



## **The Madhya Pradesh General Sales Tax Act, 1958**

Act 2 of 1959

**Keyword(s):**

**Sale or Purchase of Goods, Levy of Tax, Business, Dealer, Goods, Import, Manufacture**

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## MADHYA PRADESH ACT

(No. 2 of 1959)<sup>1</sup>

## THE MADHYA PRADESH GENERAL SALES TAX ACT, 1958

(Received the assent of the President on the 27th February 1959, assent first published in the Madhya Pradesh Gazette on the 13th March 1959.)

*An Act to consolidate and amend the laws relating to levy of a general tax on the sales or purchases of goods in the State of Madhya Pradesh.*

Be it enacted by the Madhya Pradesh Legislature in the Ninth Year of the Republic of India as follows :—

Short title, extent and commencement

1. (1) This Act may be called the Madhya Pradesh General Sales Tax Act, 1958.

(2) It extends to the whole of Madhya Pradesh.

(3) It shall come into force on such date<sup>2</sup> as the State Government may, by notification, appoint in this behalf.

Definitions

2. In this Act, unless there is anything repugnant in the subject or context,—

(a) “Appellate Assistant Commissioner” means an Appellate Assistant Commissioner of Sales Tax appointed under section 3 and includes an Additional Appellate Assistant Commissioner of Sales Tax;

[(aa) “Appellate Deputy Commissioner” means an Appellate Deputy Commissioner of Sales Tax appointed under section 3 and includes an Additional Appellate Deputy Commissioner of Sales Tax;]<sup>3</sup>

(b) “Assistant Commissioner” means an Assistant Commissioner of Sales Tax appointed under section 3 and includes an Additional Assistant Commissioner of Sales Tax;

4[(bb) “business” includes—

[(i) any trade, commerce, manufacture or any adventure or concern in the nature of trade, commerce or manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern and irrespective of the volume, frequency, continuity or regularity of such trade, commerce, manufacture, adventure or concern; and]<sup>5</sup>

[(ii) any transaction of sale or purchase of goods in connection with or incidental or ancillary to the trade, commerce, manufacture, adventure or concern referred to in sub-clause (i), that is to say,—

(a) goods of the description referred to in sub-section (3) of section 8 of the Central Sales Tax Act, 1956 (No. 74 of 1956), whether or not they are specified in the certificate of registration, if any, of the dealer under the said Act and whether or not they are in their original form or in the form of second-hand goods, unserviceable goods, obsolete or discarded goods, mere scrap or waste material; and

1. For Statement of Objects and Reasons (in English) see Madhya Pradesh Gazette, Extraordinary dated the 25th April, 1958, Page 793 and (in Hindi) 823. For proceedings in Assembly, see Madhya Pradesh Vidhan Sabha proceedings 1958, Vol. 3, No. 35 Pages 3131 to 3167, No. 36, pages 3246 to 3263. Vol. 4 No. 1 pages 32, No. 7, pages 644 to 686, No. 8, pages 775 to 786, No. 9, pages 881 to 918, No. 15, pages 1630 to 1652.

2. 1st April, 1959, see Govt. of M.P. Separate Revenue Department Notification No. 622-1586-V-Sr, dated the 21st March 1959, published in the Madhya Pradesh Gazette dated the 27th March 1959, part III Section I, page 50.

3. Ins. by M.P. Act 25 of 1978, S. 2(i).

4. Ins. by M.P. Act 16 of 1965, S. 2(a).

5. Subs. by M.P. Act 19 of 1979, S. 2(a).

- (b) goods which are obtained as waste products or by products in the course of manufacture or processing of other goods or mining or generation of or distribution of electricity or any other form of power;]<sup>1</sup>
- (c) "Commissioner" means the Commissioner of Sales Tax appointed under section 3;

[(cc) "cooked food" includes sweets and sweetmeats, mishri, batasha, chironji, shrikhand, rabadi, doodhpak but excludes ice-cream, kulfi, ice-candy, non-alcoholic drinks containing ice-cream, cakes, pastries, biscuits, chocolates, toffees, lozenges, peppermint drops and mawa;]<sup>2</sup>

(d) "dealer" means any person who carries on the business of buying, selling, supplying or distributing goods, directly or otherwise, whether for cash, or for deferred payment, or for commission, remuneration or other valuable consideration and includes—

- (i) a local authority, a company, an undivided Hindu family or any society (including a co-operative society), club, firm or association which carries on such business;]<sup>3</sup>
- (ii) a society (including a co-operative society), club, firm, or association which buys goods from, or sells, supplies or distributes goods to, its members;
- (iii) a commission agent, a broker, a del-credere 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.

[**Explanation-I**]<sup>4</sup>.—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—

- (i) a mercantile agent as defined in the Indian Sale of Goods Act, 1930 (III of 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 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 purposes of this Act.

[**Explanation II**.—The Central or a State Government or any of their departments or offices which, whether or not in the course of business, buy, sell, supply or distribute goods, directly or otherwise, for cash or for deferred payment, or for commission, remuneration or for other valuable consideration, shall be deemed to be a dealer for the purposes of this Act.]<sup>5</sup>

- (e) the expression "declared goods" shall have the meaning assigned to it in the Central Sales Tax Act, 1956 (74 of 1956);
- (f) "Deputy Commissioner" means a Deputy Commissioner of Sales Tax appointed under section 3 and includes an Additional Deputy Commissioner of Sales Tax;

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1. Subs by M.P. Act 25 of 1978, S. 2(ii).  
 2. Ins. by M.P. Act 25 of 1978, S. 2(iii).  
 3. Subs. by M.P. Act 13 of 1971, S. 2(i) (a).  
 4. Renumbered by M.P. Act 13 of 1971 as Explanation I, S. 2(i) (b).  
 5. Ins. ibid.

- (g) "goods" means all kinds of movable property other than actionable claims, newspapers, stocks, shares, securities or Government stamps and includes all materials, articles and commodities, whether or not to be used in the construction, fitting out, improvement or repair of movable or immovable property; and also includes all growing crops, grass trees, plants and things attached to, or forming part of, the land which are agreed to be severed before sale or under the contract of sale;
- (h) "import" means the bringing or causing to be brought of goods into Madhya Pradesh from any place outside that State;
- [(hh) "incidental goods" means goods other than raw material and packing material referred to in clause (b) of sub-section (3) of section 8 of the Central Sales Tax Act, 1956 (No. 74 of 1956), for use by the registered dealer in the manufacture or processing of goods or in mining or in the generation of or distribution of electricity or any other form of power]<sup>1</sup>
- (i) "licence" means a licence granted or renewed under this Act;
- <sup>2</sup>[(j) "manufacture" includes any process or manner of producing, collecting, extracting, preparing or making any goods, and in respect of trees which have been severed from the land or which have been felled, also the process of lopping the branches, cutting the trunks or converting them into logs, poles or ballies or any other articles of wood, but does not include such manufactures or manufacturing processes [as may be notified]<sup>3</sup>
- [(jj) "packing material" means such containers or other materials used in the packing of goods for sale as are specified in entry 15 of part IV of Schedule II;]<sup>4</sup>
- [(k) "place of business" means any place where a dealer purchases or sells any goods or stores goods or keeps accounts of his purchases or sales or both and also includes-
- (i) the place of business of an agent where a dealer carries on business through an agent;
- (ii) any place, or building whether any business is carried on therein or not, in which the person carrying on the business, states that any of his books of accounts, documents, stock or other thing relating to his business are kept;]<sup>5</sup>
- [(kk) "purchase price" shall comprise of-
- (i) the amount payable by a dealer as valuable consideration for the purchase of goods "simpliciter":

Provided that where goods are purchased together with the packing material or container, then notwithstanding anything contained in this Act, the purchase price of such goods shall be inclusive of the price or cost or value of such packing material or container, whether such price or cost or value is paid separately or not, as if such packing material or container were the parts of the goods purchased;

- (ii) transport costs, if any;
- (iii) trade commission, if any, by whatever name called ;
- (iv) forwarding and handling charges, if any;

1. Ins. by M.P. Act 25 of 1978, S. 2(iv).

2. Ins. by M.P. Act 10 of 1970, S. 2.

3. Subs. by M.P. Act 25 of 1978, S. 2(V), for "as may be prescribed,"

4. Ins. by S. 2(vi), *ibid.*

5. Subs. by M.P. Act 35 of 1983, S. 2(i).

- (v) insurance charges, if any;
- (vi) local taxes, if any;
- (vii) excise duty, if any, leviable under the Central Excise and Salt Act, 1944 ( No. 1 of 1944);
- (viii) Cost of packing, if any; and
- (ix) any other charges or costs other than those specified above, if incurred or paid in respect of goods so purchased.

**Explanation.**—For the purpose of this clause “transport cost” includes such expenses as are incurred by the dealer on transportation of goods after taking delivery from the seller;]<sup>1</sup>

- (1) “raw material” means an article used as an ingredient in any manufactured goods or an article consumed in the process of manufacture and includes fuel and lubricants required for the process of manufacture;]<sup>2</sup>

(m) “registered dealer” means a dealer registered under this Act;

[(n) “sale” with all its grammatical variations and cognate expressions means any transfer of property in goods for cash or deferred payment or for other valuable consideration and includes—

- (i) a transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration ;
- (ii) a transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract ;
- (iii) a delivery of goods on hire purchase or any system of payment by instalments ;
- (iv) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration ;
- (v) a supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration ;

and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of these goods by the person to whom such transfer, delivery or supply is made but does not include a transfer of the right to use any goods for any purpose (whether or not for a specified period), a mortgage, hypothecation, charge or pledge.

**Explanation.**—(a) Notwithstanding anything contained in the Indian Sale of Goods Act, 1930 ( III of 1930), where a sale or purchase of goods takes place in pursuance of a contract of sale, such sale or purchase shall be deemed, for the purposes of this Act, to have taken place in the State wherever the contract of sale or purchase might have been made, if the goods are within the State,—

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

1. Ins. by M.P. Act 35 of 1983, S. 2(ii).

2. Subs. by M.P. Act 19 of 1979, S. 2(b).

- (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; and
- (b) where there is 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;]<sup>7</sup>
- <sup>2</sup>[(o) "sale price" means the amount payable to a dealer as valuable consideration for the sale of any goods less any sum allowed as cash discount according to ordinary trade practice but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof other than the cost of freight or delivery or the cost of installation when such cost is separately charged [ x x x ].]<sup>3</sup>

[**Explanation.** [I]<sup>4</sup> Where goods are sold together with packing material or container, then notwithstanding anything contained in this Act the sale price of such goods shall be inclusive of the price or the cost or value of such packing material or container, whether such price or cost or value is charged separately or not, as if such packing material or container were the parts of the goods sold;]

[**Explanation II** .—Where goods are sold on hire purchase or any system of payment by instalments, the sale price of such goods shall be exclusive of insurance charges, interest and hire charges and such other charges as may be prescribed;]<sup>5</sup>

- (p) "Sales Tax Officer" means a Sales Tax Officer appointed under section 3 and includes an Additional Sales Tax Officer;
- <sup>1</sup>[(q) "Tax" means tax payable under the Act; ]<sup>6</sup>
- [(r) "taxable turnover" in relation to any period means that part of a dealer's turnover for such period which remains after deducting therefrom—
- (i) the sale price of goods declared tax-free under section 10 or section 12;
- (ii) the sale price of goods mentioned in Parts II to VI of Schedule II which are in the nature of tax-paid goods in the hands of such dealer;
- (iii) the sale price of iron and steel, paddy, unginmed cotton as specified in Part I of Schedule II and such other goods in the said, Part as the State Government may from time to time by notification, specify, sold to a registered dealer who has declared in the prescribed form that the goods are for resale or for use in manufacture by him;
- (iv) the sale price of goods specified in Part I of Schedule II other than those referred to in sub-clause (iii), sold to a registered dealer who has declared in the prescribed form that the goods are for resale by him;
- (v) the amount arrived at by applying the following formula :—  
rate of tax x aggregate of sale prices  
100 plus rate of tax;

1. Subs. by M.P. Act 32 of 1984 S. 2(1).

2. Subs. by M.P. Act 48 of 1976, S. 2.

3. Words "and the expression 'purchase' price shall be construed accordingly" omitted by M.P. Act 35 of 1983, S. 2(iii).

4. Renumbered by M.P. Act 32 of 1984, S. 2(2).

5. Ins. Ibid.

6. Subs. by M.P. Act 14 of 1985, S. 2.

7. Subs. by M.P. Act 25 of 1978, S. 2(viii).

Provided that no deduction on the basis of the above formula shall be made if the amount by way of tax collected by a registered dealer, in accordance with the provisions of this Act, has been otherwise deducted from the aggregate of sale prices.

[**Explanation.**— (a) Where the turnover of a dealer is taxable at different rates, the aforesaid formula shall be applied separately in respect of each part liable to a different rate of tax under section 6 of the turnover.

(b) Where additional tax under section 7-AA is payable by a dealer, the expression "tax" appearing in the formula and the proviso in this sub-clause shall be construed to include "additional tax."<sup>1</sup>

(vi) all such other deductions as may be prescribed;

(rr) "tax-paid goods" in relation to a dealer means any goods specified in Part II to VI of Schedule II [which have been purchased by such dealer from a registered dealer inside the State of Madhya Pradesh within the meaning of section 4 of the Central Sales Tax Act, 1956 (No. 74 of 1956)<sup>2</sup> except the goods the sale whereof by such registered dealer is exempted in whole from the payment of tax subject to the condition that such exemption is available only to such registered dealer;]

[(s) "tribunal" means tribunal as specified under section 3-A;]<sup>3</sup>

(t) "turnover" used in relation to any period means the aggregate of the amount of sale prices received and receiveable by a dealer in respect of any sale or supply or distribution of goods made during that period, whether or not the whole or any portion of such turnover is liable to tax but after deducting the amount, if any, refunded by the dealer to a purchaser, in respect of any goods purchased and returned by the purchaser within the prescribed period:

[Provided that—

(a) in the case of sale by bona fide agriculturist as defined in clause (e) of sub-section (1) of section 2 of the Madhya Pradesh Land Revenue Code 1959 (No. 20 of 1959), of ghee produced by himself, or

(b) in case of a sale by a person of agricultural or horticultural produce grown by himself or grown on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise, when such produce is sold in the form in which it was produced, without being subjected to any physical, chemical or other process for being made fit for consumption save mere dehusking, cleaning, grading or sorting,

the amount of consideration relating to such sales shall be excluded from his turnover;]<sup>4</sup>

(u) "year" means the twelve months ending on the 31st day of March or, if the accounts maintained by any dealer are made upto any other day in respect of a year ending on any date other than the 31st day of March, then at the option of the dealer the year ending on the day to which his accounts have been so made up :

1. Subs. by M. P. Act 3 of 1986, S. 2.

2. Subs. by M.P. Act 19 of 1979, S. 2(c) for, "which have been purchased by such dealer within the State of Madhya Pradesh from a registered dealer,"

3. Subs. by M. P. Act 25 of 1973, S. 2(ix).

4. Subs. by M.P. Act 29 of 1974, S. 2.

Provided that if this option has once been exercised by the dealer, it shall not again be exercised as to vary the meaning of the expression "year" as then applicable to such dealer except with the consent of the Commissioner and upon such conditions, as he may think fit.

**Explanation.**—An option exercised by any dealer before the commencement of this Act under the corresponding law then in force shall be deemed to be an option under this clause.

**Taxing authorities and other officers.**

3. [(1) There may be appointed a person to be the Commissioner of Sales Tax and the following category of officers to assist him, namely :—

- (a) Additional Commissioner of Sales Tax;
- (b) Appellate Deputy Commissioner or Additional Appellate Deputy Commissioner of Sales Tax;
- (c) Deputy Commissioner or Additional Deputy Commissioner of Sales Tax;
- (d) Appellate Assistant Commissioner or Additional Appellate Assistant Commissioner of Sales Tax;
- (e) Assistant Commissioner or Additional Assistant Commissioner of Sales Tax;
- (f) Sales Tax Officer or Additional Sales Tax Officer;
- (g) Assistant Sales Tax Officer; and
- (h) Inspector of Sales Tax.]<sup>1</sup>

(2) The Commissioner of Sales Tax and the Additional Commissioner of Sales Tax shall be appointed by the State Government and the other officer referred to in sub-section (1) shall be appointed by the State Government or such other authority as it may direct.

[(3) The Commissioner of Sales Tax and the Additional Commissioner of Sales Tax shall exercise all the powers and perform all the duties conferred and imposed on the Commissioner by or under this Act, throughout the State and for this purpose any reference to the Commissioner in this Act shall be deemed to include a reference to the Additional Commissioner of Sales Tax.

(4) Other persons referred to in sub-section (2) shall, within such areas as the appointing authority may, by general or special order specify, exercise such powers as may be conferred and perform such duties as may be imposed by or under this Act.]<sup>2</sup>

**Tribunal:**

[3-A. (1) Subject to such rules as may be made in this behalf, the State Government may, by notification, with effect from a date specified therein, constitute a Tribunal to exercise the powers and perform the functions conferred on the Tribunal by or under this Act.

(2) Till the date specified in the notification under sub-section (1), the Board of Revenue shall act as Tribunal for the purposes of the Act and on the date aforementioned all proceedings pending before the Board of Revenue, Madhya Pradesh, acting as Tribunal shall stand transferred to the Tribunal constituted under sub-section (1).

(3) Subject to the previous approval of the State Government, the Tribunal may, from time to time, make regulations consistent with the provisions of this Act regulating the procedure and disposal of its business.]<sup>3</sup>

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1. Subs. by M.P. Act 25 of 1978, S. 3(f).  
 2. Subs. by *ibid.* S. 3(ii).  
 3. Ins. by S. 4, *ibid.*



4. (1) Every dealer whose turnover during a period of twelve months immediately preceding the commencement of this Act exceeds the limit specified in sub-section (5), shall from such commencement be liable to pay tax under this Act on his taxable turnover in respect of sales or supplies of goods effected in Madhya Pradesh.

Incidence of taxation.

(2) Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act on his taxable turnover in respect of sales or supplies of goods effected in Madhya Pradesh with effect from the date on which his turnover calculated during a period of twelve months immediately preceding such date first exceeding the limits specified in sub-section (5) but for purpose of assessment of the tax only so much of his turnover as in excess of such limits shall be taken into consideration.

(3) Every dealer who is liable to pay tax under this Act shall continue to be so liable until the expiry of two consecutive years during each of which his turnover has not exceeded the limits specified in sub-section (5) and until such further period thereafter as may be prescribed and on the expiry of this latter period his liability to pay tax shall cease.

(4) Every dealer whose liability to pay tax under this Act has ceased under sub-section (3) shall, if his turnover calculated from the commencement of any year again exceeds the limit specified in sub-section (5), be liable to pay tax under sub-sections (2) and (3).

