.
(ii)	Where the total turnover exceeds three lakh rupees but does not exceed five lakh rupees.	One thousand five hundred rupees plus two per cent of the turnover exceeding three lakh rupees.
<sup>1</sup> [(iii)	Where the total turnover exceeds five lakh rupees but does not exceed ten lakh rupees	Five thousand five hundred rupees plus three per cent of the turnover exceeding five lakh rupees.] <sup>1</sup>

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

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

(i) dealers in liquor and/or beer;

	(ii) dealers operating hotels, restaurants or bars and restaurants;	
against	(iii) dealers purchasing goods in the course of inter-State trade or commerce declarations in Form-C, or obtaining goods from sources outside the State against declarations in Form-F;	
declared	(iv) dealers whose total turnover in the immediately preceding year as declared in the return or determined in the assessment order was more than 1[ten lakh rupees] <sup>1</sup> .	
	1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.	
	(2) (a) Any dealer eligible for composition of tax under sub-section (1) and who estimates his total turnover for a year to be not more than <sup>1</sup> [ten lakh rupees] <sup>1</sup> , may	

apply to the assessing authority to permit him to pay the amount under this section and on being so permitted, he shall pay the amount due in advance during the year in quarterly instalments and shall submit a return as specified in sub-section (1) of section 12.

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

(b) The amount paid under clause (a) shall be subject to such adjustment as may be prescribed on the completion of final assessment. (3) Every dealer complying with the provisions of clause (a) of sub-section (2) shall be assessed on the basis of return submitted in accordance with sub-section (1) of section 12, and such dealer shall not be required to appear or produce the books of accounts before the assessing authority.]<sup>1</sup>

<sup>1</sup>[Explanation.- x x x]<sup>1</sup>

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

<sup>1</sup>[(3A) x x x]<sup>1</sup>

1. Inserted by Act 9 of 1986 w.e.f. 1.10.1978 & omitted by the same Act w.e.f. 31.3.1981.

<sup>1</sup>(4) <sup>2</sup>(i) Notwithstanding anything contained in sub-sections (1) to (3), but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a hotelier or a restaurateur (other than a hotelier or a restaurateur engaged in reselling of goods purchased by him in the course of inter-State trade or commerce or a dealer engaged in vending of liquor including beer <sup>6</sup>[or a hotelier or a restaurateur operating in the same premises or a premises attached to a place where liquor including beer is served] <sup>6</sup> <sup>3</sup>[a dealer running a sweet meat stall or ice cream parlour] <sup>3</sup> <sup>4</sup>[or a dealer catering food and drinks in places other than where liquor including beer is served (excluding in the premises of a club registered under the Karnataka Societies Registration Act, 1960) or a Registered club including a dealer serving food and drinks in the premises of such club] <sup>4</sup>, <sup>7</sup>[xxx]<sup>7</sup>, so elects, accept in lieu of the amount of tax payable by him under this Act during any year, by way of composition, an amount at the rate of <sup>5</sup>[four per cent]<sup>5</sup> of his total turnover.]<sup>2</sup>

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

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

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

4. Inserted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted by Act, 5 of 2002 w.e.f. 1.4.2002.

5. Substituted by Act 4 of 1999 w.e.f. 1.4.1999 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001.

6. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

7. Omitted by Act 5 of 2001 w.e.f. 1.4.2001.

(ii) Any hotelier or restaurateur <sup>1</sup>[or a dealer running a sweet stall or ice cream parlour] <sup>2</sup>[or a dealer catering food and drinks or a registered club including a dealer

servicing food and drinks in such club]<sup>2</sup> may apply to the assessing authority to be permitted to pay the amount under clause (i) and, on being so permitted, he shall pay the amount due in advance during the year in equal monthly instalments on or before the <sup>3</sup>[20th]<sup>3</sup> of the month following each month and for that purpose shall submit such statements or returns in such manner as may be prescribed;

1. Inserted by Act 4 of 19<sup>99</sup> w.e.f. 1.4.1999.

2. Inserted by Act 5 of 2000 w.e.f. 1.4.2000 and substituted by Act 5 of 2002 w.e.f. 1.4.2002.

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

(iii) The amount paid under clause (ii) shall be subject to such adjustment as may be necessary on the completion of final assessment.]<sup>1</sup>

<sup>1</sup>[(iv) x x x]<sup>1</sup>

1. Inserted by Act 27 of 1985 w.e.f. 7.9.1978 & omitted by the same Act w.e.f. 2.2.1983.

<sup>1</sup>[(5) Notwithstanding anything contained in this Act, where a dealer has opted for payment of tax by way of composition in any year, the rate at which such tax is payable shall be the rate provided for such payment in this section at the commencement of the year.]<sup>1</sup>

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

<sup>1</sup>[(6)<sup>2</sup>[(i) Notwithstanding anything contained in section 5-B, but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer liable to tax under section 5-B so elects, accept in lieu of the amount of tax payable by him during the year under this Act, by way of composition an amount on the total consideration for the works contracts executed by him in that year in the State in respect of Works contract specified in column (2) of the Sixth Schedule <sup>3</sup>[at the rate of four per cent]<sup>3</sup>.]<sup>2</sup>

1. Inserted by Act 14 of 1987 w.e.f. 1.4.1988 by notification. Text of the notification is at page 431.

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

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

(ii) Any dealer may apply to the assessing authority to be permitted to pay the amount under clause (i) and, on being so permitted he shall pay tax in advance as provided for under section 12-B and all the provisions of section 12B mutatis-mutandis shall apply to this sub-section.]<sup>2</sup>

<sup>1</sup>[(iii) the amount paid under clause (ii), shall be subject to such adjustment as may be necessary on completion of final assessment.]<sup>1</sup>

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

<sup>1</sup>**[Explanation.**— No tax shall be payable under this sub-section on the turnovers relating to amounts paid to sub-contractors as consideration for execution of works

contract whether wholly or partly subject to production of proof that such sub-contractor is a registered dealer liable to tax under the Act and that the turnover of such amounts is included in the monthly statements or return of turnover, as the case may be, filed by such sub-contractor.]<sup>1</sup>

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

<sup>1</sup>[(7) Nothing contained in sub-Section (6) shall apply to a dealer who purchases or receives goods from outside the State for the purpose of using such goods in the execution of works contract.]<sup>1</sup>

1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(8) Subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer carrying on the business in silk fabrics so elects, accept in lieu of the amount of tax payable by him, during any year, under this Act, by way of composition, an amount at the rate of half percent of his total turnover in respect of silk fabrics;]<sup>1</sup>

1. Inserted by Act 1 of 1996 w.e.f. 1.4.1995 & substituted by Act 3 of 1998 w.e.f. 1.4.1998.

**<sup>1</sup>[Explanation I.- x x x**

**Explanation II.- x x x]<sup>1</sup>**

1. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.

<sup>1</sup>[(9) (i) Notwithstanding anything contained in sub-sections (1) to (3), but subject to such conditions and in such circumstances as may be prescribed, the assessing authority of the area may, if a dealer being mechanized crushing unit producing granite metals so elects, accept in lieu of the amount of tax payable by him under any other provisions of this Act, during any year, by way of composition, an amount at the following rates, namely:-

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

(ii) Any dealer eligible for composition of tax under clause (i), may apply to the assessing authority to permit to pay the amount under this sub-section and on being so permitted, he shall pay the amount due in advance during the year in equal monthly installments on or before the twentieth day of month following each month and for that

purpose shall submit such statements or returns in such manner as may be prescribed.

(iii) The amount paid under clause (ii), shall be subject to such adjustment as may be necessary on the completion of final assessment.]<sup>1</sup>

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

<sup>1</sup>[(10) Subject to such conditions and such circumstances as may be prescribed, the Assessing Authority of the area may, if a dealer carrying on business in lottery tickets so elects, accept in lieu of the amount of tax

payable by him during any year, under this Act, by way of composition, an amount at the following rates, namely,- 1. Subsections (10) and (11) Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

### 1[TABLE

Sl.no	TYPE OF DRAW	RATE PER DRAW
1.	Weekly Draw	Fifteen thousand rupees
2.	Fortnightly Draw including any draw the period which is more than a week but less than a fortnight.	Forty thousand rupees
3.	Monthly Draw including monthly Bumper Draw and every draw the period of which is more than a Fortnight but less than a month.	Seventy thousand rupees
4.	Special Bumper Draw or Festival Bumper Draw including any other draw not covered by any other category and any draw the period of which is more than a month.	One lakh and seventy five thousand rupees] <sup>1</sup>

1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(11) Notwithstanding anything contained in any other provisions of this Act, the tax payable under sub-section (10) shall be paid ten days prior to the draw.]<sup>1</sup>

<sup>1</sup>[**17-A. Rounding off of tax, etc.-** The amount of tax (including tax payable in advance), penalty or any other amount payable and the amount of refund due, under this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.]<sup>1</sup>

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

<sup>1</sup>[18. Collection of tax by dealers.- (1) (a) A person who is not a registered dealer liable to pay tax shall not collect any amount by way of tax or purporting to be by way of

tax under this Act; nor shall a registered dealer collect any amount by way of tax or purporting to be by way of tax at a rate or rates exceeding the rate or rates <sup>2</sup>[at which he is liable to pay tax under the provisions of this Act.]<sup>2 3</sup>[x x x]<sup>3</sup>

1. Substituted by Act 18 of 1978 w.e.f. 1.9.1978.
2. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
3. Inserted by Act 8 of 1984 w.e.f. 1.4.1984 & omitted by Act 9 of 1986 w.e.f. 1.4.1986.

(b) No person shall collect any amount by way of tax or purporting to be by way of tax in respect of sales of any goods <sup>1</sup>[or any transaction]<sup>1</sup> on which no tax is payable by him under the provisions of this Act.

1. Deemed always to have been Inserted by Act 5 of 2001 w.e.f. 1.10.1957.

(2) Notwithstanding anything contained in sub-section (1), a dealer who has been permitted to pay any amount by way of composition <sup>1</sup>[under sub-section (1)<sup>2</sup>[x x x]<sup>2 3</sup>[(x x x)<sup>4</sup> or sub-section (8)]<sup>3</sup> of section 17]<sup>1</sup> or a dealer who is exempted from sales tax by virtue of recognition granted under the provisions of this Act, shall not collect any amount by way of tax or purporting to be by way of tax on the sales or purchases of goods made during the period to which such composition or recognition applies.

1. Substituted by Act 15 of 1988 w.e.f. 1.4.1988.
2. Omitted by Act 5 of 2000 w.e.f. 1.4.2000.
3. Inserted by Act 1 of 1996 w.e.f. 5.3.1996.
4. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

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

1. Omitted by Act 5 of 2002 w.e.f. 1.4.2002 and again Inserted by Act 30 of 2003 w.e.f. 1.6.2003.

**18-A. Penalty for collection in contravention of section 18.-** If any person contravenes any of the provisions of section 18, the assessing authority may, after giving such person reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding <sup>1</sup>[not less than one half but not exceeding an amount equivalent to]<sup>1</sup> such amount:

1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[Provided that no penalty shall be levied under this section after a period of eight years from the close of the year to which the contravention relates.]<sup>1</sup>

1. Omitted by Act 23 of 1983 w.e.f. 18.11.1983 and again Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

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

section.]<sup>1</sup>

**<sup>1</sup>[18-AA. Payment and disbursement of amounts wrongly collected by dealer as tax.-** (1) Where any amount is collected by way of tax or purporting to be by way of tax from any person by any dealer in contravention of section 18, whether knowingly or not, such dealer shall pay the entire amount so collected, to the assessing authority within twenty days after the close of the month in which such amount was collected,

notwithstanding that the dealer is not liable to pay such amount as tax or that only a part of it is due from him as tax under this Act.

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

(2) If default is made in payment of the amount in accordance with sub-section (1),-

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the dealer;

(ii) the dealer liable to pay the amount shall pay interest at the rate of 1[one and a quarter percent]<sup>1</sup> of such amount for each month of default; and

1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005

(iii) the whole of the amount remaining unpaid along with the interest calculated under clause (ii) of this sub-section shall be recoverable in the manner specified in section 13.

**1[Explanation.-** For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a 'default', unless such appeal or other proceeding is allowed by such Authority.]<sup>1</sup>

1. Inserted by Act by Act 11 of 2005 w.e.f. 1.10.1957

(3) Notwithstanding anything contained in this Act, or in any other law for the time being in force, any amount paid or payable by any dealer under sub-section (1) shall, to the extent it is not due as tax be forfeited to the State Government and be recovered from him and such payment or recovery shall discharge him of the liability to refund the amount to the person from whom it was collected.

(4) Where any amount is paid or recovered by or from any dealer under sub-section (1) or (3), a refund of such amount or any part thereof can be claimed from Government by the person from whom, it was realised by way of tax provided an application in writing in the prescribed form is made to the Commissioner, within two years from the date of the order of forfeiture. On receipt of any such application, the Commissioner shall hold such inquiry as he deems fit and if the Commissioner is satisfied that the claim is valid and admissible and that the amount so claimed as



refund is actually paid or recovered, he shall refund the amount or any part thereof, which is found due to the person concerned.

(5) Where any amount is collected by way of tax or purporting to be by way of tax in contravention of section 18 at any time before the commencement

of the Karnataka Sales Tax (Amendment) Act, 1992, the provisions of sub-sections (3) and (4) shall apply to such amount collected.<sup>1</sup>

<sup>1</sup>[19. Certain dealers to collect and pay tax.- Notwithstanding anything contained in this Act, the Central Government, a State Government, a statutory body or a local authority shall in respect of any sale of goods effected by them be entitled to collect by way of tax any amount which a registered dealer effecting such sale would have been entitled to collect by way of tax under this Act and shall pay the tax so collected into the Government Treasury.]<sup>1</sup>

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

**[19-A. Deduction of tax at source (in case of works contract).-(1)** Notwithstanding anything contained in this Act, the Central Government, or any State Government, or an industrial, commercial or trading undertaking of the Central Government or of any State, or any such undertaking in joint sector or any other industrial, commercial or trading undertaking or any other person or body as may be notified by the Commissioner from time to time or a local authority or a statutory body, shall deduct out of the amounts payable by them to a dealer in respect of works contracts of the nature specified in the Sixth Schedule executed for them in the State, an amount equivalent to the tax payable by such dealer under the Act.

Provided that no such deduction shall be made if the amounts payable by them are in respect of sales of any goods, in the course of inter-State trade or commerce or, in the course of export out of the territory of India or, import into the territory of India or, outside the State.

(2) The deduction under sub-section (1) shall be made by an authority on the basis of tax payable as calculated by the dealer.

Provided that where it is found that the tax payable as calculated by any dealer was less than the tax payable for the works contract executed by more than fifteen per cent and being so informed, the authority shall make deduction out of any amounts payable subsequently based on the certificate issued by the assessing authority of the area or the assessing authority of the dealer on an application to be made by the authority or dealer which shall be disposed of by the assessing authority within ten days from the date of its receipt, failing which deduction shall be made as calculated by the dealer till issue of a certificate.

(3) The authority making deduction under sub-section (1), shall send every month to the prescribed authority a statement in the prescribed form containing particulars of

tax deducted during the preceding month and pay

full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deductions were made and the amount so payable shall for the purposes of Section 13 be deemed to be an amount due under this Act:

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

(4) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified under sub-section (3), the authority making deductions under sub-section (1) shall pay, by way of penalty, a sum equal to the penalty specified under clause (ii) of sub-section (2) of Section 13 during the period in which such default is continued.

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

(6) Payment by way of deduction in accordance with sub-section (3), shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the works contract.

