

Regd. No. NE 907



# The Mizoram Gazette

EXTRA ORDINARY

Published by Authority

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Vol. XVIII Aizawl Thursday 8. 6. 1989 Jyaishta 18 S.E. 1911 Issue No. 52

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## NOTIFICATION

No. LJD-21/89/2, the 8th June, 1989. The following Act of the Mizoram Legislative Assembly, which received the assent of the Governor of Mizoram is hereby published for general information.

The Mizoram Act No.8 of 1989.

The Mizoram Sales Tax Act, 1989.

(Received the assent of the Governor of Mizoram on the 31st May '89.

AN  
ACT

THE MIZORAM SALES TAX ACT 1989.

AN  
ACT

to provide for the levy of a tax on the sale of goods in Mizoram.

Whereas it is necessary to make an addition to the revenues of Mizoram and, for that purpose, it is expedient to impose a tax on the sale of goods:

Be it enacted by the Legislative Assembly of Mizoram in the fortieth year of the Republic of India as follows :

1. Short title, extent and commencement -

- (1) This Act may be called the Mizoram Sales Tax Act, 1989.
- (2) It extends to the whole of Mizoram.

(3) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint.

2. Definitions :- In this Act unless the context otherwise requires -

(1) "Board" means the Board of Sales Tax as constituted by the Government of Mizoram

(2) "Business" includes -

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

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

(3) "Commissioner" means the Commissioner of Taxes appointed under section 8 :

(4) "Dealer" means any person who carries on the business of selling or supplying goods in the state whether for commission, remuneration or otherwise and includes any society, club or association which sells or supplies goods to its number;

Explanation :- The manager or agent of a dealer who resides outside the state and carries on the business of selling or supplying goods in the state shall in respect of such business be deemed to be a dealer for the purpose of this Act.

(5) "Declared goods" means goods declared under Section 14 of the Central Sales Tax Act, 1956 (Act No. 74 of 1956), to be of special importance in inter-state trade or commerce and the sale of which is taxable under this Act.

(6) "Goods" means all kinds of moveable property other than newspapers, actionable claims, stocks, shares or securities, and includes all materials, articles and commodities, whether or not to be used for the purposes referred to in sub-clauses (a) and (b) of clause (17) ;

(7) "Gross turnover" means the turnover referred to in section 13 ;

(8) "net turnover" means the net turnover referred to in section 14;

(9) "person" means any individual, or association or body of individuals and includes a department of the Government, a Hindu undivided or joint family, a firm and a company, whether incorporated or not;

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

(11) "registered dealer" means a dealer registered under the provision of this Act;

(12) "Sale" with its grammatical variations and cognate expressions means transfer of right to use any goods for any purpose except on such cases as the Government may, by notification in the Official Gazette, restrict incidence of tax or any transfer of property in goods by any person for cash or deferred payment or other valuable considerations and includes a transfer by separate agreement and for money consideration of goods involved in the execution of a work contract, whether as goods or in some other form, but does not include a mortgage, hypothecation, charge or pledge on goods. It also includes delivery of goods on hire-purchase or any system of payment by instalments or the supply of goods by an unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration or the supply, by way of or as part of any service, of food or any drink for cash, deferred payment or other valuable consideration or other instalment system of payment notwithstanding the fact that the vendor may retain the title in the goods as security for payment of the price.

(13) "Sale price" means the amount payable to dealer as valuable consideration for—

(a) The sale or supply of any goods, less any sum allowed as cash discount according to ordinary trade practice, but include any sum charged for anything done by the dealer with or in respect of the goods at the time of, or before, delivery thereof other than the cost of freight or delivery or the cost of installation where such cost is separately charged; or

(b) The carrying out of any contract, less such fraction of such amount as represents the prescribed proportion of the cost of labour used in carrying out such contract;

(14) "Section" means a section of this Act;

(15) "Special goods" means such goods as are notified in Schedule I attached to this Act, and such other goods as may be notified as such by the State Government in the Official Gazette from time to time.

(16) "State" means the State of Mizoram.

(17) "Works Contract" means any agreement for carrying out for cash or deferred payment or other valuable consideration (Whether as goods or in some other form)

(a) the preparation, construction, fitting out, improvement or repair of any moveable property, or of any building, road, bridge, or other immoveable property, or

(b) the installation or repair of any machinery affixed to a building or other immoveable property.

(18) "Year" means the financial year.

3. Liability to tax :— (1) Subject to the provisions of this Act and with effect from the date when this section is given effect to (hereinafter called the effective

date), every dealer whose gross turnover from sales other than sales of notified goods involved in the execution of works contract whether as goods or in some other form, which have taken place in Mizoram (hereinafter referred to as other sales) during the twelve months immediately preceding the effective date exceeded Rs 20,000/- (herein after referred to as "taxable quantum") shall be liable to pay tax under this Act on such other sales on and from the effective date.

(2) Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act with effect from the 1st of April of the year during which his gross turnover from other sales first exceeds the taxable quantum:

Provided that such dealer shall not be liable to pay the tax under this Act during such year in respect of this gross turnover upto the taxable quantum specified in sub-section (1).

(3) The State Government may issue a notification specifying goods (hereinafter referred to as notified goods) and with effect from the date of such notification every dealer making the first stage of sales of any such notified goods in the State of Mizoram shall be liable to pay tax on such sale :

Provided that where any question arises as to whether any particular sale is the first stage of sale in Mizoram the burden of proof that it is not the first stage of sale shall be on the dealer making the sale.

(4) Subject to the provisions of this Act and with effect from the commencement of this Act every dealer whose gross turnover from sales which have taken place in Mizoram by transfer by separate agreement and for money consideration of goods involved in the execution of a works contract whether as goods or in some other form (hereinafter referred to as a contractual transfer price) during the twelve months immediately preceding the date of such commencement exceeded Rs. 2,00,000/- shall be liable to pay tax under this Act on the contractual transfer prices which have taken place on and from the date of commencement of this Act;

Provided that the contractual transfer price of a dealer will mean the cost of the goods involved in the execution of works contract including the cost of delivery of the goods at the site of execution of the contract.

(5) Every dealer engaged in the execution of works contract to whom sub-section (4) does not apply shall be liable to pay tax under this Act with effect from the 1st of April of the year during which his contractual transfer price first exceeds Rs. 2,00,000/-

Provided that such dealer shall not be liable to pay the tax under this Act during such year in respect of this contractual transfer price upto Rs. 2,00,000/-

(6) Nothing in sub-sections (1), (2), (3), (4) & (5) above, shall be deemed to render any dealer liable to tax on the sale of goods where such sales take place :

(i) Outside the State of Mizoram ;

- (ii) in the course of the import of the goods into, export out of, the territory of India ; or
- (iii) in the course of inter-state trade or commerce ;

Explanation :- For the purpose of this sub-section, whether a sale taxes place -

- (i) outside the state of Mizoram; or
  - (ii) in the course of the import of the goods into, export of the goods out of, the territory of India, or
  - (iii) in the course of inter-state trade or commerce ;
- shall be determined in accordance with the principles specified in sections 3,4 and 5 of the Central Sales Tax Act, 1956 (Act No. 74 of 1956).