1[(5) For the purpose of this section, the limit shall be—

(a) in relation to a dealer who imports into the State goods of the value of not less than Rs. 1,000 in a year—Ten Thousand Rupees;

(b) in relation to a dealer who manufactures in a year any goods (other than such goods as may be notified by the State Government in this behalf) of the value not less than Rs. 3,000—Twenty Thousand Rupees;

(c) in relation to a dealer being a co-operative society registered under any law for the time being in force relating to co-operative societies dealing exclusively in goods produced or manufactured by such society or its members without the aid of hired—labour [One Lac Rupees];<sup>2</sup>

[(cc) in relation to a dealer who enters into a works contract and in the execution thereof supplies goods (whether as goods or in some other form)—Fifty Thousand Rupees;]<sup>3</sup>

[(d) in relation to a dealer not falling in clauses (a), (b), (c), and (cc)—One Lac Rupees.]<sup>4</sup>

**Explanation.**—For the purpose of calculating the limit of turnover under clause (a), (b), [(c), (cc)]<sup>5</sup> or (d), the turnover shall include the aggregate amount for which all goods are sold or supplied irrespective of the fact whether any of such goods are imported or manufactured or otherwise obtained by the dealer concerned, or whether or not they are exempted from payment of tax.]

6[4.A.] (1) For the purpose of determining the liability of a dealer to pay tax under this Act, the Commissioner shall institute proceedings in such manner as may be prescribed and such liability shall be determined within a period of twelve months from the date of institution of such proceedings.)<sup>7</sup>

Determination of liability to pay tax under this Act.

1. Subs. by M.P. Act 25 of 1978, S. 5.

2. Subs. by M.P. Act 32 of 1984, S. 3(i) for "Fifty Thousand Rupees,"

3. Subs. by S. 3(ii), *ibid.*

4. Subs. by *ibid.*, S. 3(iii).

5. Subs. by S. 3(iv), *ibid.*, for "(c)."

6. Subs. by M.P. Act 35 of 1973, S. 2.

7. Subs. by M.P. Act 25 of 1978, S. 6(i).

[(2) Notwithstanding anything contained in sub-section (2) of section 4, liability of a dealer to pay tax under this Act, shall not be determined from a date earlier than five years—

(i) from the date of institution of proceedings under sub-section (1); or

(ii) from the date of validity of the registration certificate issued to him;

whichever is earlier.]<sup>1</sup>

Liability of dealer registered under Act No. LXXIV of 1956 to pay tax.

5. [(1) A dealer registered under the Central Sales Tax Act, 1956 (74 of 1956) who is not liable to pay tax under section 4 shall nevertheless be liable to pay tax on his sale of any goods in respect of the purchases of which he has furnished a declaration under sub-section (4) of section 8 of the said Act or on the sale of any goods in the manufacture of which such goods have been used at the rate specified in sub-section (1) of section 6.]<sup>2</sup>

(2) Every dealer to whom sub-section (1) applies shall, for the purposes of sections 17, 18, 22 and 26 be deemed to be a registered dealer.

[5-A.....]<sup>3</sup>

[5-B.....]<sup>4</sup>

Levy of tax.

<sup>5</sup>[6. (1) Subject to the provisions of [sub-sections (2) and (3)]<sup>6</sup> the tax payable by a dealer under this Act shall be levied on the taxable turnover relating to goods specified in Schedule II [at the rate as mentioned in the corresponding entry in column (3) of the said Schedule.]<sup>7</sup>

(2) (a) [Subject to such restrictions and conditions as may be prescribed and to the provisions of sub-clause (iii) of clause (r) of section 2]<sup>8</sup> the tax payable by a registered dealer on the sales of any goods specified in Schedule II except tendu leaves and whole pulses to another registered dealer for use by him as raw material or as incidental goods in the manufacture or processing of goods or in the mining of goods or in the generation of or distribution of electric energy or any other form of power shall be levied at the concessional rate of 3½ per cent [...]<sup>9</sup> in respect of raw materials, and 4½ per cent [...]<sup>10</sup> in respect of incidental goods, if such goods which are manufactured, processed or mined or electric energy or any other form of power generated are declared tax-free under section 10 or section 12:

Provided that when the tax on the sale of such raw material or incidental goods is payable under sub-section (1) at a rate lower than 3½ per cent or 4½ per cent respectively, the tax payable under this clause shall be calculated at such lower rate.

(b) Where any goods purchased by a registered dealer at the concessional rate under clause (a) are used in violation of the restriction and conditions prescribed under the said clause, such registered dealer shall be liable to pay, in such manner as may be prescribed, tax or penalty, as the case may be, at the rate equal to the difference of the full rate of tax and the concessional rate of tax in respect of such goods:]

1. Subs. by M.P. Act 25 of 1978, S. 6(ii),
2. Subs. by S. 7, *ibid.*
3. Omitted by M.P. Act 25 of 1982, S. 3.
4. Omitted, *ibid.*
5. Subs. by M.P. Act 25 of 1978, S. 9.
6. Subs. by M.P. Act 19 of 1979, S. 3(a), "for sub-section (2)."
7. Subs. by M.P. Act 25 of 1982, S. 4(i), for "at the total rate as mentioned in the corresponding entries in column (5) of the said Schedule."
8. Subs. M.P. Act 19 of 1979, S. 5. 3(b) (i), for "subject to such restrictions and conditions as may be prescribed."
9. Words "(that is 3 percent basic tax and 1/2 percent additional tax)" omitted by M. P. Act 25 of 1982, S. 4(ii) (a).
10. Words "(that is 4 percent basic tax and 1/2 per cent additional tax)" omitted by S. 4(ii) (b), *ibid.*

Provided that no tax or penalty shall be imposed on a registered dealer where any raw material or incidental goods purchased by him under clause (a) are sold by him, subject to such restrictions and conditions as may be prescribed, to another such dealer for the purpose specified in that clause;

Provided further that where such registered dealer subsequently purchasing the raw material or incidental goods as aforesaid uses such goods in contravention of the restrictions and conditions prescribed under clause (a), he shall be liable to pay the tax or penalty, as the case may be.]<sup>1</sup>

[(3) (a) The tax payable on the sale of any goods specified in Schedule II except tendu leaves and, whole pulses to any registered dealer holding a recognition certificate under section 16-C for use by him as raw material or incidental goods in the manufacture or processing of other goods which are liable to tax shall, subject to such restrictions and conditions as may be prescribed be, levied at the concessional rate of tax specified in clause (a) of sub-section (2) or in the proviso thereto, as the case may be.

(b) A registered dealer referred to in clause (a) shall be liable to pay tax or penalty under the provisions of clause (b) of sub-section (2) where any goods purchased by him at the concessional rate of tax are used in violation of the restrictions and conditions prescribed under clause (a).

**Explanation.**— In this section, the amount payable for violation of restrictions and conditions shall be by way of tax in respect of goods other than declared goods and by way of penalty in respect of declared goods.]<sup>2</sup>

<sup>3</sup>[7. (1) Every dealer who in the course of his business purchases any goods specified in Schedule II :—

Levy of purchase tax.

(i) from a registered dealer in circumstances in which no tax under section 6 is payable by that registered dealer on the sale price of such goods; or

(ii) from any other person;

shall be liable to pay tax on the purchase price of such goods, if after such purchase the goods are not sold either within the State or in the course of inter-State trade or commerce but are—

[(a) sold or disposed of otherwise; or]<sup>4</sup>

(b) used or consumed in the manufacture or processing of other goods or used or consumed otherwise; over tax shall be levied at the same rate at which tax under sub-section (1) of section 6 would have been levied on the sale of such goods within the State on the date of such purchase.

(2) Notwithstanding anything contained in sub-section (1) but subject to such restrictions and conditions as may be prescribed, the tax under sub-section (1) payable by a registered dealer on the goods, [other than tendu leaves, opium including raw opium and whole pulses]<sup>5</sup> purchased by him for consumption or use in the manufacture or processing of goods for sale or in the mining of goods or in the generation or distribution of electricity or any other form power shall be charged at the concessional rate of [3½ percent [...]]<sup>6</sup> in respect of raw materials and 4½ percent [...]]<sup>7</sup> in respect of incidental goods :

1. Added by M.P. Act 19 of 1979, S. 3(b) (ii).

2. Ins. by S. 3(c), ibid.

3. Subs. by M.P. Act 25 of 1978, S. 10.

4. Subs. by M. P. Act 32 of 1984, S. 4.

5. Subs by M. P. Act 3 of 1980, S. 2, for "other than tendu leaves and whole pulses".

6. Words (that is 3 percent basic tax and 1/2 percent additional tax), omitted by M. P. Act 25 of 1982, S. 5(i)

7. Words, (that is 4 percent basic tax and 1/2 percent additional tax), omitted S. 5(ii), ibid.

Provided that when the tax payable under sub-section (1) on the purchase of such raw material or incidental goods is at a rate lower than  $3\frac{1}{2}$  percent [.....]<sup>1</sup> or  $4\frac{1}{2}$  per cent [.....]<sup>2</sup> respectively, the tax payable under this sub-section shall be calculated at such lower rate.

- (3) No tax under this section shall be levied in respect of any year on—
- (a) a dealer other than a dealer referred to in clause (d), not liable to pay tax under sub-section (1) of section 6, if the aggregate of purchase prices of all goods in that year does not exceed the limits specified in sub-section (5) of section 4 ;
  - (b) a dealer holding a licence under section 13 in respect of raw materials and incidental goods used in that year in the manufacture of goods in respect of which he holds such licence;
  - (c) a dealer in respect of the purchase price of paddy, unginne'd cotton as specified in part I of Schedule II and such other goods in the said Part as the State Government may from time to time, by notification, specify who has consumed or used them as raw materials for the manufacture of other goods and the goods so manufactured are sold in the State of Madhya Pradesh or in the course of inter State trade or commerce;
  - (d) any other dealer who has no turnover, if the aggregate of purchase prices of all the goods does not exceed twenty thousand rupees.

(4) Every dealer who has no turnover and is liable to pay tax under sub-section (1) shall, for the purpose of sections 17, 18, 19, 22, 22-A and 26, be deemed to be a registered dealer.]

**Dealer not to pass incidence of tax to agriculturists and horticulturists under certain circumstances.**

[7-A. No dealer shall collect any amount, by way of sales tax or purchase tax, from a person who sells agricultural or horticultural produce grown by himself or grown on any land in which he has an interest, whether as owner, usufructuary mortgagee, tenant or otherwise, when such produce is sold in the form in which it was produced, without being subjected to any physical, chemical or other process for being made fit for consumption save mere dehusking, cleaning, grading or sorting] <sup>3</sup>

**Levy of additional tax**

[7-AA. Every dealer liable to pay tax under section 4, other than a dealer holding a licence under section 15, shall also be liable to pay an additional tax at the rate of one per centum on his taxable turnover of goods specified in Schedule II, other than declared goods.]<sup>4</sup>

**Payment of grant-in-aid for loss of octroi revenue.**

[7-B. (1) As and from the financial year commencing on the 1st April 1978, the State Government shall pay to each Municipal Corporation, Municipal Council and Town Committee referred to in section 5 of the Madhya Pradesh Municipal Laws (Amendment) Act, 1976 (50 of 1976) a grant-in-aid in such manner as may be prescribed to compensate it for the loss of revenue on account of abolition of cess, octroi or tax on entry of animals or goods into the local area under the said section. The grant-in-aid payable to each Municipal Corporation, Municipal Council and Town Committee for the financial year, 1978-79 and for the financial year subsequent thereto shall be computed—

- (a) taking the financial year 1975-76 as the base year;
- (b) taking the total income in the base year from cess, octroi or tax abolished as seventeen crores; and
- (c) allowing an increase of ten per cent over the amount paid in each previous financial year.

1. Word' " (that is 3 percent basic tax and 1/2 percent additional tax)" omitted by M. P. Act 25 of 1982, S. 5 (1).

2. Words " (that is 4 percent basic tax and 1/2 percent additional tax)", omitted by S. 5 (ii), *ibid.*

3. Ins. by M. P. Act 23 of 1963, S. 2

4. Sub. by M. P. Act 3 of 1986, S. 3

(2) The grant-in-aid payable to Municipal Corporation, Municipal Council and Town Committee shall be an expenditure charged on the Consolidated Fund of the State of Madhya Pradesh.

(3) The amount standing at the credit of the Octroi Compensation Fund at the commencement of the financial year 1978-79 shall stand transferred to the Consolidated Fund of the State of Madhya Pradesh.]<sup>1</sup>

<sup>2</sup>[8. [(1)]<sup>3</sup> Subject to such conditions and restrictions as may be prescribed, a set-off as provided in this section shall be granted in such manner as may be prescribed, to registered dealers in the circumstances specified below in respect of tax-paid goods :-

Set-off or refund of tax in respect of tax-paid goods in certain circumstances.

(a) When a registered dealer has purchased tax-paid raw material other than tendu leaves and whole pulses or incidental goods which have borne tax under sub-section (1) of section 6 at the full rate exceeding  $3\frac{1}{2}$  per cent [...] <sup>4</sup> or  $4\frac{1}{2}$  per cent [...] <sup>5</sup> respectively or exceeding such other rate as may be notified by the State Government in respect of any raw material or incidental goods and has consumed or used such raw material or incidental goods in manufacture of or in the mining of any goods specified in Schedule II which have not been declared tax-free under section 12, he shall be entitled to a set-off at a rate equal to the difference between the full rate of tax on such raw material or incidental goods under sub-section (1) of section 6 and the concessional rate of  $3\frac{1}{2}$  per cent [...] <sup>6</sup> or  $4\frac{1}{2}$  per cent [...] <sup>7</sup> or such other reduced rate aforesaid, as the case may be, in such manner and on such proportion of the price at which such goods were purchased from a registered dealer, as may be prescribed.

(b) When the sales of any goods specified in Schedule II to any person or agency are exempted in whole or in part under a notification issued under section 12 or under any other provision of this Act and a registered dealer sells such goods which are tax-paid in his hands to such person or agency, he shall, subject to the compliance of the restrictions or conditions laid down under such notification or provision, be entitled to a set-off at a rate equal to the difference between the full rate of tax on such goods under sub-section (1) of section 6 and the rate of tax specified under the said notification or provision.

[(c) A registered dealer entitled to set-off in respect of tax paid goods under clause (a), shall also be entitled to set-off equal to the amount of additional tax paid on such goods]<sup>8</sup>

[(2) Nothing contained in sub-section (1) shall apply to a registered dealer to whom the provisions of sub-section (3) of section 6 apply.]<sup>9</sup>

9. The burden of proving that any sale or purchase effected by a dealer is not liable to pay tax under [section 6 or section 7 or section 14-A]<sup>10</sup> as the case may be, shall be on the dealer.

Burden of proof.

10. (1) No tax shall be payable on the sales or purchases of goods specified in the second column of Schedule I subject to the conditions and exceptions, if any, set out in the corresponding entry in the third column thereof.

Tax free goods.

1. Subs. by M. P. Act 25 of 1978, S. 11.
2. Subs. by S. 12, *ibid*.
3. Renumbered by M. P. Act 19 of 1979, S. 4.
4. Words "(that is 3 percent basic tax and 1/2 percent additional tax)" omitted by M. P. Act 25 of 1982, S. 6 (i).
5. Words "(that is 4 percent basic tax and 1/2 percent additional tax)", omitted by S. 6 (ii), *ibid*.
6. Words "(that is 3 percent basic tax and 1/2 percent additional tax)" omitted by S. 6 (i), *ibid*.
7. Words "(that is 4 percent basic tax and 1/2 percent additional tax)" omitted by S.6(ii), *ibid*.
8. Subs. by M. P. Act 3 of 1986, S. 4.
9. Ins. by M. P. Act 19 of 1979, S. 4.
10. Words "section 6 or section 7 or section 8" substituted by M. P. Act 25 of 1982, S. 7.

(2) The State Government may in respect of any goods, by notification amend Schedule I so as to include therein any goods not already specified or may relax or omit any of the conditions and exceptions set out in the corresponding entry in the third column thereof.

Power of Government to amend Schedule II.

11. X[(1) The State Government may, by notification, amend Schedule II and thereupon Schedule II shall stand amended accordingly]<sup>1</sup>

<sup>2</sup>[Provided that the [rate of tax]<sup>3</sup> shall not exceed :-

- (a) in respect of declared goods the limit specified in clause (a) of section 15 of the Central Sales Tax Act, 1956 (No. 74 of 1956);
- (b) 6 per cent in respect of goods in part I other than declared goods;
- (c) 50 percent in respect of foreign and Indian made foreign liquor, 15 per cent in respect of goods specified in entries 1 to 32, [20 percent in respect of goods specified in entries 32-A and 32-B]<sup>4</sup> and 13.5 percent in respect of goods specified in entries 34 to 46 in Part II;
- (d) 12 percent in respect of goods specified in entries 1 to 28 and 10 per cent in respect of goods specified in entries 29 to 41 in part III;
- (e) 8 per cent in respect of goods specified in part IV other than declared goods ;
- (f) 6 per cent in respect of goods specified in entries 3 to 15 and 3 percent or double the total rate of tax whichever is less, in respect of goods specified in entries 16 to 18 in part V; and
- (g) 12 per cent in respect of goods in part VI:]

Provided further that if any goods are transposed by deleting them from one of the parts and inserting or adding them to another, the rate of tax in respect of such goods shall not exceed the rate specified in the preceding proviso for the part where from such goods have been transposed:

Provided also that no notification shall be issued under this section without giving in the Gazette such previous notice as the State Government may consider reasonable, of its intention to issue such notification.]

(2) Every notification issued under sub-section (1) shall as soon as may be, after it is issued, be laid on the table of the Legislative Assembly.

Saving

[12. (1) The State Government may, by notification and subject to such restrictions and conditions as may be specified there in exempt whether prospectively or retrospectively, in whole or in part-

- (i) any class of dealers or any goods or class of goods from the payment of tax under this Act for such period as may be specified in the notification,
- (ii) any dealer or class of dealers from any provision of the Act for such period as may be specified in the notification.

1. Subs. by M. P. Act 7 of 1963, S. 2.

2. Subs. by M. P. Act 25 of 1978, S. 13.

3. Subs. by M. P. Act 25 of 1982, S. 8 (i), for "total rate of tax".

4. Ins. by S. 8 (ii), *ibid.*

(2) Any notification issued under this section may be rescinded before the expiry of the period for which it was to have remained in force and on such rescission such notification shall cease to be in force. A notification rescinding an earlier notification shall have prospective effect.