(7) Where tax in respect of the works contract is remitted under sub-section (3), the tax payable by the dealer for any month, quarter or for the whole year, as the case may be in respect of such works contract shall be reduced by the amount of tax already remitted under the said sub-section:

Provided that the burden of proving that the tax on such works contract has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction.]<sup>1</sup>

1. Inserted by Act 15 of 1988 w.e.f. 1.4.1988 & substituted by Act 7 of 1997 w.e.f. 1.4.1997 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>[19-AA. Deduction of tax at source in other cases.- (1) Notwithstanding anything contained in this Act, the Government of Karnataka, <sup>2</sup>[and Zilla Panchayats]<sup>2</sup> shall deduct out of the amounts payable by them to a dealer in respect of the purchase of goods, other than Petrol and High Speed Diesel, made by them for their bona fide use, an amount at the rate of four per cent or at the rate applicable for the goods so purchased whichever is lower:

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

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

Provided that,—

(a) no such deductions shall be made if the amount payable to the dealer by the authorities mentioned in this sub-section is less than one thousand rupees; or

<sup>1</sup>[(aa) x x x]<sup>1</sup>

1. Inserted by Act 20 of 1998 w.e.f. 1.4.1998 & omitted by Act 5 of 2000 w.e.f. 1.4.2000.

<sup>1</sup>[(aaa) no such deduction shall be made in respect of dealers as may be notified by the Commissioner from time to time.]<sup>1</sup>

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

<sup>1</sup>[b) no amount shall be deducted under this sub-section, if any of the goods purchased by the authorities mentioned in this sub-section is not liable to tax either on account of said goods being exempt from tax or not liable to tax at the hands of the selling dealer on the ground that the said goods have been subjected to tax at the hands of the earlier seller, or if the tax payable by the selling dealer on any goods is deferred or exempted by the State Government in pursuance of its Industrial Policy and upon being so certified by the Assessing Authority of the area on an application made by the dealer, which shall be disposed of by the Assessing Authority within one month from the date of receipt, either by issue of certificate as aforesaid or by intimating to the dealer his in-eligibility to such a certificate, as the case may be;]<sup>1</sup>

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

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

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

<sup>1</sup>[(2A) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified in sub-section (2), the authority making deductions under sub-section (1) shall pay by way of penalty a sum equal to the penalty specified under clause (ii) of sub-section (2) of section 13 during the period in which such default

is continued.]<sup>1</sup>

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

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

(4) Payment by way of deduction in accordance with sub-section (1) shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer effecting the sales to the authorities mentioned in sub-section (1).

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

Provided that the burden of proving that the tax on such sales has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction.]<sup>1</sup>

**<sup>1</sup>[19-B. Power of Government to notify deferred payment of tax, etc., for sick industries <sup>2</sup>[and riot affected industries]<sup>2</sup>.** - Notwithstanding anything contained in this Act or in the rules made thereunder, but subject to such conditions as may be specified, the State Government may, by notification issued prospectively or retrospectively, in respect of <sup>3</sup>[any industry which is declared by the State Government as riot affected industrial unit or any industry considered]<sup>3</sup> as a sick unit under the Sick Industrial Companies (Special Provision) Act, 1985, grant permission to pay in instalments the whole or any part of the tax payable by such unit for any period or defer payment of such tax.]<sup>1</sup>

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

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

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

**<sup>1</sup>[19-C. Power of Government to notify <sup>2</sup>[exemption of tax or]<sup>2</sup> deferred payment of tax for new industries.**- (1) The Government may, in such circumstances and subject to such conditions as may be prescribed, by notification defer payment by any new industrial unit of the whole or any part of the tax payable in respect of any period <sup>2</sup>[or exempt the whole or any part of the tax payable by a new industrial unit in respect of any period.]<sup>2</sup>

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

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

<sup>1</sup>[Provided that notwithstanding anything contained in this Act or in the rules made

thereunder but subject to such conditions as the State Government may, by general or special order specify, where a dealer to whom incentives by way of deferment offered by the State Government in its orders issued from time to time has been granted by virtue of eligibility certificate and where liability equal to the amount of any such tax payable by such dealer has been created as loan by the Department of Industries and Commerce, Government of Karnataka, then such tax shall be deemed, in public interest, to have been paid.]<sup>1</sup>

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

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

<sup>1</sup>[Explanation.— For the purpose of this section, 'New Industrial unit' <sup>2</sup>[shall not include a new industrial unit which uses trade mark or the brand name of any product of an existing industrial unit, but includes]<sup>2</sup>,—

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

(ii) an Oil Company marketing products manufactured in the State by another Oil Company, the latter being a new industrial unit.]<sup>1</sup>

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

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

## CHAPTER VI

### appeal and revision

**20. Appeals.**- <sup>1</sup>[(1) Any person objecting to an order affecting him passed under the provisions of this Act by,-

- (i) a Commercial Tax Officer, may appeal to the Deputy Commissioner; and
- (ii) an Assistant Commissioner of Commercial Taxes or a Deputy Commissioner, may appeal to the Joint Commissioner.”

Provided that any appeal preferred against the orders of the Commercial Tax Officer and pending before the date of commencement of this Act shall stand transferred to the Deputy Commissioner.]<sup>1</sup>

1. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

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

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

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

Provided that the appellate authority may admit an appeal preferred after the period of thirty days aforesaid, <sup>1</sup>[but within a further period of one hundred and eighty days]<sup>1</sup> if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

<sup>1</sup>. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

<sup>1</sup>[(3) (a) No appeal against an order of assessment shall be entertained by the appellate authority unless it is accompanied by satisfactory proof of the payment of the tax and penalty not disputed in the appeal.

(b) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount shall be paid in accordance with the order against which the appeal has been preferred:]<sup>1</sup>

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

<sup>1</sup>[Provided that the appellate authority may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax along with the prescribed form of appeal.

Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax disputed and furnishing of sufficient security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days. Provided also that where an order staying proceedings of recovery of any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.]<sup>1</sup>

1. Provisos Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

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

<sup>1</sup>[(5) In disposing of an appeal, the appellate authority may, after giving the

appellant a reasonable opportunity of being heard,—

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

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

(i) confirm, reduce, 1[x x x]1 or annul the assessment or penalty or both;

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

<sup>1</sup>[(ia) enhance the assessment including any part thereof whether or not such part is objected to in the appeal;]<sup>1</sup>

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

(ii) <sup>1</sup>[xxx]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002 and Omitted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>[Provided that the appellate authority shall not set aside any order of assessment or any other order and direct the assessing authority or other authority to make a fresh assessment or to make a fresh order.

Provided further that the appellate authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the hearing of the case was concluded and where it is not practicable so to do on the ground of the exceptional and extraordinary circumstances of the case, the appellate authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, and due notice of the day so fixed shall be given to the appellant.]<sup>1</sup>

1. Proviso Inserted by Act 5 of 2002 w.e.f. 1.4.2001 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.

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

(b) in the case of any other order, confirm, cancel or vary such order.]<sup>1</sup>

(6) Every order passed on appeal under this section shall subject to the provisions of <sup>1</sup>[2[sections 22 to 24]<sup>2</sup> and section 25-A]<sup>1</sup>, be final.]<sup>1</sup>

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

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

<sup>1</sup>[21. Revisional powers of <sup>2</sup>[x x x]<sup>2</sup>[Joint Commissioners]<sup>3</sup>.- <sup>2</sup>[(1) x x x]<sup>2</sup>

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

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

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

(2) The <sup>1</sup>[Joint Commissioner]<sup>1</sup> may of his own motion call for and examine the record of any order passed or proceeding recorded under the provisions of this Act by a <sup>2</sup>[any officer not above the rank of Deputy Commissioner]<sup>2</sup> <sup>3</sup>[x x x]<sup>3</sup>, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of

such proceeding <sup>4</sup>[in so far as it is prejudicial to the interests of the revenue]<sup>4</sup> and pass such order with respect thereto as he thinks fit.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
3. Omitted by Act 9 of 1986 w.e.f. 1.4.1986.
4. Inserted by Act 18 of 1978 w.e.f. 1.9.1978.

<sup>1</sup>[Proviso xxx]<sup>1</sup>

1. Proviso Inserted by Act 5 of 2001 w.e.f. 1.4.2001 and Omitted by Act 5 of 2002 w.e.f. 1.4.2002.

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

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

<sup>1</sup>[(5) The power under this section shall not be exercisable in respect of matters subjected to appeal under section 20.]<sup>1</sup>

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

<sup>1</sup>[(6) Every order passed in revision under this section shall subject to the provisions of sections 22 to 24 and 25-A, be final.

**Explanation.**—For the purposes of this section, 'record' shall include all records relating to any proceedings under this Act available at the time of examination by <sup>2</sup>[x x x]<sup>2</sup> the Joint Commissioner.]<sup>1</sup>

1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
2. Omitted by Act 4 of 1999 w.e.f. 1.4.1999.

<sup>1</sup>**[21-A. Deferment of refund in certain cases.-** Where any amount is refundable to any person by an order passed under sections 20, 21 or 22-A, such refund shall not be made within the period stipulated for filing of an appeal against such order under section 22 or section 24 has expired.]<sup>1</sup>

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

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

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.
2. Substituted by Act 5 of 2006 w.e.f. 1.4.2006



3. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
4. Substituted by 5 of 1993 w.e.f. 9.11.1992.
5. Substituted by Act 3 of 1966 w.e.f. 1.3.1966.
6. Omitted by Act 9 of 1970 w.e.f. 1.4.1970.

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

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.
2. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

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

1. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.
2. Substituted by 5 of 1993 w.e.f. 9.11.1992.
3. Substituted by Act 15 of 1991 w.e.f. 1.4.1991.

(3) The appeal <sup>1</sup>[or the memorandum of cross-objections]<sup>1</sup> shall be in the prescribed form, shall be verified in the prescribed manner, and <sup>1</sup>[in the case of an appeal preferred by any person other than an officer <sup>2</sup>[empowered by the State Government or the Commissioner]<sup>2</sup> under sub-section (1)]<sup>1</sup> shall be accompanied <sup>3</sup>[proof of payment of one half of tax or other amount disputed and also]<sup>3</sup> by a fee equal to two percent of the amount of assessment objected to, provided that the sum payable shall in no case be less than <sup>4</sup>[two hundred rupees or more than one thousand rupees]<sup>4</sup>

1. Inserted by Act 9 of 1964 w.e.f. 1.4.1964.
2. Substituted by Act 5 of 2006 w.e.f. 1.4.2006
3. Inserted by Act 26 of 2004 w.e.f. 1.4.2004.
4. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

<sup>1</sup>[(3A) xxx]<sup>1</sup>

1. Omitted by Act 5 of 2002 w.e.f. 1.4.2002.

(4) The Appellate Tribunal shall, after giving both parties to the appeal a

reasonable opportunity of being heard, pass such orders thereon as it thinks fit:

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

<sup>1</sup>[Provided further that if as a result of the appeal any change becomes necessary in the assessment, which is the subject matter of the appeal, the Appellate Tribunal may authorise the Assessing authority to amend the assessment, and the assessing authority shall amend the assessment accordingly and thereupon, any amount overpaid by the assessee shall be refunded to him without interest, or any additional amount of tax due from him shall be collected in accordance with the provisions of the Act, as the case may be.]<sup>1</sup>

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

<sup>1</sup>[(5) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law for the time being in force, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of the tax or other amount disputed, if the appellant makes payment of the other half of the tax or other amount disputed along with the prescribed form of appeal:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.]<sup>1</sup>

1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

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

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

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

(b) The application for review shall be preferred in the prescribed manner within six months from the date on which the order to which the application relates was communicated to the applicant; and where the application is preferred by <sup>1</sup>[any person

other than an officer empowered by the State Government or the Commissioner]<sup>2</sup> under sub-section (1),]<sup>1</sup> it shall be accompanied by a fee equal to that which had been paid in respect of the appeal:

1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964
2. Substituted by Act 5 of 2006 w.e.f. 1.4.2006

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

<sup>1</sup>[(6A) With a view to rectifying any mistake apparent from the record, the Appellate Tribunal may, at any time, within five years from the date of any order passed by it under sub-section (4) or sub-section (6), amend such order:

Provided that no order under this sub-section shall be made without giving both parties affected by the order a reasonable opportunity of being heard.]<sup>1</sup>

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

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

(8) Every order passed by the Appellate Tribunal under <sup>1</sup>[sub-section (4) or sub-section (6) or sub-section (6-A)]<sup>1</sup> shall be communicated to <sup>2</sup>[the appellant, the respondent, the authority on whose order the appeal was preferred, the <sup>3</sup>[Joint Commissioner]<sup>3</sup> concerned if he is not such authority, and the Commissioner.]<sup>1</sup>

1. Substituted by Act 15 of 1970 w.e.f. 1.10.1957.
2. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.
3. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(9) Every order passed by the Appellate Tribunal under sub-section (4) shall <sup>1</sup>[subject to the provisions of sub-section (6), sub-section (6A)]<sup>1</sup> and section

23, be final and every order passed by it under sub-section (6) shall, <sup>1</sup>[subject to the provisions of sub-section (6A) and section 23]<sup>1</sup> be final.

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

**<sup>1</sup>[22-A. Revisional powers of <sup>2</sup>[Additional Commissioner]<sup>2</sup> and Commissioner.-** (1) The <sup>2</sup>[Additional Commissioner]<sup>2</sup> may on his own motion call for and examine the record of <sup>4</sup>[any order passed or proceeding recorded]<sup>4</sup> under <sup>3</sup>[section 20 or section 21 of]<sup>3</sup> this Act and if he considers that any order passed therein by any officer who is not above the rank of a <sup>2</sup>[Joint Commissioner]<sup>2</sup>, is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case

justify, including an order enhancing or modifying the assessment, or cancelling the assessment or directing a fresh assessment.

1. Inserted by Act 9 of 1964 w.e.f. 1.4.1964 & substituted by Act 4 of 1992 w.e.f. 1.4.1992.
2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
3. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.
4. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

(2) The Commissioner may on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer subordinate to him <sup>1</sup>[or the Authority for Clarification and Advance Rulings constituted under section 4] <sup>1</sup>is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment or directing a fresh assessment.

1. Inserted by Act 26 of 2004 w.e.f. 1.4.2002.

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

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Substituted by Act 5 of 1993 w.e.f. 1.4.1992.

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

<sup>1</sup>[(b) the matter has been subject to an appeal under section 22 or a revision in the High Court; or]<sup>1</sup>

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

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

(4) Notwithstanding anything contained in sub-section (3), the <sup>1</sup>[Additional Commissioner]<sup>1</sup> or the Commissioner, may pass an order under subsection (1) or (2), as the case may be, on any point which has not been raised and decided in an appeal or revision referred to in clause (b) of sub-section (3), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section whichever is later.]<sup>1</sup>

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

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

(6) Every order passed in revision under sub-section (2) shall, subject to the

provisions of sections 23, 24 and 25-A, be final.]<sup>1</sup>

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

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

**Explanation II.**—In computing the period of limitation for the purpose of sub-section (3), any period during which any proceeding under this section is stayed by an order of injunction of any court shall be excluded.]<sup>1</sup>

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

**<sup>1</sup>[Explanation III.**—For the purposes of this section, 'record' shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner or the Commissioner.]<sup>1</sup>

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

**<sup>1</sup>[22-B. Limitation in regard to passing of orders in respect of certain proceedings.-** (1) Notwithstanding anything contained in sections 12-A, 21

and 22-A, where any proceedings are initiated under section 12-A or any records have been called for under sections 21 or 22-A, the authorities concerned shall pass orders referred to in the said sections, within a period of <sup>2</sup>[four years]<sup>2</sup> from the date of initiation of such proceedings or calling for the records, as the case may be:

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

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

Provided that in respect of proceedings initiated or records called for before the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 1997, orders shall be passed within a period of <sup>1</sup>[four years]<sup>1</sup> from such commencement.

