



The Andhra Pradesh Value Added Sales Tax Act, 2004

Act 9 of 2004

Keyword(s):

Business, Casual Trader, Commercial Tax Officer, Dealer, Deputy Commercial Tax Officer, Deputy Commissioner, Exempt Sale, Exempted Turnover, Fair Market Value, Goods, Goods Vehicle, Input Tax, Joint Commissioner, Output Tax, Place of Business, Purchase Price, Return, Sale Price, Special Rate of Tax, State Representative, Tax, Tax Invoice, Tax Period, Taxable Sale, Taxable Turnover, Total Turnover, Turnover Tax, Turnover Tax Dealer, Vat, Vat Dealer, Vessel, Works Contract, Zero Rated Sale

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**ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following Act of the Andhra Pradesh Legislative Assembly which was reserved by the Governor on the 30th March, 2003 for the consideration and assent of the President received the assent of the President on the 10th December, 2004 and the said assent is hereby first published on the 28th December, 2004 in the Andhra Pradesh Gazette for general information:-

ACT No. 9 OF 2004

**AN ACT TO PROVIDE FOR AND CONSOLIDATE THE
LAW RELATING TO LEVY OF VALUE ADDED TAX
ON SALE OR PURCHASE OF GOODS IN THE STATE
OF ANDHRA PRADESH AND FOR MATTERS
CONNECTED THEREWITH AND INCIDENTAL
THERE TO**

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-Fifth Year of the Republic of India as follows:

CHAPTER - I

PRELIMINARY

1. (1) This Act may be called the **Andhra Pradesh Value Added Sales Tax Act, 2003.** Short title,
extent and
commence-
ment

(2) It extends to the whole of the state of Andhra Pradesh.

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

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

(1) **‘Additional Commissioner’** means any person appointed to be an Additional Commissioner of Commercial Taxes under section 83;

(2) **‘Appellate Deputy Commissioner’** means any person appointed under section 83 to be an Appellate Deputy Commissioner or any other officer not below the rank of Deputy Commissioner authorized by the Commissioner to be an Appellate Deputy Commissioner;

(3) **‘Appellate Tribunal’** means the Appellate Tribunal appointed under section 3;

(4) **‘Assessing authority’** means any officer of the Commercial Taxes Department authorized by the Commissioner to make any assessment in such area or areas or the whole of the State of Andhra Pradesh;

(5) **‘Assistant Commissioner’** means any person appointed to be an Assistant Commissioner of Commercial Taxes under section 83;

(6) **‘Business’** includes:

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

(b) any transaction in connection with, or incidental or ancillary to, such trade, commerce, manufacture, adventure or concern; and

(c) any transaction in connection with commencement or incidental or ancillary to the commencement or closure of such trade, commerce, manufacture, adventure or concern;

Explanation: - For the purpose of this clause, —

(i) the activities of raising of man made forests or rearing of seedlings or plants shall be deemed to be business;

(ii) any transaction of sale or purchase of capital goods pertaining to such trade, commerce, manufacture, adventure or concern shall be deemed to be business;

(iii) a sale by a person whether by himself or through an agent of agricultural or horticultural produce grown by himself or grown on any land whether as owner or tenant in a form not different from the one in which it was produced, save mere cleaning, grading or sorting does not constitute business;

(7) 'Casual trader' means a person who, whether as principal, agent or in any other capacity, carries on occasional transactions of a business nature involving the buying, selling, or distribution of goods in the State, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration;

(8) 'Commissioner' means any person appointed by the Government to be the Commissioner of Commercial Taxes under section 83;

(9) 'Commercial Tax Officer' means any person appointed to be Commercial Tax Officer under section 83;

(10) 'Dealer' means any person who carries on the business of buying, selling, supplying or distributing goods or delivering goods on hire purchase or on any system of payment by instalments, or carries on or executes any works contract involving supply or use of material directly or otherwise, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes,—

(a) a company, a Hindu undivided family or any society including a co-operative society, club, firm or association which carries on such business;

(b) a society including a co-operative society, club, firm or association which buys goods from, or sells, supplies or distributes goods to its members;

(c) a casual trader, as herein before defined;

(d) any person, who may, in the course of business of running a restaurant or an eating house or a hotel by whatever name called, or otherwise sells or supplies by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink whether or not intoxicating;

(e) any person, who may transfer the right to the use of any goods for any purpose whatsoever whether or not for a specified period in the course of business to any other dealer;

(f) a commission agent, a broker, a declared agent, an 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 or principals;

Explanation I: Every person who acts as an 'agent of a non-resident dealer', that is, as an agent on behalf of a dealer residing outside the State, and buys, sells, supplies or distributes goods in the State or acts on behalf of such dealer as,--

(Central
Act III
of 1930)

(i) a mercantile agent as defined in the Sale of Goods Act, 1930, or

(ii) an agent for handling goods or documents of title relating to goods, or

(iii) an agent for the collection or the payment of the sale price of goods or as a guarantor for such collection or payment and every local branch of a firm or company situated outside the State, shall be deemed to be a dealer for the purpose of this Act;

Explanation II: Where a grower of agricultural or horticultural produce sells such produce grown by himself on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise, in a form different from the one in which it was produced after subjecting it to any physical, chemical or any

process other than mere cleaning, grading or sorting, he shall be deemed to be a dealer for the purpose of this Act;

Explanation III: The Central Government or the State Government which, whether or not in the course of business, buys, sells, supplies or distributes goods, directly or otherwise, for cash or for deferred payment or for commission, remuneration or other valuable consideration shall be deemed to be a dealer for the purposes of this Act;

Explanation IV: Each of the following persons and bodies, whether or not in the course of business, who sells or disposes of any goods including unclaimed or confiscated or unserviceable goods or scrap, surplus, old, obsolete, or discarded material or waste products whether by auction or otherwise, directly or through an agent for cash, or for deferred payment or for any other valuable consideration shall be deemed to be a dealer to the extent of such disposals or sales, namely:-

- (i) Port Trust;
- (ii) Municipal Corporations, Municipal Councils, and other local authorities;
- (iii) Railway authorities;
- (iv) Shipping, transport and construction companies;
- (v) Air transport companies and air-lines including National Airport Authority;
- (vi) Transporters, holding permits for transport vehicles granted under the Motor Vehicles Act, 1988 which are used or adopted to be used for hire;
- (vii) Andhra Pradesh State Road Transport Corporation;
- (viii) Customs Department of the Government of India administering the Customs Act, 1962;
- (ix) Insurance and financial corporations or companies and Banks included in the Second Schedule to the Reserve Bank of India Act, 1934;
- (x) Advertising agencies;

(xi) Any other Corporation, company, body or authority owned or setup by or subject to administrative control of the Central Government or any State Government;

Explanation V: Save as otherwise expressly provided for under this Act, the word 'dealer' shall include a VAT dealer and a TOT dealer;

(11) '**Deputy Commercial Tax Officer**' means any person appointed to be a Deputy Commercial Tax Officer under section 83;

(12) '**Deputy Commissioner**' means any person appointed to be a Deputy Commissioner of Commercial Taxes under section 83;

(13) '**Exempt sale**' means a sale of goods on which no tax is chargeable, and consequently no credit for input tax related to that sale is allowable;

(14) '**Exempted Turnover**' means the aggregate of sale prices of all goods exempted under this Act and full or part of the actual value or fair market value of all transactions not taxable under the provisions of this Act, including transactions falling under section 6A of the Central Sales Tax Act 1956;

(15) '**Fair market value**' means the price that the goods would ordinarily fetch on sale in the open market on the date of sale or dispatch or transfer of such goods;

(16) '**Goods**' means all kinds of movable property other than newspapers, actionable claims, stocks, shares and securities, and includes all materials, articles and commodities including the goods as goods or in some other form, involved in the execution of a works contract or those goods used or to be used in the construction, fitting out, improvement or repair of movable or immovable property and also includes all growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale;

(17) '**Goods vehicle**' means any motor vehicle constructed or adapted for the carriage of goods, or any other motor vehicle not so constructed or adapted when used for the carriage of goods solely or in addition to passengers and also includes every wheeled conveyance;

(18) 'Government' means the State Government of Andhra Pradesh;

(19) 'Input tax' means the tax paid or payable under this Act by a VAT dealer to another VAT dealer on the purchase of goods in the course of business;

(20) 'Joint Commissioner' means any person appointed to be a Joint Commissioner of Commercial Taxes under section 83;

(21) 'Notification' means a notification published in the Andhra Pradesh Gazette and the word notified shall be construed accordingly;

(22) 'Output tax' means the tax paid or payable by a VAT dealer on the sale of goods to another VAT dealer or any other person;

(23) 'Place of business' means any place where a dealer purchases or sells goods and includes:

(a) any warehouse, godown or other place where goods are stored or processed or are produced or manufactured; or

(b) any place where a dealer keeps his books of accounts; or

(c) any place where business is carried on through an agent by whatever name called, the place of business of such agent;

(24) 'Prescribed' means prescribed by the Rules made under this Act;

(25) 'Purchase Price' means the amount of valuable consideration paid or payable by a person for any purchase made including any sum charged for anything done by the seller in respect of the goods at the time of or before delivery thereof;

Explanation I: - Where the purchase is effected by way of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract, purchase price shall mean the total consideration for the works contract and for the purpose of levy of tax, purchase price shall be taken to mean the price as may be determined in accordance with the rules, by making such deductions from the total consideration for the works contract as may be prescribed;

Explanation II: - The amount of duties levied or leviable on the goods under the Central Excise Act, 1944, or the Customs Act, 1962 shall be deemed to be part of the purchase price of such goods, whether such duties are paid or payable by or on behalf of the seller or the purchaser or any other person;

Explanation III: - Purchase price shall not include tax paid or payable by a person in respect of such purchase;

(26) 'Return' means any return required to be furnished under this Act or the Rules made thereunder;

(27) 'Rules' means rules made under this Act;

(28) 'Sale' with all its grammatical variations and cognate expressions means every transfer of the property in goods whether as such goods or in any other form in pursuance of a contract or otherwise by one person to another in the course of trade or business, for cash, or for deferred payment, or for any other valuable consideration or in the supply or distribution of goods by a society including a co-operative society, club, firm, association to its members, but does not include a mortgage, hypothecation or pledge of, or a charge on goods;

Explanation I: - A delivery of goods on the hire purchase or any system of payment by installments shall, notwithstanding the fact that the seller retains the title in the goods, as security for payment of price, be deemed to be a sale, on the delivery of goods;

(Central
Act III
of 1930)

Explanation II:- (a) Notwithstanding anything contained in the Sale of Goods Act, 1930 a sale or purchase of goods shall be deemed, for the purpose of this Act to have taken place in the State, wherever the contract of sale or purchase might have been made, if the goods are within the State,—

(i) in the case of specific or ascertained goods, at the time the contract of sale or purchase is made; and

(ii) in the case of unascertained or future goods, at the time of their appropriation to the contract of sale or purchase by the seller or by the purchaser, whether the assent of the other party is prior or subsequent to such appropriation;

(b) where there is a single contract of sale or purchase of goods situated at more places than one, the provisions of clause

(a) shall apply as if there were separate contracts in respect of the goods at each of such places;

Explanation III: - Notwithstanding anything contained in this Act or in the Sale of Goods Act, 1930 two independent sales or purchases shall for the purposes of this Act, be deemed to have taken place,-- (Central Act III of 1930)

- (1) when the goods are transferred from a principal to his selling agent and from the selling agent to his purchaser, or
- (2) when the goods are transferred from the seller to a buying agent and from the buying agent to his principal, if the agent is found in either of the cases aforesaid,--
 - (i) to have sold the goods at one rate and have passed on the sale proceeds to his principal at another rate; or
 - (ii) to have purchased the goods at one rate and to have passed them on to his principal at another rate; or
 - (iii) not to have accounted to his principal for the entire collections or deductions made by him, in the sales or purchases effected by him on behalf of his principal; or
 - (iv) to have acted for a fictitious or non-existent principal;

Explanation IV: - A transfer of right to use any goods for any purpose whether or not for a specified period for cash, deferred payment or other valuable consideration shall be deemed to be a sale;

Explanation V: - Notwithstanding anything contained in this Act or in the Sale of Goods Act, 1930, the sale of goods includes the supply, by way of or as part of any service or in any manner whatsoever, of goods, being food or any other article for human consumption or any drink whether or not intoxicating, where such supply or service, is for cash, deferred payment or other valuable consideration and such supply of any goods shall be deemed to be a sale of those goods by the dealer making the supply of those goods to any person the dealer to whom such supply is made;

Explanation VI: - Whenever any goods are supplied or used in the execution of a works contract, there shall be deemed to be a transfer of property in such goods at the time of their

incorporation, whether or not the value of the goods so supplied or used in the course of execution of such works contract is shown separately and whether or not the value of such goods or material can be separated from the contract for the service and the work done;

Explanation VII: - Notwithstanding anything contained in the Sale of Goods Act, 1930, a sale or purchase of goods shall, for the purposes of this Act be deemed to have taken place where in the course of any scheme whether called as "Lucky Gift Scheme" or by any other name, any goods are transferred by the dealer who runs such scheme to any other dealer who is a subscriber to that scheme, provided that all the subscribers to the scheme have agreed to contribute a specific sum periodically or otherwise, towards the cost of any article agreed to be sold or given to the winner of the draw held by the holder of the scheme; and the turnover for the purpose of this explanation shall be the amount which would have been payable by the subscriber had he not won the prize till the end of the series of draw;

Explanation VIII: - Every transfer of property in goods by the Central Government or the State Government for cash or for deferred payment or for any other valuable consideration, whether or not in the course of business shall be deemed to be a sale for the purpose of this Act;

(29) 'Sale Price' means,--

- (a) the total amount set out in the tax invoice or bill of sale.
- (b) the total amount of consideration for the sale or purchase of goods as may be determined by the assessing authority, if the tax invoice or bill of sale does not set out correctly the amount for which the goods are sold; or
- (c) if there is no tax invoice or bill of sale, the total amount charged as the consideration for the sale or purchase of goods by a VAT dealer or TOT dealer either directly or through another, on his own account or on account of others, whether such consideration be cash, deferred payment or any other thing of value and shall include,--
 - (i) the value of any goods as determined by the assessing authority,--

- (a) to have been used or supplied by the dealer in the course of execution of the works contract;
 - (b) to have been delivered by the dealer on hire purchase or any other system of payment by instalments;
 - (c) to have been supplied or distributed by a society including a Co-operative Society, Club, firm or association to its members, where the cost of such goods is not separately shown or indicated by the dealer and where the cost of such goods is separately shown or indicated by the dealer, the cost of such goods as shown or indicated;
- (ii) any other sum charged by the dealer for anything done in respect of goods sold at the time of, or before, the delivery of the goods;
 - (iii) any other sum charged by the dealer, whatever be the description, name or object thereof.

Explanation-I – Subject to such conditions and restrictions, if any, as may be prescribed in this behalf, any cash or other discount on the price allowed in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the sale price;

Explanation-II – For the purpose of determination of sale price and levy of Value Added Tax, the Value Added Tax charged or chargeable shall not form part of Sale Price.