(3) Notwithstanding the repeal of the Madhya Pradesh Vikraya Rashi Tatha Kraya Rashi Par Kar Adhinyam, 1972 (No. 8 of 1972)<sup>2</sup>, the Government may, by notification, exempt any dealer or class of dealers from the payment of tax under the said Adhinyam for the period it was in force and for that purpose, it shall and shall always be deemed that the provisions of the said Adhinyam have been revived for the purpose of grant of such exemption.<sup>3</sup>

13.<sup>3</sup>(1) The Commissioner may, subject to such conditions as may be prescribed, license under this section [any registered dealer]<sup>4</sup> who carries on business in any of the goods specified in Schedule III and whose yearly turnover in respect of all goods specified in Schedule I and Schedule II [does not ordinarily exceed such amount as may be prescribed on advance payment of such annual licence fee as may be determined in relation to such registered dealer in accordance with the rules made in this behalf]<sup>5</sup> and the provisions of sections 17, 26 and 27 shall not apply to [such registered dealer]<sup>6</sup> in respect of his business relating to goods specified in Schedule I and III during the period in which the licence issued to him under this section remains in force.]

Licensing of certain dealers.

[.....]<sup>7</sup>

[(I-A).....]<sup>8</sup>

<sup>9</sup>(2) The licence fee recovered from a [registered dealer]<sup>10</sup> under sub-section (1) [.....]<sup>11</sup> shall be deemed to be in lieu of the tax payable in respect of the sales of goods specified in the licence during the currency of the licence,

(3) The State Government may, from time to time, by notification amend Schedule III [.....]<sup>12</sup> so as to include any goods not already specified therein.]

14. If any restrictions or conditions notified under section 12 or imposed under section 13 are not complied with by a dealer, the sales or purchases, as the case may be, of the dealer may, with effect from the commencement of the year in which such non-compliance took place, be assessed to tax under section 6 or section 7 and the licence fee, if any, recovered from such dealer, shall be adjusted towards the tax so assessed.

Liability to tax of persons not observing conditions of exemption or licence.

<sup>13</sup> [14-A. Notwithstanding anything contained in section 14, where any condition of exemption imposed under section 12 requires that the registered dealer purchasing the goods exempted in whole or in part from the payment of tax under this Act, shall furnish a declaration or certificate to the effect that-

Liability of a dealer purchasing exempted goods.

- (a) the goods purchased shall be used by him for a specified purpose and within a specified time; or
- (b) the goods purchased shall be disposed of by him in a specified manner and within a specified time; and contrary to such declaration or certificate, if such dealer-
  - (i) does not use the goods for the specified purpose or within the specified time; or

1. Repealed by M. P. Ordinance 5 of 1976 which was replaced by M. P. Act 48 of 1976.  
 2. Subs. by M. P. Act 25 of 1978, S. 14.  
 3. Subs. by M. P. Act 23 of 1967, S. 4.  
 4. Subs. by M. P. Act 25 of 1978, S. 15(a) (i) "any dealer".  
 5. Subs. by M. P. Act 25 of 1982, S. 9.  
 6. Subs. by M. P. Act 25 of 1978, S. 15 (i) (a) "any dealer".  
 7. Proviso omitted by S.15 (a) (ii), ibid.  
 8. Sub-section (1-A) omitted by M. P. Act 48 of 1976, S.5(a).  
 9. Subs. by M. P. Act 3 of 1975, S. 3(b).  
 10. Subs. by M. P. Act 25 of 1978, S. 15(b), for "any dealer"  
 11. Words "or sub-section (1A)", omitted by M. P. Act 48 of 1976, S. 5(b).  
 12. Words "or Schedule IV" omitted by S. 5(c), ibid.  
 13. Subs. by M. P. Act 25 of 1978, S. 16.

- (ii) does not dispose of the goods in the specified manner or within specified time;

he shall be liable to pay the tax on the purchase price of such goods at the full rate mentioned in [column (3)]<sup>1</sup> of Schedule II and penalty equal to 25 percent of the amount of tax payable under this Act :

Provided that where the goods were exempted from payment of tax in part, the registered dealer instead of paying the tax at the full rate, shall be liable to pay the difference between the tax already paid and the tax payable at the rate mentioned in [column (3)]<sup>1</sup> of Schedule II on the purchase price of such goods, in addition to any penalty that may be imposed on him under this section.]

#### Registration of dealers.

15 (1) Every dealer whose turnover during the twelve months immediately preceding the commencement of this Act exceeds the limits specified in sub-section (5) of section 4 shall get himself registered in the prescribed manner before such date as may be notified in this behalf.

(2) Every dealer other than a dealer to whom sub-section (1) applies shall be liable to get himself registered within the prescribed period from the date on which his turnover during the twelve months immediately preceding such date first exceeds the limits specified in sub-section (5) of section 4.

<sup>2</sup>[(3) Every dealer required by sub-section (1) or sub-section (2) or sub-section (1) of section 33 to be registered shall make an application accompanied by a satisfactory proof of payment of fee of [fifty rupees]<sup>3</sup> in that behalf in the prescribed manner to the Commissioner.]

[(4)(a) On receipt of the application,—

(i) the said authority shall, if it is satisfied that the application is in order, register the applicant and grant him a certificate of registration in accordance with such rules as may be made under this Act; and

(ii) if the said authority is not so satisfied, it shall reject the application.

not later than ninety days from the date of receipt of the application.

(b) If the certificate of registration is not granted or the application is not rejected within the aforesaid period of ninety days, the applicant shall, on the expiration of the said period, be entitled to a certificate of registration in accordance with his application and the said authority shall issue a certificate of registration accordingly.]<sup>4</sup>

<sup>5</sup>[(4-A) The certificate granted under sub-section (4) shall take effect from,—

(a) in case where a dealer required to get himself registered under sub-section (2) has applied for registration within the prescribed period, the date on which his turnover during the twelve months immediately preceding such date first exceeds the limits specified in sub-section (5) of section 4; [.....]<sup>6</sup>

(b) in case where a dealer required to get himself registered under sub-section (2) has applied for registration after the expiry of the prescribed period, the date on which he applies for registration;]

1. Subs. by M. P. Act 25 of 1982, S. 10, for "column (5)".

2. Subs. by M. P. Act 9 of 1968, S. 5(a).

3. Subs. by M. P. Act 25 of 1981 S. 2(a) (i), for "fifteen rupees."

4. Subs. by M. P. Act 25 of 1978, S. 17(i).

5. Ins. by M. P. Act 20 of 1964, S.4(1).

6. Word 'and' omitted by M. P. Act 9 of 1968, S. 5(b) (i).



[(c) in case where a dealer required to apply for registration under sub-section (1) of section 33 has applied for registration within thirty days of the transfer of business, the date from which the ownership of the business is entirely transferred to him; and

(d) in case where a dealer required to get himself registered under sub-section (1) of section 33 has applied for registration after the expiry of thirty days of the transfer of business, the date on which he applies for registration.]<sup>1</sup>

(5) Without prejudice to the provisions of sub-section (6) of section 18 when a dealer has, without reasonable cause, failed to get himself registered within the prescribed time, as required by sub-section (1) or sub-section (2), the Commissioner may, after giving such dealer a reasonable opportunity of being heard, direct him to pay by way of penalty in addition to the fee payable, a sum not exceeding rupees one hundred.

(6) Every dealer who at the commencement of this Act holds a certificate of registration under the provisions of any of the Acts repealed by section 52 or a licence issued under section 6 of the Madhya Bharat Sales-Tax Act, Samvat 2007 (30 of 1950), shall on such commencement, be deemed for all purposes of this Act to be a dealer registered and holding a certificate of registration under this section.

<sup>2</sup>[(7) Every dealer shall, until his registration is cancelled, be liable to pay in the manner and within the period prescribed, a fee of [rupees fifty]<sup>3</sup> for every financial year sub-sequent to that in which a certificate of registration is granted to him under sub-section (4).]

[(8) (a) When a dealer makes an application for amendment of his certificate of registration in pursuance of the provisions of section 32 or otherwise, the Commissioner shall, after making such enquiry as he deems fit, amend the certificate of the dealer or reject the application for amendment within ninety days from the date of such application ;

(b) When the certificate of registration of a dealer is amended under clause (a), such amendment shall take effect from the date of application. Where the application for amendment is not rejected and the certificate is not amended within the time specified in clause (a), the dealer shall be entitled to have the certificate amended in accordance with his application from the date of application for amendment and the registering authority shall amend the certificate accordingly.]<sup>4</sup>

[(9) When any dealer pays the amount of penalty imposed under sub-section (5) or sub-section (6) of section 18, or is convicted or pays composition money under section 47, in respect of any contravention of sub-section (1) or sub-section (2), the Commissioner shall register such dealer and grant him a certificate of registration and such registration shall, subject to the provisions of clause (b) or clause (d) of sub-section (4-A), as the case may be, take effect from the date of issue of the certificate as if it had been made under sub-section (4) on the dealer's application.]<sup>5</sup>

(10) When —

(a) a registered dealer discontinues or transfers his business, or

(b) the liability of a registered dealer to pay taxes in accordance with the provisions of sub-section (3) of section 4, or

1. Ins. by M. P. Act 9 of 1968, S. 5 (b) (ii).

2. Subs. by M. P. Act 20 of 1972, S. 5(a) (ii).

3. Subs. by M. P. Act 25 of 1981, S. 2(a) (ii), for "rupees fifteen"

4. Subs. by M. P. Act 25 of 1978, S. 17(ii).

5. Subs. by M. P. Act 9 of 1968, S. 5(c).

- (c) a registered dealer has been granted a certificate of registration by mistake,
- [(d) a registered dealer is in arrears of tax or penalty or any other sum due under this Act, or
- (e) the Commissioner, for reasons to be recorded in writing, is of the opinion that the certificate of registration should be cancelled for any other reason,]<sup>1</sup>

the Commissioner may, either on his own motion or on the application of the dealer in this behalf, cancel the registration but notwithstanding such cancellation the dealer shall be liable to pay tax for the period during which the certificate of registration remained in force.

(11) [(a)]<sup>2</sup> When a certificate of registration is cancelled under sub-section (10) in any case other than that of a dissolution of firm or entire transfer of the business of a dealer, the dealer shall be liable to pay tax on his stock of goods remaining unsold at the time of cancellation of the certificate.

[(b)] (i) Any dealer whose application for registration is rejected under sub-clause (ii) of clause (a) of sub-section (4) for any reasons whatsoever excluding the reason that the dealer is not required to get himself registered under sub-section (3), or

(ii) any dealer whose certificate is cancelled under clause (d) or clause (e) of sub-section (10),

he shall, for the purposes of sub-section (6) of section 18, be deemed to be a dealer who has failed to apply for registration, but he shall not be liable to pay any penalty under the said sub-section (6)]<sup>3</sup>

Voluntary registration  
of dealers.

16. [(1) If on an application of any dealer the Commissioner is satisfied that his turnover is likely to exceed the limits specified in sub-section (5) of section 4, the Commissioner may, notwithstanding that the dealer may not be liable to pay tax under section 4, register the dealer and grant him a certificate of registration in the prescribed manner not later than ninety days from the date of receipt of the application and thereupon the provisions of section 15 shall apply to such dealer as they apply in the case of a dealer registered under that section :

Provided that where the Commissioner is not so satisfied, he shall reject the application within ninety days from the date of receipt of the application :

Provided further that if the certificate of registration is not granted or the application is not rejected within that aforesaid period of ninety days, the applicant shall, on the expiration of the said period be entitled to a certificate of registration in accordance with his application and the said authority shall issue a certificate of registration accordingly.]<sup>4</sup>

[(2) The certificate granted under sub-section (1) shall take effect from the date on which the dealer had applied for registration and every dealer who has been registered under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act.]<sup>5</sup>

1. Added by M. P. Act 25 of 1978, S. 17(iii).
2. Renumbered by M. P. Act 19 of 1979, S. 5
3. Ins. by M. P. Act 19 of 1979, S. 5.
4. Subs. by S. 6, *ibid.*
5. Subs. by M. P. Act 20 of 1976, S. 5.

[161-A.] (1) Where an application for the issue of a certificate of registration has been made under section 15 or section 16 by a dealer who either does not own any immovable property in Madhya Pradesh or who has not been continuously residing in Madhya Pradesh for a period of three years preceding the date of such application and it appears necessary to the Commissioner so to do for the proper realisation of tax or any other sum payable under this Act, he may, by an order in writing impose a condition for the issue of certificate of registration under section 15 or section 16 that the dealer shall furnish, in the prescribed manner and within such time as may be specified in the order, such security in the form of Cash Security or bank guarantee or security in such other form as may be prescribed, as may be specified in the order for the aforesaid purpose.

Furnishing of security by dealers.

(2) Where a dealer registered under section 15 or section 16 fails to furnish returns under section 17 in time or fails to pay the tax payable according to such returns in time or fails to furnish any return or fails to pay tax payable under the Act,—

- (a) if the tax payable by such dealer in a year does not ordinarily exceed rupees one thousand, the Commissioner may, and
  - (b) if the tax payable by such dealer in a year exceeds rupees one thousand, the Commissioner shall, by order in writing and for reasons to be recorded therein, require such dealer to furnish within such time as may be specified in the order and in the prescribed manner, such security or if the dealer has already furnished any security in pursuance of an order under sub-section (1) or this sub-section, such additional security in the form of cash security or bank guarantee or any such other form as may be prescribed, as may be specified in the order for the aforesaid purpose.
- (3) (a) No dealer shall be required to furnish any security under sub-section (1) or sub-section (2) by the Commissioner, unless he has been given an opportunity of being heard.
- (b) The amount of security that may be required to be furnished by any dealer under sub-section (1) or sub-section (2) shall in no case exceed the average amount of tax payable by such dealer for one year determined in such manner as may be prescribed and where such determination is not possible, the amount of security shall be an amount not exceeding ten thousand rupees.
- (4) (a) The security obtained from a dealer under sub-section (1) or sub-section (2) shall initially be held for a period of two years.
- (b) If the dealer furnishes returns and pays tax payable according to such returns regularly during the said period of two years, the security shall be released after the expiry of the said period.
- (c) If the dealer commits default in furnishing any return and paying the tax payable according to such return, the Commissioner may, by order, forfeit the whole or any part of the security furnished by him for realising any amount of tax or any other sum payable by the dealer under this Act :

Provided that no order shall be passed under this sub-section without giving the dealer an opportunity of being heard.]<sup>2</sup>

1. Ins. by M. P. Act 35 of 1973, S. 3.

2. Subs by M. P. Act 14 of 1985, S. 5 (i).

(5) Where by reason of an order under sub-section (4), the security [\* \* \* \*]<sup>1</sup> furnished by any dealer, is rendered insufficient, he shall make up the deficiency in such manner and within such time as may be prescribed.

[(6) Notwithstanding anything contained in section 15 or section 16, the Commissioner may cancel the certificate of registration issued to any dealer under either of the said sections where such dealer fails to comply with an order under sub-section (1) or sub-section (2) or with the provisions of sub-section (5) :

Provided that no order shall be passed under this sub-section without giving the dealer an opportunity of being heard.]<sup>2</sup>

<sup>3</sup>[(7) Any dealer whose application under section 15 or section 16 for grant of registration is rejected in consequence of his failure to furnish security under sub-section (1) [\*\*\*\*]<sup>4</sup> or whose certificate of registration is cancelled by the Commissioner under sub-section (6) shall, for the purpose of sub-section (6) of section 18, be deemed to be a dealer who has failed to apply for registration but such dealer shall not be liable to pay any penalty under sub-section (6) of section 18.]

**Provisional Registration of intending manufacturers.**

<sup>5</sup>[16-B]<sup>6</sup> [(1) Any person intending to establish a business in the State for the purpose of manufacturing goods for sale of a value exceeding [rupees ten thousand]<sup>7</sup> a year and who is registered with the Industries Department of the State Government for establishing small scale industrial unit in the State or who is issued a licence to establish a new industrial undertaking in the State under the provisions of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951) may, notwithstanding that he is not liable for registration under section 15, make an application to the Commissioner accompanied by a satisfactory proof of payment of fee of [fifty rupees]<sup>8</sup> in that behalf in the prescribed manner for provisional registration under this Act.]

(2) If the Commissioner after making such inquiry as he may consider necessary, is satisfied as to the bonafide intention of the person making the application, he may grant a provisional certificate of registration in the prescribed form, on such person furnishing such security as the Commissioner may consider necessary.

[(3) The provisional certificate of registration granted under sub-section (2) shall take effect from the date on which the person had applied for registration and every person who has been granted a provisional certificate of registration under this section shall, for so long as such certificate remains in force, be liable to pay tax under this Act.]<sup>9</sup>

(4) A provisional certificate of registration granted under this section shall be in force for such period as may be specified therein and the provisions of sub-sections (7), (8) and (10) of section 15 shall, so far as may be, apply in respect thereof:

Provided that the Commissioner may, for reasons to be recorded in writing, extend the period specified in the certificate of registration.

(5) Every person who has been granted a provisional certificate of registration under this section shall, for the purpose of this Act, be deemed to be a registered dealer.

1. Words "or additional security" omitted by M. P. Act 14 of 1985 S. 5 (ii).
2. Subs. by S.5 (iii), *ibid.*
3. Subs. by M. P. Act 20 of 1976, S. 6 (ii).
4. Words "or in consequence of his failure to undertake to file monthly returns under the proviso thereto" omitted by M. P. Act 25 of 1978, S. 18 (ii).
5. Renumbered by M. P. Act 35 of 1973, S. 3.
6. Subs. by S. 4, *ibid.*
7. Subs. by M. P. Act 48 of 1976, S. 6, for, "rupees seven thousand five hundred".
8. Subs. by M.P. Act 25 of 1981, S. 2(b) for "fifteen rupees."
9. Subs. by M.P. Act 35 of 1973, S. 4(b).

(5-A) Where a person who has been granted a provisional certificate of registration under this section starts manufacture and selling of goods during the period the provisional certificate is in force, he shall get himself registered under section 15 or section 16, as the case may be, before the date on which the provisional certificate of registration is due to expire and on the grant of certificate of registration under section 15 or section 16, as the case may be, which shall take effect from the date on which application has been made for registration, the provisional certificate of registration shall cease to be in force as from such date.]<sup>1</sup>

(6) If a person who has been granted a provisional certificate of registration under this section fails to start selling goods manufactured by him within the period specified in the certificate or within the period extended by the Commissioner, as the case may be, he shall, if he purchased raw material on payment of tax in accordance with [clause (a) of sub-section (2) of section 6]<sup>2</sup> be liable to pay as penalty an amount not less than the difference between the amount of tax on the sale of such raw material at the full rate applicable thereto under section 6 and the amount of tax paid under sub-section (1) of section 8 but not exceeding one and one quarter times the amount of tax at such full rate as the Commissioner may determine having regard to the circumstances of the case.]

(6-A) The security furnished under sub-section (2) shall be held as long as the provisional certificate remains in force and shall be liable to be adjusted towards any sum payable under the Act by the person holding such provisional certificate of registration.]<sup>3</sup>

[(7) The provisions of this section shall also apply to the Central Government or the State Government or a public sector undertaking intending to establish any new industrial undertaking in the State.