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

<sup>1</sup>[Provided further that no such time limit shall be applicable in respect of proceedings initiated by the Commissioner under Section 22-A.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

(2) In computing the period specified in sub-section (1), the period during which a proceeding has been deferred on account of any stay granted by any court or any other authority shall be excluded.]<sup>1</sup>

**23. Revision by High Court in certain cases.-** (1) Within <sup>1</sup>[one hundred and

eighty days]<sup>1</sup> from the date on which an order<sup>2</sup>[under sub-section (4) or sub-section (6) or sub-section (6A)]<sup>2</sup> of section 22 was communicated to him, <sup>3</sup>[the appellant or the respondent]<sup>3</sup> may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law:

1. Substituted by Act 5 of 2000 w.e.f. 1.4.1997 and Substituted by Act 11 of 2005 w.e.f. 1.4.2005
2. Substituted by Act 15 of 1970 w.e.f. 1.10.1957.
3. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

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

1. Substituted by Act 5 of 2000 w.e.f. 1.4.1997 and Substituted by Act 11 of 2005 w.e.f. 1.4.2005

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

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

(3) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily: Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

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

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

(5) Before passing an order under sub-section (4) the High Court may, if it considers necessary so to do remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under subsection (1), the tax shall be paid in accordance with the assessment made in the case: Provided that if as a result of the petition, any change becomes necessary in such assessment, the

High Court may authorise the assessing authority to amend the assessment and the assessing authority shall amend the assessment accordingly and thereupon the amount overpaid by the assessee shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(7) (a) The High Court may, on the application of <sup>1</sup>[either party to the petition]<sup>1</sup>, review any order passed by it under subsection (4) on the basis of facts which were not before it when it passed the order.

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

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall, where it is preferred by <sup>1</sup>[any person other than an officer empowered by the State Government under sub-section (1) of section 22]<sup>1</sup>, be accompanied by a fee of one hundred rupees. 1. Substituted by Act 9 of 1964 w.e.f. 1.4.1964.

<sup>1</sup>[(7A) With a view to rectifying any mistake apparent from the record, the High Court may, at any time, within five years from the date of the order passed by it under sub-section (4) amend such order:

Provided that no order under this sub-section shall be made without giving both parties affected by the order a reasonable opportunity of being heard.]<sup>1</sup>

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

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

**24. Appeal to High Court.-** (1) Any assessee objecting to <sup>1</sup>[an order passed by the Commissioner <sup>2</sup>[or the <sup>3</sup>[Additional Commissioner]<sup>3</sup>]<sup>2</sup> <sup>4</sup>[x x x]<sup>4</sup> under section 22A]<sup>1</sup> <sup>5</sup>[or a dealer aggrieved by the order of the Authority under section <sup>4</sup>]<sup>5</sup> may appeal to the High Court within sixty days from the date on which the order was communicated to him:

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

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

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

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

5. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid, if it is satisfied that the assessee had sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in the prescribed form, shall be verified in the prescribed manner, and shall be accompanied by a fee of <sup>1</sup>[five hundred rupees]<sup>1</sup>.

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

(3) The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such order thereon as it thinks fit.

(4) The provisions of sub-sections (6) to (8) of section 23, shall apply in relation to appeals preferred under sub-section (1) as they apply in relation to petitions preferred under sub-section (1) of section 23.

**<sup>1</sup>[24-A. Objections to Jurisdiction.-** No objection as to the territorial or pecuniary jurisdiction of any assessing authority shall be entertained or allowed by any Court, Tribunal or Authority in an appeal or revision, unless such objection was taken before the assessing authority at the earliest possible opportunity.]<sup>1</sup>

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

**25. Petitions, applications and appeals to High Court to be heard by a Bench of not less than two Judges.-** Every Petition, application or appeal preferred to the High Court under section 23 or 24 shall be heard by a bench of not less than two Judges, and in respect of such petition, application or appeal, the provisions of section 98 of the Code of Civil Procedure, 1908 (Central Act V of 1908), shall, so far as may be, apply.

## CHAPTER VII Miscellaneous

**<sup>1</sup>[25A. Rectification of mistakes.-** (1) With a view to rectifying any mistake apparent from the record, the assessing authority, appellate authority or revising authority, may, at any time, within five years from the date of an order passed by it, amend such order:

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

Provided that an amendment which has the effect of enhancing an assessment or otherwise increasing the liability of the assessee shall not be made unless the assessing authority, appellate authority or revising authority, as the case may be, has given notice to the assessee of its intention to do so and has allowed the assessee a reasonable opportunity of being heard.

<sup>1</sup>[Provided further that where an application is made by an assessee for rectification of any mistake in an order, as being apparent from the record and, such application has not been rejected by the assessing authority within sixty days from the date of receipt of the application, the order shall be deemed to have been amended rectifying such mistake.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

(2) Where an order has been considered and decided in any proceedings by way of



appeal or revision relating to an order referred to in sub-section (1), the authority passing such order may, notwithstanding anything contained in any law for the time being in force, amend the order under that sub-section in relation to any matter other than the matter which has been so considered and decided.

(3) An order passed under sub-section (1), shall be deemed to be an order passed under the same provision of law under which the original order, the mistake in which was rectified, has been passed.]<sup>1</sup>

**<sup>1</sup>[25-B. Levy of tax on Sugarcane.-** (1) Notwithstanding anything contained in section 5 there shall be levied and collected a tax on the last purchase of sugarcane in the State at the rate of,—

1. Inserted by Act 1 of 1996 w.e.f. 13.10.1995.

(i) rupees sixty five per tonne, when purchased by a manufacturer of sugar (including khandasari sugar) whose rate of recovery of sugar exceeds 10.5 percent;

(ii) rupees fifty per tonne, when purchased by a manufacturer of sugar (including khandasari sugar) whose rate of recovery of sugar does not exceed 10.5 percent.

(2) In addition to the tax payable under sub-section (1) there shall be levied and collected each year by way of cess for the purpose of improvement of roads in sugarcane growing areas reserved for any factory, a tax at the rate of rupees ten per tonne on the purchase of sugarcane by manufacturers of sugar (including khandasari sugar).

(3) Every person liable to pay tax under sub-section (1) and cess under sub-section (2) shall furnish such return or returns in such manner and within such period as may be prescribed.

<sup>1</sup>[Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.]<sup>1</sup>

1. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

(4) Every purchaser shall pay in advance every month the tax payable under sub-section (1) and cess payable under sub-section (2) on the quantity of sugarcane purchased by him during the preceding month.

<sup>1</sup>[Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable under sub-section (1) and cess payable under sub-section(2), by electronic remittance through internet in the manner specified in the said notification.]<sup>1</sup>

1. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

(5) The provisions of this Act relating to assessment, payment, recovery, appeal and revision, and refund and exemption shall mutatis mutandis apply in respect of tax and cess payable under this section.]<sup>1</sup>

**26. Accounts to be maintained by dealers.-** (1) <sup>1</sup>[Every person registered or licensed under this Act and every dealer or other person liable to get himself registered under this Act shall keep and maintain true and correct accounts and such other records as may be prescribed]<sup>1</sup> in Kannada or English or Hindi or Marathi or in such other language as the State

Government may by notification specify, <sup>1</sup>[relating to his business, showing such particulars as may be prescribed, and such particulars may be different for different classes of persons or dealers;]<sup>1</sup> and in case the accounts maintained in the ordinary course, do not show the same in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf:

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

<sup>1</sup>[Proviso x x x]<sup>1</sup>

1. Omitted by Act 7 of 1966 w.e.f. 1.4.1966.

(2) The Commissioner may, subject to such conditions or restrictions as may be prescribed in this behalf, by notice in writing direct any dealer or by notifications direct any class of dealers to maintain accounts and records showing the details regarding their purchases, sales or deliveries of goods in such form and in such manner as may be specified by him.

**<sup>1</sup>[26-A. Audit of account.-** Every dealer whose total turnover in a year exceeds fifty lakh rupees shall get his accounts audited by a Chartered Accountant <sup>2</sup>[or a Sales Tax Practitioner subject to the prescribed limits]<sup>2</sup> and shall submit to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner.]<sup>1</sup>

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

2. Inserted by Act 18 of 1999 w.e.f. 1.9.1999 by notification. Text of notification is at the end of the Act.

**27. Certain dealers to issue <sup>1</sup>[and obtain]<sup>1</sup> Bill or Cash Memorandum.-** (1) Every dealer whose turnover exceeds <sup>2</sup>[fifty thousand rupees]<sup>2</sup> in any year shall, in respect of all goods sold by him, issue a bill or a cash memorandum to the purchaser, signed and dated by him or his servant, manager, or agent showing such particulars as may be prescribed and shall keep the counterfoil or duplicate of such bill or cash memorandum duly signed and dated and preserve it for a period of not less than five years from such date.

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

2. Substituted by Act 8 of 1984 w.e.f. 1.4.1984.

<sup>1</sup>[Provided that, unless the purchaser so requires, it shall not be necessary for a dealer to issue a bill or cash memorandum in respect of a transaction whose total value does not exceed <sup>2</sup>[one hundred rupees]<sup>2</sup> in each case but the dealer shall, in respect of all such transactions, prepare at the close of each day, a consolidated bill or

cash memorandum and include them in his books of accounts and statements or returns in accordance with the provisions of this Act.]<sup>1</sup>

1. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.
2. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

<sup>1</sup>[(1A) Every dealer who purchases goods from another dealer shall obtain a bill or cash memorandum in respect of a transaction whose total value exceeds 2[one hundred rupees]2 in each case.]<sup>1</sup>

1. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.
2. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

(2) Any person who contravenes the provisions of sub-section (1) <sup>1</sup>[or sub-section (1A)]<sup>1</sup> shall, on conviction, be punishable with a fine equal to double the amount of the bill or the cash memorandum in respect of which such contravention has occurred <sup>2</sup>[or <sup>3</sup>[one thousand rupees]<sup>3</sup> whichever is more.]<sup>2</sup>

1. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.
2. Substituted by Act 7 of 1981 w.e.f. 4.4.1981.
3. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.

**28. Powers to order production of accounts and powers of entry, inspection and seizure.-** (1) Any officer empowered by the State Government <sup>1</sup>[or the Commissioner]<sup>1</sup> in this behalf, may for the purpose of this Act, require any dealer carrying on business in any kind of goods <sup>2</sup>[or a miller, whether he is a dealer or not]<sup>2</sup> to produce before him the accounts and other documents, and to furnish any information relating to the stocks of goods of, or purchases, sales and deliveries of goods by, the dealer and also any other information relating to his business.

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.
2. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.

<sup>1</sup>[(2) (i) All accounts and registers maintained by dealers in the ordinary course of their business and documents relating to the stock of goods of, or purchases, sales and deliveries of goods by any dealer, <sup>2</sup>[computer hardware and software used for data inputting, processing and storage, of all such information]<sup>2</sup> the goods in their possession and their offices, shops, godowns, vessels, receptacles or vehicles, shall be open to inspection at all reasonable times by <sup>3</sup>[the officer empowered under sub-section (1)]<sup>3</sup>.

1. Sub-section (2) and (3) substituted by Act 16 of 1967 w.e.f. 1.1.1968.
2. Inserted by Act 13 of 1982 w.e.f. 1.4.1982.
3. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.

(ii) For the purpose of inspection referred to in clause (i), any such officer shall have power to enter and search any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place where such officer has reason to

believe that the dealer keeps, or is for the time being keeping, any accounts, registers or documents of his business:

Provided that no residential accommodation (not being a place of business-cum-residence) shall be entered into and searched by such officer except on the authority of a search warrant issued by a Magistrate having jurisdiction over the area, and all searches under this sub-section shall, so far as may be, be made in accordance with the provisions of <sup>1</sup>[the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).]<sup>1</sup>

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

<sup>1</sup>[(iii) The power conferred by sub-clause (ii) shall also include,—

(a) the power to seal any box or receptacle, godown or building or any part of the godown or building in which accounts or taxable goods are suspected to be kept or stored, where the owner or the person incharge of the business or any other person in occupation either leaves the premises or is not available or fails or refuses to open any box or receptacle, godown or building or any part of the godown or building when called upon to do so.

(b) the power to break open the receptacle, godown or building or part of the godown or building where the owner or the person in-charge of the business or the person in occupation leaves the premises or, after an opportunity having been given to him to do so, fails to open the receptacle, godown or building or part of the godown or building. The officer acting under this sub-clause shall prepare a list of the goods and documents found therein.]<sup>1</sup>

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

<sup>1</sup>[(2A) No person shall tamper with any seal put under clause (iii) of sub-section (2).]<sup>1</sup>

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

(3) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax, fee or other amount due from him under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, records <sup>1</sup>[computer hardware and software]<sup>1</sup> or other documents of the dealer as he may consider necessary, and shall give the dealer a receipt for the same. The accounts, registers, records <sup>1</sup>[computer hardware and software]<sup>1</sup> and documents, so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

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

<sup>1</sup>[Provided that accounts, registers, records <sup>2</sup>[computer hardware and software]<sup>2</sup> and other documents so seized shall not be retained by such officer for a period exceeding one hundred eighty days from the date of seizure, unless the reasons for retaining the same beyond the said period are recorded by him, in writing and the

approval of the next higher authority is obtained and such approval in any case shall not be for more than sixty days at a time.]<sup>1</sup>

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

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

<sup>1</sup>[(3-A). (i) If any such officer empowered to enter into such office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, has reason to believe that such dealer or miller is attempting to evade payment of any tax either on his own or in collusion with owner of the goods, he may direct the dealer or miller or the person-in-charge of such office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, to produce the details regarding the ownership of the goods so stocked and that after verification of the said information if he is of the opinion that further verification is necessary with respect to the accuracy of the particulars furnished in the documents produced, he may verify the particulars himself or, if it is necessary, cause it to be verified by referring the matter to any other officer and if such verification is not likely to be completed within a reasonable time, he may direct in writing the dealer or miller or the person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, not to deliver such goods until permitted to do so by him or such other officer to whom the matter is referred for verification.

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

<sup>1</sup>[Provided that the officer shall order for detention of such quantity of goods as in his opinion would be equivalent to three times the amount of tax leviable on such goods.]<sup>1</sup>

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

(ii) The verification under clause (i) shall be completed within a period of one month from the date of direction issued under clause (i). Where such verification is not completed within the aforesaid period, the officer who has issued such direction, or the officer to whom the matter is referred for verification, as the case may be, shall obtain the permission in writing of the next higher authority to extend such period for completion of the verification, however such extension shall not be permitted for a period exceeding fifteen days at a time.

(iii) Where such officer or other officer to whom the matter is referred under clause (i), upon such verification is of the opinion that the particulars furnished are incorrect, he may proceed against such goods in the custody of the dealer or miller in accordance with clause (iv).

(iv) If the empowered officer or the officer to whom the matter is referred under clause (i), upon such verification is of the opinion that the particulars furnished at the time of verification are incorrect and incomplete for which sufficient cause is not

furnished, he may 1[levy a penalty which shall not be less than double the amount of tax leviable in respect of the goods stocked,]<sup>1</sup>

1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(a) <sup>1</sup>[xxx]<sup>1</sup>

1. Omitted by Act 5 of 2002 w.e.f. 1.4.2002.

(b) <sup>1</sup>[xxx]<sup>1</sup>

1. Omitted by Act 5 of 2002 w.e.f. 1.4.2002.

Provided that before levying penalty under this clause, the officer shall give the dealer or miller or person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, a reasonable opportunity of being heard.

(v) Where the penalty levied under clause (iv) is not paid, the dealer or miller or person-in-charge of the office, shop, godown or any other place of business or any building or place where the dealer or miller keeps his stocks, shall jointly and severally be liable to pay such penalty and such amount of penalty shall for the purposes of section 13 be deemed to be an amount due under the Act.

(vi) Any person aggrieved by the levy of penalty under clause (iv) may, appeal within thirty days from the date on which the notice of penalty was served on the person 1[to the appellate Joint Commissioner]<sup>1</sup>:

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

<sup>1</sup>[(a), (b) x x x]<sup>1</sup>

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

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate authority of the area in which he is registered.