(7) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until expiry of three consecutive years, during each of which his gross turnover from sales which have taken place in Mizoram has failed to exceed the "taxable quantum" or his contractual transfer price failed to exceed Rs. 2,00,000/- and on the expiry of this period, his liability to pay tax under this Act shall cease.

(8) Every dealer whose liability to pay tax under this Act has ceased under the provisions of sub-section (7) shall again be liable to pay tax with effect from the first day of April of the year during which his gross turnover from sales which have taken place in Mizoram again exceeds the "taxable quantum" or his contractual transfer price exceeds Rs. 2, 00,000/-

(9) Where a dealer liable to pay tax under this Act starts new business, partnership firm or concern, whether by changing the constitution, style or name of the previous business, partnership firm or concern shall notwithstanding anything contained in the proviso to sub-section (2),(3) (4), and (5) of this section, be liable to pay tax on sales which have taken place in Mizoram from the date of commencement of the said business, partnership firm or concern as the case may be.

4. RATE OF TAX :- (1) The tax payable by a dealer under this Act shall be at the rates specified in schedule-II attached to this Act :

Provided that the State Government may grant a rebate not exceeding one per centum of tax subject to such conditions as may be prescribed.

(2) The State Government, after giving notification in the official Gazette, not less than three months notice of its intention so to do, may, by like notifications, either reduce or increase the rates of tax specified in the said schedule and thereupon the said schedule shall be deemed to be amended accordingly.

5. CHARGE OF TAX :- The tax shall be charged at the specified rate for each category of goods on the total net turnover of a dealer.

6. LIMIT OF APPLICATION OF THE ACT :- The provisions of this Act shall not apply to the sale of -

(1) Goods taxable under the Mizoram (Sales of Petroleum and Petroleum Products, including Motor Spirit and Lubricants) Taxation Act, 1973

(2) Goods specially exempted under the provisions of this Act.

7. **EXEMPTION :-** (1) Subject to the conditions and exceptions, if any, set out in Schedule-III attached to this Act, the sale of goods specified therein shall be exempted from taxation under this Act.

(2) The State Government, after giving in the official Gazette such previous notice as may, by like notification, add to, amend or otherwise modify, the said Schedule and thereupon the said Schedule shall be deemed to be amended accordingly.

8. **TAXING AUTHORITY :-** (1) The State Government may, for carrying out the purposes of this Act, appoint a Commissioner of Taxes, and such other persons to assist him as it thinks fit.

(2) Persons appointed under sub-section (1) shall exercise such powers as may be conferred, and perform such duties as may be required, by or under this Act.

(3) All persons appointed under sub-section (1) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Act XLV of 1860).

9. **COMPULSORY REGISTRATION :-** (1) No dealer, shall, while being liable to pay tax under the provisions of this Act carry on business as a dealer unless he has been registered and possesses a certificate of registration.

(2) Every dealer required by sub section (1) to be registered shall apply for registration to the Commissioner in the prescribed manner, and obtain a certificate of registration.

(3) On receipt of an application under sub-section (2) the Commissioner shall, if he is satisfied after such enquiry as may be deemed necessary that the application is in order, register the applicant.

10. **REGISTRATION BY COMMISSIONER :-** (1) The Commissioner may, in addition to taking any other action under the provisions of this Act, required any dealer who, in his opinion, is liable to registration but has not made an application in this behalf, to apply for registration and register him. The Commissioner shall register a dealer who fails to apply for registration within a specified time.

Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do, and has allowed him a reasonable opportunity of being heard.

(2) The Commissioner shall register any dealer who has been convicted under section 38 or has paid composition money under section 46 in respect of any contravention of sub-section (1) of section 9.

(3) Registrations made under sub-section (1) or sub-section (2) shall take effect as if these had been made on the dealer's application under sub-section (2) of section 9.

**11. VOLUNTARY REGISTRATION:—** (1) Any dealer whose total gross turnover during a year amounts to or exceeds the taxable quantum may notwithstanding that he may not be liable to pay tax under section 3, apply in the manner referred to in sub-section (2) of section 9 for registration under this Act.

(2) The provisions of sub-Section (3) of section 9 and of section 12 shall apply in respect of applications for registration under sub-section (1) of this section.

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

(4) The registration effected under the provisions of this section shall, be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act

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

**12. CERTIFICATE OF REGISTRATION :—** A dealer registered under section 9 or section 10 shall be granted a certificate of registration in such form as may be prescribed, which shall specify the class or classes of goods in which at the time of the grant of the said certificate the dealer carries on business, and such other particulars as may be prescribed.

(2) The Commissioner may, on petition or otherwise, cancel or amend from time to time any certificate of registration.

(3) The Commissioner shall cancel the certificate of registration when —

(a) the business in respect of which the certificate was issued has been discontinued or transferred, or,

(b) the liability to pay tax in respect of such business has ceased under this Act.

**13. GROSS TURNOVER :—** The gross turnover of a dealer during any given period shall be determined by taking the aggregate of the sale prices of the goods sold during that period and reducing therefrom the sale price of goods returned by the purchaser within the prescribed period and such other amounts as may be prescribed.

14. **NET TURNOVER :-** The net turnover shall be determined by reducing from a dealer's gross turnover during any period -

- (1) his turnover during that period on -
  - (a) the sale of goods exempted under section 6 and section 7;
  - (b) sale to a registered dealer of goods other than notified goods specified in the purchasing dealer's certificate of registration as being intended by him for -
    - (1) resale in the State ; or
    - (ii) use in execution of any works contract in Mizoram ;
    - (iii) use directly in the manufacture in Mizoram of goods for sale:
    - (iv) containers and other materials for the packing of such goods :

Provided that the goods which are purchased free of tax and are used by a dealer for purposes other than those specified in his certificate of registration, the price of such goods so utilised shall be included in his net turnover ;

Provided further that the provisions of sub-clauses (i) to (iv) shall not apply to any sale referred to therein unless the dealer selling the goods furnishes in the Prescribed manner a declaration containing prescribed particulars in the prescribed form duly filled up and signed by the registered dealer to whom the goods are sold.

(c) Such other sales as may be prescribed (2) from the resultant balance amount arrived at by applying the following formula—

$$\frac{\text{RATE OF TAX} \times \text{RESULT BALANCE AS MENTIONED ABOVE}}{100 \text{ PLUS RATE OF TAX.}}$$

**EXPLANATION :** Where the net turnover of a dealer is taxable at different rates, the afore-said formula shall be applied separately in respect of each part of the turnover liable to a different rate of tax.

15. **RETURNS :-**(1) Every registered dealer shall furnish such returns of his total turnover by such dates and to such authority as may be prescribed.