Explanation.—In this section the expression 'Industrial Undertaking' shall have the meaning assigned thereto in clause (d) of section 3 of the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951.)]<sup>4</sup>

[16-C Where the Commissioner is satisfied that the business of a registered dealer who, manufactures taxable goods is likely to suffer in view of the provisions of section 8 relating to grant of refund or set off in respect of the use of tax paid raw material or incidental goods in such manufacture either due to the fact that the manufactured goods are liable to be taxed at substantially lower rates than the rates of tax on raw materials or that the manufactured goods are wholly or substantially sold in the course of export out of the territory of India or for any other reasons, he may issue a recognition certificate to such registered dealer in such form and in such manner and subject to such restrictions and conditions, as may be prescribed so as to enable him to purchase the raw material and incidental goods in accordance with the provisions of sub-section (3) of section 6.]<sup>5</sup>

Issue of recognition certificates to certain registered dealers.

17. (1) Every such dealer as may be required so to do by the Commissioner by notice served in the prescribed manner and every registered dealer shall furnish [returns in such form [in such manner]<sup>7</sup> for such period] by such dates and to such authority, as may be prescribed :

Returns.

[Provided that the Commissioner may, subject to such terms and conditions as may be prescribed, exempt any such dealer from furnishing such returns or permit any such dealer to furnish them for such different period, in such other form and to such other authority, as he may direct.]<sup>8</sup>

1. Ins. by M. P. Act 35 of 1973, S. 4 (e).
2. Ins. by M.P. Act 25 of 1978, S. 19 for "sub-section (1) of section 8,"
3. Ins. by M.P. Act 3 of 1980, S. 3.
4. Ins. by M.P. Act 35 of 1973, S. 4(d).
5. Ins. by M.P. Act 19 of 1979, S. 7.
6. Subs. by M.P. Act 20 of 1961, S. 6(a), for "such return."
7. Subs. by M.P. Act 20 of 1964, S. 5.
8. Ins. by M.P. Act 20 of 1961, S. 6(b).

## THE MADHYA PRADESH GENERAL SALES TAX ACT, 1958

[(1-A) Every registered dealer shall, along with the return under sub-section (1), furnish the proof of the payment of the full amount of tax required to be made by him under sub-section (2) of section 22.]<sup>1</sup>

(2) If any dealer discovers any omission, error or wrong statement in any return furnished by him under sub-section (1) he may furnish a revised return in the prescribed manner [ and within the prescribed time.]<sup>2</sup>

<sup>3</sup>[ (3) if—

(a) a dealer fails without sufficient cause to comply with the requirements of a notice issued under sub-section (1); or

[(b) a registered dealer fails without sufficient cause to pay the amount of tax in the manner prescribed under sub-section (2) of section 22 or to furnish his return under sub-section (1) or revised return under sub-section (2) for any period in the manner and by the date prescribed thereunder or while furnishing the return fails to furnish along with the return, the proof of payment as required by sub-section (1-A); or]<sup>4</sup>

(c) a registered dealer fails to furnish return ;

the Commissioner may, after giving such dealer a reasonable opportunity of being heard, direct him to pay, by way of penalty—

(i) in the cases referred to in clause (a), in addition to any tax payable by him a sum not exceeding fifty rupees for each occasion of default, subject to a maximum of five hundred rupees in each case ;

(ii) in the cases referred to in clause (b), in addition to the amount of tax, if any, payable by him a sum equal to one per cent of the tax for every month or part thereof for the first six months and 1.5 per cent for the next six months of the first year during which the default continued and thereafter 2 per cent of the tax for every month or part thereof during which the default continued but not exceeding in aggregate 25 per cent of the tax which may be assessed on him under section 18 and where no tax is payable, a sum not exceeding [ five hundred rupees]<sup>5</sup>; and

(iii) in the cases referred to in clause (c), a sum [not less than 25 per cent and not exceeding 40 per cent]<sup>6</sup> of the tax assessed.]

#### Assessment of tax.

18. [(1) The amount of tax due from a registered dealer shall be assessed separately for each year :

Provided that where such dealer fails to furnish any return by the prescribed date or knowingly furnishes incomplete or incorrect return for any period of any year, the Commissioner may, at any time, assess such dealer to tax for such period:

Provided further that the Commissioner may, subject to such conditions as may be prescribed, and for reasons to be recorded in writing, assess the tax due from any such dealer at any time for any part of a year.]<sup>7</sup>

1. Subs. by M.P. Act 15 of 1971, S. 5(i).

2. Subs. by M.P. Act 18 of 1960, S. 4, for "before the time prescribed for the submission of the next returns but not later."

3. Subs. by M.P. Act 20 of 1976, S. 7.

4. Subs. by M.P. Act 48 of 1976, S. 7.

5. Subs. by M.P. Act 35 of 1983, S. 4(a), for "One hundred rupees."

6. Subs. by S. 4(b), *ibid*, for "not less than 15 percent, and not exceeding 35 per cent."

7. Subs. by M.P. Act 20 of 1964, S. 6(i).

[(1-A) In the case of a registered dealer—

- (a) who is an importer or a manufacturer and whose gross turnover in a year does not exceed Rs. 50,000; and
- (b) who is neither an importer nor a manufacturer and whose gross turnover in a year does not exceed Rs. 2,00,000;

the Commissioner may subject to such restrictions and conditions as may be prescribed without requiring the presence of such dealer or calling for his accounts, accept the returns furnished by him, if the returns are prima facie correct and complete, and assess summarily the dealer to tax on the basis of such returns.]<sup>1</sup>

[ (2) In every other case, the Commissioner shall serve the dealer with a notice appointing a place and day and directing him—

- (i) to appear in person or by an agent entitled to appear in accordance with the provisions of section 21; or
- (ii) to produce evidence or have it produced in support of the returns; or
- (iii) to produce or cause to be produced any accounts, registers, cash memoranda or other documents as may be considered necessary by the Commissioner for the purpose.]<sup>2</sup>

(3) After hearing the dealer or his agent and examining the evidence produced in compliance with the requirements of clause (ii) or clause (iii) of sub-section (2) and such further evidence as the Commissioner may require, the Commissioner shall assess him to tax.

(4) If a registered dealer —

- (a) has not furnished returns in respect of any period by the prescribed date; or
- (b) has knowingly furnished incomplete or incorrect returns for any period; or
- (c) having furnished such returns fails to comply with any of the terms of a notice issued under sub-section (2) ; or
- [(d) has not maintained any accounts or the accounts maintained by him are not in accordance with provisions of sub-section (1) of section 26 or has not regularly employed any method of accounting or if the method employed is such that in the opinion of the Commissioner assessment cannot properly be made on the basis thereof.]<sup>3</sup>

Commissioner shall in the prescribed manner assess the dealer to the best of his judgment.

[ (5) ..... ]<sup>4</sup>

<sup>5</sup>[(6) (a) If upon any information which has come into his possession, the Commissioner is satisfied that any dealer, who has been liable to pay tax in respect of any period, has failed to apply for registration, the Commissioner shall, within twelve months from the date of completion of the proceedings under sub-section (1) of section 4-A, after giving the dealer a reasonable opportunity of being heard, proceed in such manner as may be prescribed, to assess to the

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1. Subs. by M.P. Act 25 of 1978, S. 20(i).  
 2. Subs. by S. 20(ii), *ibid.*  
 3. Subs. by S. 20(iii), *ibid.*  
 4. Omitted by M.P. Act 20 of 1964, S. 6(ii).  
 5. Subs. by M.P. Act 25 of 1978, S. 20(iv).

best of his judgment the amount of tax due from the dealer in respect of the whole of such period; and the Commissioner may, if he is satisfied that the dealer has wilfully failed to apply for registration, direct that the dealer shall pay by way of penalty in addition to the amount of tax so assessed, a sum not exceeding one and a half times of that amount.

- (b) In respect of periods subsequent to the period referred to in clause (a), the amount of tax due from a dealer referred to in clause (a) shall be assessed separately for each year.]

[(7) If the Commissioner is satisfied that a dealer has, with a view to evade payment of tax, effected sales mostly to favour buyers at prices which are abnormally low in comparison to the prices charged by other dealers similarly circumstanced, the Commissioner may, after giving the dealer a reasonable opportunity of being heard, assess or reassess the dealer to the best of his judgment.]<sup>4</sup>

<sup>2</sup>[(8) The assessment shall be made under this section-

- <sup>3</sup>[(i) in respect of a registered dealer and a dealer referred to in clause (b) of sub-section (6), within a period of [two calendar years]<sup>4</sup> from the end of the period for which assessment is to be made; and]
- (ii) in respect of a dealer who has failed to apply for registration within a period of [two calendar years]<sup>4</sup> from the commencement of proceeding under sub-section (6):

Provided that -

- [(a) where a fresh assessment has to be made to give effect to any finding or direction contained in any order under section 38, 39 or 44 or to any order of the Civil Court, High Court or Supreme Court, such assessment shall be made within a period of two calendar years from the date of the order containing such finding or direction or the order of the Civil Court, High Court or Supreme Court, as the case may be. If for any reason such fresh assessment is not made within the specified period, the Commissioner shall take steps to ensure that assessment is made as expeditiously as possible;]<sup>5</sup>
- (b) where assessment proceedings are pending on the date of commencement of the Madhya Pradesh General Sales Tax (Amendment and Validation) Act, 1970, such assessment shall be made within a period of three calendar years from the date of such commencement or within the period within which such assessment is required to be made in accordance with any other provision of this section, whichever is later; and
- (c) nothing contained in this sub-section shall apply to proceedings initiated under section 19 or any proceeding other than assessment of tax that may be instituted under any other provisions of this Act:]

[Provided further that any assessment proceedings in relation to any year ending before the date of commencement of the Madhya Pradesh General Sales Tax (Amendment) Act, 1978, shall be completed in accordance with and within the period laid down in the provisions in force before the date of such commencement or within three calendar years next following such commencement, whichever is earlier :]<sup>6</sup>

1. Subs. by M.P. Act 13 of 1962, S. 5.

2. Ins. by M.P. Act 10 of 1970, S. 4.

3. Subs. by M.P. Act 25 of 1978, S. 20(v) (a).

4. Subs. by M.P. Act 35 of 1983, S. 5(i), for "three calendar years."

5. Subs. by M.P. Act 25 of 1978, S. 20(v) (c).

6. Ins. by of S. 20(vi), ibid.



[Provided also that any assessment proceedings in relation to any year ending before the date of commencement of the Madhya Pradesh General Sales Tax (Third Amendment) Act, 1983 shall be completed in accordance with and within the period specified in the provisions in force before the date of such commencement or within two calendar years following such commencement, whichever is earlier.]<sup>1</sup>

[18-A. (1) Where a dealer was registered or licensed under any of the Acts repealed by section 52 and has not been assessed to tax for any period prior to the commencement of this Act, then notwithstanding -

Assessment of tax escaping assessment in respect of the period prior to the commencement of this Act.

- (i) any judgment, decree, or order of any Court, Tribunal or any other competent authority to the effect that the turnover for that period cannot be assessed to tax on the ground that the assessment has not been made within the period prescribed there for under the relevant provisions of the relevant repealed Act; or
- (ii) anything contained in section 19 of this Act or in the relevant repealed Act;

he shall within five years from the date of the commencement of the Madhya Pradesh General Sales Tax (Second Amendment) Act, 1964 be assessed to tax for that period.

(2) Where, before the commencement of this Act, a proceeding for assessment had been initiated or an assessment had been made, for any period prior to such commencement, in respect of a dealer registered or licensed under any of the Acts, repealed by section 52, then notwithstanding any judgment, decree or order of any Court, Tribunal or any other competent authority, such proceeding or assessment shall be and shall always be deemed to have been validly initiated or made, notwithstanding that the period laid down for initiation or assessment had already expired and such proceeding or assessment shall not be called in question in any Court or Tribunal, or before any other authority merely on that ground.]<sup>2</sup>

[(18-B) x x z x x ]<sup>3</sup>

19. [(1) Where an assessment has been made under this Act or any Act repealed by section 52 and if for any reason any sale or purchase of goods chargeable to tax under this Act or any Act repealed by section 52 during any period has been under-assessed or has escaped assessment or assessed at a lower rate or any deduction has been wrongly made therefrom, the Commissioner may, at any time within five calendar years from the date of order of assessment, after giving the dealer a reasonable opportunity of being heard and after making such enquiry as he considers necessary, proceed in such manner as may be prescribed to reassess within a period of two calendar years from the commencement of such proceedings, the tax payable by such dealer and the commissioner may, where the omission leading to such reassessment is attributable to the dealer, direct that the dealer shall pay, by way of penalty in addition to the amount of tax so assessed, a sum not exceeding that amount :

Assessment of turnover escaping assessment.

Provided that in the case of an assessment made under any Act repealed by section 52, the period for reassessment on the ground of under-assessment, escapement or wrong deduction shall be as provided in such Act notwithstanding the repeal thereof :

Provided further that any reassessment proceeding pending on the date of commencement of the Madhya Pradesh General Sales Tax (Amendment) Act, 1978 be completed in accordance with the provisions in force before the date of such commencement and within a period of two calendar years from the date of such commencement.]<sup>4</sup>

(2) The re-assessment made under sub-section (1) shall be at the rate at which it would have been made had there been no under-assessment or escapement or wrong deduction.

1. Added by M.P. Act 35 of 1983, S. 5(ii).

2. Ins. by M.P. Act 20 of 1964, S. 7.

3. Omitted by M.P. Act 35 of 1983, S. 6.

4. Subs. by M.P. Act 25 of 1978, S. 21.

(3) If for any reason the licence fee, registration fee or exemption fee has escaped levy or has been charged at a lower rate in any year, the Commissioner may, at any time within a period of three calendar years next succeeding that to which such fee relates, levy the correct amount of the fee payable in respect of that year after issuing a notice to the dealer and after making such enquiry as he considers necessary; and the Commissioner may direct that the dealer shall pay, by way of penalty in addition to the amount of fee so levied, a sum not exceeding that amount.

Power of reassessment in certain cases.

[(19-A. (1) Where any order passed in respect of a dealer for any period is rendered erroneous and prejudicial to the interests of revenue consequent to or in the light of any judgment or order of any Court or tribunal, which has become final, then notwithstanding anything contained in this Act, the Commissioner may at any time within a period of three years from the date of such judgment or order initiate proceeding to re-assess the tax payable by such dealer.

(2) The re-assessment proceeding initiated under sub-section (1) shall be completed as far as may be within a period of two calendar years from the date of initiation of such proceedings.

(3) No order of re-assessment under this section shall be passed without giving to the dealer a reasonable opportunity of being heard.]<sup>1</sup>

Exclusion of time in assessment proceedings.

20. [(1) Nothing contained in section 18-A or section 19 or sub-section (1-a) of section 52 limiting the time within which any assessment or re-assessment may be made, shall apply to an assessment or re-assessment made in consequence of, or to give effect to, any finding or direction contained in an order under section 38, 39 or 44.]<sup>2</sup>

[(2) In computing the period of limitation prescribed for assessment or reassessment, as the case may be, under section 18 or section 18-A or section 19, the time during which any assessment or reassessment proceedings remained stayed under the order of any civil or other competent court, or under special or general order of the Commissioner issued under section 42-A shall be excluded.]<sup>3</sup>

[(3) Where any turnover or a part thereof of any dealer has been assessed to tax under this Act or under any of the Acts repealed by section 52 of this Act (hereinafter referred to as the repealed Acts) and not under the Central Sales Tax Act, 1956 (No. 74 of 1956) or vice versa, but subsequently as a result of any order passed under section 38 or section 39 or section 44 of this Act or under the corresponding provisions of any of the repealed Acts or of an order passed by any civil or any other competent court, it is held to be assessable under the Central Sales Tax Act, 1956 (No. 74 of 1956), or under this Act or under any of the repealed Acts, as the case may be, then, in consequence of such order or to give effect to any finding or direction contained in such order, such turnover or part thereof, shall, irrespective of the fact that the order previously passed in the other case under the Central Sales Tax Act, 1956 (No. 74 of 1956) or under this Act or under any of the repealed Acts, as the case may be, has become final, be assessed or re-assessed to tax, as the case may be, at any time within five years from the date of such order, under the relevant Act, notwithstanding anything contained in section 18, section 18-A, section 19 or section 52 of this Act or of the corresponding provisions in the relevant repealed Act, limiting the time within which any assessment or re-assessment may be made.]<sup>4</sup>

Appearance before taxing authorities.

21 (1) Any dealer who is entitled or required to attend or appear before any officer appointed under section 3 in connection with any proceedings under this Act, otherwise than when required under section 35 to attend personally for examination on oath or affirmation, may attend or appear by a person authorised by him in writing in this behalf being a relative of, or a person regularly employed by, the dealer or a legal practitioner or a chartered accountant or a Sales Tax practitioner.

1. Ins. by M.P. Act 35 of 1983, S. 7.

2. Subs. by M.P. Act 10 of 1970, S. 5(i).

3. Subs. by M.P. Act 20 of 1976, S. 8.

4. Subs. by M.P. Act 10 of 1970, S. 5(#).

1[(2) For the purposes of sub-section (1), any person who—

- (a) at any time before the coming into force of this Act, was practising as a Sales Tax practitioner before any Sales Tax Authority not below the rank of an Assistant Sale Tax Officer; or
- (b) holds a degree in Law or Commerce or the Degree of Bachelor of Arts with Economics as one of his subjects conferred by any Indian University incorporated by any law for the time being in force or by any other University as the State Government may, from time to time, by notification, specify; or
- (c) does not possess any of the qualifications referred to in sub-clause (b) but has held a post in the Sales Tax Department not below the rank of an Assistant Sales Tax Officer for at least ten years and is granted a certificate by the Commissioner having regard to his record of service in the Department, as being a fit and proper person to appear in any proceeding under this Act, shall be entitled to appear as a Sales Tax practitioner.

[ (2-A) Every sales tax practitioner and every person who is entitled to appear as a sales tax practitioner in any proceedings under this Act shall, within such time as may be prescribed get himself enrolled as such on payment of such fee as may be prescribed.]<sup>2</sup>

[ (2-B) If the Commissioner is satisfied that the application for enrolment is in order, he shall enroll the applicant and grant him a certificate of enrolment in the prescribed form. If the Commissioner, after making such enquiry as he deems fit, and after giving the applicant reasonable opportunity of being heard, is not so satisfied, he shall, for reasons to be recorded in writing, reject the application.]<sup>3</sup>

(3) Notwithstanding anything contained in sub-sections (1) and (2), no person who has held any post in the Sales Tax Department not below the rank of a Sales Tax Inspector shall be entitled to represent any dealer in any proceeding under this Act,—

- (i) if he has, at any time, passed any order in such proceeding, while he was holding any post in the Department;
- (ii) if the place of business of the dealer whom he desires to represent is in the district or circle within the territorial jurisdiction of which the headquarter of the office of the Sales Tax Department in which he had held such post was located, unless a period of two years has elapsed since he ceased to hold that post :

Provided that nothing in clause (ii) shall apply if the representation is to be made before an officer holding a rank higher than the rank last held by such person.]

(4) No person who has been dismissed from Government service shall be qualified to represent any dealer under sub-section (1).