(vii) Such appeal shall be dealt with as if it were an appeal filed under section 20 and all the provisions of the said section shall mutatis mutandis apply to such appeal;<sup>1</sup>

<sup>1</sup>[(4) x x x]<sup>1</sup>

1. Omitted by Act 16 of 1967 w.e.f. 1.1.1968.

<sup>1</sup>[(5) It shall be open to the State Government to authorise different classes of officers for the purpose of taking action under <sup>2</sup>[sub-section (1) or sub-section (2).]<sup>2</sup>]<sup>1</sup>

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

2. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

<sup>1</sup>[(6) Where such officer, upon examining the accounts registers, records, or other documents seized under sub-section (3), has reason to believe that in respect of any year, the dealer has,-

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

(i) either failed to declare the whole or part of the turnovers recorded in such accounts, registers, records or other documents in the return or the statements submitted in Form-3; or

(ii) failed to account for any turnover in the accounts, registers, records or other documents maintained in the regular course of his business, where the return or the statement in Form-3 is not submitted; or

(iii) claimed exemption on the turnovers liable to tax in the return or the statements submitted in Form-3; or

(iv) admitted to pay a lower rate of tax than that applicable under this Act on the turnovers declared in the return or the statements submitted in Form-3, he may, notwithstanding anything contained in section 12, 12-A or 12-B <sup>1</sup>[or that the year to which such turnover relates to has come to an end]<sup>1</sup> and without prejudice to the imposition of such tax or penalty or both in the assessment or re-assessment, as the case may be, that may be completed by the assessing authority for that year under the said sections, provisionally assess such turnovers to tax recording reasons for such assessment:

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

Provided that before taking action under this sub-section, the officer shall obtain permission in writing of the <sup>1</sup>[Joint Commissioner]<sup>1</sup> or the Commissioner:

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

Provided further that before taking action under this sub-section, the dealer shall be given a reasonable opportunity of showing cause against such assessment:

Provided also that no provisional assessment under this section for any year shall be made if assessment or re-assessment for that year cannot be made under any of the provisions of this Act.

<sup>1</sup>[Provided also that no provisional assessment under this Section shall be made in the case of any dealer after one hundred and eighty days from the date of seizure of accounts, registers, records and documents under sub-section (3).

Provided also that the officer taking action under this sub-section shall not be below the rank of the assessing authority of the dealer]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

(7) Such officer shall <sup>1</sup>[proceed to recover the tax assessed and]<sup>1</sup> send a copy of the provisional assessment order to the assessing authority concerned along with such documents as may be necessary, whereupon the assessing authority shall complete the assessment or re-assessment, as the case may be, and impose tax or penalty or both for the year to which such provisional assessment relates on the basis of such materials as are before him.

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

(8) The tax payable under sub-section (6) for any year shall be subject to such adjustments as may be necessary on the completion of final assessment by the assessing authority under section 12 or re-assessment under section 12-A for that year.

(9) The provisions of this Act and the rules made thereunder relating to assessment, payment and recovery of tax and appeal, shall mutatis mutandis apply in respect of the tax assessed provisionally under this section.<sup>1</sup>

<sup>1</sup>[28-A. Establishment of checkpost or barrier and inspection of goods while in transit.- (1) If the State Government <sup>2</sup>[or the Commissioner]<sup>2</sup> consider it necessary that with a view to prevent or check evasion of tax under this Act in any place or places in the State, it is necessary so to do, they may, by notification, direct the establishment of a check post or the erection of a barrier, or both, at such place or places as may be notified.

1. Inserted by Act 28 of 1961 w.e.f. 7.12.1961.

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

<sup>1</sup>[(2) The owner or person in charge of a goods vehicle or boat shall,-

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

(a) carry with him a goods vehicle record, a trip sheet or a log book, as the case may be; and

(b) carry with him a bill of sale or a delivery note obtained from the prescribed authority or such other documents containing such particulars as may be prescribed, in respect of the goods other than those mentioned in sub-clause (c) carried in the goods vehicle or boat; and

(c) carry with him in addition to a bill of sale, a delivery note obtained from such authority containing such particulars as may be prescribed, if the goods carried in the goods vehicle or boat are arecanut, cardamom, cashew, coconut, coffee, copra, <sup>1</sup>[cotton,]<sup>1</sup> edible oil including vanaspathi, iron and steel, liquor, oil seeds, pepper, <sup>1</sup>[rectified spirit,]<sup>1</sup> rubber, timber or or such other goods as may be notified by the Commissioner; and

1. Inserted by Act 18 of 1997 w.e.f. 20.9.1997.

(d) <sup>1</sup>[report at the first check-post or barrier situated on the route ordinarily taken from the place in the State, from which the movement of the goods commences, to its destination and]<sup>1</sup> produce the documents referred to <sup>2</sup>[in clauses]<sup>2</sup> (b) and (c) before any officer-in-charge of check post or barrier or any other officer as may be empowered by the State Government in this behalf and obtain seal of such officer affixed thereon, and in respect of a bill of sale, shall give one copy there of and in



respect of a delivery note, shall give a copy marked as original, to such officer and carry and retain with him the other copy until termination of movement of the goods; and

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(e) on entering the State limits, report at the first situate check post or barrier and on leaving the State limits report at the last situate check post or barrier and shall give a declaration containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle or boat, before any officer incharge of the check-post or barrier or any other officer as may be empowered by the State Government in this behalf.]<sup>1</sup>

<sup>1</sup>[Provided that where the total turnover of the owner or consignor of the goods excluding such goods as may be notified by the Commissioner, for any year as declared in the return for such period is not less than fifty lakh rupees, or where the goods are carried within the limits of a revenue district not as a result of sale, the delivery note shall be the one in the prescribed form permitted to be so issued by him.]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(3) At every checkpost or barrier, or at any other place when so required by any officer empowered by the State Government in this behalf, the driver or any other person-in-charge of a goods vehicle or boat shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may be required by the officer-in-charge of the check post or barrier or the officer empowered as aforesaid, to examine the contents in the vehicle or boat and inspect all records relating to the goods carried, which are in the possession of such driver or other person-in-charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle or boat.

<sup>1</sup>[Provided that where any goods vehicle is intercepted by the officer empowered at any place other than a checkpost or barrier, such officer may, if he deems it necessary, direct the owner or person incharge of the goods vehicle to take it to the nearest checkpost or police station and such owner or person-in-charge of goods vehicle shall comply with such direction.]<sup>1</sup>

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

**<sup>1</sup>[Explanation.**— For purposes of sub-sections (2) and (3), the officer-in-charge of checkpost or barrier shall be an officer not below the rank of an <sup>2</sup>[Commercial Tax Officer]<sup>2</sup> and not higher in rank than an <sup>3</sup>[Joint Commissioner of Commercial Taxes]<sup>3</sup>, <sup>4</sup>[and any other officer not below the rank of a Commercial Tax Inspector as may be empowered by the Commissioner.]<sup>4</sup><sup>1</sup>

1. Explanation and Sub-sections (4) to (7) inserted by Act 27 of 1969 w.e.f. 2.10.1969.
2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
3. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
4. Inserted by Act 23 of 1983 w.e.f. 18.11.1983.

<sup>1</sup>[(3A) <sup>3</sup>[(i)]<sup>3</sup> Where goods are delivered to a carrier or other bailee for transmission, the movement of the goods shall be deemed to commence at the time of such delivery and terminate at the time when delivery is taken from such carrier or bailee. Where before delivery is taken from him a carrier or bailee to whom goods are delivered for transmission, keeps the said goods in any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place, any officer empowered <sup>2</sup>[to exercise the powers under sub-section (3)]<sup>2</sup> shall have power to enter into and search such office, shop, godown, vessel, receptacle, vehicle or other place of business or building or place, and to examine the goods and inspect all records relating to such goods. The carrier or bailee or the person-in-charge of the goods and records shall give all facilities for such examination or inspection and shall, if so required, produce the bill of sale or delivery note or other documents referred to in sub-section (2) and give a declaration containing such particulars as may be prescribed regarding the goods and give his name and address and the name and address of the carrier or the bailee and the consignee.]<sup>1</sup>

1. Inserted by Act 18 of 1978 w.e.f. 1.9.1978.
2. Substituted by Act 9 of 1986 w.e.f. 1.9.1978.
3. Re-numbered by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[(ii) The power conferred by clause (i) shall also include,-

- a) the power to seal any box or receptacle, godown or building or any part of the godown or building in which accounts or taxable goods are suspected to be kept or stored, where the carrier or bailee or person-in-charge of the place of business either leaves the premises or is not available or fails or refuses to open any box or receptacle, godown or building or any part of the godown or building when called upon to do so.
- b) the power to break open the receptacle, godown or building or part of the godown or building where the carrier or bailee or the person-in-charge of the place of business leaves the premises or, after an opportunity having been given to him to do so, fails to open the receptacle, godown or building or part of the godown or building and the officer acting under this sub-clause shall prepare a list of the goods and documents found therein.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[(3AA) (i) If any officer empowered to enter into and search any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or

place where a carrier or bailee keeps the goods delivered to him for transmission, has reason to suspect that such carrier or bailee has colluded with the owner of the goods in evading payment of any tax, he may for reasons to be recorded in writing, seize accounts, registers, records or other documents of the bailee or carrier as he may consider necessary and shall give a receipt for the same. The accounts, registers, records and other documents so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act:

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

Provided that all searches and seizures under sub-section (3-A) or (3-AA) shall, so far as may be, made in accordance with the provisions of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974):

Provided further that accounts, registers, records and other documents so seized shall not be retained by such officer for a period exceeding one hundred eighty days from the date of seizure, unless the reasons for retaining the same beyond the said period are recorded by him in writing and the approval of the next higher authority is obtained and such approval in any case shall not be for more than sixty days at a time.

(ii) Where such officer, upon examining the accounts registers, records or other documents seized under clause (i) has reason to believe that any dealer has attempted to evade payment of any tax, he may assess such dealer to tax provisionally in accordance with sub-sections (6), (7), (8) and (9) of section 28 wherever they apply.]<sup>1</sup>

<sup>1</sup>[(3-AB) No person shall tamper with any seal put under clause (ii) of sub-section (3-A).]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[(3B) Where the officer-in-charge of the checkpoint, or barrier, or the officer empowered as aforesaid on interception of the goods vehicle or inspection of any godown, is of the opinion that further verification is necessary with respect to either accuracy of the particulars furnished in the documents accompanying the goods under transport or in transit, or as to the sufficiency and the cause adduced in respect of any contravention of sub-section (2), he may verify the particulars himself or if it is necessary cause it to be verified by referring the matter to any other officer and if such verification is not likely to be completed within a reasonable time, he may direct in writing the carrier or the person-in-charge of the goods vehicle or the godown not to deliver the goods until permitted to do so by him or such other officer to whom the matter is referred for verification and allow the intercepted vehicle, if any, to pass through.

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

(3C) The verification under sub-section (3B) shall be completed within a period of

fifteen days from the date of the direction issued under that sub-section and where such verification cannot be completed within the aforesaid period the officer who has issued such direction, or, as the case may be, the officer to whom the matter is referred for verification shall obtain the permission in writing of the next higher authority to extend such period for completion of the verification, so however such extension shall not be permitted for a period exceeding fifteen days at a time.

(3D) Where such officer or other officer to whom the matter is referred, upon such verification is of the opinion that there is a noncompliance with sub-section (2), punishable under sub-section (4), he may, proceed against such goods in the custody of the carrier, or the person-in-charge of vehicle or the godown in accordance with subsections (4), <sup>1</sup>[x x x]<sup>1</sup> and (6) of this section.]<sup>1</sup>

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

<sup>1</sup>[(3E) Where the officer-in-charge of the checkpost or any empowered officer has issued a notice for contravention of any of the provisions of this section, further proceedings in pursuance to such notice may, subject to such conditions and in such manner as may be prescribed, be continued by any other officer empowered by the Commissioner in this behalf, from the stage at which it is pending.]<sup>1</sup>

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

<sup>1</sup>[(4) The officer-in-charge of a checkpost or a barrier or any other officer not below the rank of a Commercial Tax Inspector and not higher in rank than a Deputy Commissioner of Commercial Taxes in respect of any contravention of, or non-compliance with the provisions of sub-section (2) or (3) or (3A) or (3B), for which sufficient cause is not furnished, <sup>2</sup>[levy a penalty, which,-

(a) shall not be less than the amount of tax leviable but shall not exceed one and half of the amount of tax leviable in respect of the goods under transport in contravention of <sup>3</sup>[clause (d) or (e)]<sup>3</sup> of sub-section (2), if a dealer registered under the Act accepts that he is the consignor or consignee of the goods,

(b) in cases other than those falling under clause (a), shall not be less than double the amount of tax leviable but shall not exceed three times the amount of tax leviable in respect of the goods under transport.]<sup>2</sup>

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

2. Substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

3. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

Provided that,—

(i) Where the amount of penalty leviable is more than the value of the goods, the amount of penalty leviable shall be restricted to such value;

(ii) <sup>1</sup>[xxx]<sup>1</sup>

1. Omitted by Act 5 of 2001 w.e.f. 1.4.2001.

(iii) in respect of contravention of sub-section (3-B), where the penalty levied is not paid, the carrier or bailee or person-in-charge of the goods vehicle shall jointly and severally be liable to pay such penalty and such amount of penalty shall for the purpose of section 13 be deemed to be an amount due under the Act;

(iv) before levying any penalty under this sub-section, the officer shall give the person-in-charge of the goods vehicle or boat or carrier, or bailee, or a dealer registered under the Act, as the case may be, a reasonable opportunity of being heard.

**Explanation.**—Where the destination of the goods to be delivered in the State is not less than one hundred kilometers, from the checkpost or barrier or any other place at which the goods vehicle or boat is intercepted, reasonable opportunity of being heard shall be a period of not less than ten days.]<sup>1</sup>

<sup>1</sup>[(5) x x x]<sup>1</sup>

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

<sup>1</sup>[(6) (a) Where the penalty levied is not paid, the officer levying the penalty shall have power to take possession of so much of the goods as in his opinion would be sufficient to meet the amount of penalty levied and retain the same with him until the penalty levied is paid or for ten days, whichever is earlier:

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

Provided that where it is not practicable to take possession of only so much of the goods as would be sufficient to meet the amount of penalty levied for the reason that the goods vehicle is a tanker carrying goods in liquid or gaseous form or that the goods is a single unit not separable into any part or parts thereof, the officer levying the penalty shall have power to take possession of the goods vehicle or the entire goods, as the case may be, and retain the same with him until the penalty levied is paid or for ten days, whichever is earlier.

(b) After the expiry of the period of ten days, if the penalty is not paid the officer shall dispose of the goods in public auction and adjust the sale proceeds towards penalty. If the sale proceeds are more than the penalty, the excess amount shall, after deducting the charges incurred by the State, be refunded in the manner prescribed:

<sup>1</sup>[Provided that before taking possession or within ten days after taking possession of the goods or the goods vehicle, if the owner or person in-charge of the goods vehicle or the dealer registered under the Act, makes payment of penalty levied, the officer taking such possession shall forthwith return the goods or the goods vehicle to the person making such payment.]<sup>1</sup>:

1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

Provided further that in the case of perishable goods, the officer may dispose of the

same before the expiry of the period of ten days, if in his opinion such disposal is necessary.]<sup>1</sup>

<sup>1</sup>[(6A) x x x]<sup>1</sup>

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

<sup>1</sup>[(7) <sup>2</sup>[(a) The person aggrieved by the levy of penalty under this section may, appeal within thirty days from the date on which the notice of penalty was served on the person,-

(i) to the Appellate Joint Commissioner of Commercial Taxes of the area, if the levy made is by a Deputy Commissioner of Commercial Taxes or by an Assistant Commissioner of Commercial Taxes; and

(ii) in other cases to the Appellate Deputy Commissioner of the area concerned.

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate authority of the area in which he is registered.

Provided further that where an order staying proceedings of recovery of any penalty levied is made in any order relating to an appeal, the Appellate Authority shall dispose of such appeal within a period of ninety days from the date of such order and, if such appeal is not so disposed of within the said specified period, the order of stay shall stand vacated after the expiry of the said period.