- (30) ‘Schedule’ means a Schedule appended to this Act;
- (31) ‘Special Rate of Tax’ means the Rates of tax specified in Schedule - VI;
- (32) ‘State’ means the State of Andhra Pradesh;
- (33) ‘State Representative’ means an officer of the Commercial Taxes Department not below the rank of Assistant Commissioner appointed by the State Government to receive on their behalf notices issued by the Appellate Tribunal and generally to appear, act and plead on their behalf in all proceedings before the Appellate Tribunal and includes an officer authorized to act on his behalf in his absence;
- (34) ‘Tax’ means a tax on the sale or purchase of goods payable under this Act and includes, -

- a) a tax on the transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration;
- b) a tax on the transfer of property in goods whether as goods or in some other form involved in the execution of a works contract;
- c) a tax on the delivery of goods on hire purchase or any system of payment by instalments;
- d) a tax on the transfer of the right to use any goods for any purpose whether or not for a specified period for cash, deferred payment or other valuable consideration;
- e) a tax on the supply of goods by any un-incorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration; or
- f) a tax on the supply, by way of or as part of any service or in any other manner whatsoever of goods, being food or any other article for human consumption or any drink whether or not intoxicating, where such supply or service is for cash, deferred payment or other valuable consideration;

(35) 'Tax invoice' means a sale invoice containing such details as may be prescribed and issued by a VAT dealer to another VAT dealer;

(36) 'Tax period' means a calendar month or any other period as may be prescribed;

(37) 'Taxable Sale' means a sale of goods taxable under this Act and under the Central Sales Tax Act, 1956 and shall include sale of any goods exported outside the territory of India or sold in the course of export;

(38) 'Taxable turnover' means the aggregate of sale prices of all taxable goods;

Explanation-I: For the purpose of a VAT dealer, it shall not include the amount of VAT paid or payable, but shall include the sale price of zero-rated sales;

Explanation-II: For the purpose of TOT dealer, it shall include any amount of VAT paid to the seller of the goods;

Explanation-III: The sale price relating to second and subsequent sale of goods specified in Schedule VI shall not form part of taxable turnover;

(39) 'Total turnover' means the aggregate of sale prices of all goods, taxable and exempted, sold at all places of business of the dealer in the State, including transactions falling under section 8 of this Act and under section 6A of the Central Sales Tax Act, 1956 and shall also include the gross consideration received or receivable towards execution of works contract.

(40) 'Turnover tax' is a tax on the taxable turnover of those dealers not registered as VAT dealers;

(41) 'Turnover Tax Dealer' means any dealer who is registered or liable to be registered as a TOT dealer;

(42) 'VAT' means Value Added Tax on sales, levied under the provisions of this Act;

(43) 'VAT dealer' means a dealer who is registered for VAT;

(44) 'Vessel' includes any ship, barge, boat, raft, timber, bamboos or floating materials propelled in any manner;

(45) 'Works Contract' includes any agreement for carrying out for cash or for deferred payment or for any other valuable consideration, the building construction, manufacture, processing, fabrication, erection, installation, laying, fitting out, improvement, modification, repair or commissioning of any movable or immovable property;

(46) 'Year' means the twelve-month period ending on the thirty first day of March;

(47) 'Zero rated Sale' for the purpose of this Act, means a sale of goods in the course of inter-state trade or commerce and exports to outside the territory of India including sales in the course of export.

3. (1) The Government shall appoint an Appellate Tribunal consisting of a Chairman and two other members to exercise the functions conferred on the Appellate Tribunal by or under this Act. The Chairman shall be a judicial officer not below the rank of a District Judge, Grade-I and of the other two members one

Appellate
Tribunal.

shall be an officer of the State Government not below the rank of a Joint Commissioner of Commercial Taxes, and the other shall be an officer of the Indian Revenue Service not below the rank of a Joint Commissioner.

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

(3) Notwithstanding anything contained in sub-section (1), the Government may at any time, by order, constitute an additional Bench of the Tribunal, with two members, of whom one shall be a District Judge, Grade – I and the other shall be an Officer of the Commercial Taxes Department of the State Government not below the rank of a Joint Commissioner of Commercial Taxes to function at such place and for such period as they may specify therein.

(4) The Appellate Tribunal shall, with the previous sanction of the State Government make regulations consistent with the provisions of this Act and rules made thereunder, for regulating its procedure and the disposal of its business. Such regulations shall be published in the Andhra Pradesh Gazette and shall come into force on the date of its publication.

CHAPTER - II

INCIDENCE, LEVY AND CALCULATION OF TAX

Charge to
Tax.

4. (1) Save as otherwise provided in this Act, every dealer shall be liable to pay tax on every sale or purchase of goods, in the State at the rates specified in the Schedules.

(2) Every dealer who is registered or liable to be registered for TOT and who has not opted for registration as VAT dealer and whose taxable turnover in a period of 12 consecutive months exceeds Rs. 3 lakhs (rupees three lakhs) but does not exceed Rs. 20 lakhs (rupees twenty lakhs), shall pay turnover tax at the rate of one and half (1.5%) per cent on the taxable turnover in the manner prescribed.

(3) Every VAT dealer shall pay tax on every sale of goods taxable under this Act on the sale price at the rates specified in the Schedules III, IV and V, subject to the provisions of section 13.

(4) Every VAT dealer who in the course of his business purchases any taxable goods from a person or a dealer not registered as a VAT dealer shall be liable to pay tax on the purchase price of such goods, if after such purchase, the goods are, -

- (i) used as inputs for goods which are exempt from tax under this Act; or
- (ii) used as inputs for goods, which are disposed of otherwise than by way of sale in the State or dispatched outside the State otherwise than by way of sale in the course of inter-State trade and commerce or export out of the territory of India; or
- (iii) disposed of otherwise than by way of consumption or by way of sale either within the State or in the course of inter state trade or commerce and such tax shall be levied at the same rate at which tax would have been otherwise levied on the sale of such goods within the State on the date of such purchase.

(5) Every dealer shall pay tax on the sale price of goods at the special rates and at the point of levy specified in Schedule VI.

(6) Every casual trader who sells goods within the State shall pay tax on the sale price of such goods at the rates specified in the respective Schedules.

(7) Subject to such conditions as may be prescribed, a dealer executing works contract may opt to pay tax by way of composition, a tax at the rate of twelve and half percent (12.5%) on such portion of the value of the consideration received or receivable as may be prescribed.

5. Nothing contained in this Act shall be deemed to impose or authorise the imposition of a tax on the sale or purchase of any goods, where such sale or purchase takes place, -

- (a) outside the State; or
- (b) in the course of the import of the goods into, or export of the goods out of the territory of India; or
- (c) in the course of inter-State trade or commerce.

Act not to apply to sales or purchases outside the State, in the course of import or export, etc.

(Central
Act 74
of 1956)

Explanation: - The provisions of Chapter II of the Central Sales Tax Act, 1956, shall apply for the purpose of determining when a sale or purchase takes place in the course of inter-State trade or commerce or outside a State or in the course of import or export.

Tax on
packing
material.

6. Where goods sold or purchased are contained in containers or are packed in any packing material liable to tax under this Act, the rate of tax applicable to such containers or packing material shall, whether the price of the containers or packing materials is charged for separately or not, be the same as the rate of tax applicable to such goods so contained or packed, and where such goods sold or purchased are exempt from tax under this Act, the containers or packing materials shall also be exempt.

Exemp-
tions

7. The goods listed in Schedule I to this Act shall be exempted from tax under this Act.

Zero-
rated
sales

8. The following shall be zero-rated sales for the purpose of this Act and shall be eligible for input tax credit,—

(1) Sale of goods in the course of inter-State trade and commerce falling within the scope of section 3 of the Central Sales Tax Act, 1956.

(2) Sale of goods falling within the scope of sub sections (1) or (3) of Section 5 of the Central Sales Tax Act, 1956.

Goods in
Scheduled
VI

9. Every dealer, who is liable to pay tax on the sale of goods specified in Schedule VI shall not be eligible for input tax credit.

Turnover
Tax

10. (1) Any dealer who is not registered or does not opt to be registered as VAT dealer shall not be entitled to claim input tax credit for any purchases, and shall not be eligible to issue a tax invoice.

(2) Any dealer who is registered as a VAT dealer shall not be liable to Turnover Tax from the effective date of such registration.

Calculation
of Tax
payable.

11. (1) Subject to sub-section (2), the VAT payable on a sale liable to VAT shall be calculated by applying the rate of tax specified in the Schedules, on the sale price of goods.

(2) Where the sale price of goods is inclusive of VAT, the amount of VAT shall be determined in accordance with the formula prescribed.

(3) Where a dealer is liable to pay turnover tax under sub-section (2) of section 4, the tax shall be calculated by applying the rate of Turnover Tax specified therein on the taxable turnover.

12. The VAT payable by a VAT dealer or VAT credit or refund due to a VAT dealer for a tax period shall be calculated in accordance with the formula prescribed. VAT payable.

13. (1) Subject to the conditions if any, prescribed, an input tax credit shall be allowed to the VAT dealer for the tax charged in respect of all purchases of taxable goods, made by that dealer during the tax period, if such goods are for use in the business of the VAT dealer. No input tax credit shall be allowed in respect of the tax paid on the purchase of goods specified in Schedule VI. Credit for input tax.

(2) Subject to the conditions if any, prescribed, input tax credit shall be allowed to a VAT dealer on registering as VAT dealer if any input tax is paid or payable in respect of all purchases of taxable goods, made prior to his registration for VAT where such goods are for use in the business as VAT dealer, provided the goods are in stock on the date of registration and such purchase occurred not more than three months prior to the effective date of registration.

(3) A VAT dealer shall be entitled to claim input tax credit.-

(a) under sub-section (1), on the date the goods are received by him, provided he is in possession of a tax invoice;

(b) under sub-section (2), on the date of registration, provided he is in possession of documentary evidence therefor.

(4) A VAT dealer shall not be entitled for input tax credit in respect of the purchases of such taxable goods as may be notified from time to time.

(5) No input tax credit shall be allowed on the following:-

(a) transfer of goods on consignment basis or to branches of the VAT dealer outside the state otherwise than by way of sale;

(b) service or skill component in a works contract;

(c) transfer of a business as a whole;

(d) sales of exempted goods except when such goods are sold in the course of export or exported outside the territory of India.

(6) Where goods purchased by a VAT dealer are partly for his business use and partly for other than his business use, the amount of the input tax credit shall be limited to the extent of input tax that relates to the goods used in his business.

(7) A Turnover Tax dealer or a casual trader shall not be entitled to claim input tax credit.

Tax
invoices.

14. A VAT dealer making a sale liable to tax to another VAT dealer shall issue at the time of sale, a tax invoice in such form as may be prescribed.

Power of
State
Government
to grant
refund of
tax.

15. (1) The Government may, if it is necessary so to do in the public interest and subject to such conditions as it may impose, by a Notification, provide for grant of refund of tax paid to any person, on the purchases effected by him and specified in the said Notification.

(2) Any Notification under sub section (1) may be issued so as to be retrospective to any day not earlier than the appointed day and such Notification shall take effect from the date of its publication in the Gazette or such other earlier or later date as may be mentioned therein.

(3) An application for refunds shall be made in duplicate to the Commissioner within a period of six months from the date of purchase and it shall be accompanied by the purchase invoice in original.

Burden
of Proof.

16. (1) The burden of proving that any sale or purchase effected by a dealer is not liable to any tax or is liable to be taxed at a reduced rate or eligible for input tax credit shall lie on the dealer.

(2) Where a dealer issues or produces a false bill, voucher, declaration, certificate or other document with a view to support or make any claim that a transaction of sale or purchase effected by him or any other dealer, is not liable to tax or liable to be taxed at a reduced rate, or eligible for input tax credit is guilty of an offence under section 72 of this Act.

CHAPTER - III REGISTRATION

17. (1) Every dealer other than a casual trader shall be liable to be registered in accordance with the provisions of this Act. Registration of Dealers.

(2) Every dealer commencing business and whose estimated taxable turnover for twelve consecutive months is more than Rs.20 lakhs (rupees twenty lakhs) shall be liable to be registered as a VAT dealer before the commencement of business.

(3) Every dealer whose taxable turnover in the preceding three months exceeds Rs.5 lakhs (rupees five lakhs) or in the twelve preceding months exceeds Rs. 20 lakhs (rupees twenty lakhs) shall be liable to be registered as a VAT dealer.

(4) Every dealer whose taxable turnover in the period of twelve months prior to the commencement of this Act, is more than Rs.20 lakhs (rupees twenty lakhs), shall be liable to be registered as a VAT dealer.

(5) Notwithstanding anything contained in sub-sections (2), (3) and (4), the following classes of dealers shall be liable to be registered as VAT dealers irrespective of their taxable turnover namely,—

(a) every dealer importing goods in the course of business from outside the territory of India;

(b) every dealer registered or liable to be registered under the Central Sales Tax Act 1956, or any dealer making purchases or sales in the course of inter-State trade or commerce or dispatches any goods to a place outside the State otherwise than by way of sale;

(c) every dealer residing outside the State but carrying on business within the State and not having any permanent place of business;

(d) every dealer liable to pay tax on goods listed in Schedule VI;

(e) every commission agent, broker, declared 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 non resident principal;

(f) every dealer availing industrial incentive in the form of a tax holiday or tax deferment.

(6) Any dealer effecting or intending to effect sales liable to tax under this Act and who is not otherwise liable to register may also opt for registration as a VAT dealer and such registration shall be subject to the conditions that may be prescribed.

(7) Every dealer not registered or not liable for registration as VAT dealer and who sells any goods and has a taxable turnover exceeding Rs. 3 lakhs (rupees three lakhs) in a period of twelve consecutive months or has reason to believe that his taxable turnover in a period of twelve consecutive months will exceed Rs.3 lakhs (rupees three lakhs) shall apply for registration as TOT dealer in the manner prescribed.

(8) Subject to the provisions contained in sub-section (5), every dealer who held a registration certificate under the Andhra Pradesh General Sales Tax, Act 1957 shall be deemed to be registered as TOT dealer under this Act provided the dealer had a taxable turnover exceeding Rs.3 lakhs (rupees three lakhs) but below Rs.20 lakhs (rupees twenty lakhs) for the year ending 31st March, 2003 and had not discontinued his business or his Registration Certificate had not been cancelled before the date of commencement of this Act.

(9) Where a registered dealer dies or transfers or otherwise disposes of his business in whole, the successor or the transferee, unless already in possession of registration shall be liable to be registered under this Act.

(10) An application for registration shall be made to the authority prescribed, in such manner and within such time as may be prescribed.

(11) If the authority to whom an application is made under sub-section (10) is satisfied that the application is bonafide and is in order and in conformity with the provisions of this Act and the rules made thereunder, he shall register the applicant and grant him a certificate of registration in the prescribed form.

18. (1) The authority prescribed shall issue a registration identification number known as:-

Tax payer
Identification
Number
and
General
Registration
Number.

(a) Taxpayer Identification Number (TIN) to a dealer registered as VAT dealer;

(b) General Registration Number (GRN) to a dealer registered as TOT dealer.

(2) Every VAT dealer or TOT dealer who is allotted a Taxpayer Identification Number (TIN) or General Registration Number (GRN) shall indicate such number on all returns, forms, tax invoices or any other documents used for the purposes of this Act.