(5) If any legal practitioner or a chartered accountant is found guilty of misconduct in connection with any sales tax proceedings by the authority empowered to take disciplinary action against members of the profession to which he belongs, or if any other person is found guilty of such misconduct by the Commissioner, the Commissioner may direct that he shall be, thence forward, disqualified to represent a dealer under sub-section (1):

1. Subs. by M.P. Act 9 of 1968, S. 6.

2. Ins. by M.P. Act 20 of 1976, S. 9.

3. Ins. by M.P. Act 25 of 1978, S. 22(i).

[Provided that no such person shall be disqualified unless he is given a reasonable opportunity of being heard.]<sup>1</sup>

[(6) Any person whose application for enrolment is rejected under sub-section (2-B) or who is disqualified under sub-section (5) may, within sixty days of the direction relating thereto, appeal to the Tribunal to have the direction cancelled.]<sup>2</sup>

**Payment and recovery of tax and other dues under the Act.**

22. (1) The tax payable for each year shall be paid in the manner hereinafter provided at such intervals as may be prescribed.

(2) Before any registered dealer furnishes any return required by sub-section (1) of section 17, he shall pay into a Government treasury in the prescribed manner the full amount of tax due from him under this Act according to such return.

(3) If a revised return submitted by a registered dealer in accordance with sub-section (2) of section 17 shows a greater amount of tax to be due than was shown in the original return, he shall pay the difference into a Government treasury.

[(3-A) Notwithstanding anything contained in sub-section (2) or sub-section (3), where the registered dealer is the Central Government or a State Government or any of their departments, the Commissioner may, subject to such terms and conditions as may be prescribed, permit such dealer to pay the amount of tax by book adjustment.]<sup>3</sup>

(4) [(i)]<sup>4</sup> x The amount of tax—

(a) due where the returns were furnished without full payment of tax, or

(b) assessed under sub-sections (1), [(1-A)]<sup>5</sup>, (3) and (4) of section 18, less the sum, if any, already paid by the dealer in respect of the said year together with the penalty, if any, directed to be paid under sub-section (3) of section 17, or

(c) assessed under [.....]<sup>6</sup> sub-section (6) [or sub-section (7)]<sup>7</sup> of section 18 or section 19, together with the penalty, if any, directed to be paid thereunder, [and]<sup>8</sup>

[(ii) the amount of penalty, if any, imposed or directed to be paid under any provisions of the Act not covered under sub-clauses (b) and (c) of clause (i);]<sup>9</sup>

shall be paid by the dealer into a Government treasury by such date as may be specified in a notice to be issued by the Commissioner for this purpose and the date to be so specified shall be not less than thirty days from the date of service of such notice:

[.....]<sup>10</sup>

[(4-A) If, for any reason, a dealer is unable to pay the tax assessed or the penalty imposed on him under this Act, within the time specified therefor in the notice of demand, he may apply to the Commissioner in writing to grant him more time for payment of such amount or to permit him to pay such amount in instalments. Subject to such conditions and restrictions as may be prescribed, the

1. Subs. by M.P. Act 25 of 1978, S. 22(ii).
2. Ins. by S. 22(iii), *ibid*.
3. Ins by M.P. Act 20 of 1961, S. 9.
4. Ins. by M.P. Act 20 of 1964, S. 9(a).
5. Ins. by S. 9(b), *ibid*.
6. Words "sub-section (5) or," omitted by S. 9(c) (i), *ibid*.
7. Ins. by M.P. Act 13 of 1962, S. 6.
8. Added by M.P. Act 20 of 1964, S. 9(c) (ii).
9. Ins. by S. 9(d). *ibid*
10. Proviso omitted by M.P. Act 25 of 1978, S. 23(i).

Commissioner may grant further time to such dealer or allow him to pay such amounts in instalments on such conditions as he may deem fit to impose. Where any extension of time or permission to pay by instalments is granted, the dealer shall be liable to pay interest on such amounts from the last date on which the tax and/or penalty was due to be paid in accordance with such notice of demand. The interest shall be paid at 12 per cent per annum for the first three months commencing from such last date and at 15 per cent per annum for the period thereafter.

(4-B) Where a dealer does not pay the tax assessed on him or the penalty imposed on him or any other amount due from him under this Act within the time specified therefor in the notice of demand and the dealer has not obtained any order under sub-section (4-A) or has failed to pay the tax or penalty in accordance with the order passed by the Commissioner under sub-section (4-A), the Commissioner shall, after giving the dealer a reasonable opportunity of being heard, direct that such dealer shall, in addition to the amount due, pay by way of penalty, a sum equal to 2 per cent of the amount of tax due, for every month, for the period for which payment has been delayed by him after the last date on which such tax, penalty or other amount was due to be paid.

(4-C) Where the State Government, after such enquiry as it may deem fit, is of the opinion that hardship is being caused to a dealer due to any proceedings initiated for recovery of any amount of tax or penalty or other dues outstanding against him, the State Government may, subject to such restrictions and conditions as may be prescribed, grant to the dealer additional time to pay such amount of tax or penalty or any other dues or may grant facility to pay such amount in instalments and pending the completion of such enquiry, the State Government may stay the recovery of the dues :

Provided that no such facility shall be granted to the dealer unless he has in the first instance applied in this behalf to the Commissioner under sub-section (4-A) :

Provided further that in respect of every such facility the dealer shall be liable to pay interest at the rates specified in sub-section (4-A) :

Provided also that if the dealer does not comply with any order passed by the State Government, the Commissioner may impose on him penalty under sub-section (4-B).

(4-D) Where a dealer to whom any facility has been given under sub-section (4-A) or sub-section (4-C) and such dealer has properly complied with the order granting him such facility, the Commissioner may, if he is of the opinion that the interest payable by him has caused him hardship, remit such portion of the interest payable on the tax due or on the penalty imposed as is in excess of the tax to be paid or the penalty to be recovered :

Provided that the State Government may *suo motu* or on a reference made by the Commissioner, grant such further remission of interest payable under this sub-section as it may deem fit.]<sup>1</sup>

[(5) If any amount of tax or any other amount due under this Act, or any of the Acts repealed by section 52 remains unpaid on the expiry of the period prescribed for the payment thereof by or under this Act or on the expiry of the period specified in any notice of demand or order issued or made under this Act or the rules made thereunder for the payment thereof, shall be recoverable as an arrear of land revenue.]<sup>2</sup>

(6) Where in pursuance of sub-section (5) any proceedings for the recovery as an arrear of land revenue of any tax, penalty, fee or part thereof, remaining unpaid have been commenced and the amount of tax, penalty or fee is subsequently modified, enhanced or reduced in consequence of any assessment made

1. Subs. by M.P. Vct 25 of 1978, S. 23(ii).

2. Subs. by M.P. Act 10 of 1970, S. 6(b).

or order passed on appeal or revision under section 38 or section 39 or on rectification of mistake under section 45, the Commissioner may, in such manner and within such period as may be prescribed, inform accordingly the dealer and the authority by whom or under whose order the recovery is to be made and thereupon such proceeding may be continued as if the amount of tax, penalty or fee as so modified enhanced or reduced, had been substituted for the tax, penalty or fee which was to be recovered under sub-section (5).

Payment of tax in advance of assessment on failure to furnish returns.

[22-A. [(1) Where any registered dealer fails to furnish any return required by sub-section (1) of section 17 and fails to pay the tax in accordance with sub-section (2) of section 22,-

- (a) the Commissioner may, if the tax payable by such dealer in a year does not ordinarily exceed one thousand rupees; and
- (b) the Commissioner shall, if the tax payable by such dealer in a year exceeds rupees one thousand;

require such dealer to pay such tax, in the manner laid down in the following sub-sections in advance of an assessment which may be made under section 18.]<sup>2</sup>

(2) The amount of tax payable in advance under sub-section (1) shall be computed by the Commissioner as under :-

- (a) where the registered dealer has been assessed to tax for any previous year or part thereof, the tax payable in advance shall be an amount which bears to the amount of tax assessed in respect of the latest previous year or part thereof the same proportion as the period for which the tax payable in advance bears to the period for which the latest assessment was made; or
- (b) where the registered dealer has furnished the return required under sub-section (1) of section 17 for any period subsequent to the latest previous year or part thereof for which he has been assessed to tax, the tax payable in advance shall be an amount which bears to the maximum amount of tax payable according to any such return the same proportion as the period for which the tax payable in advance bears to the period for which such maximum amount of tax was payable according to such return;

whichever is greater;

- (c) where the registered dealer has not been assessed to tax for any previous year or part thereof but has furnished the return required under sub-section (1) of section 17 for any period, the tax payable in advance shall be an amount which bears to the maximum amount of tax payable according to any such return the same proportion as the period for which the tax payable in advance bears to the period for which such maximum amount of tax was payable according to such return.

(3) After the expiry of the date by which the return has become due, the Commissioner may issue a notice in the prescribed form to a registered dealer requiring him to pay in the prescribed manner and within the prescribed time the tax payable in advance computed in accordance with sub-section (2).

(4) If any registered dealer who is required to pay the tax in advance furnishes the return under sub-section (1) of section 17 and pays the amount of tax in accordance with the provisions of sub-section (2) of section 22 on or before the date specified in the notice issued under sub-section (3) or satisfies the Commissioner that the return was already furnished by him by the date by which it was due, the said notice shall stand cancelled.

1. Ins. by M.P. Act 23 of 1967, S. 6.

2. Subs. by M.P. Act 25 of 1978, S. 24.

- (5) The tax payable in advance or any part thereof left unpaid within the time specified in the notice issued under sub-section (3) shall be recoverable as an arrear of land revenue for which purpose the provisions of sub-section (6) of section 22 shall *mutatis mutandis* apply.
- (6) The tax paid under this section shall be adjusted towards the tax assessed under section 18.
- (7) Provisions of sub-section (4-A) of section 22 shall not be applicable to the tax payable in advance under this section.]

[22-B. (1) Any person responsible for making payment of any sum to any dealer as a consideration for the sale or supply of any goods in pursuance of a contract between such dealer and the Central Government or a State Government (hereinafter referred to in this section as the purchaser), shall before crediting such sum to the account of the dealer or before payment thereof in cash or by issue of a cheque or draft or by any other mode, deduct an amount equal to the amount payable by the purchaser to the dealer by way of sales tax, whether or not such amount is shown by the dealer separately in his bill, where such amount exceeds rupees five hundred and shall pay it to the State Government in such manner as may be prescribed.

Payment of tax in certain cases.

(2) Any person making the payment under sub-section (1) shall be deemed to have made the payment on the authority and on behalf of the dealer and the treasury receipt for such payment shall constitute a good and sufficient discharge of the liability of the purchaser to the extent of the amount specified in the receipt.

(3) Where any payment under sub-section (1) is made by a purchaser on behalf of a dealer such payment shall constitute a good and sufficient discharge of the liability of the dealer to pay tax in respect of such transaction and the amount so paid shall be adjusted in such manner as may be prescribed.

(4) Any sum which a person is required to deduct and pay under sub-section (1) shall, if it remains unpaid, be recoverable as an arrear of land revenue.

22-C. Any department or office of the Central Government situated in Madhya Pradesh or the State Government or any local authority shall, before entering into a contract with any dealer for the sale or supply of any goods by him exceeding rupees ten thousand in value require such dealer to produce a sales tax clearance certificate in such form as may be prescribed. Such certificate shall be issued by such authority in such manner for such period and within such time as may be prescribed.]<sup>1</sup>

Production of sales tax clearance certificate.

[22-D. Notwithstanding anything contained in any other provision of this Act, a registered dealer, who is,-

Special provisions relating to deferred payment of tax by industrial units.

- (a) registered as a small scale industrial unit with the Industries Department of the Government of Madhya Pradesh; or
- (b) registered with the Director General of Technical Development as an industrial unit; or
- (c) registered as an industrial unit by any authority duly empowered to do so by the Government of Madhya Pradesh or the Central Government; or
- (d) holding a licence under the Industries (Development and Regulation) Act, 1951 (No. 65 of 1951);

and who in each case has or may set up a new industrial unit in any district of Madhya Pradesh if eligible for grant of the facility of deferred payment of tax under the scheme providing for grant of incentive to entrepreneurs for setting up new industrial units in the State as the State Government may make in this behalf, may make deferred payment subject to such restrictions and conditions as may be specified in such scheme.]<sup>2</sup>

1. Ins. by M.P. Act 20 of 1976, S. 10

2. Ins. by M.P. Act 25 of 1982, S.12.

## Special mode of recovery.

23. (1) Notwithstanding anything contained in section 22 or any law or contract to the contrary, Commissioner or any officer other than an Inspector appointed under section 3 may, at any time or from time to time, by notice in writing, a copy of which shall be sent to the dealer at his last address known to the officer issuing the notice, require—

- [(a) any person from whom any amount is due or may become due to a dealer who has failed to comply with a notice of demand for any amount due under this Act;]<sup>1</sup>
- (b) any person who holds or may subsequently hold any money for or on account of such dealer;

to pay in to the Government treasury in the manner specified in the notice issued under this sub-section, either forthwith or upon the money becoming due or being held, or at or within the time specified in the notice (not being before the money becomes due or it is held), so much of the money as is sufficient to pay the amount due from the dealer in respect of the arrears of the tax and penalty under this Act, or the whole of the money when it is equal to or less than that amount.

**Explanation.**—For the purposes of this sub-section, the amount due to a dealer or money held for or on account of a dealer by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such dealer to such person and as may be lawfully subsisting.

(2) The officer issuing a notice under sub-section (1) may at any time, or from time to time, amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice issued under sub-section (1) shall be deemed to have made the payment under the authority of the dealer and the treasury receipt for such payment shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount specified in the receipt.

(4) Any person discharging any liability to the dealer after service on him of the notice issued under sub-section (1) shall be personally liable to the State Government to the extent of the liability discharged or to the extent of the liability of the dealer for tax or penalty or both, whichever is less.

(5) Where a person on whom a notice is served under sub-section (1), proves to the satisfaction of the officer who issued the notice that the sum demanded or any part thereof was not due to the dealer or that he did not hold any money for or on account of the dealer, at the time the notice was served on him, then nothing contained in this section shall be deemed to require such person to pay into the Government treasury any such money or part thereof, as the case may be.

(6) Any amount of money which a person is required to pay under sub-section (1), or for which he is personally liable to the State Government under sub-section (4) shall, if it remains unpaid, be recoverable as an arrear of land revenue.

(7) The provisions of this section shall be without prejudice to any action that may be taken for the recovery of the arrears of tax and penalty, if any, due from the dealer.

24. (1) If the Commissioner is satisfied that the tax or penalty or both paid by or on behalf of a dealer for any year exceeds the amount to which he has been assessed under this Act for that year, he shall cause a refund to be made of any amount in the manner prescribed found to have been paid in excess either in cash or at the option of the dealer by the deduction of such excess from the amount of tax due in respect of any other year.

## Refunds

1. Subs. by M.P. Act 20 of 1976, S. 11.



[(1-a) If the Commissioner is satisfied that due to an error committed by the dealer while crediting any amount payable under this Act or the Central Sales Tax Act, 1956 (No. 74 of 1956), into Government Treasury, the amount so paid cannot be accounted for the purpose for which it is credited, he shall subject to the provision of sub-section (2-A) cause refund to be made of that amount in the manner prescribed, either in cash or at the option of the dealer by deduction of such refundable amount for the amount of tax due in respect of any other year from him.

[(1-b) The Commissioner may, on application by the dealer, order the refund, in the prescribed manner, of any amount or part thereof deposited by the dealer by way of security under section 16-A, if it is not required for the purpose of this Act.]<sup>1</sup>

(2) The appellate authority, if satisfied to the like effect, shall cause a refund to be made of any amount found to have been wrongly paid or paid in excess.

[.....]<sup>2</sup>

<sup>3</sup>[(2-A) Notwithstanding anything contained in sub-section (1) or sub-section (2), the authority empowered to grant refund shall apply the refundable amount in respect of any year towards the recovery of any tax, penalty, licence fee, registration fee or exemption fee or part thereof due under this Act or under the Central Sales Tax Act, 1956 (No. 74 of 1956), [or under the Madhya Pradesh Sales of Motor Spirit Taxation Act, 1957 (No. 4 of 1958) <sup>4</sup> [or under the Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 (No. 52 of 1976)]<sup>5</sup> and shall then refund the balance remaining, if any.]

<sup>6</sup>[(2-B) Where a refund is not made or is not applied for the purposes mentioned in sub-section (2-A) within a period of ninety days from the date of the receipt of the order of refund by the dealer, the dealer shall be paid interest at [twelve per cent]<sup>7</sup> per annum on the amount due to him as refund for the period between the date of expiry of the said period and the date on which refund is made to him or is applied for the purposes mentioned in sub-section (2-A), as the case may be :

Provided that in respect of the refund remaining unpaid or remaining to be applied under sub-section (2-A) on the date of commencement of the Madhya Pradesh General Sales Tax (Amendment) Act, 1968, the period of ninety days shall be counted from the date of such commencement :

Provided further that no interest shall be payable where the refund remains unpaid on account of default on the part of the dealer.]

(3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive or the rectification of any mistake by any officer of his decision which is subject to appeal or revision.

(4) Notwithstanding anything contained in section 6 or section 7, where a tax has been levied in respect of the sale or purchase of declared goods under this Act and such goods are subsequently sold in the course of inter-state trade or commerce, the tax so levied shall be refunded in such manner and subject to such conditions as may be prescribed.

[(5) x x x x x] <sup>8</sup>

1. Ins. by M.P. Act 35 of 1973, S. 5.
2. Proviso omitted by M.P. Act 16 of 1965, S. 6(i).
3. Ins. by S. 6(ii), *ibid*.
4. Repealed by M.P. Act 20 of 1972, S. 8(1).
5. Ins. by M.P. Act 66 of 1976, S. 5.
6. Ins. by M.P. Act 9 of 1968, S. 7.
7. Subs. by M.P. Act 29 of 1974, S. 7, for "six percent."
8. Omitted by M.P. Act 3 of 1980, S. 4.

Power to with-hold refund  
in certain cases.

[24-A. Where an order giving rise to a refund is passed and the Commissioner is satisfied that the grant of the refund is likely to be prejudicial to the interest of revenue and action under [ sub-section (2) or sub-section (5) of section 39]<sup>2</sup> is required to be initiated or an application to the Tribunal to enhance the tax levied or penalty imposed is required to be made on the said order is the subject-matter of any proceeding under section 44, the Commissioner may withhold the refund till such time as the aforesaid proceedings are finally decided:

Provided that the dealer shall be paid interest under sub-section (2-B) of section 24 on the amount of refund ultimately determined to be due as a result of the aforesaid proceedings for the period commencing after the expiry of ninety days from the date of the receipt of the order giving rise to the refund.]

Remission of tax.