(2) In the case of any other dealer whose total turnover is, in the opinion of the Commissioner, of such amount as to render him liable to pay tax under this Act for any year or a part thereof, the Commissioner may serve in that year a notice in the prescribed form upon him requiring him to furnish a return of his total turnover; and such dealer shall thereupon furnish the return within the period and to the authority mentioned in the notice.

(3) If any dealer discovers any Commission or other error in any return furnished by him either by him under sub-section (1) or sub-section (2), he may furnish a revised return at any time before assessment is made on the original return.



16. ASSESSMENT :-- (1) At the close of a half year or at the closure of the business during that half year, if the Commissioner is satisfied that the returns furnished by a dealer under section 15 in respect of that half year are correct and complete, he shall, by an order in writing, assess the dealer and determine the tax payable by him on the basis of such returns.

(2) If the Commissioner is not satisfied that a return furnished under section 15 is correct and complete, he shall serve on the dealer a notice requiring him, on the date, and at the hour and place specified therein, either to attend in person or to produce or cause to be produced any evidence on which he may rely in support of his return.

(3) On the day specified in the notice under sub-section (2) or as soon afterwards as may be, the Commissioner, after hearing such evidence as the dealer may produce and such other evidence as the Commissioner may require shall, by an order in writing, assess the dealer and determine the tax payable by him on such assessment.

(4) If a dealer fails to make a return as required by sub-section (1) or sub-section (2) of section 15, as the case may be, or having made the return, fails to comply with all the terms of the notice issued under sub-section (2) of this section, the Commissioner, shall, by an order in writing, assess to the best of his judgement the dealer, and determine the tax payable by him on the basis of such assessment;

Provided that before making assessment the Commissioner may allow the dealer such further time as he thinks fit to make the return or to comply with the terms of the notice issued under sub-section (2) of his section.

(5) No assessment under this section shall be made after the expiry of four years from the end of the year in respect of which or part of which the assessment is made. Provided that when a fresh assessment is required to be made in pursuance of an order under section 17 or under section 32 or under section 33 or in pursuance of any other order of any court such fresh assessment may be made at any time within four years from the date of such order.

(6) In computing the time limited by sub-section (5), the period during which the Commissioner is restrained from commencing or continuing any proceeding for assessment by an order of the Board on any court shall be excluded.

17. CANCELLATION OF ASSESSMENT :- Where a dealer, in the case of an assessment completed under sub-section (4) of section 16, satisfied the Commissioner, within one month from the date of issue of a notice of demand as hereinafter provided, that he was prevented by sufficient cause from making the return required by section 15, or that he did not receive the notice issued under sub-section (2) of section 15 or sub-section (2) of section 16, or that he had not a reasonable opportunity to comply or was prevented by sufficient cause from complying with terms of the notice, the Commissioner shall cancel the assessment and make a fresh assessment in accordance with the provision of section 16.

18. **ASSESSMENT IN CASE OF EVASION :** If upon information which has come into his possession, the Commissioner is satisfied that any dealer has been liable to pay tax under this Act in respect of any period, and has nevertheless failed to apply for registration and to make the return required of him, the Commissioner may, at any time within eight years of the end of the aforesaid period, serve on the dealer a notice containing all or any of the requirements which may be included in the notice under sub-section (2) of sect. 15, and may proceed to assess the dealer in respect of such period and all subsequent periods, and the provisions of this Act, so far as may be, shall apply accordingly as if the notice were a notice issued under the aforesaid sub-section ;

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

19. **TURNOVER ESCAPING ASSESSMENT :-** If upon information which has come into his possession, the Commissioner is satisfied that any turnover in respect of sales of any goods chargeable to tax under this Act has escaped assessment during any return period or has been underassessed or assessed at a lower rate or any deduction has been wrongly made therefrom, he may, at any time within eight years of the end of the aforesaid period, serve on the dealer liable to pay the tax in respect of such turnover a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 15 or sub-section (2) of section 16 and may Proceed to assess or reassess the dealer in respect of such period and the provisions of this Act shall apply accordingly as if the notice were a notice served under the aforesaid sub-section ;

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

(2) The Commissioner may authorise any person appointed under section 8 to assist him in investigating any case or points in a case at any stage and to make a report thereon to the Commissioner or any prescribed authority in respect of all or any of the assessments made in relation to the case in order to prevent the evasion of tax. After considering the report of the investigating Officer, the Commissioner may proceed to take action under sub-section (1) besides initiating any other action under this Act against the dealer concerned.

20. **RESTRICTION ON MOVEMENT :-** No person shall take delivery or transport from any railway station, steamer station, airport, post office or any other place whether of similar nature or otherwise, notified in this behalf by the State Government, any consignment of notified goods the sale of which is taxable at the stage of first sale under this Act, exceeding such quantities and except in accordance with such conditions as may be prescribed. Such conditions shall be made with a view to ensuring that there is no evasion of the tax imposed by this Act.

21. **RECTIFICATION OF ASSESSMENTS :-** (1) The authority which made an assessment or passed an order on appeal or revision in respect thereof may, at any time within three years from the date of such assessment or order and of its own motion, rectify any mistake apparent from the record of the case, and shall within the like period, rectify any such mistake as has been brought to its notice by a dealer:

Provided that no such rectification shall be made having the effect of enhancing the assesment unless the authority concerned has given notice to the dealer of its intention so to do and has allowed him an reasonable opportunity of being heard.

(2) Where any such rectification has the effect of reducing the assesment, a refund shall be due to the dealer.

(3) Where any such rectification has the effect of enhancing the assesment, a notice of demand shall be issued for the sum payable.

## 22. PENALTY FOR CONCEALMENT OF TURNOVER AND EVASION OF TAX :-

(1) If any dealer -

(a) without reasonable cause, fails to furnish the return which he was required to furnish under section 15 or section 18, or without reasonable cause, fails to furnish it within the time allowed and in the manner required; or

(b) without reasonable cause, fails to comply with the notice under sub-section (2) of section 16;

shall, in addition to the tax payable by him, be liable to a fine of fifty rupees for each day till he furnish the return or comply with the notice served upon him,

(2) If the Commissioner, in the course of any proceedings under this Act, is satisfied that any dealer.

(a) has canceled the particulars of his turnover or deliberately furnished inaccurate particulars of such turnover, or

(b) has evaded in any way the liability to pay tax;

he may direct that such dealer shall pay by way of penalty, in addition to the tax by him, a sum not exceeding one and a half time that amount.

(2) No order under sub-section (1) shall be made unless the dealer has been heard or has been given a reasonable opportunity of being heard.

(3) No penalty under this section shall be imposed by an Officer appointed to assist the Commissioner without the previous sanction of the Commissioner.

## 23. ASSESSMENT NOT TO BAR PROSECUTIONS OR PENALTIES :-

Any assesment made under this Act shall be without prejudice to any prosecution or penalty instituted or imposed under the provisions of this Act.

## 24. TAX OF DECEASED PAYABLE BY REPRESENTATIVE :-

(1) Where a dealer dies after assesment by before payment of the tax, his executor, administrator or other legal representative shall be liable to pay, out of

the estate of the deceased to the extent to which it is capable of meeting the charge, the tax assessed as payable by such dealer.