19. (1) Any VAT dealer or TOT dealer registered under Section 17 of this Act shall apply for cancellation or amendment of registration, in such circumstances as may be prescribed.

Cancellation
and
Amend-
ment of
Registration.

(2) The authority prescribed may, for good and sufficient reasons cancel, modify or amend any certificate of registration issued by him:

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

CHAPTER - IV PROCEDURE AND ADMINISTRATION OF TAX

Returns and Assessments

20. (1) Every dealer registered under section 17 of this Act, shall submit such return or returns, along with proof of payment of tax in such manner, within such time, and to such authority as may be prescribed.

Returns
and Self-
assess-
ments.

(2) If a return has been filed within the prescribed time and the return so filed is found to be in order, it shall be accepted as self-assessment subject to adjustment of any arithmetical error apparent on the face of the said return.

(3) (a) Without prejudice to the powers of the authority prescribed, under sub-section (3) of section 21, every return shall be subject to scrutiny to verify the correctness of calculation, application of correct rate of tax and input tax credit claimed therein and full payment of tax payable for such tax period.

(b) If any mistake is detected as a result of such scrutiny made as specified in clause (a), the authority prescribed shall

issue a notice of demand in the prescribed form for any short payment of tax or for recovery of any excess input tax credit claimed.

(4) Every dealer shall be deemed to have been assessed to tax based on the return filed by him, if no assessment is made within a period of four years from the date of filing of the return.

Assess-
ments.

21. (1) Where a VAT dealer or TOT dealer fails to file a return in respect of any tax period within the prescribed time, the authority prescribed shall assess the dealer for the said period for such default in the manner prescribed.

(2) If a VAT dealer or TOT dealer submits a return along with evidence for full payment of tax, the assessment made under sub-section (1) may be withdrawn without prejudice to any interest or penalty leviable for failure to submit the return within the prescribed time limit.

(3) Where the authority prescribed is not satisfied with a return filed by the VAT dealer or TOT dealer or the return appears to be incorrect or incomplete, he shall assess to the best of his judgement within four years of due date of the return or within four years of the date of filing of the return whichever is applicable.

(4) The authority prescribed may, based on any information available or on any other basis, conduct a detailed scrutiny of the accounts of any VAT dealer or TOT dealer and where any assessment as a result of such scrutiny becomes necessary, such assessment shall be made within a period of four years from the end of the period for which the assessment is to be made.

(5) Where any willful evasion of tax has been committed by a dealer, an assessment shall be made to the best of his judgement by the authority prescribed within a period of six years of date of filing of the return or the first return relating to such offence.

(6) The authority prescribed may reassess, where an assessment was already made under sub-sections (1) to (5) and such assessment understates the correct tax liability of the dealer within a period of four years from the date of such assessment.

(7) Where any assessment has been deferred on account of any stay order granted by the High Court or where an appeal or other proceedings is pending before the High Court or Supreme Court involving a question of law having a direct bearing on the assessment in question, the period during which the stay order was in force or such appeal or proceedings was pending shall be excluded in computing the period of four years or six years as the case may be for the purpose of making the assessment.

(8) Where an assessment made has been set aside by any Court, the period between the date of such assessment and the date on which it has been set aside shall be excluded in computing the period of four years or six years as the case may be, for making any fresh assessment.

Payment and Recovery of Tax

22. (1) The tax payable in respect of a tax period along with a return and the tax assessed under this Act shall be payable in such manner and within such time as may be prescribed.

Due date
for
Payment
of Tax.

(2) If any dealer fails to pay the tax due on the basis of return submitted by him or fails to pay any tax assessed or penalty levied or any other amount due under this Act, within the time prescribed or specified therefor, he shall pay, in addition to the amount of such tax or penalty or any other amount, interest calculated at the rate of one percent per month or part thereof for the period of delay from such prescribed or specified date for its payment.

(3) In the case of a dealer executing works contract or any other person as may be notified by the Government for this purpose from time to time, a tax at the rate of one percent shall be deducted from the amount payable to him by the Central or the State Government or an industrial, commercial or trading undertaking thereof or a local authority or a statutory body or a company registered under Companies Act, 1956.

Central
Act 1956.

23. (1) Where any dealer doing business in respect of which tax is payable under this Act, is dead, the Executor, Administrator, Successor in title or other legal representative of the deceased dealer shall, in respect of such business, be liable to submit the

Liability
of
executor
adminis-
trator,
legal
representa-
tives (s).

returns due under this Act and to assessment under section 21 and to pay out of the estate of the deceased dealer, the tax, interest and any penalty assessed or levied as payable by the deceased dealer.

(2) The provision relating to appeals and revisions shall be applicable to assessment made under sub-section (1) as if the Executor, Administrator, Successor in title or other legal representative were himself the dealer.

(3) The provisions of sub-sections (1) and (2) shall apply mutatis mutandis to a partnership firm of which the managing partners have died.

Liability
of
partner-
ship
firms.

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

(2) Where any business carried on by a firm or a Hindu Undivided Family or an Association has been discontinued or dissolved, the authority prescribed shall make an assessment on the taxable turnover and determine the tax payable as if no such discontinuance or dissolution had taken place and all the provisions of this Act including provisions relating to levy of penalty or any other amount payable under any of the provisions of the Act shall apply, to such assessment.

(3) Every person who was at the time of such discontinuance or dissolution, a partner of the firm, or a member of such Hindu Undivided Family or Association and the legal representative of any such person who is deceased, shall be jointly and severally liable for the amount of tax, penalty or any other amount payable, and all the provisions of the Act shall apply to any such assessment or levy of penalty or any other amount.

(4) Where such discontinuance or dissolution takes place after any proceedings in respect of any year have commenced, the proceedings may be continued against the VAT dealer or TOT dealer referred to in sub-section (2) of this section from the stage at which such proceedings stood at the time of such discontinuance or dissolution and all the provisions of the Act shall apply accordingly.

(5) When any private company is wound up and any tax assessed on the company under this Act for any period, whether before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of the private company at any time during the period for which the tax is due, shall be jointly and severally liable for the payment of such tax, unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.'

25. If the tax assessed or penalty levied or interest payable under this Act, or any amount of tax including deferred tax which is treated as a loan extended by the Government to the dealer and any installment thereof, are not paid by a dealer within the time specified therefor, the whole of the amount then remaining unpaid may be recovered as if it were an arrear of land revenue.

Tax as on arrear of land revenue.

26. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount of tax, including deferred tax which is treated as a loan extended by the Government to the dealer, penalty, interest and any other sum payable by a VAT dealer or TOT dealer or any other dealer under this Act, shall be the first charge on the property of the VAT dealer or TOT dealer or any other dealer as the case may be.

preferential claims to assets.

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

Transfers to defraud revenue void and provisional attachment of Property.

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

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

(b) with the previous permission of the authority prescribed.

Explanation: In this section 'assets' means land, building, machinery, plant, shares, securities, and fixed assets given as security in banks to the extent to which any of the assets aforesaid do not form part of the stock in trade of the business of the dealer.

(2) Provisional attachment of property to protect revenue in certain cases,--

(a) where, during the pendency of any proceeding for the assessment or reassessment of any tax or turnover tax which has escaped assessment, the authority prescribed is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, may with the previous approval of the Commissioner, by order in writing, attach provisionally in the prescribed manner any property belonging to the dealer;

(b) every such provisional attachment shall cease to have effect after the expiry of a period of six months from the date of the order made under clause (a) of this sub-section:

Provided that the Commissioner may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as he thinks fit, so, however, that the total period of extension shall not in any case exceed two years.

Powers
of
Deputy
Commissioner
under
Revenue
Recovery
Act.

Act 2 of
of 1864.

28. (1) A Deputy Commissioner shall have the powers of a Collector under the Andhra Pradesh Revenue Recovery Act, 1864 for the purpose of recovery of any amount due under this Act.

(2) Subject to the provisions of sub-section (3) all Deputy Commercial Tax Officers shall, for the purposes of recovery of any amount due under this Act, have the powers of the Mandal Revenue Officer under the Andhra Pradesh Rent and Revenue Sales Act, 1839 for the sale of property distrained for any amount due under this Act.

Act 7
of 1839

(3) Notwithstanding anything contained in the Andhra Pradesh Rent and Revenue Sales Act, 1839 the Deputy Commercial Tax officer in the exercise of the powers conferred by sub-section (2) shall be subject to the control and superintendence of the Deputy Commissioner.

Recovery
of tax
from
third
parties.

29. (1) The Commissioner or any other authority prescribed 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 such authority) require any person from whom money is due or may become due to the defaulter, or any person who holds or may subsequently hold money for, or on account of the defaulter, to pay to such authority either forthwith if the money has become due or is so held or within the time specified in the notice but not before the money becomes due or is held, so much of the money as is sufficient to pay the amount due by the defaulter in respect of arrears of tax, interest, penalty or the whole of the money when it is equal to or less than that amount.

(2) The authority prescribed may, at any time, or from time to time, amend or revoke any such notice or extend the time of 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 defaulter and the receipt of the authority prescribed 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 defaulter after receipt of the notice referred to in this section, shall be personally liable to the authority prescribed to the extent of the liability discharged or to the extent of the liability of the defaulter for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent proves to the satisfaction of the authority prescribed that the sum demanded or any part thereof is not due by him to the defaulter 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 authority prescribed.

(6) Where any person to whom a notice under sub-section (1) is sent, fails to pay to the authority prescribed the sum demanded or any part thereof as required in the said notice, such sum shall be recoverable from such person as if it were an arrear of land revenue due from him.

(7) The provisions of this section shall be without prejudice to any action that may be taken for the recovery of the money due from the dealer.

Recovery
of tax
when
business
transferred

30. Where ownership of the business of a dealer registered under the Act and liable to pay tax is transferred, any tax or any other amount payable under the Act in respect of such business and remaining unpaid at the time of the transfer, may without prejudice to any action that may be taken for its recovery from the transferor, be recoverable from the transferee as if the transferee were the dealer liable to pay such tax or other amount.

Appeals and Revisions

Appeal to
Appellate
authority.

31. (1) Any VAT dealer or TOT dealer or any other dealer objecting to any order passed or proceeding recorded by any authority under the provisions of this Act other than an order passed or proceeding recorded by an Additional Commissioner, Joint Commissioner, Deputy Commissioner, may within thirty days from the date on which the order or proceeding was served on him, appeal to such authority as may be prescribed:

Provided that the Appellate Authority may within a further period of thirty days admit the appeal preferred after a period of thirty days if he is satisfied that the VAT dealer or TOT dealer or any other dealer had sufficient cause for not preferring the appeal within that period:

Provided further that an appeal so preferred shall not be admitted by the appellate authority concerned unless the dealer produces proof of payment of tax admitted to be due, or of such installments as have been granted, and the proof of payment of twelve and half percent of the difference of the tax assessed by the authority prescribed and the tax admitted by the appellant, for the relevant tax period, in respect of which the appeal is preferred.

(2) The appeal shall be in such form, and verified in such manner, as may be prescribed and shall be accompanied by a fee which shall not be less than fifty rupees but which shall not exceed one thousand rupees as may be prescribed,—

a) where an appeal is admitted under sub-section (1), the appellate authority may, on an application filed by the appellant and subject to furnishing of such security or on payment of such part of the disputed tax within such time as may be specified, order stay of collection of balance of the tax under dispute pending disposal of the appeal;

b) against an order passed by the appellate authority refusing to order stay under sub-section (2)(a), the appellant may prefer a revision petition within thirty days from the date of the order of such refusal to the Additional Commissioner or the Joint Commissioner who may subject to such terms and conditions as he may think fit, order stay of collection of balance of the tax under dispute pending disposal of the appeal by the appellate authority.

c) notwithstanding anything in clause (a) or clause (b), where a VAT dealer or TOT dealer or any other dealer has preferred an appeal to the Appellate Tribunal under section 33, the stay, if any, ordered under clause (b) shall be operative till the disposal of the appeal by such Tribunal, and, the stay, if any ordered under clause (a) shall be operative till the disposal of the appeal by such Tribunal, only in case where the Additional Commissioner or the Joint Commissioner on an application made to him by the dealer in the prescribed manner, makes specific order to that effect.

(3) The appellate authority may, after giving the appellant an opportunity of being heard and subject to such rules of procedure as may be prescribed,—

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

(b) set aside the assessment or penalty, or both, and direct the authority prescribed to pass a fresh order after such further enquiry as may be directed; or

(c) pass such other orders as it may think fit within a period of two years from the date of admission of such appeal.

(4) Before passing orders under sub-section (3), the appellate authority may make such enquiry as it deems fit or

remand the case to any subordinate officer or authority for an inquiry and report on any specified point or points.

(5) Every order passed in appeal under this section shall, subject to the provisions of sections 32, 33, 34 and 35 be final.

Revision by
CCT &
other
prescribed
authorities.

32. (1) The Commissioner of Commercial Taxes may *suo motu* call for and examine the record of any order passed or proceeding recorded by any authority, officer or person subordinate to it, under the provisions of this Act, including sub-section (2) of this section and if such order or proceeding recorded is prejudicial to the interests of revenue, may make such enquiry, or cause such enquiry to be made and subject to the provisions of this Act, may initiate proceedings to revise, modify or set aside such order or proceeding and may pass such order in reference thereto as he thinks fit.

(2) Powers of the nature referred to in sub-section (1) may also be exercised by the Additional Commissioner, Joint Commissioner, Deputy Commissioner, Assistant Commissioner and the Commercial Tax Officer in the case of orders passed or proceedings recorded by authorities, officers or persons subordinate to them:

Provided that the power under sub-section (1) or sub-section (2) shall not be exercised by the authority specified therein in respect of any issue or question which is the subject matter of an appeal before or which was decided on appeal by, the Appellate Tribunal under section 33:

Provided further that this restriction is not applicable in respect of other issues or questions which are not the subject matter of an appeal before Appellate Tribunal.

(3) In relation to an order of assessment passed under this Act, the powers conferred by sub-sections (1) and (2) shall be exercisable only within such period not exceeding four years from the date on which the order was served on the dealer, as may be prescribed.

(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 dealer to show cause against the proposed enhancement.

(5) It shall be lawful for the Commissioner of Commercial Taxes to defer any proceedings under this section by the reason of the fact that an appeal or other proceedings is pending before the High Court or Supreme Court involving a question of law having a direct bearing on the order or proceeding in question.

(6) Where an order passed under this section has been set aside by any court or other competent authority under this Act for any reason, the period between the date of such order and the date on which it has been so set aside shall be excluded in computing the period of four years specified in sub-section (3) for the purpose of making a fresh revision, if any, under this section.

(7) Where any proceeding under this section has been deferred on account of any stay order granted by the High Court or Supreme Court in any case, or by reason of the fact that an appeal or other proceeding is pending before the High Court or the Supreme Court involving a question of law having a direct bearing on the order or proceeding in question, the period during which the stay order was in force or such appeal or proceeding was pending shall be excluded in computing the period of four years specified in this section for the purposes of exercising the power under this section.

33. (1) Any dealer objecting to an order passed or proceeding recorded,—

Appeal to
the
Appellate
Tribunal.

a) by any authority prescribed on appeal under section 31; or

b) by the Additional Commissioner, or Joint Commissioner or Deputy Commissioner under section 21 or section 32 or section 38, may appeal to the Appellate Tribunal within sixty days from the date on which the order or proceeding was served on him.