Provided also that where an appeal made to the Appellate Joint Commissioner under this clause prior to the date of the Karnataka Taxation Laws (Amendment) Act, 2002 in respect of any matter for which an appeal lies to the Deputy Commissioner after such date is pending on such date it shall stand transferred to the concerned Appellate Deputy Commissioner who shall dispose of the same as if such appeal was made to him.]<sup>2</sup>

1. Substituted by Act 14 of 1987 w.e.f. 1.4.1987.

2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(b) Such appeal shall be dealt with as if it were an appeal filed under section 20 and all the provisions of the said section shall mutatis mutandis apply to such appeal.]<sup>1</sup>

**1[28-AA. Transit of goods by road through the State and issue of transit pass.-**<sup>2</sup>[(1) Where a vehicle is carrying goods taxable under this Act,-

1. Inserted by Act 14 of 1987 w.e.f. 1.4.1988.

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

(a) from any place outside the State and bound for any place outside the State and passes through this State; or

(b) and which goods are imported into the State from any place outside the country

and such goods are being carried to any place outside the State, the driver or any other person-in-charge of such vehicle shall furnish the necessary information and obtain a transit pass in duplicate containing such particulars as may be prescribed from the officer-in-charge of the first checkpoint or barrier after his entry into the State or after movement has commenced from the State as the case may be, or from the officer empowered for the purposes of sub-section (3) or section 28-A, upon interception of the goods vehicle after its entry into the State or after movement has commenced as the case may be<sup>1</sup>.

(2) The driver or the person-in-charge of the vehicle shall deliver within the stipulated time a copy of the transit pass obtained under sub-section (1) to the officer-in-charge at the last checkpoint or barrier before his exit from the State.

(3) If for any reason, the goods carried in a goods vehicle are, after entry into the State <sup>1</sup>[or after commencement of movement, as the case may be]<sup>1</sup>, not moved out of the State within the time stipulated in the transit pass, the owner of the goods vehicle shall furnish to the officer empowered in this behalf the reasons for such delay and other particulars, if any, thereof and such officer shall after due enquiry extend the time of exist by suitably amending the transit pass:

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

Provided that where the goods carried by a vehicle are, after their entry into the State <sup>1</sup>[or after commencement of movement, as the case may be]<sup>1</sup>, transported outside the State by any other vehicle or conveyance, the onus of proving that the goods have actually moved out of the State shall be on the owner of the vehicle who originally brought the goods into the State.

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

(4) If the driver or any other person-in-charge of the vehicle does not comply with sub-section (2), it shall be presumed that the goods carried thereby have been sold within the State by the owner of the vehicle and shall, notwithstanding anything contained in sub-section (5) of section 5, be assessed to tax by the officer empowered in this behalf in the prescribed manner.

(5) If the owner of the vehicle <sup>1</sup>[having obtained the transit pass as provided under sub-section (1)]<sup>1</sup> fails to deliver the same as provided under sub-section (2), he shall be liable to pay by way of penalty a sum not exceeding double the amount of tax leviable on the goods transported.

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

(6) The amount of tax and the penalty levied under this section shall be recovered in the prescribed manner.

<sup>1</sup>[(7) Where the owner of the vehicle who is assessed to tax under sub-section (4), is carrying after such assessment, any goods taxable under this Act in a goods vehicle

from any place outside the State <sup>2</sup>[or movement from within the State, as the case may be]<sup>2</sup> and bound for any other place outside the State and is passing through the State, the prescribed authority may demand from such owner an amount equivalent to two times the tax leviable on such goods under this Act as security.

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

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

(8) The prescribed authority after being satisfied that the goods carried in the goods vehicle in respect of which the security amount under sub-section (7) was collected, has passed through the State, shall refund such security amount to the owner.

(9) The prescribed authority may by an order adjust the whole or any part of security amount towards any amount of tax or penalty payable under this section by such owner.]<sup>1</sup>

**Explanation.**—<sup>1</sup>[In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable.]<sup>1</sup>

1. Substituted by Act 26 of 2004 w.e.f. 1.8..2004.

**<sup>1</sup>[28AAA. Power to purchase in case of undervaluation of goods to evade tax.-** (1) Where in respect of goods liable to tax under this Act, carried in a goods vehicle or boat or held in stock by any dealer or on his behalf by any other person, or held in custody of any transporter, the assessing authority or any officer empowered under sections 28 or 28-A, has reason to believe that the value shown in the document accompanying the goods in transit or the purchase invoice, is lower than the prevailing market price or fair market value or MRP by a difference of thirty percent or more, such authority or officers, for reasons to be recorded in writing, may purchase such goods.

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

(2) The power under sub-section (1) shall not be exercisable unless the person or dealer being dispossessed of such goods, is afforded reasonable opportunity of being heard.

(3) The price payable for purchase of such goods shall be the total price as mentioned in the Invoice, Challan, Delivery Note, Stock Transfer Memo, or any other related document plus the cost of transportation of the goods incurred upto the time of purchase, if any.

(4) In determining whether or not the price shown in the Invoice, Challan, Delivery Note, Stock Transfers Memo, or any other related document involves undervaluation, in the case of owner of the goods other than an owner carrying on business in



packaged goods, the authority exercising the power under sub-section (1) shall apply the prevailing market price or fair market value and in the case of an owner carrying on business in packaged goods, shall apply the Maximum Retail Price.

<sup>1</sup>[(5) Any person objecting to an order affecting him under this section by,-

- (i) any officer below the rank of Joint Commissioner may appeal to the Joint Commissioner;
- (ii) Joint Commissioner of Commercial Taxes, may appeal to the Appellate Tribunal.]<sup>1</sup>

1. Substituted by Act 26 of 2004 w.e.f. 1.4.1999.

(6) Such appeal shall be dealt with as if it were an appeal filed under section 20 or section 22, as the case may be, and all the provisions of that section shall mutatis mutandis apply to such appeal.

(7) The authority or officer purchasing goods in exercise of the powers of sub-section (1) subject to provisions of sub-section (6), shall dispose of the goods in public auction within thirty days from the date of such purchase and for value not less than the price paid to the owner of the goods. The sale proceeds so realised should forthwith be paid into the Government Treasury.

**Explanation.**—For the purpose of this section,—

- (i) 'Prevailing market price' shall mean the published wholesale price in force in the market at about the time proceedings are taken to purchase such goods.
- (ii) 'Fair market value' shall mean the price at which the goods are generally bought or sold in the market by dealers in such goods at about the time proceedings are taken to purchase such goods.
- (iii) 'MRP' or 'Maximum Retail Price' shall mean the price marked on the package in which the goods are contained.
- (iv) 'Published' shall mean published in any newspaper, journal or periodical or notified by a market committee or any such authority.]<sup>1</sup>

**1[28-B. Transporter, etc., to furnish information.-** (1) Every person or a clearing or forwarding house or agency, transporting agency, shipping agency, shipping out agency or steamer agency or air-cargo agency or courier agency engaged in the business of transporting taxable goods in the State shall furnish to any officer empowered under sub- section (3) of Section 28-A, the particulars of all taxable goods, cleared, forwarded, transported or shipped by it or him for any period, in the area of jurisdiction of such officer.

(2) The empowered officer shall have the power to call for and examine the books of accounts or other documents in the possession of such person or agency with a view to verify the correctness of any information furnished.]<sup>1</sup>

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994 and again substituted by Act 5 of

2001 w.e.f. 1.4.2001. Again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[28-C. xxxx]<sup>1</sup>

1. Omitted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>[29. Offences and penalties.- (1) Any person who,—

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

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

(b) fails to submit a statement as required by sub-section (1) of section 12-B; or

(c) fails to pay within the time allowed any tax assessed on him or any penalty levied on him under this Act; or

(d) dishonestly objects to or fails to comply with the terms of a notice issued to him under sub-section (1) of section 14; or

(e) fails to keep true and complete accounts; or

(f) being a dealer or a miller, whether he is a dealer or not, fails to comply with a notice issued under sub-section (1) of section 28, shall on conviction <sup>1</sup>[(i) in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year, where the amount of tax assessed or penalty levied is not less than ten lakh rupees.

(ii) in case of contravention referred to in clause (c) and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both, and

(iii) in other cases to fine which shall not be less than five hundred rupees but which may extend to five thousand rupees.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001 and substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(2) Any person who,—

(a) being a person obliged to register himself under section 10 does not get himself registered; or

<sup>1</sup>[(aa) is required to furnish information under section 28-B fails to furnish such information.]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(b) carries on business as a dealer without furnishing the security demanded under sub-section (4) of section 10-A; or

(c) wilfully submits an untrue return, or not being already an assessee under this

Act, fails to submit a return as required by the provisions of this Act or the rules made thereunder; or

(d) wilfully submits an untrue statement under sub-section (1) of section 12-B; or

(e) fraudulently evades the payment of any tax or other amount payable by him under this Act; or

(f) collects any amount by way of tax or purporting to be by way of tax in contravention of sub-section (1) or sub-section (2) of section 18; or

(g) collects any amount by way of turnover tax or purporting to be by way of turnover tax in contravention of sub-section (3) of section 18; or

(h) fails to deduct the tax as required under section 19-A or after so deducting fails to deposit such tax as required under sub-section (2) of that section, or having deducted, fails to issue the certificate referred to in sub-section (3) of section 19-A; or

(i) fails to deduct the tax as required under section 19-AA or after so deducting fails to deposit such tax as required under sub-section (2) of that section, or having deducted, fails to issue the certificate referred to in sub-section (3) of section 19-AA; or

(j) prevents or obstructs inspection, entry, search or seizure by an officer empowered under this Act: or

(k) tampers with any seal put under clause (iii) of sub-section (2) of section 28, <sup>1</sup>[clause (ii) of sub-section (3-A) of section 28-A]<sup>1</sup>; or

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

(l) prevents or obstructs inspection of any vehicle or boat or goods transported otherwise or seizure of goods by an officer-in-charge of a checkpoint or barrier or any officer empowered under this Act; or

(m) wilfully acts in contravention of any of the provisions of this Act or the rules made thereunder

shall, on conviction, in addition to the recovery of any tax or other amount that may be due from him, be punishable with simple imprisonment which may extend to twelve months or with a fine which shall not be less than five thousand rupees but which may extend to twenty-five thousand rupees or with both and when the offence is a continuing one, with a daily fine not exceeding two hundred rupees during the period of continuance of the offence.]<sup>1</sup>

**30. Cognizance of offences.-** (1) No Court shall take cognizance of any offence punishable under <sup>2</sup>[clause (i) of sub-section (1) or]<sup>2</sup> sub-section (2) of section 29 except with the previous sanction of the <sup>1</sup>[Joint Commissioner]<sup>1</sup> and no Court inferior to that of a Magistrate of the First Class shall try any such offence.

1. Substituted by Act 20 of 1998 w.e.f. 28.5.1998.

2. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, <sup>1</sup>[1973 (Central Act 2 of 1974)]<sup>1</sup>, all offences punishable under sub-section (2) of section 29 shall be cognizable and bailable.

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

<sup>1</sup>[(3) No Court shall permit withdrawal of any prosecution proceeding initiated under Section 29 except with the previous sanction of the Commissioner.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

**<sup>1</sup>[30A. Summary disposal of certain cases.-** (1) A Court taking cognizance of an offence under sub-section (1) of section 29 shall state upon the summons to be served on the accused person that he may, by a specified date prior to the hearing of the charge plead guilty to the charge by registered letter and remit to the Court <sup>2</sup>[such sum which shall not be less than <sup>3</sup>[five hundred rupees but which may extend to five thousand rupees]<sup>3</sup>]<sup>2</sup> as the Court may specify.

1. Inserted by Act 31 of 1969 w.e.f. 20.11.1969.

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

3. Substituted by Act 18 of 1997 w.e.f. 20.9.1997.

(2) Where an accused person pleads guilty and remits the sum specified under sub-section (1), the Court may proceed to hear and dispose of the case in the absence of the accused, whether or not the prosecutor is also absent in like manner as if both parties had appeared and the accused had pleaded guilty.]<sup>1</sup>

**31. Composition of offences.-** The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence punishable under this Act, by way of composition of such offence,—

<sup>1</sup>[(a) where the offence committed is under clause <sup>2</sup>[(c)]<sup>2</sup> of sub-section (1) of section 29 or clause <sup>2</sup>[(e)]<sup>2</sup> of sub-section (2) of section 29, in addition to the tax or amount not paid or evaded to be paid, a sum of money not exceeding <sup>3</sup>[two thousand rupees or double the amount of the tax or amount so remaining unpaid or evaded to be paid whichever is greater, for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding]<sup>3</sup> <sup>2</sup>[five thousand]<sup>2</sup> rupees or double the amount of the tax or amount so remaining unpaid or evaded to be paid whichever is greater, and]<sup>1</sup>

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

2. Substituted by Act 20 of 1998 w.e.f. 28.5.1998.

3. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>[(aa) where the offence committed is under sub-section (2) of section 27, in addition to the tax payable on the transaction in respect of which a bill or cash memorandum is not issued or obtained, a sum of money not exceeding <sup>2</sup>[five thousand]<sup>2</sup> rupees and where the offence committed under the said

sub-section is not the first offence, a sum of money not exceeding <sup>2</sup>[ten thousand]<sup>2</sup> rupees; and]<sup>1</sup>

1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.
2. Substituted by Act 20 of 1998 w.e.f. 28.5.1998.

(b) in other cases, a sum of money not exceeding <sup>3</sup>[five thousand rupees for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding]<sup>3</sup> <sup>1</sup>[<sup>2</sup>[ten thousand]<sup>2</sup> rupees]<sup>1</sup>.

1. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
2. Substituted by Act 20 of 1998 w.e.f. 28.5.1998.
3. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

**<sup>1</sup>[31A. Offences by Companies.-** (1) If the person committing an offence under this Act is a company, the company as well as every person-in-charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

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

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

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

**Explanation.**—For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director" in relation to a firm means a partner in the firm.]<sup>1</sup>

**32. Assessment, etc., not to be questioned in prosecution.-** The validity of the assessment of any tax or of the levy of any fee or other amount, made under this Act, or the liability of any person to pay any tax, fee or other amount so assessed or levied shall not be questioned in any Criminal Court in any prosecution or other proceeding whether under this Act or otherwise.

**33. Bar of certain proceedings.-** (1) No suit, prosecution or other proceeding

shall lie against any officer or servant of the State Government, for any act done or purporting to be done under this Act without the previous sanction of the State Government.

(2) No officer or servant of the State Government shall be liable in respect of any such act in any civil or criminal proceeding if the act was done in good faith in the course of the execution of duties or the discharge of the functions imposed by or under the Act.

**34. Limitation for certain suits and prosecutions.-** No suit shall be instituted against the State Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the State Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

**35. Courts not to set aside or modify assessments except as provided in this Act.-** No suit or other proceeding shall except as expressly provided in this Act, be instituted in any Court to set aside or modify any assessment made under this Act.

**36. Appearance before any Authority in proceedings.-** Any person who is entitled to appear before any authority other than the High Court in connection with any proceeding under this Act, may be represented before such authority—

(a) by his relative or a person regularly employed by him if such relative or person is duly authorised by him in writing in this behalf;

(b) by a legal practitioner; or

<sup>1</sup>[(c) subject to such conditions as may be prescribed, by an Accountant or by a person enrolled in the prescribed manner as a Sales Tax Practitioner by the Commissioner, and duly authorised by the person whom he represents.]<sup>1</sup>

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

**<sup>1</sup>[36-A. Power to summon persons to give evidence.-** The officers empowered by rules made in this behalf shall have all the powers conferred on a Court by the Code of Civil Procedure, 1908 (Central Act V of 1908), for the purpose of securing attendance of persons or the production of documents in any enquiry under this Act.]<sup>1</sup>

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

**<sup>1</sup>[37. Disclosure of information respecting assesseees.-** (1) (a) The Commissioner may furnish or cause to be furnished to,—

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

(i) any officer, authority or body performing any functions under any law relating to the imposition of any tax, duty, cess or fee; or

(ii) such officer, authority or body performing any functions under any other law as the State Government, if in its opinion it is necessary so to do in the public interest,

specify by notification in this behalf;

any such information relating to any assessee in respect of any assessment made under this Act as may, in the opinion of the Commissioner be necessary for the purpose of enabling the officer, authority or body to perform his or its functions under that law.