(2) Where a dealer dies without having furnished the return required by section 15, or after having furnished the return but before assessment, the Commissioner may proceed to make an assessment and determine the tax payable by the deceased; and for this purpose he may require the executor, administrator, or other legal representative, as the case may be, of the deceased to perform all or any of the obligations which he might under the provisions of this Act, have required the deceased to perform, The tax thus determined shall be payable by the executor, administrator, or other legal representative of the deceased, to the extent to which the estate of the deceased is capable of meeting the charge.

25. **TAX WHEN PAYABLE BY TRANSFEREE :** When the business or stock of a registered dealer passes on to any person or persons, whether by sale, inheritance, gift, possession or otherwise, the liability to pay any tax payable in respect of such business and remaining unpaid at the time of such passing on shall be jointly and severally on the dealer or such person or persons and such person or persons shall, within 30 days of such passing on, apply for registration under section 9.

26. **ASSESSMENT OF DEALERS LIKELY TO TRANSFER ASSETS TO AVOID TAX :—** (1) Not with standing anything contained in this Act, if it appears to the Commissioner during any current return period that any dealer is likely, to charge, sell, transfer, dispose of or otherwise part with any of his assets with a view to avoiding payment of any liability under the provisions of this Act, the net turnover of such dealer for the period from the expiry of the previous return period to the date when the Commissioner commences proceedings under this section shall be chargeable to tax in that period.

(2) For the purpose of making an assessment under sub-section (1), the Commissioner may serve a notice upon such dealer requiring him to furnish, within such period as may be specified in the notice, a return in the manner and form in which a return under section 15 is furnished.

27. **LIABILITY OF GUARDIAN AND TRUSTEES ETC :—** Where the business in respect of which tax is payable under this Act is carried on by, or is in charge of, any guardian, trustee or agent of a minor or other incapacitated person on behalf of, and for the benefit of, such minor or other incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent as the case may be, in like manner and to the same extent as it would be levied upon and recoverable from any such minor or other incapacitated person is he were of full age and sound mind and if he were conducting the business himself; and all the provisions of this Act shall apply accordingly.

28. **LIABILITY OF COURTS OF WARD ETC :—** Where the estate or any portion thereof a dealer owning a business in respect of which tax is payable under this Act is under the control of the Courts of wards, the Official Trustee or any Receiver or Manager (including and person, whatever his designation, who in fact manages the business) appointed by, or under any order of a court, the tax shall be levied upon and recoverable from such Court of Wards, Official

Trustee, Receiver or Manager in like manner and to the same extent as it would be leviable upon and recoverable from the dealer if he were conducting the business himself; and all the provisions of this Act shall apply accordingly.

29. **LIABILITY OF AGENTS OF NON-RESIDENTS** :— Where the business in respect of which tax is payable under this Act is owned by a non-resident person, the tax shall be levied upon and recoverable from the agent of such non-resident person in like manner and to the same extent as it would be leviable upon and recoverable from the owner if he were resident in the State and conducting the business therein; and all the provisions of this Act shall apply accordingly.

30. **LIABILITY IN CASE OF DISCONTINUED FIRM OR ASSOCIATION** : Where the business carried on by a firm or an association of persons, other than a company as defined in Indian Companies Act, 1956 (Act 1 of 1956), and in respect of which tax is payable under this Act, is discontinued or the association of persons is dissolved, the tax shall be levied upon and recovered from, jointly and severally, every person who at the time of such discontinuance or dissolution was a partner of such firm or member as such association, and all the provisions of the Act shall apply accordingly.

31. **LIABILITY TO TAX ON CANCELLATION OF CERTIFICATE OR DISSOLUTION OF A FIRM OR ASSOCIATION** :—

(1) When a certificate of registration is cancelled under sub-section (3) of section 13 in any case other than that of a dissolution of a firm or association, the dealer shall be liable to pay tax on his stock of goods remaining unsold at the time of cancellation of the certificate and all the provisions of this Act shall apply accordingly.

(2) In case of dissolution of a firm or association of persons, the tax on the stock of goods, remaining unsold at the time of such dissolution, shall be levied upon and recovered from, jointly and severally, every person who, at the time of such dissolution was a partner of such firm or member of such association and all the provisions of this Act shall apply accordingly.

32. **APPEAL** :— (1) Any dealer objecting to an order of assessment or penalty passed under this Act may, within sixty days from the date of the service of such order, appeal to the prescribed authority, against such assessment or penalty :

Provided that no appeal be entertained by the said authority unless he is satisfied that the amount of tax as the appellant may admit to be due from him, has been paid;

Provided further that the authority before whom the appeals is filed may admit it after the expiration of sixty days, if such authority is satisfied that for reasons beyond the control of the appellant or for any other sufficient cause it could not be filed within time.

(2) Every appeal under sub-section (1) shall be presented in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority shall fix a day and place for hearing of the appeal, and may from time to time, adjourn the hearing and make, or cause to be made, such further enquiry as may be deemed necessary.

(4) In disposing of an appeal under sub-section (1) the appellate authority may—

(a) confirm, reduce, enhance or annul the assessment, or

(b) set aside the assessment and direct a fresh assessment after such enquiry as may be ordered, or

(c) confirm, reduce or annul the order of penalty.

33. REVISION BY COMMISSIONER :— (1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any person appointed under section 8 to assist him is erroneous in so far as it is prejudicial to the interest of the revenue, he may, after giving the dealer an opportunity of being heard and after making or causing to be made such enquiry as he deems necessary, pass such orders thereon as the circumstances of the case justify, including an order enhancing or modifying, the assessment, or cancelling the assessment and directing a fresh assessment.

(2) In the case of any order other than an order to which sub-section (1) applies passed by any person appointed under section 8 to assist him, the Commissioner may, either of his own motion or on a petition by a dealer for revision, call for the record of any proceeding under this Act in which any such order has been passed and may make such enquiry or cause such enquiry to be made, and subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the dealer, as he thinks fit.

(3) In the case of a petition for revision under sub section (2) by a dealer, the petition must be made within sixty days from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier;

Provided that the Commissioner before whom the petition is filed may admit it after the expiration of the period of ninety days if he is satisfied that for reasons beyond the control of the petitioner or for any other sufficient cause, it could not be filled within time.

(4) The Commissioner shall not revise any order under this section in the following cases :—

(a) Where an appeal against the order lies under section 32 or 33 but has not been made and the time within which such appeal may be made has not expired, or in the case of an appeal to the Board, the dealer has not waived his right of appeal; or

(b) Where the order is pending on appeal under section 32; or

(c) Where the order has been made the subject of an appeal to the Board.

**EXPLANATION :-** An order by the Commissioner declining to interfere shall, for the purpose of this section be deemed not to be an order prejudicial to the dealer.

**34. APPEAL TO THE BOARD :-** (1) Any dealer aggrieved by an order passed in appeal under section 32 or passed in revision under sub-section (1) of section 33 may appeal to the Board within sixty days of the date on which such order is communicated to him.