(2) The Appellate Tribunal may within a further period of sixty days admit the appeal preferred after the period of sixty days specified in sub-section (1), if it is satisfied that the dealer

had sufficient cause for not preferring the appeal within that period:

Provided that no appeal against the order passed under section 31 shall be admitted under sub-section (1) or sub-section (2) of this section unless it is accompanied by satisfactory proof of the payment of fifty percent of the tax as ordered by the appellate Deputy Commissioner under section 31:

Provided further that no appeal against the order passed under sub-section (2) of section 32 shall be admitted under sub-section (1) or sub-section (2) of this section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or in such installments thereof as might have become payable as the case may be, and twenty five percent of the difference of the tax ordered by the revisional authority under sub-section (1) of section 32 and the tax admitted by the appellant:

Provided also that the authority prescribed shall refund the said amount of twelve and half percent or twenty five percent or fifty percent of the difference of tax assessed by the authority prescribed or revisional authority as the case may be and the tax admitted and paid by the appellant, with interest calculated at the rate of 12% per annum if the refund is not made within 90 days from the date of receipt of the order passed under section 31 or section 33.

(3) The appeal shall be in the prescribed form, shall be verified in the prescribed manner, and shall be accompanied by such fee which shall not be less than one hundred rupees but which shall not exceed two thousand rupees as may be prescribed.

(4) The Appellate Tribunal may, after giving both parties to the appeal a reasonable opportunity of being heard, —

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

(b) set aside the assessment or the penalty, or both, and direct the authority prescribed to pass a fresh order after such further inquiry as may be directed; or

(c) pass such other orders as it may think fit:

Provided that if the appeal involves a question of law, a decision on which is pending in any proceeding before the High court or the Supreme Court, the Appellate Tribunal may defer the hearing of the appeal before it, till such proceeding is disposed of.

(5) (1) Before passing any order under sub-section (4), the Appellate Tribunal may make such inquiry as it deems fit or remand the case to the appellate authority against whose order the appeal was preferred or to the authority prescribed concerned, for an inquiry and report on any specified point or points.

(2) Notwithstanding anything in sub-section (4), where the VAT dealer or TOT dealer or any other dealer who has filed an appeal under this section to the Appellate Tribunal fails to appear before the Appellate Tribunal either in person or by counsel when the appeal is called on for hearing, it shall be open to the Tribunal to make an order dismissing the appeal:

Provided that the Appellate Tribunal may, on an application made by the dealer within thirty days from the date of communication of the order of dismissal and on sufficient cause being shown by him for his non-appearance when the appeal was called on for hearing, re-admit the appeal on such terms as it thinks fit, after giving notice thereof to the authority against whose order or proceeding the appeal is preferred.

(6) (1) Where a VAT dealer or TOT dealer or any other dealer, objecting to an order passed or proceeding recorded by a Deputy Commissioner of Commercial Taxes under section 84 or section 32 has preferred an appeal to the Appellate Tribunal, the Additional Commissioner, or the Joint Commissioner may, on an application filed by the dealer, subject to such terms and conditions, as he may think fit, order stay of collection of the tax under dispute pending disposal of the appeal by the Appellate Tribunal.

(2) The payment of tax and penalty, if any, due in accordance with the order of the first appellate authority or of the Deputy Commissioner under section 84 or in revision under section 32, in respect of which an appeal has been preferred under sub-section (1), shall not be stayed pending disposal of the appeal.

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

(8) Every order passed by the Appellate Tribunal under sub-section (4) shall be communicated by it to the dealer, the authority against whose order the appeal was preferred, the Commissioner of Commercial Taxes and such other authorities as may be prescribed.

(9) Every order passed by the Appellate Tribunal under sub-section (4) shall, subject to the provisions of section 34 be final.

Revision
by High
Court.

34. (1) Within ninety days from the date on which an order under sub-section (4) of section 33 was communicated to him, the VAT dealer or TOT dealer or any other dealer or the authority prescribed in this behalf may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either decided erroneously, or failed to decide, any question of law:

Provided that the High Court may admit a petition preferred after the period of ninety days aforesaid if it is satisfied that the petitioner had sufficient cause for not preferring the petition within that period.

(2) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, where it is preferred by the dealer, be accompanied by a fee of rupees five hundred.

(3) If the High Court, 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 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 the question or questions of law raised, the Appellate Tribunal shall amend the order passed by it in conformity with such opinion.

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

(6) (a) Notwithstanding that a petition has been preferred under sub-section (1), tax shall be paid in accordance with the assessment made in the case:

Provided that the High Court may, in its discretion permit the petitioner to pay the tax in such number of installments, or give such other direction in regard to the payment of tax as it thinks fit:

Provided further that if, as result of the petition, any change becomes necessary in such assessment, the High Court may authorise the authority prescribed to amend the assessment, and on such amendment being made the excess amount paid by the dealer shall be refunded to him without interest, or the further amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(b) The payment of tax and penalty, if any due in accordance with the order of the Appellate Tribunal in respect of which a petition has been preferred under sub-section (1) shall not be stayed pending the disposal of the petition, but if such amount is reduced as a result of such petition, the excess tax paid shall be refunded in accordance with the provisions of this Act.

(7) (a) The High Court may, on the application of the dealer or the authority prescribed 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.

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

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

Appeal to
High
Court.

35. (1) Any VAT dealer or TOT dealer or any other dealer objecting to an order relating to assessment passed by the Commissioner of Commercial Taxes suo-motu under section 32 or section 38 may appeal to the High Court within sixty days from the date on which the order was communicated to him:

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid if it satisfied that the dealer 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 which shall not be less than five hundred rupees but which shall not exceed two thousand rupees as may be prescribed.

(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 (4), (7) and (8) of section 34 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 34.

Petitions,
applica-
tions to
be heard
by a
Bench of
not less
than two
Judges.

Central Act
5 of 1908

36. Every petition, application or appeal preferred to the High Court under sections 34 and 35 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 shall, so far as may be, apply.

Limitation
in respect
of certain
assess-
ments or
re-assess-
ments
ordered.

37. Notwithstanding anything in sections 21 and 32 where an assessment, re-assessment, rectification in or revision of an assessment is made in respect of a dealer or any person, in pursuance or in consequence of or to give effect to any finding or direction contained in an order under sections 31, 32, 33, 34 and 35 of this Act or in an order of any court in a proceeding, otherwise than by way of appeal or revision under this Act, such assessment, re-assessment, rectification in or revision of an assessment shall be made within three years from the date of receipt of such order by the prescribed or revising authority as the case may be:

Provided that if such an appeal order or order of any court has been subjected to further appeal, either partially or entirely, and if there are orders of stay prohibiting the authority concerned to pass consequential orders, the period of three years shall get extended by the period during which such stay orders were in force.

Provided further that if the subsequent appeal results in modification of such an appeal order or order which is subjected to further appeals, either partially or wholly, the period of three years shall be computed from the date of receipt of subsequent appeal order but not from the date of receipt of the original appeal order or order which was subjected to further appeal.

38. (1) (a) A VAT dealer effecting sales falling under sub-sections (1) or (3) of section 5 of the Central Sales Tax Act, 1956 in any tax period shall be eligible for refund of tax, if the input tax credit exceeds the amount of tax payable subject to condition that the exports have been made outside the territory of India. The excess of tax shall be refunded within a period of three months on a claim made on a VAT return prescribed to the authority prescribed subject to the provisions of the Act and the rules made thereunder.

Refund
of Tax

(b) In all other cases the VAT dealer shall make a claim for refund of the excess credit on the VAT return in the form prescribed where such dealer has declared an excess credit for 24 consecutive months or more or in the event of cancellation of registration. The excess of tax shall be refunded within three months of the date of receipt of the claim.

(c) The claim for refund under this section shall be made on the VAT return in the form prescribed.

(d) A VAT dealer, who has paid tax in excess of the amount due for a tax period, may claim a credit in the next tax return.

(2) Where a VAT dealer claiming a refund is required by authority prescribed to provide accounts or records to substantiate the claim but fails to do so in a manner satisfactory to the authority prescribed within seven days of issue of notice, the time period specified in sub-section (1) for making the refund shall not apply.

(3) Where a claim of a VAT dealer is not accepted either in full or in part, the authority prescribed, shall send a notice in writing, to the VAT dealer.

(4) A VAT dealer aggrieved by the decision under sub-section (3) may file an appeal as prescribed in this Act.

(5) The tax paid under this Act on the purchases made by specialized agencies of the UNITED NATIONS ORGANISATION and Consulates or Embassies of any Country located in the State, or International Crop Research Institute for Semi Arid Tropics, Hyderabad shall be refunded in such manner as may be prescribed.

Interest on Over-payments and late refunds.

39. (1) Where the authority prescribed is required to refund an amount of tax to a VAT dealer as a result of,—

(a) a decision under section 31 of the Act; or

(b) a decision of the Appellate Tribunal under section 33 of the Act; or

(c) a decision of the High Court under section 35 of the Act, such refund shall be made within a period of ninety days from the date of the receipt of the order.

Where such refund is not made within the stipulated time, the amount of refund shall carry interest at the rate of one percent per month or part thereof on the amount of the refund for the period of delay.

(2) In other cases where the authority prescribed fails to make a refund within the time specified under sub-section (1) of section 38 he shall pay simple interest at the rate of one percent per month on the amount of the refund for the period of delay.

Power to adjust, withhold refunds.

40. (1) The Commissioner or the authority prescribed shall have the power to adjust any amount due to be refunded against any taxes, penalty and interest outstanding against a VAT dealer or a TOT dealer or any other dealer.

(2) Where an order giving rise to a refund is the subject matter of an appeal or further proceeding, or where any other proceeding under this Act is pending, and the authority prescribed is of the opinion that the grant of the refund is likely to adversely affect the revenue, the authority prescribed may, with the previous

approval of the Deputy Commissioner, withhold the refund till such time as the Deputy Commissioner may determine.

(3) Where any demand of tax or penalty or both is disputed by a VAT dealer or TOT dealer before any appellate authority or Sales Tax Appellate Tribunal or High Court and the demand becomes finally due either partly or fully an interest at the rate of one percent per month shall be charged from the date such tax or penalty was originally due.

Records and Investigation Powers

41. (1) Every VAT dealer or TOT dealer liable to under this Act, shall maintain the documents and records ords. in the rules made thereunder, at the place of business so registered under the Act in the English language or in any of the language specified in the Eighth Schedule to the Constitution.

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

(3) The Commissioner may get the books of accounts maintained by any dealer audited by a Chartered Accountant or Cost Accountant or an enrolled Sales Tax Practitioner for any tax period.

(4) Records required to be maintained under sub-section (1) shall be retained for a period of six years after the end of the year to which they relate or where the assessment is subject matter of appeal or revision under sections 31, 32, 33, 34 or 35, the records shall be retained for a period of six years after the assessment has become final.

42. (1) For the purpose of enforcing compliance of the provisions of the Act, any officer not below the rank of Deputy Commercial Tax Officer shall have the power of entry, inspection, search and seizure and confiscation and he,—

Access &
seizure of
goods,
books,
records
and
computers.

(a) shall have, full and free access to any premises, place, goods, books, record, computer or any electronically stored data at any time during business hours prescribed under the relevant law for the time being in force and where no such hours are prescribed at all reasonable times without any prior notice to any dealer;

(b) may make an extract or copy from any book, record or computer-stored information to which access is obtained under clause (a);

(c) may seize and confiscate any goods not accounted for and seize any books or records that, in his opinion, affords evidence that may be material in determining the liability of any VAT dealer or TOT dealer or any other dealer under this Act;

(d) may retain any such book or record for a period of one month for determining the tax liability of a dealer or for any proceedings under the Act:

Provided that where such books or records are needed for more than one month, the permission of the next higher authority shall be obtained for each additional month;

(e) may, seize and retain the computer for a period of one month where a hard copy or computer disk of information stored in a computer is not furnished, to get the information required:-

Provided that such computer is needed for more than one month, the permission of the next higher authority shall be obtained for each additional month; and

(f) shall have power to enter and search any office, shop, godown, vessel, receptacle or vehicle or any other place of a carrier or bailee where goods are delivered to such carrier or bailee for transmission.

(2) For the purposes of subsection (1), any such officer shall have power to enter and search at any time during the business hours prescribed under the relevant law for the time being in force, or where no such hours are prescribed, at all reasonable times, any office, shop, godown, vessel, 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 goods, accounts, registers or other documents of his business:

Provided that no residential accommodation not being a shop-cum-residence shall be entered into and searched by any officer below the rank of Deputy Commissioner except on the authority of an order issued by any officer not below the rank of a Deputy Commissioner having jurisdiction over the area; or an officer not below the rank of Deputy Commissioner of Commercial Taxes Department working in Vigilance and Enforcement Department having jurisdiction over the entire State of Andhra Pradesh and all searches under this sub-section shall so far as may be, made in accordance with the provisions of the Code of Criminal Procedure, 1973 subject to the rules if any, made in this behalf.

(3) The owner, manager, or any other VAT dealer or TOT dealer on the premises or at the place entered or proposed to be entered under this section shall provide all reasonable facilities and assistance for the effective exercise by such officer of the powers under this section of this Act.

(4) A VAT dealer or TOT dealer whose books, records, or computer have been removed and retained under sub-section (1) may examine them and make copies or extracts from them during regular office hours under such supervision as the Commissioner or inspecting authority as may be determined.

43. (1) An authority prescribed or an appellate or revising authority or an inspecting authority or any officer of the Commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer shall, for the purposes of this Act, have all the powers,--

(a) to summoning and enforcing the attendance of any person and examining him on oath or affirmation; and

(b) compelling the production of any document.

(2) Without prejudice to the provisions of any other law for the time being in force, where a person to whom a summons is issued either to attend to give evidence, or produce accounts, registers, records or other documents at a certain place and time intentionally omits or fails to attend or produce accounts, registers, records or other documents at such place or time the authority or

Power to
summon
witnesses
and
production
of
documents.

concerned a reasonable opportunity of being heard impose upon him by way of penalty a sum not exceeding five hundred rupees as it or he thinks fit.

(3) Any officer of the Commercial Tax Department, not lower in rank than an Assistant Commercial Tax Officer shall have powers to call for such information, particulars or records as he may require from any person for the purpose of assessment, levy and collection of tax under this Act.

Issue of
Bills.

44. Every VAT dealer who makes a sale to a person other than a VAT dealer or every TOT dealer or any other dealer whose taxable turnover is not less than rupees three lakhs in a year, shall issue a bill or cash memorandum in such form and with such details of tax collected as may be prescribed, for every sale involving an amount not less than rupees one hundred:

Provided that every VAT dealer or TOT dealer or any other dealer shall issue a sale bill in the proforma prescribed, irrespective of the amount of sale, when demanded by the buyer.

Seizure
and
acquisition
of goods.

45. (1) Where the authority prescribed has reason to believe that any goods of a fair market value exceeding five thousand rupees have been sold or purchased by a dealer, to or from another dealer or person, as the case may be, for a consideration which is less than fair market price of the goods and that consideration for such sale or purchase as agreed to between the parties has not been truly stated in the invoice or delivery challan or any other document relating thereto, with the object of facilitating the reduction or evasion of the tax payable under this Act, the authority prescribed may, subject to the provisions of this section initiate proceedings for seizure and the acquisition of such goods.