(b) Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any Court of law.

(2) Notwithstanding anything contained in sub-section (1) or, any other law for the time being in force, the State Government may, having regard to the practices and usages customary or any other relevant factors, by order notified in the Official Gazette, direct that no information or document shall be furnished or produced by a public servant in respect of such matters relating to such classes of assesseees or except to such authorities as may be specified in the order.<sup>1</sup>

<sup>1</sup>[(3) If the State Government is of the opinion that it is necessary or expedient in the public interest to publish names of any assesseees <sup>2</sup>[along with his photograph]<sup>2</sup> or any other particulars relating to any proceeding under this Act in respect of such assesseees, it may cause to be published such names <sup>2</sup>[along with their photograph]<sup>2</sup> and particulars in such manner as it thinks fit.

1. Inserted by Act 17 of 1976 w.e.f. 1.4.1976.

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

(4) No publication under this section shall be made relating to any penalty imposed or any conviction for any offence connected with any proceedings under this Act, until the time for presenting an appeal to the Appellate Authority has expired without any appeal having been presented or the appeal, if presented, has been disposed of.<sup>1</sup>

**38. Power to make Rules.-** (1) The State Government may, subject to the condition of previous publication, make rules, by notification, to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for.—

(a) all matters expressly required or allowed by this Act to be prescribed;

<sup>1</sup>[(a-1) estimation of turnovers for purposes of registration on the basis of inventory of goods found at the time of inspection or during survey;]<sup>1</sup>

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

(b) the assessment to tax under this Act of business which are discontinued or the

ownership of which has changed;

<sup>1</sup>[(b1) the procedure for assessment of Central and State Government Departments, <sup>2</sup>[Statutory Bodies and Local Authorities];]<sup>1</sup>

1. Inserted by Act 23 of 1983 w.e.f. 1.4.1976.

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

(c) the assessment to tax under this Act of business owned by minors and other incapacitated persons or by persons residing outside the <sup>1</sup>[State of Karnataka];<sup>1</sup>

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

(d) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of 1[the Court of Wards, the Administrator-General, the Official Trustee or]<sup>1</sup> any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court;

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

<sup>1</sup>[(d-1) the administration of the checkposts set up and the barriers erected under this Act and the regulation of work therein;

(d-2) the disposal of goods confiscated under this Act and the proceeds thereof;]<sup>1</sup>

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

(e) the assessment to tax under this Act of any turnover which has escaped assessment; <sup>1</sup>[x x x]<sup>1</sup>

1. Omitted by Act 31 of 1958 w.e.f. 1.1.1959.

<sup>1</sup>[(f) x x x]<sup>1</sup>

1. Omitted by Act 15 of 1970 w.e.f. 1.10.1957.

(g) compelling the submission of returns and the production of documents and enforcing the attendance of persons and examining them on oath or affirmation;

<sup>1</sup>[(g-1) specifying the classes of dealers who need not furnish returns under section 12;]<sup>1</sup>

1. Inserted by Act 32 of 1958 w.e.f. 1.1.1959.

(h) securing that returns furnished or accounts or documents produced or evidence of any kind given under this Act before any assessing authority or an appeal or revision from any decision of such authority are kept confidential;

<sup>1</sup>[(h-1) the procedure to be followed and the powers exercisable in proceedings for recovery under clause (aa) of sub-section (3) of section 13;]<sup>1</sup>

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

(i) the duties and powers of officers appointed for the purpose of enforcing the



provisions of this Act;

(j) the term of office and the conditions of service of the members of the Appellate Tribunal;

<sup>1</sup>[(j-1) the fees payable for the grant of duplicate certificates of registration or licences or copies of such certificates and licences or of any other document;]<sup>1</sup>

1. Inserted by Act 31 of 1958 w.e.f. 1.1.1959.

<sup>1</sup>[(j-2) the maintenance of purchase bills or accounts of purchases and sales by dealers and the time for which they should be preserved;

(j-3) the issue of delivery notes or way bills in respect of goods delivered or transferred to retail dealers in pursuance of sales effected to them, the form and manner of their issue and the time for which they should be preserved;

(j-4) the extent of liability of commission agent, broker, del credere agent, auctioneer or any other mercantile agent, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;]<sup>1</sup>

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

<sup>1</sup>[(j-5) the qualifications and disqualifications of Sales Tax Practitioners, the procedure for their enrolment, the fees payable for enrolment and the fees payable for annual renewal of such enrolment;]<sup>1</sup>

1. Inserted by Act 3 of 1966 w.e.f. 1.3.1966.

(k) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act;

(l) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Government may provide that a person guilty of a breach thereof shall, on conviction by a Magistrate of the first class, be punishable with fine which may extend to <sup>1</sup>[five thousand rupees]<sup>1</sup> and where the breach is a continuing one, with further fine which may extend to <sup>1</sup>[one hundred rupees]<sup>1</sup> for every day after the first during which the breach continues.

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

<sup>2</sup>[(4) Any rule under this Act may be made to have effect retrospectively and when any such rule is made, a statement specifying the reasons for making such a rule shall be laid before both Houses of the State Legislature along with the rule under section 39. All rules made under this Act, shall, subject to any modification made under section 39, have effect as if enacted in this Act.]<sup>2</sup>

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

**<sup>1</sup>[39. Laying of rules and notifications before the State Legislature.-** Every rule

made under this Act and every notification issued under section 8A shall be laid as soon as may be after it is published before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.]<sup>1</sup>

1. Substituted by Act 16 of 1967 w.e.f. 1.1.1968.

**40. Repeal and savings.**- (1) The Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Madras Tobacco (Taxation on Sales and Registration) Act, 1953 (Madras Act IV of 1953), the Madras Medium Cotton Mill Cloth (Sales-tax) Act, 1954 (Madras Act XLI of 1954) and section 21-A of the Madras Prohibition Act, 1937 (Madras Act X of 1937), as in force in the <sup>2</sup>[Mangalore and Kollegal]<sup>2</sup> area, the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), as in force in the Mysore Area, the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950), as in force in the <sup>1</sup>[Gulbarga Area,]<sup>1</sup> the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953) and the Bombay Sales of Intoxicants Taxation Act, 1953 (Bombay Act No. XLVII of 1953) as in force in the <sup>1</sup>[Belgaum area,]<sup>1</sup> the Coorg Sales of Tyres Taxation Act, 1953 (Coorg Act VIII of 1953) and the Coorg Tobacco (Taxation of Sales and Registration) Act, 1953 (Coorg Act IX of 1953), are hereby repealed:—

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

Provided that such repeal shall not effect—

(a) the previous operation of the said enactments or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said enactments; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said enactments; or

(d) any investigation, legal proceeding (including assessment proceeding) or remedy in respect of any such right, privilege, obligation, liability, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed.

<sup>1</sup>[(1A) Notwithstanding anything contained in sub-section (1), nothing contained in

any of the repealed enactments or the rules made thereunder limiting the time within which any action may be taken or any order, assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessee or any person in consequence of, or to give effect to, any finding, direction or order made under any provision of the relevant repealed enactment or any judgment, decree or order made by the Supreme Court, the High Court or any other Court whether before or after the commencement of this Act.]<sup>1</sup>

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

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the preceding proviso, to the said sub-section (1), the State Government may, by notification, make such provision as appears to it to be necessary or expedient.—

(a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments;

(b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or any rules, notifications, or orders issued thereunder as may be mentioned in the said Notification.

<sup>1</sup>[(3) Notwithstanding anything contained in sub-section (1), during the period between the first day of November, 1956, and the date of commencement of this Act, where in respect of any goods,—

1. Inserted by Act 32 of 1958 w.e.f. 1.1.1959.

(i) a single point sale or purchase tax was leviable under more than one of the repealed enactments; or

(ii) a single point sale or purchase tax was leviable under any repealed enactment and also a multi-point sale or purchase tax was leviable under any other repealed enactment, and the State Government is of opinion that in order to avoid hardship it is necessary so to do, it may, by notification, and subject to such restrictions and conditions as may be specified in such notification, make an exemption or reduction in rate, of any tax payable under any of the repealed enactments on the sale or purchase at specified point or points in the series of sales by successive dealers of any specified class of goods:

Provided that any amount collected by way of tax at one or more points in the series of sales shall be payable to the State Government by the dealer making the collection as if it were a tax payable by such dealer under the relevant repealed enactment.]<sup>1</sup>

**41. Power to remove difficulties.**- (1) If any difficulty arises in giving effect to the provisions of this Act in consequence of the transition to the said provisions from the provisions of the Acts in force immediately before the commencement of this Act, the State Government may, by notification in the Official Gazette, make such provisions

as appear to it to be necessary or expedient for removing the difficulty.

(2) If any difficulty arises in giving effect to the provisions of this Act (otherwise than in relation to the transition from the provisions of the Acts in force before the commencement of this Act), the State Government may, by notification, make such provisions, not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

**42. Provisions relating to Appellate Tribunal.-** (1) All appeals and proceedings transferred to, or instituted before the Mysore Board of Revenue, consequent on that specification of that authority by notification in the Official Gazette under section 122 of the States Reorganization Act, 1956, as the authority competent to exercise the functions of the Appellate Tribunal and Tribunal, respectively, under the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), the Mysore Sales Tax Act, 1948 (Mysore Act XLVI of 1948), the Hyderabad General Sales Tax Act, 1950 (Hyderabad Act XIV of 1950), and the Bombay Sales Tax Act, 1953 (Bombay Act III of 1953), and pending before the said Board of Revenue shall stand transferred to the Appellate Tribunal constituted under this Act and the aforesaid notification in so far as it relates to such specifications of the Mysore Board of Revenue shall stand repealed.

(2) Notwithstanding anything contained in any law, any appeal or other proceeding to be preferred to any Appellate Tribunal or Tribunal under any enactment referred to in sub-section (1) shall be preferred to the Appellate Tribunal constituted under this Act.

(3) Notwithstanding anything contained in the enactments referred to in sub-section (1), the provisions of sections 22, 23 and 25 of this Act shall be applicable to all appeals and other proceedings transferred to or preferred to the Appellate Tribunal.

**43. Assessments to tax or taxes in certain cases.-** <sup>1</sup>[(1)]<sup>1</sup> Notwithstanding anything contained in <sup>2</sup>[section 40]<sup>2</sup> or in any enactment repealed by that section, any person assessed or assessable to tax or taxes under any of the said enactments during the assessment year prior to the commencement of this Act, shall be liable to tax or taxes on his total turnover or turnovers during the period of the assessment year ending on the date of commencement of this Act, at the rate or rates specified in the said enactments whatever his total turnover or turnovers for the whole of the assessment year may be.

1. Re-numbered by Act 12 of 1961 w.e.f. 1.10.1957.

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

<sup>1</sup>[(2) Notwithstanding anything contained in this Act any person assessable to tax or taxes under this Act during the period commencing on the date of the commencement of this Act and ending on the date of commencement of the next assessment year in respect of such person, shall be liable to tax or taxes on his total turnover or turnovers during the said period at the rate or rates specified in this Act,

whatever the total turnover or turnovers of such person for the whole of the assessment year may be.]<sup>1</sup>

1. Inserted by Act 12 of 1961 w.e.f. 1.10.1957.

<sup>1</sup>[(3) Notwithstanding anything contained in this Act, where in respect of the sale or purchase of any goods, the rate of tax (hereinafter referred to as the original rate) is revised, or no tax is payable, from any date during any year, the turnover of a dealer or other person during the period upto that date in that year shall be liable to tax at the original rate, and his turnover during the period from that date till the end of that year shall be liable to tax at the revised rate, or shall not be liable to tax, as the case may be.]<sup>1</sup>

1. Inserted by Act 30 of 1962 w.e.f. 1.10.1957.

<sup>1</sup>[(4) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1966, is more than seven thousand and five hundred rupees but is less than ten thousand rupees shall be regulated as follows, namely:—

1. Inserted by Act 16 of 1967 w.e.f. 1.1.1968.

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the first April, 1966 and shall not be liable to pay monthly instalments for the remaining months thereafter;

(b) in the case of any other dealer, the turnover, during the period from the commencement of the year upto the first April, 1966, shall be liable to tax and also licence fee, if any, and his turnover during the remaining period from the first April, 1966, shall not be liable to tax and licence fee.]<sup>1</sup>

<sup>1</sup>[(5) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the first day of April, 1970, is more than ten thousand rupees but is less than twenty-five thousand rupees, shall be regulated as follows, namely:—

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

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the first April, 1970 and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the first day of April, 1970, shall be liable to tax and licence fee, if any, and his turnover during the remaining period from the first April, 1970, shall not be liable to tax.]<sup>1</sup>

<sup>3</sup>[(6) Notwithstanding anything contained in this Act, the assessment of a dealer

whose total turnover for the year which ends on a date after the First day of April, 1981 is more than twenty-five thousand rupees but is less than thirty-five thousand rupees, shall be regulated as follows, namely:—

1. Inserted by Act 13 of 1982 w.e.f. 29.3.1981.

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1981, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1981, shall be liable to tax and his turnover during the remaining period from the First day of April, 1981, shall not be liable to tax.]<sup>1</sup>

<sup>1</sup>[(7) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1982 is less than thirty-five thousand rupees but is more than twenty-five thousand rupees, shall be regulated as follows, namely:—

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

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall not be liable to pay monthly instalments for the months immediately prior to the First day of April, 1982, and shall pay the amount due in monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1982, shall not be liable to tax and his turnover during the remaining period from the First day of April, 1982, shall be liable to tax.]<sup>1</sup>

<sup>1</sup>[(8) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1983, is more than twenty-five thousand rupees but is less than forty thousand rupees, shall be regulated as follows, namely:—

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

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1983, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1983, shall be liable to tax and his turnover during the remaining period from the First day of April, 1983, shall not be liable to tax.]<sup>1</sup>

<sup>1</sup>[(8-A) Notwithstanding anything contained in this Act, the provisions of section 17(4) as amended by the Karnataka Sales Tax (Second Amendment) Act, 1983, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act, but the provision of the said sub-section as they stood prior to such commencement shall apply to such composition.]<sup>1</sup>

1. Inserted by Act 27 of 1985 w.e.f. 18.11.1983.

<sup>1</sup>[(9) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year which ends on a date after the First day of April, 1984, is more than forty thousand rupees but is less than one lakh rupees, shall be regulated as follows, namely:—

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

(a) in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due in monthly instalments for the months immediately prior to the First day of April, 1984, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in the case of any other dealer, the turnover during the period from the commencement of the year upto the First day of April, 1984, shall be liable to tax and his turnover during the remaining period from the First day of April, 1984, shall not be liable to tax.]<sup>1</sup>

<sup>1</sup>[(9-A) Notwithstanding anything contained in this Act, the provisions of section 17(4) as amended by the Karnataka Sales Tax (Amendment) Act, 1984, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act but the provisions of the said sub-section as they stood prior to such commencement shall apply to such composition.

1. Inserted by Act 27 of 1985 w.e.f. 1.4.1984.

(10) Notwithstanding anything contained in this Act, the provisions of section 17(1) as amended by the Karnataka Sales Tax (Amendment) Act, 1985, shall not apply to the composition of tax payable in respect of any year commencing prior to the commencement of the said Act but the provisions of the said sub-section as they stood prior to such commencement shall apply to such composition.]<sup>1</sup>

<sup>1</sup>[(11) (i) Notwithstanding anything contained in this Act, a dealer whose assessment year <sup>2</sup>[commences]<sup>2</sup> on a date after the 1st day of April, <sup>2</sup>[1988]<sup>2</sup> shall complete his accounts and close them on the 31st day of March, <sup>2</sup>[1989]<sup>2</sup> and submit his returns as if his assessment year ended on the 31st day of March, <sup>2</sup>[1989]<sup>2</sup>.