(2) The Board may admit an appeal after the expiration of sixty days referred to in sub-section (1) if it is satisfied that for reasons beyond the control of the appellant or for any other sufficient cause it could not be filed within times.

(3) An appeal to the Board shall be in the prescribed form and shall be verified in the prescribed manner, and shall be accompanied by a fee of twenty five rupees.

(4) The Board may, after giving the dealer an opportunity of being heard, pass such orders thereon as it thinks fit, and shall communicate any such orders to the dealer and to the Commissioner.

**35. REFERENCE :-** (1) Within sixty days from the date of service of any order under section 34, the dealer may, by petition in writing, require the Board to refer to the High Court any question of law arising out of such order of the Board or the Board may make such reference out of its own motion. Where the petition is made by a dealer, it shall be accompanied by a fee of one hundred rupees.

(2) Within sixty days of the receipt of the petition under sub-section (1), the Board shall, subject to the provisions in sub-section (3), draw up, after such hearing and enquiry as may be considered necessary, a statement of the case and refer it with its opinion thereon to the High Court.

(3) The Board may reject the application under sub-section (1) and refuse to state the case on the ground that it is time barred or otherwise incompetent, or that no question of law arises and the applicant may, within thirty days of such refusal withdraw the application and if he does so, the fee paid shall be refunded.

(4) Where the application under sub-section (1) is rejected on the ground that no question of law arises and where no action is taken by the applicant under sub-section (3), he may, within ninety days, from the date of such rejection, apply to the High Court against the order rejecting the application, and if, upon receipt of such an application, the High Court is not satisfied with the correctness of the decision, it may require the Board to state the case and refer it and, on receipt of any such requisition, the Board shall state and refer the case accordingly.

(5) Where the application under sub-section (1) is rejected on the ground that it is time-barred and where no action is taken by the applicant under sub-section (3), he may, within ninety days of the date of such rejection, apply to the High Court against the order rejecting the application and if upon receipt of

such an application, the High Court is not satisfied with the correctness of the decision, it may require the Board to treat the application under sub-Section (1) as made within time.

(6) Where the High Court is not satisfied that the statement in a case referred under this section is sufficient to enable it to determine the questions of law raised thereby, it may refer the case back to the Board to make such additions thereto at such alterations therein as may be directed and the Board shall thereupon comply with the directions and re-submit the case accordingly.

(7) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgement thereon containing the grounds on which such decision is founded, and shall send to the Board a copy of such judgement under the seal of the Court and signature of the Registrar, and the Board shall, on receipt of the copy of judgement, order disposal of the case accordingly.

(8) Where a reference is made on the application of a dealer, the costs shall be in the direction of the High Court.

(9) Notwithstanding that a reference has been made under this section to the High Court, payment of tax shall not be stayed pending disposal of such reference; but where the amount of tax is reduced as the result of the reference the excess shall be refunded in accordance with the provisions of this Act.

(10) Section 5 of the Indian Limitation Act, 1963, (Central Act XXXVI of 1963) shall apply to an application to the High Court under this section.

36. **NOTICE OF DEMAND** :- When any tax or penalty or other dues is or are payable in consequence of any order passed under or in pursuance of this Act, the Commissioner shall serve upon the person liable to pay such tax or other dues a notice of demand in the prescribed form specifying the sum so payable.

37. **TAX WHEN PAYABLE** :- (1) Tax payable under this Act shall be paid in the manner hereinafter provided.

(2) Before a registered dealer furnishes the return required by sub-section (1) of section 15, he shall, in the prescribed manner, pay into a Government Treasury the full amount of tax due from him under this Act on the basis of such returns, and shall furnish along with the returns a receipt from such treasury in token of payment of such tax.

(3) Where a revised return is submitted by a registered dealer under sub-section (3) of section 15, and if the revised return shows a greater amount of tax to be due than was payable on the basis of the original return, the dealer shall pay the excess amount of tax in the manner provided in sub-section (2), and shall furnish along with the revised return a receipt in token of payment of such excess tax.



(4) The amount of tax due under the provisions of this Act-

(a) in excess of payment already made under sub-sections (2) and (3) or  
(b) where no payment has been made, shall be paid by the dealer by such date as may be specified in the notice of demand and, where no such date is specified, it shall be paid within thirty days from the date of service of notice.

(5) Notwithstanding anything contained in sub-sections (2) and (3), the State Government may by notification provide that the tax payable under this Act in respect of any sale or class of sales and subject to such conditions as may be specified in the notification need not be paid in the manner provided in sub-section (2) and (3) by the dealer making the sale but shall be deposited by the person, body or authority to whom the sale has been made in such manner as may be laid down in the notification.

38. **COLLECTION OF TAX BY DEALER** — No person who is not a registered dealer shall realise any amount by way of tax under this Act on sales of goods from the purchasers.

39. **OTHER DUES, WHEN PAYABLE** — Any dues, other than the amount of tax, payable under this Act shall be paid by the person concerned by such date as may be specified in the notice of demand and where no such date is specified, it shall be paid within thirty days from the date of service of the notice.

40. **INTEREST PAYABLE BY DEALER** — (1) If any dealer does not pay into a Government Treasury the full amount of tax payable by him under this Act by the due date simple interest at the rate of twelve per centum per annum from the first day of the month next following the said date shall be payable by him on the amount by which the tax, if any, by the due date falls short of the tax payable. No interest under this sub-section shall be payable if the amount of tax paid by the due date is not less than ninety per centum of the tax payable.

(2) If such tax is not paid within a period of sixty days from the due date, then in addition to interest payable under sub-section (1), the dealer shall be liable to pay simple interest at the rate of twenty four per centum per annum from the day commencing after the said period of sixty days on the amount by which the tax paid, if any before the expiry of the said period falls short of the amount of tax payable.

(3) Interest under this section shall be payable till the tax Payable is paid in full :

Provided that where a dealer pays a part of the tax payable after the due date or in a case covered by sub-section (3), after the commencement of this Act he shall be liable to pay interest at the appropriate rate on the whole of the tax payable up to the date of part payment and thereafter on the balance tax payable.

(4) Where any interest becomes payable under this section, the Officer competent to assess the dealer under section 16 shall record an order to that effect specifying the amount of interest payable and the amount on which and the period

for which the interest is payable. Notwithstanding anything contained in this Act, and order under this sub-section can be passed at any time when interest under this section is found to be due.

(5) Where an order is passed under sub-section (3) of section 41 in respect of any dues, any interest relatable to the same dues and accrued under this section upto the date of such order and any further interest accruing after such date shall be recovered in the course of proceedings initiated in accordance with the said sub-section (3) in respect of the said dues and for that purposes no order under sub-section (4) of this section or notice under section 36 shall be necessary in respect of such interest.

(6) The provisions of this section shall not apply to tax payable in respect of sales covered by a notification under sub-section (5) of section 37.