(2) The powers conferred under sub-section (1) shall be exercised by the authority prescribed in respect of goods sold or purchased which, are in transit or in the possession of the seller or buyer or his agent.

(3) In any proceedings under this section in respect of any goods which has been sold or purchased for a consideration which is less than its fair market price, it shall be presumed, unless the contrary is proved, that the consideration for such sale as agreed to between the parties has not been truly stated in the invoice, or

sale bill or other documents related thereto with such object as is referred to in sub-section (1).

(4) Before initiating such proceedings, the authority prescribed shall record his reasons for doing so and no orders shall be passed under sub-section (1) without giving the VAT dealer or TOT dealer an opportunity of being heard.

(5) No such proceedings shall be initiated unless the authority prescribed has reason to believe that the fair market price of the goods exceeds the consideration therefor by more than twenty per cent.

(6) Where any goods are acquired under this section the authority prescribed shall pay for such acquisition compensation which shall be a sum equal to the aggregate of the amount of sale price of the goods mentioned in the invoice or delivery challan or any document related thereto and any expenditure incurred on freight or any other incidental expenses incurred by the VAT dealer or TOT dealer in relation to those goods.

46. (1) Any authority prescribed or appellate or revising authority under this Act may, by writing, require any person or authority to furnish such information, particulars or records available with that person or authority as will be useful or relevant to any proceeding under this Act.

Power to get information.

(2) The person or authority from whom such information, particulars or records are required under sub-section (1) shall furnish, within a reasonable time, the information, particulars or records available.

47. Any person who is entitled to appear before any authority other than the High Court in connection with any proceedings under this Act, may be represented before such authority-

Appearance before any authority in proceedings.

(a) by his relative or a person regularly employed by him, if such relative or person is duly authorized by him in writing in this behalf; or

(b) by a legal practitioner; or

(c) subject to such conditions as may be laid down by the rules in that regard by a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 or

Central act 38 of 1949.

(d) by a person who was enrolled as a Sales Tax Practitioner by such authority on payment of such fees and possessing such qualification as may be prescribed. if such Chartered Accountant or Sales Tax Practitioner is duly authorised in writing in this behalf.

Bar of
Jurisdiction.

48. Save as otherwise expressly provided in this Act, no Court shall entertain any suit, or other proceeding to set aside or modify, or question the validity of any assessment, order or decision made or passed by any officer or authority under this Act or any rules made thereunder, or in respect of any other matter falling within its scope.

Establishment of Check Posts

Establishment of check post or barrier and inspection of goods vehicle in transit.

49. (1) If the State Government or the Commissioner of Commercial Taxes 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, the State Government or the Commissioner of Commercial Taxes may by notification direct the setting up of a check post or the erection of a barrier, or both, at such place or places as may be notified.

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

(a) whether such tax has been paid; or

(b) whether the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, been properly

accounted for in the bills of sale, or delivery notes or such other documents as may be prescribed.

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

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

(ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, been properly accounted for in the documents referred to in clause (b) of sub-section (2); the said officer shall release the goods vehicle or boat with the goods carried ; or

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

(ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, not been properly accounted for in the documents referred to in clause (b) of sub-section (2); and if the said officer is satisfied, after making such enquiry as he deems fit, that with a view to prevent the evasion of tax payable in respect of the sale or purchase of the goods, carried, it is necessary to detain the goods he shall detain the goods and direct the driver or any other person-in-charge of the goods vehicle or boat,—

(i) to pay such tax; or

(ii) to furnish security for an amount equal to five times the amount of tax payable in such form and in such manner and to such authority as may be prescribed, on behalf of the person liable to pay such tax.

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

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

(6) If the tax directed to be paid and the security directed to be furnished under sub-section (3) is not paid and furnished and if the said officer is satisfied, after making such enquiry as

he deems fit, that with a view to prevent the evasion of tax payable in respect of the sale or purchase of the goods carried, it is necessary to detain the goods, he shall detain so much of the goods as are approximately equal in value to the amount of tax directed to be paid and security directed to be furnished under sub-section (3) as long as may reasonably be necessary:

Provided that no such goods shall be detained by the said officer for more than three days except with the permission of the next higher authority,—

(a) where goods are carried without paying tax, if any, payable under this Act, or goods are carried without being properly accounted for in the documents referred to in clause (b) of sub-section (2), the said officer shall collect the tax payable on the goods so carried and in addition levy a penalty not exceeding five times the amount of tax payable on such goods after giving a reasonable opportunity to the person likely to be effected, against the proposed penalty;

(b) any such officer shall have power to seize and confiscate any goods where such goods are carried in the goods vehicle without any documents or covered by fictitious documents:

Provided that before taking action for the confiscation of goods under this sub-section, the officer shall give the person affected an opportunity of being heard.

(7) In case the goods detained under sub-section (6) are subject to speedy and natural decay, and in the case of the goods, where no claim is made within the prescribed period, the said officer shall, subject to such conditions as may be prescribed, sell such goods in open auction and remit the sale proceeds thereof in a Government treasury:

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

(8) Any person entitled to such sale proceeds shall, on application to the authority prescribed and upon sufficient proof, be paid the sale proceeds mentioned in sub-section (7), after

deducting the expenses of the sale and other incidental charges and the amount of sales tax and penalty due under this Act in respect of the sale or purchase of the goods in question.

Explanation: For the purpose of this section, the explanation 'said officer' means the officer-in-charge of the check-post or barrier or the officer empowered under sub-section (2).

50. (1) Where a carrier or bailee to whom goods are delivered for transmission, before delivery is taken from him keeps the said goods in any office, shop, godown, vessel, receptacle, vehicle or any other place, any officer not below the rank of DCTO, shall have power to enter into and search such office, shop, godown, vessel, receptacle, vehicle or other place of business or building or place, and to examine the goods and inspect all records relating to such goods. The carrier or bailee or the person-in-charge of the goods and records shall give all facilities for such examination or inspection and shall if so required produce the bill of sale or delivery note or such other documents as may be prescribed regarding the goods and give his name and address and the name and address of the carrier or the bailee and the consignee.

Power to inspect goods delivered to a carrier or bailee.

Explanation: For the purpose of this section, where goods are delivered to a carrier or a bailee for transmission, the movement of 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.

(2) Any such officer shall have power to seize and confiscate any goods which are found in any office, shop, godown, vehicle, vessel or any other place of business or any building or place of a carrier or a bailee for transmission where such goods are not covered by any documents or covered by fictitious documents:

Provided that before taking action for the confiscation of goods under this sub-section the officer shall give the person affected an opportunity of being heard.

51. Where a vehicle, carrying goods, coming from any place outside the State and bound for any other place outside the State, pass through the State, the driver or other person-in-charge

Transit of goods by road through the state and issued of transit pass.

of such vehicle shall obtain in the prescribed manner a transit pass from the officer-in-charge of the first check post or barrier after his entry into the state and deliver it to the officer-in-charge of the last check-post or barrier before his exit from the State, failing which it shall be presumed that the goods carried thereby have been sold within the State by the owner or person-in-charge of the vehicle and accordingly the tax is assessed and penalty, if any levied in accordance with the provisions of this Act:

Provided that where the goods carried by such vehicle are, after their entry into the State, transported outside the State by any other vehicle or conveyance, the burden of proving that the goods have actually moved out of the State shall be on the owner or person-in-charge of the vehicle.

Explanation: If a vehicle is hired for transportation of goods by any person, the hirer of that vehicle shall, for the purposes of this section be deemed to be the owner of the vehicle.

Possession and submission of certain records by owners etc. of goods vehicles.

52. The owner or other person in charge of goods vehicle or vessel shall carry with him,--

(a) bill of sale or tax invoice or delivery note;

(b) log book or goods vehicle record or trip sheet; and

(c) such other documents as may be prescribed, relating to the goods under transport and containing such particulars as may be prescribed and shall submit to the Commercial Tax Officer, having jurisdiction over the area in which the goods are delivered, the documents aforesaid or copies thereof within such time as may be prescribed.

Offences and Penalties

Offences related to registration.

53. Any dealer or person who fails,--

(a) to apply for registration as required under section 17 of this Act; or

(b) to inform authority prescribed of any change in the circumstances as required under the provision of the Act or the rules made thereunder; or

(c) to apply for cancellation of registration as required by section 19 of this Act;

shall on conviction be liable to be punished,—

(i) where the failure is deliberate, with imprisonment for a term which may extend to six months and with fine;

(ii) in any other case, with imprisonment for a term which may extend to three months and with fine.

54. (1) A VAT dealer who fails to issue a tax invoice under section 14 of the Act shall on conviction be punished with imprisonment for a term which may extend to three months or with fine or with both.

Offences relating to Tax invoices, credit notes, and debit notes.

(2) A VAT dealer who provides a tax invoice otherwise than as required under section 14 of the Act shall on conviction be punished,— (i) where the failure is deliberate with imprisonment for a term which may extend to one year or with fine or with both; (ii) in any other case, with imprisonment for a term which may extend to three months or with fine or with both.

55. A dealer who has been assessed under sub-section (1) of section 21 of the Act and who fails to file a return within fifteen days from the date of such assessment shall on conviction be punished with imprisonment for a term which may extend to six months or with fine or with both.

Offences of failure to file a return.

56. (1) A dealer who fails to comply with a notice under section 29 of the Act shall on conviction be punished with imprisonment for a term which may extend to six months or with fine or with both.

Offences of failure to Comply with recovery provision.

(2) Where a dealer is convicted of an offence under sub-section (1), the court may, in addition to imposing a fine, order the person to pay the amount of tax, interest and any other amount the person failed to pay as required under section 29 of the Act.

57. A dealer who fails to maintain true and complete accounts and other records in accordance with the provisions of the Act shall on conviction be punished with,—

Offences of failure to maintain proper records.

(i) where the failure is deliberate, imprisonment for a term which may extend to six months or with fine or with both;

(ii) in any other case, imprisonment for a term which may extend to three months or with fine or with both.

Offences of failure to provide reasonable assistance

58. Any dealer who fails to provide reasonable access and assistance as required by section 42 of this Act shall on conviction be punished with imprisonment for a term which may extend to three months or with fine or with both.

Offences of failure to comply with Sec.46 notice.

59. Any dealer who fails to comply with a notice issued under section 46 of the Act shall on conviction be punished with imprisonment for a term which may extend to three months or with fine or with both.

Offences of unauthorized collection of tax.

60. (1) Any dealer, who is not registered under the Act, shall not collect any amount by way of tax or purporting to be by way of tax under the Act.

(2) A registered dealer shall not 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 at which he is liable to pay tax under the provisions of this Act.

(3) Where a dealer violates the provision of sub-sections (1) or (2) he shall on conviction be punished with imprisonment for a term which may extend to three months or with fine or with both.

Offences of improper use of Taxpayer Identification Number.

61. Any VAT dealer who knowingly uses a false Taxpayer Identification Number (TIN), the Taxpayer Identification Number (TIN) of another person, with a view to evade tax or shift the liability to pay the tax in a return or other document prescribed or used for the purposes of the Act shall, on conviction be punished with imprisonment for a term which shall not be less than one month but which may extend to six months and with fine.

Offences of making false or misleading statements.

62. (1) Any dealer who,—

(a) makes a statement to any authority prescribed under the Act which is false or misleading in a material particular; or

(b) Omits from a statement made to any authority prescribed under the Act any matter or thing without which the statement is misleading in a material particular, shall on conviction be punished with imprisonment for a term which may extend to six months or with fine or with both.

(2) A reference in the section to a statement made before any authority prescribed under the Act is a reference to a statement made, in writing, or in any other form to that officer acting in the performance of his duties under the Act and includes the following namely:-

(a) an application, certificate, declaration, return, claim, or any other document made, prepared, given, filed, or furnished under the Act;

(b) an answer to a question asked of a person by any authority prescribed or a statement made to another person with the knowledge that it would be conveyed to any authority prescribed under the Act.

63. Any dealer who obstructs the authority prescribed in the performance of his duties under the Act shall on conviction be punished with imprisonment for a term which shall not be less than one month but which may extend to six months and with fine. Offences of obstructing the authority prescribed

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

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 had exercised all due diligence to prevent the commission of such offence.

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

Explanation :- For the purpose of this section,-

(a) 'Company' means a body corporate and includes a firm, association or persons or body of individuals whether incorporated or not; and

(b) 'Director' in relation to a firm means a partner in the firm, and in relation to any association of persons or body of individuals, means any member controlling the affairs thereof.

Compound-
ing of
offences

65. (1) Where any dealer has committed an offence of evasion of tax under the Act, the authority prescribed may in lieu of prosecution, compound the offence in an amount equal to the amount of tax subject to a minimum of three thousand rupees; and in other cases a sum of amount not exceeding three thousand rupees.

(2) Any order passed or proceeding recorded by the authority prescribed under sub-section (1) shall be final and no appeal or application for revision shall lie therefrom.

Penalty
for
failure to
register.

66. Any dealer who fails to apply for registration as required under section 17 of the Act shall be liable to pay a penalty of fifty percent of the amount of tax due prior to the date of filing of the application for registration, or prior to the date of registration by the Registering Authority.

Penalty
for
failure to
file a
return.

67. (1) Any VAT dealer, who fails to file a return where no tax is due, by the end of the month in which it was due, shall be liable to pay a penalty of Rs.5,000/- (rupees five thousand).

(2) Any dealer registered under sub-section (7) of section 17 of the Act who fails to file a return where no tax is due shall be liable to pay a penalty of Rs.1,000/- (rupees one thousand).

(3) Where a VAT dealer files a return, after the last day of the month in which it is due, he shall be liable to pay a penalty of fifteen percent of the tax due:

Provided that before levying such penalty the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Penalty
for
failure to
pay tax
when
due.

68. (1) Where a dealer who fails to pay tax due on the basis of the return submitted by him by the last day of the month in which it is due, he shall be liable to pay tax and a penalty of ten percent of the amount of tax due:

Provided that before levying such penalty the authority prescribed shall give the dealer a reasonable opportunity of being heard.

(2) If a dealer pays the tax, penalty and interest under sub-section (1) and subsequently it is found that the tax is not due, then such tax, penalty and interest shall be refunded to that dealer.

69. Any dealer who is registered under section 17 of the Act, who fails to use a TIN or GRN or misuses a TIN or GRN contrary to the requirements of the Act or rules made thereunder, shall be liable to pay a penalty of rupees one thousand for each offence.

Penalty for failure to use or misuse of TIN and GRN.

70. (1) Any dealer who has under-declared tax, and where it is established that fraud or wilful neglect has been committed he shall be liable to pay penalty equivalent to double the amount of tax so under-declared and in addition, he shall also be liable to pay interest at the rate of one percent per month or part thereof for the period for which tax is due.

Penalty for failure to declare Tax Due.

(2) Where any dealer has under declared tax, and where it has not been established that fraud or wilful neglect has been committed and where under declared tax is,-

i) less than ten percent of the tax due, a penalty shall be imposed at ten percent of such under-declared tax;

ii) more than ten percent of the tax due; a penalty shall be imposed at twenty five percent of such under-declared tax.

(3) Where any dealer, prior to the detection by any authority prescribed, voluntarily declares that, tax due for a tax period is under declared and he pays the tax due along with interest, no penalty shall be imposed provided that such declaration is made within the time limit and in the manner prescribed.