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

2. Substituted by Act 15 of 1988 w.e.f. 1.4.1987.

(ii) Where the turnover for the period specified in clause (i) (hereinafter referred to in this sub-section as returned turnover) is not less than the turnover specified under

sub-section (5) of section 5 or section 6B, as amended by the Karnataka Sales Tax (Amendment) <sup>1</sup>[Act, 1987 (Karnataka Act 14 of 1987)]<sup>1</sup>, it shall be assessed to tax in accordance with the provisions of this Act. Where the returned turnover is less than the turnover specified under the said sections, then, notwithstanding anything contained in this Act, such returned turnover shall be assessed to tax under this Act, if the turnover of the dealer for the year immediately preceding the assessment year referred to in clause (i) was not less than the turnovers specified under the said sections.

1. Substituted by Act 15 of 1988 w.e.f. 1.4.1987.

(iii)(a) Notwithstanding anything contained in this Act, in the case of a dealer permitted to pay any amount by way of composition under section 17, such dealer shall pay the amount due for the period ending 31st day of March, <sup>1</sup>[1989]<sup>1</sup> at the rates permitted in form 8-A and his assessment shall be completed as specified in clause (b).

1. Substituted by Act 15 of 1988 w.e.f. 1.4.1987.

(b) Where the assessing authority is satisfied that the returned turnover is correct and complete or where the returned turnover appears to the assessing authority to be incorrect and incomplete, after determining the turnover to the best of his judgment, recording reasons for such determination, the assessing authority shall determine the total turnover for the purpose of ascertaining the rate of tax by applying the following formula:—

$$\text{Total turnover} = \frac{\text{returned/determined turnover} \times 12 \text{ (months)}}{\text{Number of months for which the turnover returned or determined relates}}$$

After arriving at the total turnover as above,—

(i) the dealer shall not be assessed to tax, if his total turnover is less than the turnover specified in sub-section (5) of section 5 of this Act; or

(ii) the dealer shall be assessed to tax on his returned turnover or, as the case may be the determined turnover at such rates applicable under section 17 of this Act depending upon the total turnover arrived at above, if the said total turnover is not less than the turnover specified in sub-section (5) of section 5.

**Explanation.**—For the purpose of this clause any period equal to or in excess of 15 days shall be reckoned as one month and any such period less than 15 days shall be ignored.]<sup>1</sup>

<sup>1</sup>[(12) Notwithstanding anything contained in this Act, the assessment of a dealer whose total turnover for the year ending on the 31st day of March, 1992, is one lakh rupees or more but is less than two lakh rupees, shall be regulated as follows,



namely:—

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

(a) in the case of a dealer permitted to pay any amount by way of composition under sub-section (1) or (4) of section 17, such dealer shall pay the amount due in monthly instalments for the months prior to the first day of October, 1991, and shall not be liable to pay monthly instalments for the remaining months thereafter; and

(b) in case of any other dealer, the turnover during the period prior to the first day of October, 1991, shall be liable to tax and his turnover thereafter shall not be liable to tax.]<sup>1</sup>

### SCHEDULES

#### <sup>1</sup>[First Schedule x x x]<sup>1</sup>

1. Omitted by Act 31 of 1958 w.e.f. 1.1.1959

#### <sup>1</sup>[SECOND SCHEDULE

1. Substituted by Act 15 of 1988 w.e.f. 1.1.1959

### **Goods on the sale of which a single point tax is leviable on the first or earliest of successive dealers in the State under section 5(3)(a)**

Sl.No.	Description of goods	Rate of Tax
1	2	3

### PART A

1	Adhesives of all kinds including gum, glue <sup>1</sup> [adhesive solution, gum paste lapping compound, liquid M-seal, epoxy, shellac, vulcanising solution and adhesive tapes, self adhesive tapes, gum tapes, gummed tapes] <sup>1</sup> and resin.	<sup>2</sup> [Sixteen percent] <sup>2</sup>
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1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.

2. Substituted by Act 9 of 2000 w.e.f. 1.4.2000 again substituted by Act 5 of 2002 w.e.f.

1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003

2	Aeroplanes, helicopters, jet planes, gliders and all other types of flying machines (other than balloons) and parts and accessories thereof.	<sup>1</sup> [Sixteen percent] <sup>1</sup>
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1. Substituted by Act 9 of 2000 w.e.f. 1.4.2000 again substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003

<sup>1</sup> [3.	Agarbathi	<sup>2</sup> [Four percent] <sup>2</sup> <sup>1</sup>
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1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

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

- <sup>1</sup>[3-A. Agricultural implements (other than those specified in Fifth Schedule), that is to say,- Cultivators, disc-ploughs and mould board ploughs, land-levellers, cage wheels, disc harrows, sub-soilers, ridgers, shovels <sup>2</sup>[Seed Sowing equipments, Blade Harrow, Rotavator, combined Harvester, Post-hole Digger, Rotary Ditcher]<sup>3</sup>, Threshers, Chaff cutters]<sup>3</sup> and parts thereof
1. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.  
2. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.  
3. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.
- <sup>1</sup>[4. Air coolers, air conditioners, air conditioning plants, cold storage plants and equipments and parts and accessories thereof.
1. Substituted by Act 11 of 1993 w.e.f. 1.4.1993  
2. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
5. Aluminium, that is to say,—
- (i) Aluminium semis (ingots, slabs, blocks and billets of all qualities, shapes and sizes.) <sup>1</sup>[Four percent]<sup>1</sup>
1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
- (ii) Aluminium sheets, circles, hoop, strips and rolls. <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (iii) Aluminium bars (rods, rounds, squares, flats, octagons and hexagons, in coil form as well as straight lengths.) <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (iv) Aluminium tubes (round and squares) of all diameters and lengths including tube fittings. <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (v) Aluminium wire rods and wires rolled or drawn. <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

- (vi) Aluminium structurals (angles, joists, channels, tees, sheets piling sections, Z sections or any other extruded sections). <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[(vii) Aluminium foils, aluminium oxide, aluminium grains, aluminium powder, aluminium tape. <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.  
 2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[5A. Aluminium utensils other than those specified elsewhere in the Schedule <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.  
 2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[6. Animal feed and feed supplements, i.e., pro-cessed commodity sold as 'Poultry Feed', 'Cattle Feed', 'Pig Feed', 'Fish Feed', 'Fish meal', 'Prawn Feed', 'Shrimp Feed' and feed supplements and mineral mixture concentrates, intended for use as feed supplements. <sup>2</sup>[One percent]<sup>2</sup><sup>1</sup>  
 1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.  
 2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
7. Arc carbons. <sup>2</sup>[Twelve percent]<sup>2</sup>  
 1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
8. Arecanut. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
9. Arms of all kinds including guns, rifles, revolvers, pistols and ammunition for the same. <sup>1</sup>[Twenty percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

### PART B

1. Bamboo (whether whole or split) <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
- <sup>1</sup>[1A. Article made of Bamboo other than Furniture <sup>2</sup>[Eight percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.  
 2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
2. Batteries and parts thereof but

- excluding dry-cells and dry-cell batteries. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003
3. Beedi leaves <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
4. Bearings, that is, Ball or Roller bearings (all kinds). <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
5. Bicycles, tandem cycles, cycle combinations, cycle-rickshaws, perambulators, children's tricycles and similar articles and parts and accessories thereof including their tyres, tubes and flaps. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
6. Blasting gun powder and other mechanical explosives. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
7. Bone meal. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
- <sup>1</sup>[7A. Books other than those mentioned in the Fifth schedule. Four percent]<sup>1</sup>  
 1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.
8. Brass, that is to say,—
- (i) Brass circles, sheets and strips. <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (ii) Brass utensils (Kitchenware). <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 again substituted by Act 5 of 2002 w.e.f. 1.4.2002.
- (iii) Articles made of brass, including brass rods, rounds, squares and flats but excluding those specified in items (i) and (ii) above and those specified elsewhere. <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[8A. Bread 2[and bun]2 <sup>3</sup>[Four percent]<sup>3</sup>]<sup>1</sup>

1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.
2. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.
3. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.

- <sup>1</sup>[9. Bricks of all kinds other than  
2[country bricks]2 3[,refractory bricks  
and the like]3 <sup>4</sup>[Four percent]<sup>4</sup><sup>1</sup>
1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
  2. Omitted by Act 9 of 2000 w.e.f. 1.1.2000 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.
  3. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.
  4. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted Act 30 of 2003 w.e.f. 1.6.2003 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
10. Bronze, that is to say,—
- (i) Bronze utensils (Kitchen-ware). <sup>1</sup>[Eight percent]<sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.
- (ii) Articles made of bronze including  
bronze rods, rounds, squares  
and flats but excluding those  
specified in item (i) above and  
those specified elsewhere <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[11. Bullion and specie. <sup>1</sup>One percent]<sup>1</sup>
1. Omitted by Act 4 of 1999 w.e.f. 1.4.1999 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.
- <sup>1</sup>[12. Butter and ghee <sup>2</sup> [ T w e l v e  
percent]<sup>2</sup><sup>1</sup>
1. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.
  2. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.

### PART C

1. Camphor of all kinds. <sup>1</sup>[Eight percent]<sup>1</sup>
1. Substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted by Act 3 of 2004 w.e.f. 29.1.2004
- <sup>1</sup>[2. Candles <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>
1. Omitted by Act 4 of 1992 w.e.f. 1.4.1992 & inserted by Act 3 of 1998 w.e.f. 1.4.1998.
  2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 5 of 2001 w.e.f. 1.4.2001

- <sup>1</sup>[2A. (i) Cane whole or split <sup>2</sup>[Eight percent]<sup>2</sup>
- (ii) Articles made of Cane other than Furniture <sup>2</sup>[Eight percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.
2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
3. Carpets. <sup>1</sup>[Twenty percent]<sup>1</sup>
1. Substituted by Act 5 of 2002 w.e.f. 1.4.2002
4. Cashew, that is to say,—
- (i) Raw cashew. <sup>1</sup>[Four percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and by Act 5 of 2001 w.e.f. 1.4.2001.
- (ii) Cashew kernel. <sup>1</sup>[Eight percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[(iii) Cashew shell oil <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and by Act 5 of 2001 w.e.f. 1.4.2001.
5. (i) Cassette tape recorders (audio and video) and parts and accessories thereof. <sup>1</sup>[Sixteen percent]<sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- <sup>1</sup>[(ii) (a) Audio and Video blank cassettes <sup>2</sup>[Twelve percent]<sup>2</sup>
1. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.
2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted 26 of 2004 w.e.f. 1.8.2004.
- (b) Audio and Video recorded cassettes <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted 26 of 2004 w.e.f. 1.8.2004.
- (c) Parts and accessories of cassettes <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted 26 of 2004 w.e.f. 1.8.2004
- (d) Audio and Video Magnetic Tapes <sup>1</sup>[Twelve percent]<sup>1</sup><sup>1</sup>
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted 26 of 2004 w.e.f. 1.8.2004

- 1[(iii) Head cleaners (all kinds of audio and video cassette players and recorders and lubricants specially used in electronic goods) <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.  
2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[5A. xxx]<sup>1</sup>
1. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.
6. Castor oil other than those qualifying as Toilet Goods. <sup>1</sup>[Four percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again Substituted by Act 5 of 2002 w.e.f. 1.4.2002
- 1[7. (i) Cement. <sup>2</sup>[Twenty percent]<sup>2</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.  
2. Substituted 26 of 2004 w.e.f. 1.8.2004
- (ii) Cement concrete mixture <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 by Act 30 of 2003 w.e.f. 1.6.2003 and substituted by Act 26 of 2004 w.e.f. 1.8.2004
8. Cereals and pulses, that is to say,—
- <sup>1</sup>[(i) xxx]<sup>1</sup>
1. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.
- (ii) Pulses (whether whole or separated and whether with or without husk) other than those mentioned in the Fourth Schedule. <sup>1</sup>[One percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[(iii) (a) Atta, maida and soji of wheat <sup>1</sup>Four percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and further Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (b) Flour and soji of maize grits and flakes of maize; bran of maize; and maize products <sup>1</sup>Four percent]<sup>1</sup>
- <sup>1</sup>[(iv) Flour, chunni and husks of pulses Rice, Soji, Bran of Rice, Wheat and Poha. <sup>1</sup>One percent]<sup>1</sup>
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[(v) Fried gram <sup>2</sup>[One percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 5 of 2001 w.e.f. 1.4.2001 and again Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[8A. Cheese. <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 16 of 1989 w.e.f. 1.4.1989 & substituted by Act 4 of 1992 w.e.f. 1.4.1992.
2. Substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003 again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
9. Chinaware, porcelainware and stone-ware (articles) other than those falling under any other entry <sup>1</sup>[Sixteen percent]<sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002 and again substituted by Act 30 of 2003 w.e.f. 1.6.2003.
10. Charcoal. <sup>1</sup>[Four percent]<sup>1</sup>
1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
- <sup>1</sup>[10A. Chemicals of all kinds including copper sulphate, caustic soda, dyes and Sulphur <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.
2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
11. (i) Chemical fertilizers other than those falling under item (ii). <sup>1</sup>Four percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
- (ii) Chemical fertilizer mixtures of two or more chemical fertilizers on the turnover relating to components thereof, viz. individual chemical fertilizers which have not already suffered tax. <sup>1</sup>[Four percent]<sup>1</sup>
- (see Explanation II)
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
12. Chicory. <sup>1</sup>[Four percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002
13. Cigarette filters. <sup>1</sup>[Sixteen percent]<sup>1</sup>
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998, by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
14. Cigar and Cigarette cases, holders and lighters, tobacco pipes. <sup>1</sup>[Sixteen percent]<sup>1</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and substituted by Act 30 of 2003 w.e.f. 1.6.2003.
15. Cinematographic, photographic and



other cameras, projectors, enlargers, lenses and parts of and accessories to such cameras, cinematographic projectors and enlargers and plates and cloth required for use therewith.

<sup>1</sup>[Sixteen percent]<sup>1</sup>

1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

<sup>1</sup>[15A. Photo frames and Photo mounts

<sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>

1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.  
2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

16. Clocks, timepieces and watches (all kinds) and parts thereof <sup>1</sup>[including watch straps, chains and bracelets (other than those made of noble metals).]<sup>1</sup>

<sup>2</sup>[Sixteen percent]<sup>2</sup>

1. Inserted by Act 4 of 1992 w.e.f. 1.4.1992.  
2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

17. Cocoa pods, beans and powder.

<sup>1</sup>[Four percent]<sup>1</sup>

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[17A. <sup>2</sup>[Coconut oil sold in consumer sachets, bottles or tins of 200 grams or 200 millilitre each or less, including when such consumer containers are sold in bulk in a common container]<sup>2</sup>

<sup>3</sup>[Twenty percent]<sup>3</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.  
2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.  
3. Substituted by Act 5 of 2002 w.e.f. 1.4.2002

<sup>1</sup>[18. Coffee, that is to say,—

2[(i) Coffee including coffee beans and coffee seeds (whether raw or roasted) excluding those covered by serial Number 3 of Third Schedule and in items (ii), (iii) and (iv) below.

<sup>3</sup>[Eight percent]<sup>3</sup><sup>2</sup>

1. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.  
2. Substituted by Act 6 of 1995 w.e.f. 1.4.1995.  
3. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.

(ii) Coffee powder excluding french coffee, instant coffee and coffee drink.

<sup>1</sup>[Eight percent]<sup>1</sup>

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of

2002 w.e.f. 1.4.2002.