Explanation I— For the purpose of this section “tax payable” means the amount of tax as finally assessed under this Act-

Explanation II— For the purpose of this section tax payable shall be deemed to due for payment as follows :—

For any period :—

(a) from the 1st April to 30 September by 31st October.

(b) from 1st October to 31st March- by 30th April.

41. **MODE OF RECOVERY** — (1) If the demand in respect of any dues under this Bill is not paid on or before the date specified as aforesaid the dealer shall be deemed to be in default;

Provided that the Commissioner may, in respect of any particular dealer and for reasons to be recorded in writing, extend the date of payment of the dues or allow such dealer to pay the same by instalments and in that case the dealer shall not be deemed to be in default.

(2) Where a dealer is in default, the Commissioner may, order that the amount due shall be recoverable as an arrear of land revenue and may proceed to realise the amount due as such.

(3) The provisions of this section shall not apply to tax payable in respect of sales covered by notification under sub-section (5) of section 37.

42. **REFUNDS** :— (1) The Commissioner shall, in the prescribed manner, refund to a dealer any sum paid by such dealer in excess of the sum due from him under this Act, either by cash payment or at the option of the dealer by set off against the sum due from him in respect of any other period.

(2) Where a tax has been levied under this Act in respect of any declared goods which are subsequently sold in the course of inter-state trade or commerce, the tax so levied shall be refunded in the manner prescribed.

(3) If for reason of delay, a refund, being other than a refund under subsection (2) of this section, due to a dealer is not made within ninety days of such refund being due, the State Government shall pay to such dealer simple interest at the rate of six per centum per annum on the amount refundable.

(4) Refund under this Act shall deemed to be due—

(a) In cases where the tax assessed has been reduced on appeal, revision etc. from the date the order of the appellate/revisonal authority comes to the knowledge of the assessing authority.

(b) In other cases, on the date an application for refund is made by the party claiming the refund.

43. REMISSION.— (1) The State Government may, for reasons to be recorded in writting, remit the whole or part of the amount of the tax or penalty payable in respect of any period by any registered dealer who has suffered heavy loss due to any natural calamity.

(2) The State Government may, by rules, provide that in such circumstances and subject to such conditions as may be prescribed, a draw back, set off, or a refund of the whole or any part of the tax paid in respect of any purchase or raw materials under this Act for use by any dealer in the manufacture of goods for sale, be granted to such dealer.

44. OFFENCES AND PENALTIES.—Whoever

(1) carries on business as a dealer or acts in contravention of any of the provisions of this Act, or

(2) fails, without reasonable cause, to submit in due time any return as required by or under the provisions of this Act, or submit a false return or

(3) being a registered dealer, falsely represents, when purchasing any class of goods, that goods of such class are covered by his certificate of registration; or

(4) not being a registered dealer, falsely represents when purchasing goods, that he is a registered dealer; or

(5) fails, when required by or under the provisions of this Act, to keep accounts or records of sales; or

(6) fails, when required by or under the provisions of this Act to produce any accounts, evidence or documents or to furnish any information, or

(7) fails or neglects to comply with any requirement made of him under the provisions of this Act; or

(8) knowingly produces incorrect accounts, registers or documents, or knowingly furnishes incorrect information; or

(9) fraudulently or wilfully evades the payment of any tax due under this Act, or conceals his liability to such tax; or

(10) fails to pay within the time allowed any tax assessed or any penalty levied on him other than tax assessed in respect of sales covered by notification under sub-section (5) of section 37; or

(11) prevents or obstructs inspections or entry by any officer acting under the provisions of this Act; or

(12) prevents or obstructs any Officers-in-charge of a check-post or barrier from making any entry or inspection of goods or in intercepting, detaining or searching any vehicle or boat carrying goods; or

(13) demands of charges, from any purchasers sales tax as such on the sales of any goods exempted under section 6 and section 7 or under any notification issued thereunder or at a rate higher than that payable under the provisions of this Act;

Shall, on conviction before a Magistrate and in addition to any tax or penalty or both that may be due from him, be punishable with imprisonment which may extend to six months or with fine not exceeding one thousand rupees or with both, and, when the offence is a continuing one, with a daily fine not exceeding fifty rupees during the period of the continuance of the offence.

45. **FALSE STATEMENT IN DECLARATION** :— Whoever makes a statement in a verification or declaration in connection with any proceedings under this Act which is false, and which he either knows or believes to be false, or does not believe to be true, shall on conviction before a Magistrate, be punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees, or with both.

46. **COGNIZANCE OF OFFENCE** :— (1) No court shall take cognising of any offence under this Act, or under the rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Magistrate of the first class shall try any such offence.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Act 2 of 1974), all offences punishable under this Act shall be cognizable and bailable

47. **COMPOSITION OF OFFENCES** — (1) Subject to such condition as may be prescribed, the Commissioner may, either before or after institution of criminal proceedings under this Act, accept from the person who has committed or is reasonably suspected of having committed an offence under this Act or the Rules made thereunder, by way of composition of such offence.

(a) Where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so coverable, a sum of money not exceeding one thousand rupees or double the amount of the tax recoverable, whichever is greater, and

(b) in any other case a sum of money not exceeding one thousand rupees in addition to the tax recoverable.

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

#### 48 DISCLOSURE OF INFORMATION BY A PUBLIC SERVANT.—

(1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any evidences given or affidavit or deposition made in the course of any proceedings under this Act other than proceedings before a criminal court, or in any record of any proceedings under this Act, shall save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872 (Act 1 of 1872), no court shall, save as aforesaid, be entitled to require any public servants to produce before it any such statement, return, accounts, documents or record or any part thereof, or to give evidence before it in respect thereof.

(2) If, save as provided in sub section (3), a public servant discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extent to six months, and shall also be liable to fine.

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

(a) of any of the particulars referred to in sub-section (1) for the purpose of prosecution under the Indian Penal Code, 1860 (Act XLV of 1860), of Prevention of Corruption Act, 1947 (Act 2 of 1947), in respect of any such statement, return, accounts, documents or evidence, or for the purpose of prosecution under this Act, or

(b) of such facts, to an Officer of the Central Government as may be necessary for the purpose of enabling that Government to levy or realise any tax impose by it, or

(c) of such facts to any officer of this or any other State Government as may be necessary for the purpose of enabling such officer to levy or realise any tax imposed by that Government.

#### 49. MAINTENANCE AND PRESERVATION OF ACCOUNTS :—

(1) Every registered dealer or other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 15, shall keep a true accounts of the goods bought and sold by him, and if the accounts maintained in the ordinary course do not, in the opinion of the Commissioner, enable him to apply a proper check on the returns furnished under the provisions of this Act, he may, by notice in writing, require such dealer such accounts (including records of sales) in such form as he may, subject to anything that may be prescribed, direct.

(2) Accountsreferred to in sub-section (1) together with all vouchers relating to stocks, deliveries, purchases, output, and sales shall be preserved for such period as may be prescribed.