71. (1) Where an assessment is made under the provisions of sub-section (1) of section 21 of the Act for the failure to file a return, a penalty of fifty percent of the assessed amount shall be imposed.

Penalty for assessment issued for failure to file a return.

(2) Where an assessment has been made under sub-section (1) of section 21, and the dealer subsequently furnishes a return

for the period to which the assessment relates, the authority prescribed may withdraw the assessment but the dealer shall be liable to pay penalty under sub-section (3) of section 67 and interest as applicable.

Penalty for issue of tax invoice and for the use of false tax invoices.

72. (1) Any VAT dealer, who fails to issue a tax invoice or an invoice or a bill or cash memorandum as required by Section 14 and section 44 of the Act, shall be liable to pay a penalty of Rs. 1000/- (rupees one thousand) or double the amount of tax whichever is higher, for each offence.

(2) Any VAT dealer, who issues a false tax invoice or receives and uses a tax invoice, knowing it to be false, shall be liable to pay a penalty of double the amount of tax shown on the false invoice.

(3) Any TOT dealer or any other dealer who fails to issue a bill or cash memorandum as required by section 44 shall be liable to pay a penalty of Rs.250/- (rupees two hundred and fifty) or double the amount of tax whichever is higher, for each offence.

Penalty for un-authorized/ excess collection of tax.

73. (1) No dealer shall collect any sum by way of tax, in respect of sale or purchase of any goods which are not liable to tax under this Act.

(2) No person, other than a dealer, shall collect on the sale or purchase of any goods any sum by way of tax from any other person and no dealer shall collect any amount by way of tax at a rate or rates exceeding the rate or rates at which he is liable to pay tax under the provisions of this Act.

(3) Nothing in sub-section (2) shall apply to a person where he is required to collect separately any amount of tax under the provisions of any other law for the time being in force.

(4) If any person collects tax in contravention of the provisions of sub-section (1) or sub-section (2) any sum so collected shall be forfeited either wholly or partly to the State Government and in addition he shall be liable to pay a penalty of an amount equal to the amount of tax so collected:

Provided that the authority prescribed shall not levy penalty if it is evident that due to bonafide mistake the dealer collected tax in contravention of sub-section (1) or sub-section (2) and the tax so collected in excess has been remitted to the Government along with the tax payable for that month:

Provided further that the authority prescribed shall while imposing the penalty or forfeiture, take into consideration the amounts refunded to the purchaser from out of the amounts collected, by way of tax in contravention of sub-section (1) or sub-section (2) or for the refund of which satisfactory arrangement has been made.

(5) No order for the forfeiture under this section, shall be made after the expiration of three years from the date of collection of the amount referred to in sub-section (4):

Provided that in computing the period of three years under this sub-section, the period during which any stay order was in force or any appeal or other proceeding in respect thereof was pending shall be excluded.

(6) If the authority prescribed in the course of any proceeding under this Act, or otherwise has reason to believe that any person has become liable to penalty with or without forfeiture of any sum under sub-section (4) such authority shall serve on such person a notice in the prescribed form requiring him on a date and at a place specified in the notice to attend and show cause why a penalty with or without forfeiture of any sum as provided in sub-section (4) shall not be imposed on him.

(7) The authority prescribed shall thereupon hold an enquiry and shall make such order as he thinks fit.

(8) No prosecution for an offence under this Act, shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

74. Any VAT dealer or TOT dealer who fails to maintain proper records in accordance with the provisions of this Act, is liable to pay a penalty at the rate of Rs. 5,000/- (rupees five thousand) for each subsequent offence committed after a warning is issued in writing for the first offence, without prejudice to the payment of tax, penalty and interest if any due under the provisions of the Act:

Penalty
for
failure to
maintain
records.

Provided that before imposing such penalty the authority shall give the dealer a reasonable opportunity of being heard.

75. Where a dealer without reasonable cause makes a false or misleading statement which results in evasion of tax, such

Penalty
for false
or
misleading
statements.

dealer shall be liable to pay penalty of double the amount of tax so evaded in addition to the tax payable.

Penalty
for
abettors.

76. Whoever abets the commission of any offence under this Act or the rules made thereunder shall be punished with the punishment provided for the offence.

cognizance
of
offences.

77. (1) No Court other than the Court of a Magistrate of the first class shall take cognizance of, or try, an offence under this Act.

(2) No prosecution for any offence under this Act shall be instituted except with the written consent of the Commissioner of Commercial Taxes.

CHAPTER - V

GENERAL PROVISIONS

Protection
of acts
done in
good
faith.

78. (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, and no such suit, prosecution or other proceeding shall be instituted after the expiry of six months from the date of the act complained of.

(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 imposed on him or the discharge of functions entrusted to him by or under this Act.

Submis-
sion of
returns
by
Banks.

79. Every scheduled bank including any branch of such bank or any banking institution in the State shall, at the request of the assessing authority concerned, submit in each month a return in the prescribed form, of all bills relating to goods discounted, cleared or negotiated and the payment and receipts relating to the sale or purchase of goods transacted by or through it during the preceding month, in such manner and within such period as may be prescribed.

Provision
in the
case of
defective
or
irregular
proceed-
ings.

80. No assessment made, penalty or compounding fee levied or other order passed by any officer or authority under this Act, shall be set aside merely on account of any defect or irregularity in the procedure relating thereto, unless it appears

that such defect or irregularity has in fact occasioned material hardship or failure of justice.

81. The amount of total turnover or taxable turnover shall be rounded off to the nearest multiple of hundred rupees and for this purpose if such amount is not a multiple of hundred, but is rupees fifty or more, the amount shall be increased to the next higher amount which is a multiple of hundred and if such amount is less than rupees fifty, the amount shall be reduced to the next lower amount which is a multiple of hundred; and the amount so rounded off shall be deemed to be the total turnover or taxable turnover of the dealer for the purposes of this Act.

Rounding
off of
turnover.

82. The amount of tax, interest, penalty, or any other sum payable and the amount of refund due under the provisions of this Act, shall be rounded off to the nearest ten rupees and for this purpose, if such amount is five rupees or more it shall be increased to the next ten rupees and if such amount is less than five rupees, it shall be ignored.

Rounding
off of tax
etc.,

83. (1) Appointment of Commissioner of Commercial Taxes, Additional Commissioner of Commercial Taxes, Joint Commissioners of Commercial Taxes, Appellate Deputy Commissioners of Commercial Taxes, Deputy Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes, Commercial Tax Officers and Deputy Commercial Tax Officers.

Appoint-
ment of
officers

(2) The State Government may appoint a Commissioner of Commercial Taxes and as many Additional Commissioners of Commercial Taxes, Joint Commissioners of Commercial Taxes, Appellate Deputy Commissioners of Commercial Taxes, Deputy Commissioners of Commercial Taxes, Assistant Commissioners of Commercial Taxes, Commercial Tax Officers and Deputy Commercial Tax Officers as they think fit, for the purpose of performing the functions respectively conferred on them by or under this Act. Such officers shall perform the said functions (within such area or areas or the whole of the State of Andhra Pradesh) as the State Government or any authority or officer empowered by them in this behalf may assign to them.

84. The powers conferred by this Act and the rules made thereunder on any of the officers appointed under section 83 of

Powers
of sub-
ordinate

officers
may be
exercised
by higher
authorities

this Act may also be exercised by any of the officers superior to the officers so empowered, subject to any instructions issued by the Commissioner of Commercial Taxes in this regard.

Power to
remove
difficulties.

85. (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 corresponding provisions of the Acts in force immediately before the commencement of this Act, the State Government may, by order in the Andhra Pradesh Gazette, make such provisions as appear to them 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 corresponding Act in force before the commencement of this Act), the State Government may, by order make such provisions, not inconsistent with the purposes of this Act, as appear to them to be necessary or expedient for removing the difficulty.

Instruc-
tions to
subordi-
nate
Officers

86. The Commissioner may, from time to time, issue such orders, instructions and directions not inconsistent with the provisions of this Act or the rules made there-under to his subordinate officers as he may deem fit, for the proper administration of the Act and such officers and all other persons employed in the enforcement of the Act, shall comply with such orders, instructions and directions:

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

Power to
make
rules

87. (1) The State Government may by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for,—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the manner of determination of the amount payable by the dealer in respect of,— (i) any transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract; (ii) any delivery of goods on hire

purchase or any system of payment by instalments; (iii) any transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration; (iv) any transfer of property in goods involved in lucky gift scheme;

(c) the term of office, and the conditions of service, of the members of the Appellate Tribunal;

(d) the issue of registrations to persons engaged in the sale or purchase of goods, the fees payable therefor and the imposition of conditions in respect of the same for the purpose of enforcing the provisions of this Act;

(e) the rectification of mistakes apparent from the record of any assessment, appeal or revision and the period within which such rectification may be made;

(f) the administration of the check posts set up and barriers erected under this Act and the regulation of the work therein;

(g) the disposal of goods confiscated under this Act and of the proceeds thereof;

(h) the issue of bills or tax invoices or cash memoranda, the class or classes of dealers who should maintain counterfoils for the same and the particulars to be shown in and the manner of maintenance of such counterfoils and the time for which they should be preserved;

(i) the maintenance of purchase bills or accounts of purchases and sales by dealers carrying on business in specified goods and the time for which they should be preserved;

(j) the issue of delivery notes in respect of goods delivered, or transported 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;

(k) the application of the provisions of the Code of Civil Procedure, 1908 to the extent specified, in respect of applications, appeals and other proceedings under this Act;

(l) securing that returns furnished or accounts or documents produced, or evidence of any kind given under this Act before any assessing authority or on appeal or revision from any decision of such authority are kept confidential;

(m) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(n) the circumstances in which and the extent to which, fees paid in pursuance of section 33 may be refunded;

(o) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act;

(p) the assessment and recovery of tax under this Act in respect of businesses which is discontinued or the ownership of which has changed or in respect of a business of a deceased person;

(q) the assessment and recovery of tax under this Act in respect of business owned by minors or other incapacitated persons or by persons residing outside the State;

(r) the assessment and recovery of tax under this Act in respect of business owned by any person whose estate or any portion of whose estate is under the control of the Court of Wards, the Administrator-General, the Official Trustee, or any receiver or manager appointed by or under any order of a Court.

(3) Any rule under this Act, may be made so as to have retrospective effect.

(4) In making a rule under sub-section (1) or sub-section (2), the State Government may provide that a person guilty of a breach thereof, shall, on conviction by a Magistrate of the First class, be liable to be punished with fine which may extend to two thousand rupees.

(5) Every rule made under this Act, shall immediately after it is made, be laid before the Legislative Assembly of the State if it is in session and, if it is not in session, in the session immediately following, for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if before the expiration of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified have effect only in such modified form or shall stand annulled 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.

88. (1) The Government may, by notification, alter, add to or cancel any of the Schedules.

Power to
Amend
Schedules

(2) Where a notification has been issued under sub-section (1) of this section of this Act there shall, unless the notification is in the meantime rescinded, be introduced in the Legislative Assembly, as soon as may be, but in any case during the next session of the Legislative Assembly following the date of the issue of the notification, a Bill on behalf of the Government, to give effect to the alteration, addition or cancellation, as the case may be, of the Schedule specified in the notification, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) of this section of this Act is issued when the Legislative Assembly is in session, such a Bill shall be introduced in the Legislative Assembly during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in the Legislative Assembly, the notification shall cease to have effect on the expiration of the said period of six months.

(3) All references made in this Act to any of the Schedules shall be construed as relating to the Schedules in force for the time being amended in exercise of the powers conferred by this section.

CHAPTER - VI

REPEAL

89. (1) The Andhra Pradesh General Sales Tax Act, 1957 is hereby repealed;

Repeal
AP Act
VI of
1957

Provided that such repeal shall not affect the previous operation of the said Act or section or any right, title, obligation or liability already acquired, accrued or incurred thereunder, and subject thereto, anything done or any action taken (including any appointment, notification, notice, order, rule, form, regulation,

certificate, licence or permit) in the exercise of any power conferred by or under the said Act or section shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act was in force on the date on which such thing was done or action was taken; and all arrears of tax and other amounts due at the commencement of this Act may be recovered as if they had accrued under this Act.

(2) Notwithstanding anything contained in sub-section (1), any application, appeal, revision or other proceeding made or preferred to any officer or authority under the said Act or section and pending at the commencement of this Act, shall, after such commencement, be transferred to and disposed of by the officer or authority who would have had jurisdiction to entertain such application, appeal, revision or other proceeding under this Act if it had been in force on the date on which such application, appeal, revision or other proceeding was made or preferred.

(3) Upon such repeal of the Andhra Pradesh General Sales Tax Act, 1957 the provisions of sections 8, 8A and 18 of the Andhra Pradesh General Clauses Act, 1891 shall apply.

SCHEDULE - I**List of goods exempt from tax**

Sl.No.	Name of the Commodity
1.	Agricultural implements manually operated or animal driven
2.	Aids and implements used by handicapped persons
3.	Aquatic feed, poultry feed and cattle feed including grass, hay and straw
4.	Betel leaves
5.	Books, periodicals and journals
6.	Charkha, Ambar Charkha and Gandhi Topi
7.	Charcoal
8.	Jowar, Maize, Ragi, Bajra, Kodan, Kutki, Barley, Varigalu or variga rice, Korralu or Korra Rice.
9.	Condoms and contraceptives
10.	Cotton and silk yarn in hank
11.	Curd, Lussi, Butter Milk and separated milk
12.	Earthen pot
13.	Electrical energy
14.	Firewood
15.	Fishnet and fishnet fabrics
16.	Fresh milk and pasteurized milk other than UHT milk and skimmed milk powder
17.	Fresh plants, saplings and fresh flowers
18.	Fresh vegetables & fruits
19.	Garlic and Ginger
20.	Glass bangles
21.	Handlooms and Handloom goods
22.	Human blood and blood plasma
23.	Kumkum, Bindi, alta and Sindur
24.	Meat, Fish, prawn and other aquatic products when not cured or frozen, eggs, livestock and animal hair

25. National Flag
26. Organic manure
27. Non-judicial stamp paper sold by Government Treasuries; postal items like envelope, post card etc. sold by Government; rupee note, when sold to the Reserve Bank of India and cheques, loose or in book form
28. Raw wool
29. Semen including frozen semen
30. Silk worm laying, cocoon and raw silk
31. Slate and slate pencils
32. Tender green coconut
33. Toddy, Neera and Arrack
34. Unbranded bread
35. Unprocessed and unbranded Salt
36. Water other than,
 - i) aerated, mineral, distilled, medicinal, ionic, battery, de-mineralised water; and
 - ii) water sold in sealed container.