[25. The Commissioner may, subject to such conditions as may be prescribed, remit the whole or part of the amount of the tax payable by a registered dealer in respect of any year during which he suffered financially on account of riots, accidental fire or through natural calamities :

Provided that if the amount to be remitted exceeds rupees one thousand the remission shall not be made without the previous sanction of the State Government.]<sup>3</sup>

Account.

[26. [(1) Every registered dealer and every other dealer liable to pay tax under this Act shall maintain correct account of his purchases, sales and stocks showing quantity and value separately of different kinds of goods subject to different rates of tax under the Act and shall like-wise maintain stock accounts showing quantity and value of raw materials and of finished goods :

Provided that the Commissioner may, subject to such restrictions and conditions as he may deem fit to impose, exempt any dealer or class of dealers from keeping quantitative accounts.]<sup>5</sup>

(2) If the Commissioner considers that the accounts maintained by any dealer or any class of dealers do not sufficiently enable him to verify the returns referred to in sub-section (1) of section 17 or that assessment cannot be made on the basis thereof, he may, by an order, require any dealer or by notification any class of dealers to keep such accounts including records of manufacture, sales, purchases or transfers in such forms and manner as he may, subject to rules made under this Act, direct.]

Certain dealers to issue bills  
or cash memoranda.

27. <sup>6</sup>[(1) Every dealer whose turnover exceeds [one lakh and fifty thousand rupees ]<sup>7</sup> in any year shall for each sale, made by him of goods exceeding <sup>7</sup> rupees fifty]<sup>8</sup> in value in the next succeeding year. issue to the purchaser, a bill or a cash memorandum signed and dated by such dealer or his servant, manager or agent and showing such particulars as may be prescribed. Every such dealer shall also maintain a counterfoil or duplicate of each bill or cash memorandum issued by him with signature, date and all other aforesaid particulars and shall preserve it for a period of not less than five years from such date or till the completion of assessment whichever is earlier :

Provided that the Commissioner may, subject to such conditions and restrictions as he may deem fit to impose, exempt any dealer or class of dealers in respect of sale of any goods or class of goods from issuing a bill or a cash memorandum to the purchaser or from showing some of the particulars or from maintaining a counterfoil or duplicate of each bill or cash memorandum issued by him.]

1. Ins. by M.P. Act 35 of 1973, S. 6.

2. Subs. by M.P. Act 25 of 1978, S. 25 for "sub-section (2) of section 39."

3. Subs. by M.P. Act, 9 of 1968, S.8.

4. Subs. by M.P. Act 20 of 1976, S. 12.

5. Subs. by M.P. Act 25 of 1978, S. 26.

6. Subs. by M.P. Act 20 of 1976, S. 13.

7. Subs. by M.P. Act 35 of 1983, S. 8(a), for "rupees sixty thousand."

8. Subs. by S. 8(b), *ibid*, for "rupees twenty."

(2) If any person to whom sub-section (1) applies, contravenes the provisions of the said sub-section, [the Commissioner may, after giving such person a reasonable opportunity of being heard, direct him to pay a penalty not exceeding]<sup>1</sup> double the amount of the bill or the cash memorandum in respect of which such contravention has occurred or rupees fifty whichever is less.

28. (1) If before the commencement of any year a registered dealer files with the Commissioner declaration in prescribed form and manner in respect of such year to the effect that he would during that year deal exclusively in goods declared tax-free under section 10 or section 12, the provisions of sections 17, 26 and 27 shall not apply to such dealer for [so long as he deals exclusively in tax free goods in that year.]<sup>2</sup>

Saving for dealers in tax-free goods.

(2) If at any time during the year in respect of which a dealer has filed a declaration under sub-section (1), he desires to deal in any taxable goods, he shall send previous intimation thereof to the Commissioner and thereupon his declaration shall cease to be in force.

(3) Where the Commissioner, in consequence of any information which has come into his possession, is satisfied that any dealer has at any time during the year in respect of which he has filed declaration under sub-section (1) dealt in any taxable goods without complying with the requirements of sub-section (2), he may after giving the dealer a reasonable opportunity of being heard and after making such further enquiry as he considers necessary make an order annulling the declaration and also impose upon him a penalty not exceeding five hundred rupees.

29. (1) The Commissioner may, subject to such conditions as may be prescribed, require any dealer to produce before him any accounts, registers or documents, relevant to the financial transactions of a dealer, including accounts, registers or documents relating to profits derived from the business of any firm, or to furnish any information, relating to the stock of goods of the dealer, or purchases, sales or deliveries of goods made by him, as may be necessary for the purposes of this Act.

[Power to require production of accounts and documents and to inspect, search and seize books of accounts, documents and goods.]<sup>3</sup>

(2) All accounts, registers and documents relating to the stocks of goods of any dealer, or to purchases, sales or deliveries of goods made by him, and all goods kept in any place of business or warehouse of any dealer shall, at all reasonable times, be open to inspection by the Commissioner.

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

[(4) For the purpose of sub-section (2) or sub-section (3), the Commissioner may enter and search any place of business of any dealer, or any other place whether such place be the place of his business or not where the Commissioner has reason to believe that the dealer keeps or is for the time being keeping any accounts, registers or documents of his business or stocks of goods relating to his business, and the Commissioner may for exercising the powers under this sub-section seal or break open the lock of any door, box, locker, safe, almirah or any other receptacle where the keys thereof are not produced on demand or are not available.

(5) For the purposes of sub-section (2) or sub-section (3), the Commissioner may also search any person, who leaves or is about to enter or is already in the place referred to above, if the Commissioner has reason to suspect that such person has secreted about his person, any such books or accounts or other documents relating to any business of a dealer liable to pay tax.

1. Subs. by M.P. Act 20 of 1961, S. 10 (b) for "he shall be liable to a Penalty equal to".  
 2. Subs. by M.P. Act 18 of 1960, S. 6 for "so long the declaration remains in force".  
 3. Subs. by M.P. Act 35 of 1983, S. 9(i).

(6) Where the Commissioner has reason to believe that the dealer has stored or kept goods liable to payment of tax without accounting for them in books, registers or accounts maintained by such dealer in the course of his business with a view to their surreptitious sale in order to evade payment of tax in any building, place or vehicle under ownership or control of the dealer in either case whether exclusive or in association with some other person, or in any building, place or vehicle in each case belonging to some other person with express or implied permission of such other person, the Commissioner may enter any such building, place or vehicle with such number of assistants as may be necessary, and inspect and verify if the goods have been accounted for and in the event of his reasonable belief that the dealer has not accounted for such goods with the intention of evading tax, the Commissioner may seize all such goods and take all necessary steps for their removal, proper custody and preservation :

Provided that a list of all goods seized under this sub-section shall be prepared by the Commissioner in presence of at least two respectable persons and a copy thereof shall on demand be furnished to the dealer or, as the case may be, to the person from whose possession or custody were seized.

(7) The Commissioner shall, as soon as possible, after seizure of the goods under sub-section (6), serve upon the dealer a notice in writing to show cause within a period of thirty days of service of such notice as to why a penalty equal to double the amount of tax payable and calculable on the price which such goods would have fetched on their assumed sale in Madhya Pradesh on the date of seizure be not imposed on him for the dealer's default in not making entries in respect of such goods in his books of account or registers or other documents, as the may case be, maintained by him in the course of his business.

(8) If the Commissioner, after taking into consideration the explanation of the dealer and after giving him an opportunity of being heard, is satisfied that the entries relating to said goods were not made in the books of accounts, registers or other documents of the dealer and without any proper justification, the Commissioner shall pass an order imposing a penalty equal to the sum specified in the notice.

(9) The Commissioner may, at any time after the service of the notice under sub-section (7) and before passing in order imposing penalty under sub-section (8), release the goods seized if the dealer or the person from whom the goods were seized furnishes security in the form of cash security or bank guarantee or any other security to the satisfaction of the Commissioner, in each case for such reasonable amount as the Commissioner may specify by order in writing with due regard to the amount of penalty proposed.

(10) The cash security, and in the case of bank guarantee or any other security, when the amount thereof is realised, shall be adjusted towards the penalty imposed and the balance, if any, shall be refunded to the dealer or to the surety, as the case may be.

(11) Where no security is furnished under sub-section (9), the dealer shall pay the amount of penalty within thirty days of the service of the order imposing penalty on him and goods seized shall be released forthwith.

(12) If the dealer fails to pay the penalty imposed under sub-section (8), the Commissioner shall, subject to other provisions of this section, dispose of the goods by sale in such manner as may be prescribed and apply the sale proceeds thereof towards the penalty imposed and the expenses incurred on account of and incidental to the custody, protection, preservation and sale of such goods and shall refund the balance, if any, to the dealer or person entitled.

(13) The penalty imposed under sub-section (8) shall be without prejudice to any other action under any other provisions of this Act.

(14) Where any objection is made to the seizure of the property seized under sub-section (6) on the ground that such goods do not belong to the dealer or are not otherwise liable to seizure, the Commissioner shall proceed to decide the objection :

Provided that no such objection shall be entertained,-

- (a) where, before the objection is made, the property seized has already been sold; or
- (b) where the Commissioner considers that the objection was designedly or unnecessarily delayed.

(15) All questions (including question relating to right, title or interest in the property seized) arising between the parties to such proceedings or their representatives and relevant to the adjudication of the claim or objection, shall be determined by the Commissioner dealing with the claim or objection.

(16) Upon the determination of the questions referred to in sub-section (15), the Commissioner shall, in accordance with such determination,-

- (a) allow the claim or objection and release the property from distraint either wholly or to such extent as he thinks fit; or
- (b) disallow the claim or objection; or
- (c) continue the distraint subject to any lien, charge or other interest in favour of any person; or
- (d) pass such order as in the circumstances of the case, he deems fit.

(17) Where any claim or objection has been adjudicated upon under sub-section (16) or where the Commissioner refuses to entertain a claim or objection under the proviso to sub-section (14), any such order made shall be deemed to be an order relating to assessment of tax against a dealer under section 18 and shall be subject to the same conditions as to appeal, revision or any other remedy under this Act.

(18) Where the Commissioner apprehends any resistance to entry, search or seizure of goods, he may for reasons to be recorded in writing requisition the services of any police officer of the State Government, having jurisdiction over the local area in which such entry, search or seizure is to be made, to assist him for all or any of the purposes specified in sub-section (3) or sub-section (4), or sub-section (5) or sub-section (6) and it shall be duty of such police officer to comply with such requisition.

(19) The Commissioner while making entry, search and seizure under this section shall, unless otherwise expressly provided by or under this Act, exercise the same powers and follow the same procedure as are exercised by and are required to be followed by a police officer in relation to entry, search and seizure under the provisions of the Code of Criminal Procedure, 1973 (No. 2 of 1974).<sup>1</sup>

[29-A. (1) The State Government may, if it is satisfied that it is necessary so to do, with a view to prevent or check evasion of tax under this Act, set up or erect, in such manner as may be prescribed, checkpoints or barriers at such places in the State, excluding railway premises, as may be notified.

Establishment of check posts.

(2) An officer of a category mentioned in section 3 shall be incharge of the check post (hereinafter referred to as the checkpost officer) and he shall be assisted by other category of officers.

(3) Subject to other provisions of this section a checkpost officer shall exercise all powers conferred on him by this section.

(4) Every person transporting such goods as may be notified by the State Government in this behalf (hereinafter referred to in this section as the transporter) shall carry with him an invoice, bill or challan or any other document, by whatever name called, issued by the consignor of the goods giving such particulars as may be prescribed.

1. Sub. by M.P. Act 35 of 1983, 5, 9 (ii).

(5) Every transporter shall, before crossing any checkpoint or barrier set up or erected under sub-section (1), deliver to the checkpoint officer a declaration duly signed by the consignor in such manner, in such form and containing such particulars as may be prescribed. A separate declaration shall be filed in respect of the consignment or consignments relating to each consignee where the goods are being imported into Madhya Pradesh and of each consignor where the goods are being sent outside the State. No declaration in relation to goods to be delivered in Madhya Pradesh shall be accepted if the consignee in Madhya Pradesh is shown or described as 'self' unless the full particulars and address of the person who will take delivery of the goods at the destination in Madhya Pradesh are furnished.

(6) The transporter shall stop the vehicle at every checkpoint or barrier mentioned in sub-section (1) and keep it stationary for as long as may reasonably be necessary and allow the checkpoint officer to verify and check the declarations and the documents mentioned in sub-section (4), to search the vehicle and inspect the goods and all documents relating to such goods which are in the possession of the transporter. The transporter shall, if so required, give his name and address and names and addresses of the owner of the vehicle and of the consignor and consignee of the goods:

Provided that, if the checkpoint officer of a checkpoint or barrier is an officer below the rank of a Sales Tax Officer, he shall not search the vehicle and inspect the goods except on the authorisation of and in the presence of an officer appointed under section 3, not below the rank of a Sales Tax Officer.

(7) If a checkpoint officer finds that the transporter has failed to file a declaration or has knowingly filed an incorrect or incomplete declaration and he is unable to search and inspect the goods in view of the restrictions mentioned in the proviso to sub-section (6) he may, after giving the transporter a reasonable opportunity of being heard, direct him to pay, by way of penalty, a sum not exceeding five hundred rupees.

(8) If the checkpoint officer finds after searching the vehicle and verifying the declaration or other documents relating to the goods, that—

- (a) goods notified under sub-section (4) are being transported in respect of which the transporter has not filed any declaration; or
- (b) the declaration filed in respect of any goods is false or incorrect, either in respect of the kind of goods, or the quantity of goods transported, or the value thereof; or
- (c) the consignor or consignee of the goods is shown to be a dealer registered under this Act, while the records available in his office do not show the existence of such a dealer;

such officer may presume until the contrary is proved, that an attempt was being made to facilitate the evasion of tax in respect of such goods and he may, after recording his reasons therefor in writing, a copy of which shall be forth-with supplied to the transporter, seize such goods in such manner as may be prescribed.

(9) The checkpoint officer seizing the goods under sub-section (8) shall also record the statement of the transporter on all the facts of the case and also obtain particulars of the consignor and consignee of the seized goods. The reasons, if any, stated by the transporter for the violation of provisions of this section shall also be recorded.

(10) If, after considering the statement of the transporter, the checkpoint officer is satisfied that the explanation is satisfactory and that there was no attempt to evade tax in respect of the goods seized, he shall record his findings giving his reasons therefor and release the goods to the transporter in such manner as may be prescribed.

(11) If the checkpost officer is not so satisfied, he shall record his findings accordingly giving reasons therefor and he shall serve on the transporter a notice in writing requiring him to show cause, ordinarily within fifteen days of the service of the notice, why a penalty as specified in the notice, which shall be equal to three times the amount of tax which would have been payable if the goods were sold within the State on the date of such seizure, should not be imposed upon him for the attempt made to facilitate the evasion of tax on such goods.

(12) If, after taking into consideration the explanation, if any, of the transporter and after giving him an opportunity of being heard, the checkpost officer is satisfied for reasons to be recorded in writing, with the explanation and the statement of the transporter, he shall discharge the notice and release the goods seized in favour of the transporter, in such manner as may be prescribed.

(13) If the checkpost officer is not so satisfied, he shall record his findings accordingly giving reasons therefor and he shall pass an order imposing such penalty, not exceeding the sum specified in the notice, as he may deem fit:

Provided that the penalty imposed shall not be less than half the amount of penalty specified in the notice.

(14) A copy of the order imposing penalty under sub-section (13) shall be served on the transporter.

(15) On the payment of the penalty the goods seized shall be released in favour of the transporter in such manner as may be prescribed.

(16) The checkpost officer may, at any time during the pendency of proceeding under sub-section (12) or (13), on payment of a security deposit equal to the amount of penalty mentioned in the notice under sub-section (11), release the goods in favour of the transporter in such manner as may be prescribed. The amount so deposited shall be adjusted against the penalty, if any, imposed under sub-section (13) and the excess, if any, shall be refunded.

(17) If the penalty is not deposited within thirty days of the service of the order under sub-section (13), the checkpost officer may, notwithstanding anything to the contrary provided in this Act, dispose of the goods by sale in such manner as may be prescribed and apply the sale proceeds thereof towards the penalty and the expenses incurred on account of, and incidental to, custody and sale of such goods and refund the balance, if any, to the transporter.

(18) The transporter may authorise, in such manner as may be prescribed, the consignor or consignee of the goods seized under sub-section (8) to appear before the checkpost officer in the proceedings under sub-sections (12) to (17) and such consignor or consignee shall be deemed to be the transporter for all purposes mentioned in the aforesaid sub-sections.

(19) The provisions of section 21 shall apply to proceedings under sub-sections (12) to (17) as if the transporter is a dealer.

(20) No person claiming to have any interest or right in the goods released in accordance with the provisions of sub-section (12) (15) or (16) or disposed of in accordance with the provisions of sub-section (17) shall have any claim on the checkpost officer in respect of such goods.

[**Explanation.**—For the purpose of this section, the expressions “person transporting” or “the goods transporter” shall include the owner of the vehicle carrying the goods across the checkpost or barrier or the goods seized under this section, whether an individual, a firm, association, society or company, and the manager, if any, of such owner.]<sup>1</sup>

[(29-B. Every person transporting any goods notified under sub-section (2) of section 29-A shall furnish such particulars in respect of such goods transported by him in such form, in such manner, by such date and to such authority as may be prescribed.

**Particulars to be furnished by persons transporting goods.**

[**Explanation.**—For the purpose of this section, the expression “person transporting” shall have the meaning assigned to it in section 29-A.

Power of officers of the Sales Tax Department to check goods at points of loading and unloading.

29-C. With a view to verifying the correctness of a declaration furnished or preventing the furnishing of a false or incorrect declaration under section 29-A, any officer of the Sales Tax Department not below the rank of a Sales Tax Inspector may inspect such goods at the points of their loading or unloading along with documents of title of such goods and the person owning or, for the time being, in charge of the vehicle in which such goods are transported, shall render all assistance to such officer for this purpose.<sup>1</sup>

Establishment of Flying Squads.

<sup>2</sup>[29-D. [(1) The Commissioner may establish flying squads for investigation of any case of alleged or suspected evasion of tax. Each flying squad shall consist of a flying squad officer who shall be an officer not below the rank of a Sales Tax Officer and such other officers specified in section 3, as the Commissioner may appoint to assist him.]<sup>3</sup>

(2) Each Flying Squad shall exercise jurisdiction within such area as may be notified by the Commissioner.]

Delegation of Commissioner's powers and duties.

[30. Subject to the provisions of this Act and to such restrictions and conditions, as may be prescribed, the Commissioner may, by order in writing, delegate any of his powers and duties under this Act except those under sub-section (2) of section 46, to any person appointed under section 3 to assist him :

Provided that power under section 39 shall not be delegated to an officer below the rank of a Deputy Commissioner of Sales Tax.]<sup>4</sup>

[**Explanation.**— For the purpose of this section, “any person appointed under section 3 to assist him” shall include Flying Squad Officer referred to in sub-section (1) of section 29-D and Officers appointed to assist him under the said sub-section.]<sup>5</sup>

Transfer of proceeding.