#### 50. POWERS TO ORDER PRODUCTION OF ACCOUNTS AND POWER OF ENTRY AND INSPECTION. —

(1) Subject to such conditions and restriction as may be prescribed, the Commissioner may, for the purposes of this Act, require any dealer to produce before him any accounts or documents, and to furnish any information, relating to the stocks of goods of, or purchases, sales and deliveries of goods by, the dealer.

(2) All accounts, registers and other documents relating to the stocks of goods of, or purchases, sales or deliveries of goods by any dealer the goods in his possessions and his office, shops, godowns, vessels and vehicles shall, at all reasonable times, be open to inspection by the Commissioner.

(3) If the Commissioner has reason to suspect that any dealer is attempting to evade payment of any tax under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same only for so long as may be necessary for the purposes of this Act.

(4) The Commissioner may, for the purposes of sub-section (2) or sub-section (3), enter and search any place as is mentioned in sub-section (2) on the authority of a search warrant issued by a Magistrate.

(5) The provisions of section 100 of the Code of Criminal Procedure, 1973 (Act 2 of 1974), shall, so far as may be, apply to searches under sub-section (4)

#### 51. POWERS TO CALL FOR INFORMATION — The Commissioner may, for the purposes of this Act—

(1) require any firm or association of Hindu Undivided or joint family to furnish him with a statement of the names and address of the members of the firm or association or of the names and addresses of the manager and members of the family, as the case may be;

(2) require any person whom he has reason to believe to be a trustee, guardian, manager or agent to furnish him with a statement of the names of the persons with their addresses for or of whom he is trustee, Guardians, Manager or agent.

(3) require any person whom he has reason to believe to have obtained goods from outside the state to furnish him with a statement of the names of persons with their addresses from whom he has obtained the goods and of the names and prices of goods obtained;

(4) require any person whom he has reason to believe to have despatched goods to any place outside the state to furnish him with a statement of the names of persons with their addresses to whom he has despatched the goods and of the names and prices of goods despatched.

52. **DIRECTION OF CHECKPOST** - (1) The State Government may, by notification, set up and erect, in such manner as may be prescribed, check-post and barriers at any place in the state with a view to prevent the evasion of tax payable under this Act.

(2) Every person transporting goods shall, at a any check-post or barrier, set up and erected in accordance with sub-section (1) and before crossing such check post or barrier, file before the Officer-in-charge of the check-post or barrier, if so directed by him, a correct and complete declaration of the goods in such form and in such manner as may be prescribed.

(3) The Officer-in-charge of the check-post or barrier may for the purpose of satisfying himself that the provisions of sub-section (2) are not being contravened, and subject to such restrictions as may be prescribed, intercept, detain and search any vehicle or boat which may be suspected of being used for contravening such provisions.

53. **BAR OF SUITS IN CIVIL COURT AND INDEMNITY :—**

No suit shall be brought in any civil court to set aside or modify any assessment made or orders passed under the provisions of this Act, and no prosecution, suit or other proceeding shall lie against any Officer of the Government for anything in good faith done or intended to be done under this Act or the rules made thereunder.

54. **POWER TO TAKE EVIDENCE ON OATH, ETC.—**

The Commissioner shall, for the purpose of this Act, have the same powers as vested in a court under the code of Civil Procedure, 1908 (Act V of 1908), when trying suit, in respect of the following matters :—

- (1) enforcing the attendance of any person and examining him on Oath or affirmation;
- (2) compelling the production of documents;
- (3) issuing commission for examination of witnesses;

And any such proceedings before Commissioner shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code, 1860 (Act XLV of 1860).

55. **COMPUTATION OF THE PERIOD OF LIMITATION :**

In computing the period of limitation prescribed for an appeal or a revision or reference, the day on which the order complained of was made and the time requisite for obtaining a copy of such order, shall be excluded.

56. **INFORMATION TO BE FURNISHED REGARDING CHANGES OF BUSINESS :—** If any dealer to whom the provisions of section 15 apply—

(a) sells or otherwise transfer or disposes of his business or any part, thereof; or

(b) discontinues his business or changes his place of business or opens a new place or of business; or

(c) changes the name of nature of his business; he shall, within such period as may be prescribed, inform the prescribed authority accordingly.

(2) where any dealer as aforesaid dies, his successor or legal representative shall furnish the information in the like manner.

57. SERVICE OF NOTICES :— (1) A notice or requisition under this Act may be served on the person therein named either by post or, as if it were a summons issued by a Court, under the Code of Civil Procedure, 1908 (Act of 1908).

(2) Any such notice or requisition may, in the case of a firm or Hindu Undivided or joint family be addressed to any member of the firm or to the manager, or any adult member of the family and, in the case of other association of persons be addressed to the principal officer thereof.

58. DELEGATION OF COMMISSIONERS POWERS :— The Commissioner may, subject to such restrictions and conditions as may be prescribed, delegate, by notification in the Official Gazette, any of his powers under this Act to any person appointed under section 8 to assist him.

59. POWERS TO REMOVE DIFFICULTIES :— If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion may require, by order, do anything, not inconsistent with the purposes of this Act as appear to them to be necessary or expedient for removing the difficulty.

60. POWERS TO MAKE RULES :— (1) The State Government may, subject to the condition of previous publication, make rules for carrying 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) the classes and duties of officers appointed for the purpose of enforcing the provisions of this Act as provided in section 8;

(b) the form of application to be used for registration under section 9;

(c) the form of notice to be served under section 15;

(d) the date on which and the authority to which returns shall be furnished under section 15;

(e) the form of appeal to be used and the manner of verification to be followed under sections 32 and 34;

(f) the classes of and the authority for determination and settlement of disputes;

(g) the fees for reference, revision or appeal petitions, supply of certified copies of orders and other matters;



- (h) the manner in which refund shall be made;
- (i) the interval at which and the manner in which the tax under this Act shall be payable;
- (j) any other matter which is required to be or may be prescribed ;

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

### SCHEDULE — I

(See clauses 15 of Section 2)

Sl. No.	DESCRIPTION OF GOODS
1.	Motor vehicles, including chassis of motor vehicles, and spare parts of motor vehicles
2.	Motor Cycles and cycle combinations, motor scooter, motorettes and spare parts of motor cycles, motor scooters, motorettes.
3.	Refrigerators and air conditioning plants component parts thereof.
4.	Wireless reception instruments and apparatus, radios and radio gram- phones, electrical valves accumulators, amplifiers and loud speakers and spare parts and accessories thereof.
5.	Cinematographic equipment including Cameras, projectors and sound recor- ding and reproducing equipment, lenses, films and parts and accessories required for use therewith.
6.	Photographic and other cameras and enlargers, lenses, film and plates, paper and cloth and other parts and accessories required for use therewith.
7.	All clocks, time pieces and watches and parts thereof.
8.	Iron and steel safes and almirahs.
9.	All arms including rifles, revolvers, pistol and ammunition for the same.
13.	Cigarette cases and lighters.
11.	Dictaphone and other similar apparatus for recording sound and spare parts thereof.
12.	Sound transmitting equipment including telephones and loud speakers and spare parts thereof.