SCHEDULE – II

Transactions Zero-Rated and Eligible for Input Tax Credit

- | SL.NO. | Description |
|--------|---|
| 1. | Sale of taxable goods in the course of inter-State Trade or Commerce falling within the scope of section 3 of the Central Sales Tax Act, 1956 |
| 2. | Sale of goods falling within the scope of section 5(1) and section 5(3) of the Central Sales Tax Act, 1956. |

SCHEDULE – III**List of goods taxable @ 1%**

S.NO.	NAME OF THE COMMODITY
1.	Bullion and Specie
2.	Articles of Jewellery made of bullion or specie or both
3.	Precious stones, that is to say, Diamonds, Emeralds, Rubees, Pearls, Sapphires and semi-precious stones

SCHEDULE – IV**List of goods taxable @ 4%**

SL.NO.	NAME OF THE COMMODITY
1.	Agricultural implements not operated manually or not driven by animal
2.	All intangible goods like copyright, patent, rep license, DEPB
3.	All kinds of bricks including fly ash bricks, refractory bricks
4.	Ashphaltic roofing sheets
5.	Earthen tiles other than ceramic and glazed tiles
6.	All types of yarn other than cotton and silk yarn in hank and sewing thread
7.	Aluminium utensils and enameled utensils
8.	Arecanut, betel nut and betel nut powder

9. Bamboos
10. Bearings of all kinds
11. Beedi leaves
12. Transmission rubber belts
13. Bicycles, tricycles, cycle rickshaws & parts and accessories thereof
14. Bitumen
15. Branded bread
16. Bulk Drugs
17. Centrifugal, monobloc and submersible pumps and parts thereof
18. Coffee beans and seeds, cocoa pod, green tea leaf and chicory
19. Chemical fertilizers and Bone Meal including mixtures or Nutrient elements such as Iron, Zinc, Copper and biological derivatives such as Enzymes, Co-enzymes and Aucines
20. Pesticides, Insecticides, fungicides, herbicides, weedicides and other plant protection equipment and accessories thereof
21. Coir and Coir products excluding coir mattresses
22. Cotton waste and Cotton yarn waste
23. Crucibles
24. Electrodes including welding electrodes and welding rods

25. Exercise Note books including Graph books and laboratory note books, Office stationery like writing pads and Account Ledgers
26. Fibres of all types and fibre waste
27. Ferrous and non-ferrous metals and alloys and extrusions thereof
28. Flour, Atta, Maida, Suji and Besan
29. Parched and fried grams or dhalls
30. Jaggery
31. Hand Pumps, parts and fittings thereof
32. Herb, bark, dry plant, dry root, commodity known as jari booti and dry flower
33. Hose Pipes
34. Hosiery goods of all kinds
35. Husk and bran of cereals including rice, bran and wheat bran
36. Ice
37. Incense Sticks commonly known as, Agarbathi, dhupkathi or dhupati
38. Industrial cables, (High voltage cables, XI. PE Cables, Jelly filled cables, optical fibre cables)
39. IT Products, that is to say—
HSN Code:
84-69 – Word Processing Machines and Electronic Typewriters

- 84-70 – Electronic Calculators
- 84-71 – Computer Systems and Peripherals, Electronic Diaries
- 84-73 – Parts and Accessories of HSN 84.69,84.70 and 84-71 for items listed above
- 85.01 – DC Micromotors / Stepper motors of an output not exceeding 37.5 Watts
- 85.03 – Parts of HSN 85.01 for items listed above
- 85.04 – Uninterrupted Power Supplies (UPS) and their parts
- 85.05 – Permanent magnets and articles intended to become permanent magnets (Ferrites)

- 85.17 -- Electrical Apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carries-current line systems or for digital line systems; videophones
- 85.18 – Microphones, Multimedia Speakers, Headphones, Earphones and Combined Microphone / Speaker Sets and their parts
- 85.20 – Telephone answering machines
- 85.22 – Parts of Telephone answering machines
- 85.23 – Prepared unrecorded media for sound recording or similar recording of other phenomena
- 85.24 – IT software on any media
- 85.25 – Transmission apparatus other than apparatus for radio broadcasting or TV broadcasting, transmission apparatus incorporating reception apparatus, digital still image video cameras
- 85.27 – Radio communication receivers, Radio pagers
- 85.29 – (i) Aerials, antennas and their parts
(ii) Parts of items at 85.25 and 85.27 listed above
- 85.31 – LCD Panels, LED Panels and parts thereof
- 85.32 – Electrical capacitors, fixed, variable or adjustable (Pre-set) and parts thereof

- 85.33 – Electrical resistors (including rheostats and potentiometers), other than heating resistors
 - 85.34 – Printed circuits
 - 85.36 – Switches, Connectors and Relays for upto 5 AMPS at voltage not exceeding 250 Volts, Electronic fuses
 - 85.40 – Data/Graphic Display tubes, other than TV Picture tubes and parts thereof
 - 85.41 – Diodes, transistors and similar semi-conductor devices; Photosensitive semi-conductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; Light emitting diodes; Mounted piezo-electric crystals
 - 85.42 – Electronic Integrated Circuits and Micro – assemblies
 - 85.43 – Signal generators and parts thereof
 - 85.44 – Optical fibre cables
 - 90.01 – Optical fibre and optical fibre bundles and cables
 - 90.13 – Liquid Crystal Devices, Flat Panel display devices and parts thereof
 - 90.30 – Cathode ray oscilloscopes, Spectrum Analysers, Cross-talk meters, Grain measuring instruments, Distortion factor meters, Psophometers, Net work & Logic analyzer and Signal analyzer.
- 40. Kerosene oil sold through public distribution system
 - 41. Leaf plates and cups used for eating purpose
 - 42. Murmuralu, pelahu, atakulu and puffed rice
 - 43. Nawar
 - 44. Napa Slabs (Rough Flooring Stones)
 - 45. Ores and minerals
 - 46. Paper of all kinds and news print

47. Pipes of all varieties including G.I. Pipes, C.I. Pipes ductile pipes and PVC Pipes
48. Plastic footwear
49. Printed material like diary, calendar etc.,
50. Printing Ink excluding toner and cartridges
51. Processed and branded salt
52. Pulp of bamboo, wood and paper
53. Rail coaches, engines and wagons
54. Readymade Garments
55. Renewable energy devices and spare parts
56. Safety Matches
57. Seeds
58. Sewing Machines and parts and accessories thereof
59. Ships and other vessels
60. Silk fabrics other than Handloom silk fabrics
61. Skimmed Milk Powder and UHT Milk
62. Spices of all varieties and forms including cumin seed, aniseed, turmeric and dry chillies
63. Sports goods excluding apparels and footwear
64. Starch and Sago
65. Tamarind and Tamarind seed

66. Tractors and Threshers, Harvesters and attachments and parts thereof
67. Transmission towers
68. Umbrellas except garden umbrella
69. Vanaspathi, Hydrogenated Vegetable Oil.
70. Vegetable Oils – All kinds of vegetable Oils including solvent oils and Coconut Oil
71. Writing Instruments
72. Coal Including coke in all its forms, but excluding charcoal
73. Iron and steel, that is to say,--
- (i) Pig Iron, Sponge Iron, and cast iron including ingot moulds, and bottom plates.
 - (ii) Steel semis, ingots, slabs, blooms and billets of all qualities, shapes and sizes.
 - (iii) Skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars;
 - (iv) Steel bars, rounds, rods, squares, flats, octagons and hexagons; plain and ribbed or twisted, in coil form as well as straight length
 - (v) Steel structurals, angles, joints, channels, tees, sheet piling sections, Z sections or any other rolled sections
 - (vi) Sheets, hoops, strips and skelp, both black and galvanized, hot and cold rolled, plain and corrugated in all qualities, in straight lengths and in coil form as rolled and in re-rolled condition.
 - (vii) Plates, both plain and chequered in all qualities

- (viii) Discs, rings, forgings and steel castings;
- (ix) Tool, alloy and special steels of any of the above categories
- (x) Steel tubes, both welded and seamless, of all diameters and lengths including tube fittings
- (xi) Tin-plates, both hot dipped and electrolytic and tin free plates
- (xii) Fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails – heavy and light crane rails;
- (xiii) Wheels, tyres, axles and wheel sets
- (xiv) Wire rods and wires rolled, drawn, galvanized, aluminized, tinned or coated such as by copper

74. Iron and Steel scrap, that is to say,--

- (i) Iron scrap, cast-iron scrap, runner scrap and iron skull scrap
- (ii) Steel melting scrap in all forms including steel skull, turnings and borings
- (iii) Defectives, rejects, cuttings or end pieces of any of the categories of item (i) to (xiv) of entry 73

75. Oil Seeds, that is to say,--

- (i) Sesamum or Til (orientale)
- (ii) Soyabean (Glycine seja)
- (iii) Rape seed and mustard,--

1. Toria (*Brassica campestris var toria*)
 2. Rai (*Brassica Juncea*)
 3. Jamba – Taramira (*Eruca satiya*)
 4. Sarcon – yellow and brown (*brassica compestris varsarson*)
 5. Banarasi Rai or True mustard (*Brassica nigra*)
- (iv) Linseed (*linum usitatissimum*)
 - (v) Sunflower (*Helianthus annus*)
 - (vi) Nigar seed (*Guizotia abyssinica*)
 - (vii) Neem, vepa (*Azadi rachta indica*)
 - (viii) Mahua, illupai, ippe (*Madhuca indica*, *M. Latifolia*), Bassia, Latifolja and *Madhuca Longifolia* Syn. *M. Longifolia*)
 - (ix) Karanja, Pongam, Honga (*Pongamia pinnata* syn. *P. Glabra*)
 - (x) Kusum (*Schleichera Oleosa*, syn. *S. Trijuga*)
 - (xi) Punna undi (*Calophyllum, inophyllum*)
 - (xii) Kokum (*Carcinia indica*)
 - (xiii) Sal (*Shorea robusta*);
 - (xiv) Tung (*Aleurite Jordi* and *A. Montana*)
 - (xv) Red Palm (*elaeis guinenensis*)
 - (xvi) Safflower (*corthanus tinctorius*)
76. Castor (*Ricinus communis*)
77. Coconuts other than tender coconuts (*cocos nucifera*)

78. Copra
79. Groundnut or peanut (hypogea)
80. Cotton seeds
81. Jute, that is to say the fibre extracted from plants belonging to the species *corchorus capsularis* and *corchorus olitorius* and the fibre known as Mesta or Bimli extracted from plants of the species *Hibiscus cannabinus* and *Hibiscus sabdariffavar altissima* and the fibre known as sunnhemp extracted from plants of the species *Crotalaria Juncea* whether baled or otherwise
82. Cotton, that is to say, all kinds of cotton (indigenous or imported) in all its unmanufactured State, whether ginned or unginned, baled, pressed or otherwise but not including cotton waste.
83. Hides and Skins, Tanned or Un-Tanned
84. Crude oil, that is to say, crude petroleum oils and crude oils obtained from bituminous minerals (such as shale, calcareous rock sand), whatever their composition whether obtained from normal or condensation oil deposits or by the destructive distillation of bituminous minerals and whether or not subjected to all or any of the following processes
1. decantation
 2. de-salting
 3. dehydration
 4. stabilization in order to normalize the vapour pressure
 5. elimination of very light fractions with a view to returning them to the oil-deposits in order to improve the drainage and maintain the pressure
 6. the addition of only those hydrocarbons previously recovered by physical methods during the course of the above mentioned process

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7. any other minor process including addition of pour point depressants or flow improvers) which does not change the essential character of the substance

85. All kinds of Pulses
86. Wheat (*Triticum vulgare* T., *compactum*, *T.sphaerococum*, *T.durum*, *T.aestivum*, *L.T.dicocum*);
87. Paddy (*Oryza sativa* L)
88. Rice (*Oryza sativa* L.)
89. P.V.C. cloth, Waterproof cloth, Tarpaulin and Rexine
90. Aviation Turbine Fuel sold to Turbo-prop aircraft
91. Communication equipment
92. Oil cakes and Deoiled cakes
93. Industrial inputs and packing material that is to say---

S.NO.	Heading No.	Sub-Heading No.	Description
1	15.01		Animal (including fish) fats and oils, crude, refined or purified
2	15.06		Glycerol, crude; Glycerol Waters and Glycerol lyes
3	15.07		Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not re-fined or coloured; degreas; residues resulting from the treatment of fatty substances or animal or vegetable waxes.

4	15.08	Margarine; edible mixtures or preparations of animal or vegetable fats; animal or vegetable fats and oils, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or other wise chemically modified; inedible mixtures or preparations of fats and oils of this Chapter.
5	17.02	Liquid glucose (non medicinal), Dextrose Syrup
6	2204.10	Denatured ethyl alcohol of any strength
7	2205.00	Sulphur
8	26.02	Manganese ores and concentrates, including ferruginous manganese ores and deconcentrates with a manganese content of 20% or more, calculated on the dry weight
9	26.03	Copper ores and concentrates
10	26.04	Nickel ores and concentrates
11	26.05	Cobalt ores and concentrates
12	26.06	Aluminium ores and concentrates
13	26.07	Lead ores and concentrates
14	26.08	Zinc ores and concentrates
15	26.09	Tin ores and concentrates
16	26.10	Chromium ores and concentrates
17	26.11	Tungsten ores and concentrates

18	26.12	Uranium or Thorium ores and concentrates
19	26.13	Molybdenum ores and concentrates
20	26.14	Titanium ores and concentrates
21	26.15	Niobium, Tantalum, Vanadium or Zirconium ores and concentrates
22	26.16	Precious metal ores and concentrates
23	26.17	Other ores and concentrates
24	26.18	Granulated slag (slag sand) from the manufacture of iron or steel
25	2707.10	Benzols
26	2707.20	Toluple
27	2707.30	Xylple
28	2707.40	Naphthaiana
29	2707.50	Phenols
30	2707.60	Creosote Oils
31	28.01	Flourine, Chlorine, Bromine and Iodine
32	28.02	Sulphur, sublimed or precipitated; colloidal sulphur
33	28.03	Carbon (carbon blacks and other forms of carbon not elsewhere specified or included)
34	28.04	Hydrogen, rare gases and other non-metals

35	28.05	Alkali or alkaline-earth metals; rare-earth metals, scandium and yttrium. whether or not intermixed or interalloyed; mercury
36	28.06	Hydrogen chloride (Hydrochloric acid); Chlorosulphuric acid
37	28.07	Sulphuric acid and anhydrides thereof; Oleum
38	28.08	Nitric acid; sulphonitric acids
39	28.09	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids
40	28.10	Oxids of boron; boric acids
41	28.12	Halides and halide oxide of non-metals
42	28.13	Sulphides of non-metals; commercial phosphorus trisulphide
43	28.14	Ammonia, anhydrous or in-aqueous solution
44	28.15	Sodium hydroxide(caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium
45	28.16	Hydroxide and peroxide of magnesium; oxides, hydroxides and peroxides of strontium or Barium
46	28.17	Zinc Oxide; Zinc peroxide
47		2818.10 Aluminium hydroxide
48	28.19	Chromium oxides and hydroxides
49	28.20	Manganese oxides

50	2821.10	Iron oxides and hydroxides;
51	28.22	Cobalt oxides and hydroxides; commercial cobalt oxides
52	28.23	Titanium oxide
53	28.25	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides
54	28.26	Fluorides, fluorosilicates, fluoroaluminates and other complex fluorine salts
55	28.27	Chlorides, chloride oxides and chloride hydroxides; bromide and bromide oxides; iodides and iodide oxides
56	28.29	Chlorates and perchlorates; Bromates and perbromates; Iodates and periodates
57	28.30	Sulphides; Polysulphides
58	28.31	Dithionites and sulphonylates
59	28.32	Sulphites; thiosulphates
60	2833.1	Copper Sulphate
61	28.34	Nitrites; nitrates
62	28.35	Phosphinates (hypophosphites), Phosphonates (phosphite); phosphates and polyphosphates
63	28.36	Carbonates; peroxocarbonates (percarbonates), commercial ammonium carbonates containing ammonium carbamate