31. (1) The Commissioner may transfer any proceeding or class of proceeding under any provision of this Act from himself to any person [appointed under section 3 to assist him]<sup>6</sup> and he may likewise transfer any such proceeding (including the proceeding already transferred under this sub-section) from one such person [appointed under section 3 to assist him to another such person]<sup>7</sup> or to himself.

(2) Where any proceeding or class of proceedings is transferred, the person to whom such proceeding or class of proceedings is transferred shall proceed to dispose it of as if it has been initiated by the said person irrespective of the local limits of his jurisdiction; such transfer shall not render necessary the re-issue of any notice already issued before the transfer and the person to whom the proceeding or class of proceedings is transferred may, in his discretion, continue it from the stage at which it was left by the person from whom it was transferred.

Information to be furnished regarding changes of business.

32. If any registered dealer or other dealer who is required to furnish returns under sub-section (1) of section 17—

- (a) sells or otherwise disposes of his business or any part or place of his business or effects or comes to know of any other change in the ownership of the business; or
- (b) discontinues his business or changes his place of business or opens a new place of business; or
- (c) changes the name or nature of his business;

1. Ins. by M.P. Act 20 of 1964, S. 11.

2. Ins. by M.P. Act 20 of 1976, S. 15.

3. Subs. by M.P. Act 35 of 1983, S. 10.

4. Subs. by M.P. Act 23 of 1967, S. 7.

5. Ins. by M.P. Act 35 of 1983, S. 11.

6. Subs. by M.P. Act 7 of 1963, S. 4(i), for “to whom he has delegated under section 30 his powers and duties in respect thereof.”

7. Subs. by S. 4(ii), *ibid*, for “to another to whom the said powers and duties have been delegated.”



he or if he dies, his legal representative shall, within the prescribed time, inform the prescribed authority accordingly.

33. (1) When the ownership of the business of a dealer liable to pay the tax is entirely transferred, the transferor and the transferee shall jointly and severally be liable to pay the tax together with penalty, if any, payable in respect of such business for any year or relatable to a part of any year and remaining unpaid at the time of the transfer and the transferee shall also be liable to pay the tax on the sales or purchases of goods effected by him with effect from the date of such transfer and shall within thirty days of the transfer apply for registration unless he already holds a certificate of registration.

Tax payable by transferee of business.

(2) When a dealer liable to pay the tax transfers the ownership of a part of his business the transferor shall be liable to pay the tax in respect of the stock of goods transferred along with the part of his business, which is not so transferred, as if the goods have been sold by him, unless the tax on such goods is leviable on the last sale.

(3) Where any goods have already been subjected to tax under this Act nothing contained in sub-section (1) or sub-section (2) shall render such goods liable to tax for the second time.

(4) When a dealer is a firm or association of persons or a joint Hindu family and such firm, association or family has discontinued business—

- (a) the tax payable under this Act by such firm, association or family for the period up to the date of such discontinuance may be assessed and determined as if no such discontinuance had taken place, and
- (b) every person who was at the time of such discontinuance a partner of such firm or a member of such association or family shall, notwithstanding such discontinuance, be liable severally and jointly for the payment of the tax assessed as payable by such firm, association or family, whether such assessment is made prior to or after such discontinuance and, subject as aforesaid, the provisions of this Act shall apply as if every such person or partner were himself a dealer :

Provided that when it is found that a change has occurred in the constitution of the firm or association or that such firm or association has transferred its business and the tax payable by a partner or a member as aforesaid cannot be recovered from him, it may be recovered from the firm or association as reconstituted, or from the transferee :

Provided further that where a tax is recovered from the firm or association or transferee as aforesaid, such firm or association or transferee shall be entitled to recover the same from the partner or member who was originally liable to pay the tax.

**Explanation.**—The dissolution or reconstitution of a firm or association of persons or partition of a joint Hindu family shall be deemed to be discontinuance of business within the meaning of this sub-section.

(5) The provisions of this section shall apply mutatis mutandis to any arrears of tax payable under an Act repealed by section 52 and due for any year or relatable to a part of any year prior to such transfer of business, discontinuance or dissolution of the partnership or the partition of undivided Hindu family as the case may be.

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

Transfers to defraud revenue void.

Provided that such charge or transfer shall not be void if made for valuable consideration and without notice of the pendency of the proceeding under this Act.]<sup>1</sup>

**Assessment of legal representatives.**

[33-B. Where a dealer dies, his executor, administrator, or other legal representative shall be deemed to be the dealer for the purposes of this Act and the provisions of this Act shall apply to him in respect of the business of the said deceased dealer :

Provided that, in respect of any tax or fee assessed or any penalty imposed as payable by the deceased dealer or any tax, fee or penalty which would have been payable by him under this Act, if he had not died, the executor, administrator or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.]<sup>2</sup>

**Tax to be first charge.**

[33-C. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount of tax and/or penalty, if any, payable by a dealer or other person under this Act shall be a first charge on the property of the dealer or such person-]<sup>3</sup>

**Assessment in special cases.**

34. In the case of any guardian, trustee or agent of any minor or other incapacitated person carrying on business on behalf of and for the benefit of such minor or other incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in the like manner and to the same extent as it would be leviable on, and recoverable from, any such minor or other incapacitated person, if he were of full age and sound mind and if he were conducting the business himself, and all the provisions of this Act and rules made thereunder shall apply accordingly.

**Power of Commissioner and his assistants to take evidence on oath, etc.**

35. [(1)]<sup>4</sup> The Tribunal, the Commissioner or any person other than an Inspector appointed to assist him under sub-section (1) of section 3 shall, for the purposes of this Act, have—

- (a) the following Powers of a Court of civil jurisdiction under the Code of Civil Procedure, 1908 (V of 1908), namely :—
  - (i) to summon and enforce the attendance of any person and examine him on oath or affirmation;
  - (ii) to compel the production of documents or accounts and to impound or detain them;
  - (iii) to issue commissions for the examination of witnesses; and
  - (iv) to require or accept proof of facts by affidavits; and
- (b) such further powers as may be prescribed.

[(2) Every proceeding under this Act before the Tribunal or the Commissioner or any person other than an Inspector, appointed to assist the Commissioner under sub-section (1) of section 3, shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228, and for the purposes of section 196 of the Indian Penal Code, 1860 (XLV of 1860),]<sup>5</sup>

**Power of Commissioner to call for information in certain cases.**

36. The Commissioner may, for the purposes of this Act—

- (a) require any firm or an undivided Hindu family to furnish a statement of the names and addresses of the partners of such firm, or of the names and addresses of the manager and members of such family, as the case may be;

1. Ins. by M.P. Act 20 of 1964, S. 12.

2. Ins. by M.P. Act 16 of 1965, S. 7.

3. Ins. by M.P. Act 20 of 1976, S. 16.

4. Re-numbered by M.P. Act 20 of 1961, S. 11.

5. Ins, *ibid*.

- (b) require any person whom he has reason to believe to be a trustee, guardian, manager or agent to furnish a statement of the name and address, of the person for whom he is a trustee, guardian, manager or agent;
- (c) require any person whom he has reason to believe to have purchased goods from outside Madhya Pradesh to furnish a statement of the name and address of the person from whom he has purchased such goods and the description and price thereof and the manner in which they were delivered to him;
- (d) require any person whom he has reason to believe to have despatched goods to any place outside Madhya Pradesh to furnish a statement of the name and address of the person to whom he has despatched such goods and of the description and price thereof.

<sup>1</sup>[36-A. [(1) Every bank including any branch of a bank and every clearing or forwarding agent shall, if so required by the Commissioner, furnish such particulars including statement of account and affairs verified in the manner specified by the Commissioner as he may require in respect of transactions of any dealer with such bank or with such clearing or forwarding agent which during the course of its business handles documents of title to goods or transports goods.]<sup>2</sup>

Furnishing of information by banks and clearing and forwarding agents.

(2) If any clearing or forwarding agent contravenes the provisions of sub-section (1), the Commissioner may, after giving such agent a reasonable opportunity of being heard, direct him to pay, by way of a penalty, a sum not exceeding [five hundred rupees.]<sup>3</sup>

<sup>4</sup>[36-B. <sup>5</sup>[(1)] The State Government may, if it is satisfied that it is necessary so to do with a view to prevent or check evasion of tax under this Act in any place or places in the State, direct that—

Control on clearing and forwarding agents to prevent or check evasion of tax.

- (i) every clearing and forwarding agent who during the course of his business handles documents of title to goods or transports goods or despatches or takes delivery of goods and who has his place of business at such places as may be notified by the State Government shall send an intimation about his business in the prescribed form to the prescribed authority in the prescribed manner before the prescribed date; and
- (ii) every such clearing and forwarding agent shall maintain a register in such form and containing such particulars of his business as may be prescribed which shall be open to inspection by the Commissioner.]

[(2) If any clearing or forwarding agent on being directed to do so under sub-section (1) contravenes the provisions thereof, the Commissioner may, after giving such agent a reasonable opportunity of being heard, direct him to pay, by way of a penalty, a sum not exceeding five hundred rupees.]<sup>6</sup>

1. Ins. by M.P. Act 20 of 1964, S. 13.
2. Subs. by M.P. Act 20 of 1976, S. 17(i).
3. Subs. by S. 17(ii), *ibid*, for "one hundred rupees."
4. Ins. by M.P. Act 10 of 1970, S. 7.
5. Renumbered by M.P. Act 19 of 1979, S. 8.
6. Ins. by M. P. Act 19 of 1979, S. 8.

Clearing and for forwarding agent defined.

[36-C. For the purpose of section 36-A and 36-B clearing and/or forwarding agent includes a person engaged in collecting goods from any place inside the State including railway premises and arranging for the transport and/or delivery of such goods to the principal or any other person or carrier of goods for and on behalf of the principal and in the process of collection, transport or delivery handles documents of title to such goods.]<sup>1</sup>

Bar to certain proceedings.

37. Save as provided in section 44, no assessment order or the determination of liability to pay any tax or penalty or the recovery of any tax or penalty made under this Act or the rules made thereunder by the Commissioner or any person appointed under section 3 to assist him shall be called into question in any civil court and save as provided in sections 38 and 39, no appeal or application for revision shall lie against any such assessment or order.

Appeal.

38. <sup>2</sup>[(1) Any dealer or person objecting [to an original order of assessment under section 18 with or without penalty or to an order of reassessment under section 19 or section 19-A, with or without penalty passed in respect of him]<sup>3</sup> or to an original order imposing penalty on him or relating to refund under section 24 or any order passed under section 45 may, in the prescribed manner, appeal against such order to the Appellate Deputy Commissioner of Sales Tax :

Provided that the State Government may, by issue of notification, direct that until such time as may be specified in the notification the dealer shall appeal against [any order aforesaid]<sup>4</sup> passed by the Sales Tax Officer or Assistant Sales Tax Officer to the Appellate Assistant Commissioner of Sales Tax who shall dispose of such appeals as well as such appeals pending on the commencements of the Madhya Pradesh General Sales Tax (Amendment) Act, 1978 in accordance with law :

[Provided further that in a case where an application made under section 45-A is rejected such dealer or person may in the like manner appeal against the exparte order of assessment and in computing the period of limitation for filing the appeal the period from the date of filing an application under section 45-A to the date of service of the order rejecting such application shall be excluded.]<sup>5</sup>

(2) Any dealer or person aggrieved by an order passed in appeal under sub-section (1) may, in the prescribed manner, appeal against such order to the Tribunal:

Provided that the dealer or person may, at his option, instead of filing a second appeal under this sub-section make an application for revision to the Commissioner under sub-section (1) of section 39 and where the dealer or person exercises such option he shall be precluded from filing a second appeal under this sub-section.

[(2-A) Notwithstanding anything contained in the rules framed by the Tribunal under any law for the time being in force any officer not below the rank of Deputy Commissioner duly authorised by the Commissioner in this behalf shall also have the right to be heard at the hearing of the appeal under sub-section (2).]<sup>6</sup>

1. Ins. by M. P. Act 19 of 1979 S. 9.

2. Subs. by M. P. Act 25 of 1978, S. 27.

3. Subs. by M. P. Act 35 of 1983, S. 12 (i), for "to an original order of assessment with or without penalty passed in respect of him under section 18 or section 19".

4. Subs. by M. P. Act 19 of 1979, S. 10 (a) (i), for "an original order".

5. Ins. by S. 10 (a) (ii), *ibid.*

6. Ins. by M. P. Act 20 of 1976, S. 18.

(3) No first or second appeal against an order of assessment, with or without penalty or against an order imposing penalty shall be admitted by the appellate authority unless out of the total balance due from the dealer—

- (a) where all the returns for the period to which the order appealed against relates, have been filed and tax payable according to such returns has been paid, one tenth of such balance;
- [(b) where one or more of the returns for the period to which the order appealed against relates have not been filed and tax has not been paid or where such return or returns have been filed but tax has not been paid—
  - (i) one third of such balance; or
  - (ii) such part thereof as bears the same proportion to the total balance due as the period for which the returns have not been submitted bears to the period for which the assessment has been made not exceeding seventy five percent of such balance, whichever is more;]<sup>1</sup>
- (c) where a penalty under section 43 has been imposed, one half of such balance;
- (d) where the order appealed against has been passed under section 19 and a penalty has been imposed under the said section, one half of such balance; and
- (e) in any other case, one fourth of such balance;

[is paid and the memorandum of appeal is accompanied by a satisfactory proof of payment of such amount]<sup>2</sup> and thereupon the appellate authority shall stay the recovery of the balance of tax and/or penalty till the decision of appeal] :

[Provided that where a dealer is covered by more than one of the aforesaid clauses, the provisions of the clause requiring the payment of the highest amount, shall apply to such dealer and the first or the second appeal shall be admitted only after he has paid such amount.]<sup>3</sup>

[(3-A) Any first or second appeal filed on or after the commencement of the Madhya Pradesh General Sales Tax (Amendment) Act, 1978 (No. 25 of 1978), in respect of any order referred to in sub-section (1), passed before the date of such commencement shall be admitted in accordance with the provisions of sub-section (3).]<sup>4</sup>

[(4) Every first appeal shall be filed within thirty days and every second appeal shall be filed within sixty days from the date of communication of the order against which the appeal is to be filed.]<sup>5</sup>

(5) Subject to the procedure as may be prescribed and after such further inquiry as it may think fit the appellate authority, in disposing of any appeal under sub-section (1) or (2) may—

- (a) confirm, reduce, enhance or annual assessment or the penalty or both; or
- (b) set aside the assessment or the penalty or both, and direct the officer whose assessment order, has been appealed against to make a fresh assessment, after such further inquiry, as may be directed; or
- (c) pass such orders, as it may think fit.

1. Subs. by M. P. Act 19 of 1979, S. 10 (b).

2. Subs. by M. P. Act 35 of 1983, S. 12 (ii) (a), for "is paid".

3. Added by S. 12 (ii) (b), *ibid*.

4. Ins. by M. P. Act 19 of 1979, S. 10 (c).

5. Subs. by M. P. Act 9 of 1968, S. 9 (b).

(6) In the case of an order passed in first appeal under this section against which an application for revision is filed to the Commissioner under sub-section (1) of section 39, the order passed in revision shall be final and in the case of every other order passed in first appeal or second appeal under this section, such order shall, subject to the [provisions of this section, section 39]<sup>1</sup> or section 44, as the case may be, be final.

Appeal against order demanding security under section 16-A, etc.

[38—A. (1) Any dealer aggrieved by an order passed under sub-section (1), sub-section (2), sub-section (4), or sub-section (6) of section 16-A or sub-section (1-b) of section 24, may within thirty days of the service of the order on him, prefer in such form and manner as may be prescribed, an appeal to—

(a) the Deputy Commissioner—

(i) against an order passed under sub-section (1) or sub-section (2) of section 16—A, where the amount of security required to be furnished does not exceed twenty five thousand rupees; and

(ii) against an order passed under sub-section (4) or sub-section (6) of section 16—A;

(b) the Commissioner in other cases:

Provided that the appellate authority may, for sufficient cause, permit the dealer to present the appeal after the expiry of the said period of thirty days.

(2) No appeal against an order demanding security under sub-section (1) or sub-section (2) of section 16-A shall be admitted by the appellate authority unless security equal to one half of the amount of security demanded, in respect of which the appeal has been preferred, has been furnished.

(3) After such enquiry as it may deem fit the appellate authority may confirm, reduce or enhance the amount of security or modify the nature of security.

(4) The order passed by the appellate authority in any appeal under this section shall be final.<sup>2</sup>

Power of revision by Commissioner.

39. [(1) The Commissioner,—

(a) either on his own motion, may or

(b) on an application by a dealer or person made within the prescribed period from the date of order, shall

call for the record of the proceeding in which any order was passed and on receipt of the record may make such enquiry or cause such enquiry to be made, as he considers necessary and subject to the provisions of this Act may pass such order thereon, not being an order prejudicial to the dealer or person, as he thinks fit:

Provided that the Commissioner shall not revise any order under this sub-section,—

(a) where an appeal against the order is pending before any authority specified in sub-section (1) of section 38 or where, if such appeal lies, the time within which it may be filed has not expired; or

(b) where a second appeal against the order has been filed : ]<sup>3</sup>

1. Subs. by M. P. Act 18 of 1960, S. 8, for "provisions of this section".

2. Subs. by M. P. Act 14 of 1985, S. 6.

3. Subs. by M. P. Act 25 of 1978, S. 28 (i).

[Provided further that no revision shall lie—

- (a) against an order determining the liability of a dealer to pay tax or against a notice issued under this Act for assessment except after an assessment order is passed; and
- (b) against an order passed under section 16-A or section 45-A.

**Explanation.**—An order by the Commissioner declining interference shall, not be deemed to be an order prejudicial to the dealer or person.]<sup>1</sup>

[(1-A) The Commissioner may on his own motion call for the record of any proceeding in which any order under sub-section (1) has been passed by an officer to whom the Commissioner has delegated his powers under section 39 in pursuance of the provisions of section 30 and on receipt of the record may make such enquiry or cause such enquiry to be made as he considers necessary and subject to the other provisions of this Act may pass such order thereon not being an order prejudicial to the dealer or person as he thinks fit.]<sup>2</sup>

[(2) The Commissioner may on his own motion or on information received call for and examine the record of any proceeding under this Act if he considers that any order passed therein by any person appointed under section 3 to assist him including any officer to whom he has delegated his powers under sub-section (1) in pursuance of the provisions of section 30, is erroneous in so far as it is prejudicial to the interests of the revenue, he may after giving the dealer or persons an opportunity of being heard, after making or causing to be made such enquiry as he deems necessary, pass such order thereon as the circumstances of the case justify including an order enhancing or modifying the assessment or cancelling the assessment and directing a fresh assessment :

Provided that no proceedings shall be initiated under this sub-section after the expiry of three years from the date of the order sought to be revised :

Provided further that the Commissioner shall not revise any order under this sub-section where a second appeal against such order is pending or such appeal has been decided on merits.]<sup>3</sup>

(3) Any [dealer or person]<sup>4</sup> objecting to an order passed by the Commissioner under sub-section (2) may appeal to the Tribunal within sixty days of the date on which the order is communicated to him.