13. Typewriters, Tabulating machines, calculating machines and Duplicating machine and parts thereof.
14. Binoculars, telescopes and opera glasses.
15. Gramophones and component parts thereof and records.
16. Television sets, spareparts and accessories thereof.
17. Video Cassette player and Video Cassette recorder, spare parts and accessories thereof.
18. Video Cassettes.
19. Tape recorder, component parts and accessories thereof.
20. Television monitory.
21. Voltage stabilizer.
22. Record player, record, Cassettes, component parts, accessories of record player.

### SCHEDULE — II

(See Section 4)

Sl. No.	Description	Rate of Tax
1.	Declared goods	2 per centum
2.	Special goods	5 per centum
3.	(a) Readymade garments made of textile not containing any synthetic yarn or fabric.	2 per centum
	(b) Readymade garments other than those including at (a)	5 per centum
5.	Other goods (other than goods taxable under the Mizoram (Scales of Petroleum and Petroleum Products including Motor Spirit and Lubricants) Taxation Act, 1973.	5 per centum

### SCHEDULE III

(See Section 7)

List of goods exempted under Section 7 of the Mizoram Sales Tax Act, 1985.

Sl.No.	Description	Conditions and exeptions subject to which exemption has been allowed.
1.	All cereals & pulses including all forms of rice.	Except when sold in sealed containers.

2. Plough, Plough Points, Spade (Kodali) Sickles, Khurpi, Axe, Khanba (for digging hole in the soil) and Doa.
3. Books, Periodicals and Newspapers.
4. Bread
5. Betelnuts
6. Condom
7. Cotton
8. Electric Energy
9. Fertilizers viz :
  - a) all chemical fertilizers and Bone-meal
  - b) Raw materials used in the manufacture of fertilizer,
  - c) Oil-cakes.
10. Fish, Ghee but not vegetable ghee), Dahi, Butter, Cream, Casein, Meat and Vegetable (but not Onion, Garlic, Ginger, Spices and Condiments). Except when sold in sealed containers.
11. Flour including atta, maida, suji and bran.
12. Fresh fruits
13. Gur and molasses.
14. (i) Anti-Malaria drugs, viz :  
quinine in powder form, quinine pills (but not sugar coated), quinine alkaloids, Salts of Cinchona and its Alkaloids, Tatabiquina, Cinchona fabrifuge and Chloroquine group of drugs, eg. Nevaquine, Resochin and Comaquine, whether in solution or in powder or in tablet form, Paludrine and Daraprim.  
(ii) Anti-Kala-azar drugs, viz.  
Urea Stabamine and Pentamidine Isethionate.

- (iii) Vaccine, viz. small pox vaccine, Cholera vaccine and T.A.B. vaccine.
15. Mustard Oil, rape oil and mixture of mustard and rape oil.
  16. Mustard seed and rape seed and potato seeds.
  17. Sago Except when sold in sealed container.
  18. Salt
  19. Water but not distilled, aerated or mineral water when sold in bottles or sealed containers.
  20. Milk Except when sold in sealed container.
  21. Firewood.
  22. Mathematical instruments for students.
  23. Spun silk yarn (as distinguished from raw silk) and Noil yarn.
  24. Goods sold at Defence services installations. Exemption is allowed on conditions that the goods are sold to personnel of Defence Services at prices fixed by the Govt. of India.
  25. Slates and slate pencil
  26. Pencil, Paper, blotting paper ink, ink-pot, penholder, nib and eraser purchased for use by students. On production of a certificate to that effect from the Head of institutions.
  27. Scale, Colour box, painting box, school map, exercise book and drawing book.
  28. Grass used and cattle feeder only.
  29. Endi and Muga Cloth
  30. Endi and Muga yarn.
  31. Handspun Cotton Yarn.

32. Handloom cloth woven out handspun cotton yarn.
33. Mill-made Cotton yarn
34. Publications issued by the Publications Division of the Govt. of India, Ministry of Information and Broadcasting.
35. All varieties of textiles, namely cotton, woollen or silken including rayon, art silk or nylon whether manufactured by handloom, powerloom or otherwise.
36. Sugar
37. Tobacco and all its products.
38. Ayurvedic medicines other than patents or registered trade mark tonics.
39. Potteries
- When sold by producers cooperative furnishing on annual certificate from competent Officer of the Co-operative Department to the effect that they continued to produce these goods by the labour of their own members without engaging any hired labour. When sold to sugar factories.
40. Sugar Cane
41. Khadi and products of Village Industries as defined in the Khadi and Village Industries Commissions Act. 1956.
- When sold by a producer and or organisation certified for the purpose by the Khadi and Village Industries Commission's Act, 1956 or the Mizoram State Khadi and Village Industries Board constituted under the Act, 1982.
42. Handwoven silk (Pat) Cloth
- When produced and sold by Weaver's Co-operative Societies.
43. Goods exported to Bhutan
- On production of a certificate from the Commissioners, Deputy Commissioners, SDO's of the Southern Bhutan, Serbhang to the effect that goods are for export to Bhutan.

44. Leather cloth and inferior or imitation leather cloth ordinarily used in book binding.
45. Rubberised or synthetic water proof fabrics whether single textured for double-textured.
46. Book binding cotton fabrics
47. Endi spinning and Muga-cum-Tossar twisting and reeling machines popularly known as Nidhiram type.
48. Articles donated by Manufacturers and dealers as gift for the use by the Armed Forces. On production of a certificate from the Local station Commander of the Armed Forces or his authorised agent to the effect that the articles are donated as gift for the use by the Armed Forces.
49. Goods purchased by the Indian Aid Mission, Nepal. On production of a certificate from the Director, Indian Aid Mission, Nepal or his agent to the effect that the goods are for use in Indian aided projects in Nepal.
50. Green tea leaf.
51. Furnace Oil When sold to public utility undertakings for generation of electric energy in Mizoram.
52. Goods exported to Sikkim On production of land customs receipt or certificate of the Govt. of Sikkim to the effect that the goods are meant for consumption in that country.
53. Paper used for printing Text Books approved by the Text Book Committee and the University. On production of Certificate Book Committee, University and other Education Authorities e.g. Mizoram Board of School Education.
54. Patidoi Sut.
55. Oil-Cake
56. Goods purchased by United Nations International Children Emergency Fund. On production of a Certificate from the Officer authorised by United Nations International Childrens Emergency Fund to issue such certificate and subject to such goods being for Official use only.

57. Gobar Gas Plants

58. Sericulture products, namely, Silk, cocoons, handspun silk yarns, raw-silk and silk waste.

58. Saplings

60. Newsprint sold to small and medium newspapers in Mizoram.

Exemption is allowed on the condition that newsprint is sold to small and medium newspapers in Mizoram for publication of newspapers on production of certificate to be issued by Commissioner of Taxes.

K.N. Srivastava,  
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Law, Judicial & Parliamentary Affairs Deptt.