64	28.37	Cyanides, cyanide oxides and complex cyanides
65	28.38	Fulminates, cyanates and thiocyanates
66	28.40	Borates; peroxoborates (perborates)
67	2841.10	Sodium dichromate
68	2841.20	Potassium dichromate
69	28.44	Radioactive chemical elements and radioactive isotopes (including the fissile or fertile chemical elements and isotopes and their compounds; mixtures and residues containing these products)
70	28.45	Isotopes other than those of heading No.28.44; decomposed, inorganic or organic, of such isotopes, whether or not chemically defined
71	28.46	Compounds, inorganic or organic, of rare earth metals, of yttrium or of scandium or of mixtures of these metals
72	28.48	Phosphides, whether or not chemically defined, excluding ferrophosphorus
73	2849.10	Calcium Carbides
74	28.50	Hydrides, nitrides, azides, silicides and borides, whether or not chemically defined, other than compounds which are also carbides of heading No. 28.49
75	29.02	Cyclic Hydrocarbons
76	29.03	Halogenated derivatives of Hydrocarbons

- 29.04 Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated
- 29.05 Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 29.06 Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 29.07 Phenols; phenol-Alcohols
- 29.08 Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol-alcohols
- 29.09 Ethers, ether-alcohols, ether-phenols ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined) and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 29.10 Epoxides, epoxyalcohols, epoxyphenols and epoxyethers, with a three-membered ring and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 29.11 Acetals and hemiacetals, whether or not with other oxygen function and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 29.12 Aldehydes, whether or not with other oxygen function; cyclic polymers of aldehydes; para-formaldehyde

- 86 29.13 Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading No. 29.12
- 87 2914.10 Acetone
- 88 29.15 Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 89 29.16 Unsaturated acyclic monocarboxylic acids cyclic monocarboxylic acids their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 90 29.17 Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 91 29.18 Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 92 29.19 Phosphoric esters and their salts, including lactophosphates; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 93 29.20 Esters of other inorganic acids (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 94 29.21 Amine-function compounds

95	29.22	Oxygen-function amino-compounds
96	29.23	Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipids
97	29.24	Carboxymide-function compounds; amide-function compounds of carbonic acid
98	29.25	Carboxyamide-function compounds (including saccharin and its salt) and imine-function compounds
99	29.26	Nitrile-function compounds
100	29.27	Diazo-Azo- or azoxy-compounds
101	29.28	Organic derivatives of hydrazine or of hydroxylamine
102	29.30	Organio-sulphur compounds
103	29.31	Ethylene Diamine tetra Acetic Acid, Nitrilo Triacetic Acid and other derivatives
104	29.32	Heterocyclic compounds with oxygen heteroatom(s) only
105	29.33	Heterocyclic compounds with nitrogen heteroatom(s) only
106	29.34	Nucleic acids and their salts; other heterocyclic compounds
107	29.35	Sulphonamides
108	29.38	Glycosides, natural or reproduced by synthesis and their salts, ethers, esters and other derivatives

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| 109 | 29.39 | Vegetable alkaloids, natural or reproduced by synthensis, and their salts, ethers, esters and other derivatives |
| 110 | 29.42 | Ethylene Diamine tetra Acetic Acid, Nitrillo Triacetic Acid and other derivatives |
| 111 | 32.01 | Tanning extracts of vegetable origin; tannins and their salts ethers, esters and other derivatives excluding catechu or gambiar |
| 112 | 32.02 | Synthetic organic tanning substances, inorganic tanning substances tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning excluding catechu or gambiar |
| 113 | 32.03 | Colouring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations based on colouring matter of vegetable or animal origin as specified in Note 2 to this Chapter excluding catechu or gambiar |
| 114 | 32.04 | Synthetic organic colouring matter, whether or not chemically defined; preparations bases on synthetic organic colouring matter as specified in Note 2 to this Chapter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined excluding catechu or gambiar |
| 115 | 32.05 | Colour lakee; preparations based on colour lakees as specified in Note 2 to this chapter |

116	3206.2	Inorganic products of kind used as luminophores
117	3206.3	Master Batches
118	3207.1	Glass frit and other glass, in the form of powder, granules or flakes
119	3207.9	Other
120	32.11	Prepared driers
121	3215.9	Printing ink whether or not concentrated or solid
122	35.01	Casein, caseinates and other casein derivatives; casein glues
123	35.07	Enzymes; prepared enzymes not elsewhere specified or included
124	3707.00	Chemical preparations for photographic uses (other than varnishes, glues, adhesives, and similar preparations);
125	38.01	Artificial graphite; colloidal or semi-colloidal graphite; preparations based on graphite other carbon in the form of pastes, blocks, plates or other semi-manufactures
126	38.02	Activated carbon; activated natural mineral products; animal black, including spent animal black
127	38.04	Residual Lues from the manufacture or wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of heading No. 38.03

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| 128 | 38.06 | Rosin and resin acids and derivatives thereof; rosin spirit and rosin oils; run gums |
| 129 | 38.07 | Wood tar; wood taroils; wood creosote; wood naphtha; vegetable pitch; brewers' pitch and similar preparations based on rosin, resin acids or on vegetable pitch |
| 130 | 3808.10 | Insecticides, fungicides, herbicides, weedicides and pesticides of technical grade |
| 131 | 38.09 | Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs, and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper leather or like industries, not elsewhere specified or included |
| 132 | 38.12 | Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti-oxidising preparations and other compound stabilisers for rubber or plastics |
| 133 | 38.14 | Reducers and blanket wash / roller wash used in the printing industry |
| 134 | 38.15 | Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included |
| 135 | 38.17 | Mixed alkylbenzenes and mixed alkyl naphthalenes, other than those of heading No.27.07 or 29.02 |
| 136 | 38.18 | Chemical elements doped for use in electronics, in the form of discs, wafers in sunukar firms, chemical compounds doped for use in electronics |

137	38.23	Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols
138	3824.9	Ratardars used in the printing industry
139	39.01	Polymers of ethylene in primary forms
140	39.02	Polymers of propylene or of other oletins, in primary forms
141	39.03	Polymers of styrene, in primary forms
142	39.04	Polymers of vinyl chloride or of other halogenated olefins, in primary forms
143	39.05	Polymers of vinyl acetate or of other vinyl-esters in primary forms; other vinyl polymers in primary forms
144	39.06	Acrylic polymers in primary forms
145	39.07	Polyacetals, other polyethers and epoxide resins, in primary forms, polyesters, in primary forms polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms.
146	39.08	Polyamides in primary forms
147	39.09	Amino-resins, polyphenylene oxide, phenolicresins and polyurethanes in primary forms
148	39.10	Silicons in primary forms
149	39.11	Petroleum resins, coumarone-indene resins, polyterpenes, polysulphides, polysulphones and other products specified in Note 3 to this Chapter, not elsewhere specified or included, in primary forms

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| 150 | 39.12 | Cellulose and its chemical derivatives, and cellulose ethers, not elsewhere specified or included in primary forms |
| 151 | 39.13 | Natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber), not elsewhere specified or included, in primary forms |
| 152 | 39.14 | Ion-exchangers based on polymers of heading Nos.39.01 to 39.13, in primary forms |
| 153 | 39.19 | Self-adhesives plates, sheets, film, foil tape strip and other flat shapes, of plastics, whether or not in rolls |
| 154 | 39.20 | Other plates, sheets, film, foil and strip, of plastics, non-cellular, whether lacquered or metallised or laminated, supported or similarly combined with other materials or not |
| 155 | 39.23 | Articles for the conveyance or packing of goods, of plastics, stoppers, lids, caps and other closures, of plastics including (a) insulated wares (b) bags of the type which are used for packing of goods at the time of a sale for the convenience of the customer including carry bags |
| 156 | 40.01 | Natural Rubber, belata, gutta percha, Guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strips |
| 157 | 40.02 | Synthetic rubber and factice derived from oils in primary forms or in plates, sheets or strips; mixtures of any product of heading |

		No.40.01 with any product of this heading, in primary forms or in plates, sheets or strip
158	40.03	Reclaimed rubber in primary forms or in plates, sheets or strips
159	40.05	Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip, other than the forms and articles of unvulcanised rubber described in heading No.40.06
160	47.01	Mechanical wood pulp, chemical wood pulp, semi-chemical wood pulp and pulps of other fibrous cellulosic materials
161	48.19	Cartons (including flattened or folded cartons), boxes (including flattened or folded boxes), cases, bags and other packing containers, of paper, paperboard, whether in assembled or un-assembled condition.
162	48.21	Paper printed labels and paper board printed labels.
163	48.23	Paper self adhesives tape and printed wrappers used for packing
164	6305.10	Sacks and Bags, of a kind used for the packing of goods, of jute or of other textile base fibre of heading No.53.03
165	70.07	Carboys, bottles, jars, phials of glass, of kind used for the packing goods, stoppers, caps and other closures, of glass

166	70.14	Glass fibres (including glass wool and glass filaments) and articles thereof (for example, yarn, woven fabrics), whether or not impregnated, coated, covered or laminated with plastics or varnish
167	7607.60	Aseptic packaging aluminium foil of thickness less than 0.2mm and backed by paper and LDPE
168	83.09	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers) capsules for bottles, threaded bungs, gung covers, seals and other packing accessories, of base metal

SCHEDULE – V

Goods Taxable at Standard Rate (RNR) of 12.5 %

All Goods other than those specified in Schedules I, III, IV and VI.

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SCHEDULE -VI
Goods subjected to tax at special rates

Item No.	Description	Point of levy	Rate of tax
1	All liquors, bottled and packed as per the provisions of the A.P. Excise Act, 1968 (including imported liquor) but excluding toddy and arrack	At the point of first sale in the State	70%
2.	Petrol other than aviation motor spirit	At the point of first sale in the State	32.55%
3.	Aviation motor Spirit	At the point of first sale in the State	32.55%
4.	Aviation turbine fuel other than specified at SL.No.90 in Schedule IV	At the point of first sale in the State	32.55%
5.	Diesel Oil	At the point of first sale in the State	21.33%

Explanation - I:- For the purpose of item (1) when any distillery or brewery or any dealer sells liquor to the Andhra Pradesh Beverages Corporation Limited, by the Andhra Pradesh Beverages Corporation Limited shall be deemed to be the first sale.

Explanation - II:- For the purpose if item (1) sale of liquor by any distillery or brewery or any dealer to Andhra Pradesh Beverages Corporation Limited shall be exempt from tax under this Act.

Explanation - III:- For the purpose of items 2,3,4 and 5 a sale by one oil company to another oil company shall not be deemed to be the first sale

in the State. Accordingly any sale by one oil company to any other person (not being an oil company) shall be deemed to be the first sale in the State.

Note: The expression 'oil company' in this explanation means,--

- (a) Hindustan Petroleum Corporation Limited
- (b) Indian Oil Corporation Limited
- (c) Bharat Petroleum Corporation Limited
- (d) Indo-Burma Petroleum Company Limited
- (e) Chennai Petroleum Corporation Limited and
- (f) Such other oil company as the Government may, from time to time, by notification in the Gazette specify in this behalf.

G.V. SEETHAPATHY,
Secretary to Government,
Legislative Affairs & Justice (FAC),
Law Department.

STATEMENT OF OBJECTS AND REASONS

During the Conference of Hon'ble Chief Ministers of all the State in the country held by the Government of India on 16th November, 1999, it was resolved unanimously, that,-

(i) Uniform floor rates of sales tax shall be implemented in all the States from 1-1-2000

(ii) The sales tax based incentives to the industries shall be withdrawn.

(iii) The present sales tax shall be replaced with Value Added Tax system from 1-4-2001.

In order to implement the Value Added Tax System in all the States in the Country, an empowered Committee of State Finance Ministers have been constituted under the Chairmanship of Dr. Asim Das Gupta, Hon'ble Minister for Finance, Government of West Bengal. The said Committee met regularly for the last two years to discuss and arrive at consensus on various policy issues involved in implementation of the value added tax system. All the State Governments have accepted the recommendations made by Empowered Committee and decided to implement the VAT system from 1-4-2003 so as to maintain uniformity and similarity in the proposed VAT system in all the States in the Country.

The Value Added Tax system has emerged as one of the most important fiscal innovations of the century. More than 115 countries have already adopted this tax system and many more countries are likely to switch over to it. Many neighbouring and developing countries like China, Bangladesh, Pakistan, Bhutan, Nepal etc., have already implemented the Value Added Tax system. In India VAT system has already been introduced in the levy of Central Excise Duty.

VAT is a tax on consumption collected in instalments at all stages of production and distribution of goods. By giving input tax credit at all stages,

it removes the tax burden on the business and achieves total transparency for the tax finally paid by the consumer. In all the countries where VAT system was introduced it was found to be very successful and resulted as a good stimulant for economic growth. It encourages investment and exports because the total tax burden is removed on the goods exported outside the country.

There will be only two rates of taxes in VAT with the exception of 1% on Gold and jewellery and special rates for liquor and petroleum products. A rate of 4% is proposed on all food grains, other essential items and goods of special importance and a standard revenue neutral rate of 12.5% on all other goods. The goods presently exempted from sales tax will continue to be exempted and in addition, poultry, cattle and aqua feed, charcoal and firewood are also recommended for exemption. The Government of India have assured that compensation during the first three years will be provided on the basis of suitable mechanism or methodology agreed upon to meet revenue loss on the introduction of VAT system. The loss of revenue to the States will be on account of input tax credit available to all manufacturers and on account of lower rate of tax on all goods presently taxed above 12.5% excepting liquor, petrol and diesel.

The salient features of the Andhra Pradesh Value Added Sales Tax Bill, 2003 are as specified below :-

(1) All the small dealers with less than Rs. 3 (three) lakhs turnover will be totally exempted from registration and any tax liability, which is not available in the present APGST Act, 1957. Due to introduction of this system, about 1,50,000 dealers will get this benefit.

(2) All dealers who are having between Rs. 3 (three) lakhs and Rs. 20 (twenty) lakhs turnover will have the option to pay a marginal rate of 1.5% turnover tax on quarterly basis without having to maintain complicated accounts. Due to this about 1,25,000 dealers will get the benefit.

(3) All dealers above Rs. 20 (twenty) lakhs turnover will be required to register for VAT and they will pay tax on the basis of a simple output tax minus input tax method on monthly basis. By this, about 1,00,000 dealers are expected to be under VAT.

(4) The new tax system is proposed on 100% self-assessment basis without having the burden of producing books of accounts on yearly basis.

(5) An effective audit mechanism is proposed which will be based on risk parameters generated through a well designed I.T. system to prevent and control evasion of tax.

(6) The tax department is being re-organized and reoriented to shift from the role of regulator or controller to the role of facilitator and guide.

(7) In general the new law is designed to encourage voluntary compliance.

To achieve the above objects in view, Government have decided to undertake a special Legislation by repealing the Andhra Pradesh General Sales Tax Act, 1957.

This Bill seeks to give effect to the above decision.

K. VIJAYA RAMA RAO,
Minister for Commercial Taxes.