- (iii) Instant Coffee. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- <sup>1</sup>[(iv) French Coffee <sup>2</sup>[Four percent]<sup>2</sup>]<sup>1</sup>  
 1. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.  
 2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.
19. (i) Coir products (other than coir rope, coir fibre and coir yarn) not falling under item (ii) below. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and substituted by Act 30 of 2003 w.e.f. 1.6.2003 and substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (ii) Rubberised coir products <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[20. (i) Computers, of all kinds namely, main frame, mini, personal, micro computers and the like 3[xxx]3 and their parts. <sup>2</sup>[Twelve percent]<sup>2</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998.  
 2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.  
 3. Omitted by Act 5 of 2001 w.e.f. 1.4.2001.
- (ii) Peripherals, that is to say,—
- (a) All kinds of printers and their parts, namely:— <sup>1</sup>[Twelve percent]<sup>1</sup>  
 Dot matrix, ink jet, laser, line, line matrix and the like.  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (b) Terminals, scanners, multimedia kits, plotters, modem and their parts. <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (iii) Computer consumable namely:— stationery, floppy disks, CD ROMs, DAT tapes, printer ribbons, printer cartridges and cartridge tapes. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 26 of

2004 w.e.f. 1.8.2004.

- <sup>2</sup>[(iv) Computer Cleaning kit <sup>1</sup>[Twelve percent]<sup>1</sup><sup>2</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and again substituted by Act 26 of 2004 w.e.f. 1.8.2004.  
 2. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.
- <sup>1</sup>[(v) Computer Software <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.  
 2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[21. (i) Confectionery <sup>2</sup>[Twelve percent]<sup>2</sup>  
 1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.  
 2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- (ii) Cakes and Biscuits <sup>1</sup>[Sixteen percent]<sup>1</sup><sup>1</sup>  
 1. Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
22. Containers, that is to say,—
- (i) Paper boxes, folding cartons, paper bags, carrier bags, card board boxes, corrugated boxes. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
- (ii) Tin plate containers (cans and boxes), steel and aluminium drums and crates, aluminium tubes and collapsible tubes. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
- (iii) Plastic, polyvinyl chloride and polythene bottles, jars, boxes, crates, cans, carboys, drums and bags (other than <sup>2</sup>[plastic]<sup>2</sup> woven sacks). <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.  
 2. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.
- (iv) Wooden boxes, crates, casks and containers. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
- (v) Glass jars and carboys. <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
- (vi) <sup>1</sup>[Plastic woven sacks]<sup>2</sup> <sup>1</sup>[Four percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.  
 5. Substituted by Act 16 of 1989 w.e.f. 1.4.1989.
- <sup>1</sup>[(vii) Metallic gas cylinders <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.  
 2. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.
- <sup>2</sup>[22A. Cooking gas other than those specified

- elsewhere in this schedule. <sup>1</sup>[Twelve percent]<sup>1</sup><sup>2</sup>
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and substituted by Act 5 of 2002 w.e.f. 1.4.2002.
  2. Inserted by Act 16 of 1989 w.e.f. 1.4.1989.
23. Copper that is to say,—
- (i) Copper, circles, sheets and strips. <sup>1</sup>[Twelve percent]<sup>1</sup>
    1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
  - (ii) Copper utensils (Kitchen-ware). <sup>1</sup>[Eight percent]<sup>1</sup>
    1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
  - (iii) Copper ingots and copper wire other than insulated wire. <sup>1</sup>[Four percent]<sup>1</sup>
    1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 5 of 2002 w.e.f. 1.4.2002.
  - (iv) Articles made of copper including copper rods, rounds, squares and flats excluding those specified in items (i) to (iii) above and those specified elsewhere. <sup>1</sup>[Twelve percent]<sup>1</sup>
    1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[24. x x x]<sup>1</sup>
1. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.
- <sup>1</sup>[25. Cotton waste <sup>2</sup>[Four percent]<sup>2</sup>
1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.
  2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004 25A. Cotton yarn waste <sup>1</sup>[Four percent]<sup>1</sup> 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[25B. Cotton beds, Cotton pillows, Cotton quilts and their covers made of cotton <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>
1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.
  2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[ 26. (i) Crockery <sup>2</sup>[Sixteen percent]<sup>2</sup>
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
  2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- (ii) Cutlery and Table and Household Glassware <sup>1</sup>[Sixteen percent]<sup>1</sup><sup>1</sup>
1. Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

**PART D**

1. Deodorants, disinfectants, germicides  
not falling under any other entry. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
  2. Dictaphones and other similar apparatus for  
recording sound and parts thereof. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
  3. Diesel engines and <sup>1</sup>[parts and  
accessories thereof.]<sup>1</sup> <sup>2</sup>[Twelve percent]<sup>2</sup>  
1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.  
2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
  4. Dry-cells and dry-cell batteries. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 30 of 2003  
w.e.f. 1.6.2003.
- <sup>3</sup>[5. x x x]3  
3. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.
6. Druggets and durries. <sup>1</sup>[Twelve percent]<sup>1</sup>  
1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
- <sup>1</sup>[7. x x x]1  
1. Omitted by Act 5 of 1996 w.e.f. 1.4.1996.

**PART E**

1. Edible oils other than [coconut oil specified  
in Serial Number 17-A] of Part 'C the edible  
oils falling under 2[Serial Number 42-A]2  
of the Fifth Schedule:  
1. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.  
2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.
- (i) Non-refined. <sup>1</sup>[Four percent]<sup>1</sup>  
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
  - (ii) Refined. [Four percent]  
1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004
  - (iii) Hydrogenated oils and cooking medium. [Eight percent]  
1. Substituted by Act 6 of 1995 w.e.f. 1.4.1995 and Substituted by Act 26 of 2004  
w.e.f. 1.8.2004

2. Electrical goods, that is to say,—
- (i) Grinders, mixers, blenders, hair dryers, shavers,<sup>2</sup>[x x x]<sup>2</sup>, heaters, cooking ranges, boilers, ovens, hot plates, coil stoves, geysers,<sup>2</sup>[xxx]<sup>2</sup>, floor polishers, juice extractors, cream whippers, egg beaters, ironers, massage apparatus, kettles, sauc-epans, steamers, coffee makers, cookers, egg boilers/frying pans, toasters, coffee roasting appliances, room heaters and ice-cream churners and parts and accessories of all such goods. <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
2. Omitted by Act 9 of 2000 w.e.f. 1.1.2000.
- (ii) Electrical earthenware and porcelain. <sup>1</sup>[Twelve percent]<sup>1</sup>
1. Substituted by Act 30 of 2003 w.e.f. 1.6.2003 and again substituted by Act 26 of 2004 w.e.f. 18.2004.
- <sup>1</sup>[(iii) Electrical goods, instruments, apparatus and appliances (Other than the appliances falling under item (i) above), including <sup>2</sup>[Fans]<sup>2</sup> and tube lights and parts and accessories <sup>3</sup> [ T w e l v e percent]<sup>1</sup>]<sup>3</sup>
1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
2. Omitted by Act 9 of 2000 w.e.f. 1.4.2000 & inserted by Act 5 of 2000 w.e.f. 1.4.2000.
3. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[(iv) Electric bulbs <sup>2</sup>[Twelve percent]<sup>2</sup>]<sup>1</sup>
1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[(v) Washing machines; vacuum cleaners; <sup>2</sup>[x x x]<sup>2</sup>;air circulators; and voltage stablizers <sup>3</sup>[Sixteen percent]<sup>3</sup>
1. Inserted by Act 9 of 2000 w.e.f. 1.1.2000
2. Omitted by Act 5 of 2000 w.e.f. 1.4.2000.
3. Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

- (vi) Transformers, transmission wires and towers; ACSR conductors; and cables <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
3. Electrodes, that is, all kinds of welding electrodes, graphite electrodes including anodes, welding rods, soldering rods and soldering wires. <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[4. Electronic goods and parts and accessories thereof other than those falling under any other entry of this Schedule. <sup>2</sup>[Sixteen percent]<sup>2</sup><sup>1</sup>  
 1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.  
 2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[5. x x x]<sup>1</sup>  
 1. Omitted by Act 5 of 2000 w.e.f. 1.1.2000.

#### PART F

1. Fibreglass sheets and articles made of fibreglass excluding helmets. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
2. Films, that is to say,—  
 (i) Photographic films including photographic paper. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- (ii) Cinematographic films. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- (iii) X-ray films. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
3. Fire fighting equipments and devices except those specified elsewhere. <sup>1</sup>[Twelve percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- <sup>1</sup>[4. Firewood <sup>1</sup>Four percent]<sup>1</sup>  
 1. Inserted by Act 9 of 2000 w.e.f. 1.1.2000.

5. Fireworks. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- <sup>1</sup>[5A. xxx]<sup>1</sup>  
 1. Inserted by Act 16 of 1989 w.e.f. 1.4.1989 & omitted by Act 5 of 1996 w.e.f. 1.4.1996.
6. Foamed rubber, plastic foam or any other synthetic foam articles such as sheets, cushions, pillows, mattresses and the like. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- <sup>1</sup>[7. (i) Garden and beach umbrellas and parts thereof. <sup>2</sup>[Twelve percent]<sup>2</sup>  
 1. Substituted by Act 4 of 1992 w.e.f. 1.4.1992.  
 2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004
- (ii) Folding umbrellas and parts thereof. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.
8. Food and non-alcoholic drinks, that is to say,—
- (i) Ready to serve foods, processed foods, semi-cooked or semi-processed food-stuffs, fruits (other than dry fruits including almonds, walnuts and pista), dried vegetables (whether cooked or not), fruit and vegetable products (other than those falling under items (ii), (iii) and (iv) below) when sold in tins, cans, bottles or in any kind of sealed containers. <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- (ii) Baby foods including milk powder (sold in sealed containers or otherwise). <sup>1</sup>[Sixteen percent]<sup>1</sup>  
 1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.
- (iii) Aerated water including soft drinks whether or not flavoured or sweetened and whether or not containing



vegetable or fruit juice or fruit pulp when sold in bottles, tins, cans or in any kind of sealed containers but excluding soft drink concentrates.

<sup>1</sup>[Sixteen percent]<sup>1</sup>

1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

- (iv) Instant mix, such as, jamoon mix, idli mix, ice-cream mix, jelly mix and the like; sambar and rasam powders and pastes, masala powders and pastes, curry powders and pastes and the like; soft drink concentrates (other than fruit and vegetable concentrates) whether in liquid or powder or crystal form.

<sup>1</sup>[Sixteen percent]<sup>1</sup>

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003.

- (v) Articles of food and drinks including sweets and sweet meats but excluding those falling under items (i) to (iv) above and those falling under any of the entries in this schedule, when sold— (a) in places other than those falling under sub-item (b) below.

<sup>1</sup>[Twelve percent]<sup>1</sup>

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

- (b) in <sup>1</sup>[or by]<sup>1</sup> Three Star, Four Star and Five Star hotels as recognised by Tourism Department, Government of India.

<sup>1</sup>[Twenty percent]<sup>1</sup>

1. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.  
2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

- (vi) Soya milk.  
(See Explanation VII)

<sup>1</sup>[Twelve percent]<sup>1</sup>

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

- <sup>1</sup>[(vii) Meat and dressed chicken sold in sealed containers

<sup>2</sup>[Eight percent]<sup>2</sup><sup>1</sup>

1. Inserted by Act 5 of 2000 w.e.f. 1.4.2000.  
2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

9. Food preservatives, food colours and food flavouring essences.

<sup>1</sup>[Twelve percent]<sup>1</sup>

1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004

	w.e.f. 1.8.2004.	
<sup>1</sup> [10.	Footwear	<sup>2</sup> [Twelve percent] <sup>2</sup> <sup>1</sup>
	1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998	
	2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.	
<sup>1</sup> [10A.	Forest products that is to say,— Nuxvomica, rita, soapnut, antwal haleela, harda fruits and seeds, Kaadu seege bark, Mardi devidevi Myrobalan barks, Rousa grass, tamala patra.	<sup>2</sup> [Eight percent] <sup>2</sup> <sup>1</sup>
	1. Substituted by Act 4 of 1999 w.e.f. 1.4.1999.	
	2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000	
11.	Footwear polishers <sup>1</sup> [shoe care kit, shoe laces] <sup>1</sup>	<sup>2</sup> [Twelve percent] <sup>2</sup>
	1. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.	
	2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004	
<sup>1</sup> [11A.	Furnace oil, transformer oil and coolants	<sup>2</sup> [Sixteen percent] <sup>2</sup> <sup>1</sup>
	1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.	
	2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003	
<sup>1</sup> [12. (i)	Furniture of all kinds (other than steel furniture and moulded furniture) and of all descriptions, made of any material including furniture in knockdown condition, treasure chests, safes and parts and accessories thereof.	<sup>2</sup> [Sixteen percent] <sup>2</sup>
	1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000.	
	2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003	
(ii)	Steel furniture and moulded furniture	<sup>1</sup> [Sixteen percent] <sup>1</sup>
	1. Substituted by Act 30 of 2003 w.e.f. 1.6.2003	
13.	Furs and Skins (other than those falling under Fourth Schedule) and articles made therefrom but excluding those falling under any other entry.	<sup>1</sup> [Sixteen percent] <sup>1</sup>
	1. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003	
<sup>1</sup> [14.	Fax machines and parts and accessories thereof.	<sup>2</sup> [Sixteen percent] <sup>2</sup> <sup>1</sup>
	1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.	
	2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004	

w.e.f. 1.8.2004.

**PART G**

1. Galvanised iron buckets. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
2. Glass sheets and all articles made of glass <sup>1</sup>[excluding glass bottles, table and household glassware]<sup>1</sup> <sup>3</sup>[Sixteen percent]<sup>3</sup>  
<sup>2</sup>[glass mirror]<sup>2</sup>  
 1. Substituted by Act 11 of 1993 w.e.f. 1.4.1993.  
 2. Inserted by Act 4 of 1999 w.e.f. 1.4.1999.  
 3. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 30 of 2003 w.e.f. 1.6.2003
3. Glycerine. <sup>1</sup>[Eight percent]<sup>1</sup>  
 1. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
4. Gold thread, that is, all kinds of jari including metallic yarn, metallic jari yarn, metallic plastic yarn, polyester film yarn and radiant yarn. <sup>1</sup>[Four percent]<sup>1</sup>  
 5. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[4-A. Gotta and Nakki <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 3 of 1998 w.e.f. 1.4.1998.  
 2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[5. Gramophones of every description including radio gramophones and parts and accessories thereof <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>  
 1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.  
 2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[6. Gramophone Records, Compact Discs including Gramophone needles <sup>2</sup>[Twelve percent]<sup>2</sup><sup>1</sup>  
 1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.  
 2. Substituted by Act 3 of 1998 w.e.f. 1.4.1998 and Substituted by Act 26 of 2004 w.e.f. 1.8.2004.
- <sup>1</sup>[6-A. Gunny bags, bardans, batars hessian cloth and jute twine <sup>2</sup>[Four percent]<sup>2</sup><sup>1</sup>  
 1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.

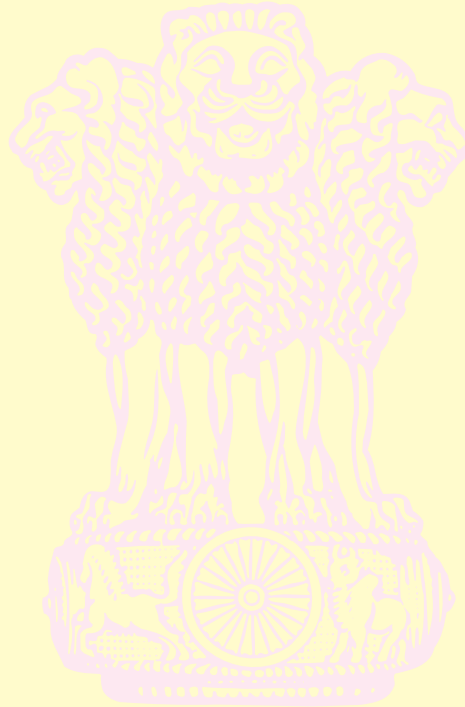
2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000

<sup>1</sup>[7. Gypsum.

<sup>2</sup>[Four percent]<sup>2</sup>]<sup>1</sup>

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

2. Substituted by Act 9 of 2000 w.e.f. 1.1.2000 and Substituted by Act 5 of 2001 w.e.f. 1.4.2001.



सत्यमेव जयते