[(4) The provisions of sub-sections (3) and (5) of section 38, shall, *mutatis mutandis*, apply to appeals filed under sub-section (3) .]<sup>5</sup>

[(5) Where the Commissioner considers that any order 'passed under sub-section (1) by his predecessor or any Additional Commissioner of Sales Tax is erroneous in so far as it is prejudicial to the interests of revenue, he may file an appeal against such order before the Tribunal within two years from the date of such order. The provisions of section 38 shall *mutatis mutandis* apply to the appeals filed under this sub-section] .

[(5-A). The provisions of sub-section (5) shall apply to any order referred to in the said sub-section passed before the commencement of the Madhya Pradesh General Sales Tax (Amendment) Act, 1978 (No. 25 of 1978) where the limitation provided in the said sub-section in relation to such order has not expired before the said date.]<sup>7</sup>

1. Added by M. P. Act 19 of 1979, S. 11 (a).
2. Ins. by M. P. Act 25 of 1978, S. 28 (ii).
3. Subs. by S. 28. (iii) ibid.
4. Subs. by M. P. Act 16 of 1965 S. 9, for "dealer".
5. Ins. by M. P. Act 9 of 1968, S. 10.
6. Ins. by M. P. Act 25 of 1978, S. 28 (iv).
7. Ins. M. P. Act 19 of 1979, S. 11 (b).

(6) Notwithstanding anything contained in sub-section (1) but subject to such restrictions and conditions as may be prescribed where on an application made by a dealer the State Government is of the opinion that hardship is being caused to such dealer due to any order passed under any of the provisions of the Act other than an order under section 22 or an order passed in pursuance or in consequence of an order by the Tribunal or the Civil Court, High Court or Supreme Court, the State Government may direct the Commissioner to initiate proceedings under sub-section (1) in respect of such order and on such direction the Commissioner shall dispose of such proceeding according to law as if the proceedings had been initiated by him under clause (b) of sub-section (1) :

Provided that no such direction shall be given unless—

- (a) the dealer has exhausted the remedies available to him under section 38, sub-section(1) of this section, section 45 or section 45-A, as the case may be, or the period within which any remedy under the aforesaid provisions can be sought has expired and/or
- (b) his application for revision under sub-section (1) has been rejected on merits :

Provided further that such an application shall be entertained by the State Government only once.]

Additional evidence on appeal or revision.

[39-A. A dealer shall not be entitled to produce additional evidence whether oral or documentary before the appellate or revising authority except where the evidence sought to be adduced is evidence, which the assessing authority has wrongly refused to admit or which after exercise of due diligence was not within his knowledge or could not be produced by him before the assessing authority or for the production of which adequate time was not given by the assessing authority and in every such case upon the additional evidence being taken on record reasonable opportunity for challenge or rebuttal shall be given to the Commissioner.]<sup>1</sup>

Court fee Stamps on appeal and applications for revision.

[40. Notwithstanding anything contained in the Court Fees Act, 1870 (VII of 1870) an appeal preferred under section 38 or sub-section (3) or sub-section (5) of section 39 and an application for revision made under sub-section (1) of section 39 shall bear court-fee stamps of such value as may be prescribed.]<sup>2</sup>

Application of sections 4 and 12 of Limitation Act, 1963.

[41. In computing the period laid down under sections 38, 39 and 44 the provisions of sections 4 and 12 of the Limitation Act, 1963 ( No. 36 of 1963), so far as may be, shall apply.]<sup>3</sup>

Extension of period of limitation in certain cases.

42. The provisions of section 5 of the Indian Limitation Act, 1908 ( IX of 1908)<sup>4</sup>, so far as may be, shall apply to appeals and applications for revision under this Act.

Power of Commissioner to stay certain proceedings.

[42-A. The Commissioner may, by special or general order, pending examination of any question of law —

- (i) before him; or
- (ii) before the Tribunal on an application made under sub-section (1) of section 44, or
- (iii) before the High Court on an application made under sub-section (2) of section 44,

stay any proceeding or proceedings under section 18 or section 19 in respect of any dealer or class of dealers.]<sup>5</sup>

Determination of disputed questions.

[42-B. (1) If any question is raised by a dealer in respect of the rate of tax on any goods, the Commissioner shall, in accordance with such procedure as may be prescribed, make an order determining the rate of tax on such goods.

1. Ins. by M. P. Act 25 of 1978, S. 29.
2. Subs. by S. 30, ibid.
3. Subs. by M. P. Act 13 of 1971, S. 6.
4. Now See the Limitation Act, 1963 (No. 36 of 1963)
5. Ins<sup>s</sup> by M. P. Act 20 of 1976, S. 20



(2) Any order passed by the Commissioner under sub-section (1) shall be binding on the authorities referred to in section 3 in all proceedings under this Act except appeals.]<sup>1</sup>

[43. (1) If the Commissioner or the Appellate Authority in the course of any proceedings under this Act is satisfied that the dealer has concealed his turnover or the aggregate amount of purchase prices in respect of any goods or has furnished inaccurate particulars of such sales or purchases, as the case may be, or furnished a false return, the Commissioner or the appellate authority, as the case may be, after giving the dealer a reasonable opportunity of being heard may direct that the dealer shall in addition to the tax payable by him, pay by way of penalty a sum, which shall not be less than 20 per cent but shall not exceed one and one half time the amount of the tax, if any, which would have been avoided if the returns furnished by the dealer had been accepted as correct or the concealment of the sales or purchases or inaccurate particulars of sales or purchases had not been detected.

Power of Commissioner or appellate authority to impose penalty.

(2) If the total tax returned by the dealer is less than 80 per cent of the total tax assessed under section 18, such dealer shall be deemed to have concealed the particulars of his turnover or aggregate of his purchase prices or furnished inaccurate particulars of such turnover or aggregate of purchase prices for the purposes of this section unless he proves that the failure to return the correct turnover or aggregate of purchase prices did not arise from any fraud or gross or wilful negligence on his part.]<sup>2</sup>

44. [(1) Within sixty days from the date of communication by the Tribunal of any order to a dealer or to the Commissioner under sub-section (2) of section 38 or sub-section (3) or sub-section (5) of section 39, the dealer or the Commissioner may, by application in writing accompanied, where the application is made by a dealer by a fee of one hundred rupees, require the Tribunal to refer to the High Court any question of law arising out of such order, and where the Tribunal decides to make a reference to the High Court, it shall draw up a statement of the case and refer it accordingly.]<sup>3</sup>

Statement of case to High Court.

[(2) If for reasons to be recorded in writing, the Tribunal refuses to make a reference, the applicant may within sixty days from the date of communication of such refusal—

- (a) withdraw his application and if he does so, the fee paid shall be refunded; or
- (b) apply to the High Court to require the Tribunal to make a reference

(3) If upon the receipt of an application under clause (b) of sub-section (2), the High Court is not satisfied that the refusal was justified, it may require the Tribunal to state the case and refer it, and on receipt of such requisition the Tribunal shall act accordingly.

(4) If the High Court is not satisfied that the case stated is sufficient to enable it to determine the question raised, it may call upon the Tribunal to make such additions or alterations therein as the Court may direct in that behalf.

(5) The High Court upon the hearing of a reference under this section shall decide the question of law raised thereby and shall deliver judgment thereon containing the grounds of decision and shall send the Tribunal a copy of the judgment under the seal of the Court and the signature of the Registrar, and the Tribunal shall dispose of the case accordingly.

1. Ins. by M. P. Act 25 of 1978, S. 31.  
 2. Subs. by M. P. Act 20 of 1976, S. 21.  
 3. Subs. by M. P. Act 25 of 1978, S. 32.  
 4. Subs. by M. P. Act 9 of 1968, S. 11.

[(5-A) Where an appeal against the judgment of the High Court under sub-section (5) is entertained by the Supreme Court, the Tribunal shall dispose of the case in accordance with the judgment delivered by the Supreme Court and for this purpose a copy of the judgment of the Supreme Court shall be sent to the Tribunal by the High Court under its seal and the signature of the Registrar.]<sup>1</sup>

(6) The costs of a reference under this section, including the disposal of the fee referred to in sub-section (1), shall be in the discretion of the Court.

(7) The tax ordered by the Tribunal to be paid by an order in respect of which an application has been made under sub-section (1) shall, notwithstanding the making of such application of any reference in consequence thereof, be payable upon the making of the order.

(8) Whereas the result of a reference under this section the tax due from any dealer is reduced below the amount paid by him under sub-section (7), the difference shall be refunded to him in accordance with the provisions of section 24.

#### Rectification of mistake.

45. [(1) The Commissioner may—

(i) on his own motion at any time within nine months from the date of any order passed by him; or

(ii) on an application made by the dealer within six months from the date of receipt of such application;

pass an order rectifying any mistake apparent from the record :

Provided that the Commissioner shall not entertain any application by the dealer unless it is made within six months from the date of the order sought to be rectified :

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

(1-A) Where on an application made by a dealer for the rectification of any order, the order is not rectified within the period specified in sub-section (1), the applicant shall be entitled to have the order rectified in accordance with his application and accordingly the Commissioner shall rectify the order; and where in proceedings initiated suo-motu the order is not passed within time specified in sub-section (1), the proceedings shall stand abated :

Provided that nothing herein shall preclude the Commissioner from exercising powers under any other provision of this Act.]<sup>2</sup>

[(2) The provisions of sub-section (1) shall apply to the rectification of a mistake by the Tribunal or the appellate authority in any order passed by it as they apply to the rectification of a mistake by the Commissioner.]<sup>3</sup>

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

(4) Where any such rectification has the effect of enhancing the amount of tax or reducing the amount of the refund, the Commissioner shall recover the amount due from the dealer in the manner provided for in section 22.

1. Ins. by M. P. Act 13 of 1971, S. 7 (ii)

2. Subs. by M. P. Act 25 of 1978, S. 33.

3. Subs. by M. P. Act 16 of 1966, S. 6.

[45-A. In any case in which an order of assessment is passed ex-parte, the dealer may—

Power to set aside an ex-parte order.

- (a) if he had previous intimation of date of hearing, within thirty days of the date of hearing, and
- (b) if the dealer had no previous intimation of the date of hearing, within thirty days, from the date of service of such order,

apply to the assessing authority to set aside the order and re-open the case and if such authority is satisfied that the applicant did not receive notice or was prevented by sufficient cause from appearing on the date fixed, it may set aside the order and re-open the case for hearing:

Provided that no application for setting aside an ex-parte assessment order shall be entertained unless it is accompanied by satisfactory proof of the payment of the amount of tax admitted by the dealer:

Provided further that such an application shall be entertained only once in the course of any proceeding.<sup>1</sup>

<sup>2</sup>[45-B. [(1) No person other than a registered dealer or a person who is deemed to be dealer who has failed to apply for registration under the provisions of clause (b) of sub-section (11) of section 15 or sub-section (7) of section 16-A shall collect any amount by way of tax under this Act and no collection of tax shall be made except in accordance with the provisions of this Act and the rules made thereunder.]<sup>3</sup>

Collection of tax by dealers.

(2) If any person collects any amount by way of tax in contravention of the provisions of sub-section (1), he shall be liable to pay a penalty not less than the amount so collected, but not exceeding double the amount of such tax.]

[Explanation.— A dealer specified in clause (b) of sub-section (11) of section 15 or sub-section (7) of section 16-A shall be deemed to be a registered dealer for the purpose of this sub-section.]<sup>4</sup>

46. <sup>5</sup>[(1) Whoever—

- (a) collects any amount by way of tax in contravention of section 7-A; or
- (b) fails to get himself registered as required by sub-section (1) or sub-section (2) of section 15; or
- (c) fails, without sufficient cause, to submit any return as required by sub-section (1) of section 17 or submits a false return or furnishes a false statement; or
- (d) without reasonable cause fails to pay the tax due within the time allowed; or
- (e) fails or neglects to issue bill or cash memorandum or to keep or preserve the bill or cash memorandum as required under section 27; or
- (f) not being a registered dealer falsely represents when purchasing goods that he is a registered dealer; or
- (g) fails to keep accounts or records of sales or purchases in accordance with any requirements made of him under section 26; or

Offences and penalties.

1. Ins. by M. P. Act 25 of 1978, S. 34.

2. Ins. *ibid.*

3. Subs. by M. P. Act 19 of 1979, S. 12(i).

4. Added by S. 12 (ii), *ibid.*

5. Subs by M. P. Act 20 of 1976, S. 22.

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- (h) knowingly produces incorrect accounts, registers or documents or knowingly furnishes incorrect information; or
- [(i) obstructs any officer making an inspection or a search or a seizure under section 29 or section 29-C; or]<sup>1</sup>
- (j) fails to file a declaration as required by section 29-A, or files a false or incorrect declaration thereunder or prevents or obstructs the interception or search of any vehicle or obstructs inspection of any goods, or documents relating thereto; or
- (k) fails without sufficient cause to furnish particulars of goods transported by him as required by section 29-B; or
- (l) neglects to furnish any information required by section 32; or
- (m) refuses or fails to comply with any requirement made of him under sub-section (1) of section 29 or section 36 or sub-section (1) of section 36-A; or
- (n) makes a false statement in a verification or declaration prescribed under this Act which he either knows or believes to be false or does not believe to be true; or
- (o) fails to send intimation required by clause (i) of section 36-B; or
- (p) fails to maintain a register in accordance with the provisions of clause (ii) of section 36-B or refuses or fails to produce the same when required so to do under the said clause; or
- [(q) collects any amount by way of tax in contravention of the provisions of sub-section (1) of section 45-B;]<sup>2</sup>

shall [\*.....\*.....\*.....\*]<sup>3</sup> without prejudice to the recovery of any tax or penalty that may be due from him be punishable with—

- (i) imprisonment which may extend to three years and a fine not exceeding two thousand rupees in respect of offences under clauses (b), (c), (f), (h), (i), (j) and (n); and
- (ii) imprisonment which may extend to six months or a fine not exceeding one thousand rupees or both in respect of offences not covered by clause (i) above;

and when the offence is a continuing offence, a further fine not exceeding—

- (a) rupees one hundred in respect of offences covered by clause (i); and
- (b) rupees fifty in respect of offences covered by clause (ii);

for every day the offence continues:

Provided that in respect of offences under clause (b) the fine shall not be less than the amount of tax remained to be paid by the dealer.

**Explanation.**—For the purpose of liability to punishment under this sub-section, the expression 'dealer or person' shall mean—

- (a) the partners in relation to partnership concern;

1. Subs. by M. P. Act 48 of 1976, S. 9.

2. Ins. by M. P. Act 25 of 1978, S. 35 (i) (a).

3. Words "in addition to any proceeding that may be taken to levy penalty under this Act and "Omitted by S. 35 (i) (b), *ibid.*

- (b) the President and Secretary of the managing body in relation to a co-operative society;
- (c) the proprietor in relation to a proprietorship concern;
- (d) the karta or manager in relation to Hindu Undivided Family; and
- (e) the Secretary, Manager and Directors in relation to a company incorporated or deemed to be incorporated under the Indian Companies Act, 1956 (No. 1 of 1956).]

(2) No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except with the previous sanction of the Commissioner and no Court inferior to that of a Magistrate of the first class shall try any such offence.

[(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (No. 2 of 1974), all offences punishable under this Act, shall be cognizable and bailable.]<sup>1</sup>

(4) Subject to such conditions as may be prescribed, the Commissioner may authorise any person appointed under section 3 to assist him to investigate all offences punishable under this Act.

[(5) Every person authorised under sub-section (4) shall, in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1973 (No. 2 of 1974) upon an officer-in-charge of a police station for the investigation of a cognizable offence.]<sup>2</sup>

47 (1) Subject to such condition as may be prescribed, the Commissioner may, either before or after the institution of proceedings under this Act, permit any person charged with an offence under this Act, or any rule made thereunder to compound the offence on payment of such sum not exceeding one thousand rupees as the Commissioner may determine:

Compounding of offences

Provided that where the offence charged is under clause [(aa)]<sup>3</sup> or clause (b) of sub-section (1) of section 46, and the amount of tax which would have been payable by such person had he complied with the provisions of this Act, is more than five hundred rupees, the Commissioner may allow compensation on payment of a sum not exceeding twice such amount.

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

[47-A. No prosecution for contravention of any provision of this Act or of the rules made thereunder shall be instituted in respect of the same facts on which a penalty has been imposed under this Act or the said rules, as the case may be, if the penalty has been paid within a period of six months from the date of service of the order imposing the penalty.]<sup>4</sup>

Bar of prosecution in certain cases.

48. [(1) No suit, prosecution or other proceedings 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.

Protection of persons acting in good faith and limitation of suit and prosecution.

(1-A) 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.]<sup>5</sup>

1. Subs. by M. P. Act 25 of 1978, S. 35(ii).

2. Subs. by S. 35 (iii), *ibid*.

3. Subs. by M. P. Act 20 of 1964, S. 16, for "(a)".

4. Subs. by M. P. Act 20 of 1976, S. 23.

5. Subs. by M.P. Act 20 of 1964, S. 18(i).

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(2) No suit shall be instituted against the State Government and no prosecution or suit shall be instituted against any servant of the State Government in respect of anything done or intended to be done under this Act unless the suit or prosecution has been instituted within three months from the date of the act complained of :

[Provided that in computing the period of limitation under this sub-section, the time taken for obtaining sanction under sub-section (1) shall be excluded.]<sup>1</sup>

Disclosure of information by  
public servants.

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

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

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

- (a) of any such particulars in respect of any such statement, return, accounts, documents, evidence, affidavit or deposition for the purpose of [any investigation or prosecution under this Act or the Indian Penal Code 1860, or under any other enactment for the time being in force ]<sup>2</sup>, or
- (b) of any such particulars to any person entrusted with the administration of this Act for the purposes of carrying out the object of this Act; or
- (c) of any such particulars when such disclosure is occasioned by the lawful employment under this Act of any process for the service of any notice or the recovery of any demand; or
- (d) of any such particulars to a Civil Court or in any suit to which the Government is a party and which relate to any matter arising out of any proceeding under this Act; or
- (e) of any such particulars to any officer appointed to audit receipts or refund of the tax imposed by this Act; or
- (f) of any such particulars where such particulars are relevant to any enquiry into the conduct of an official of the Sales Tax Department to any person or persons appointed [Commissioner]<sup>3</sup> under the Public Servants (Inquiries) Act, 1850 (XXX of 1850), or to any officer otherwise appointed to hold such inquiry or to a Public Service Commission established under the Constitution when exercising its functions in relation to any matter arising out of such inquiry; or
- (g) of such facts to an officer of the [Central or a State Government]<sup>4</sup> as may be necessary for the purpose of enabling that Government to levy or realise any tax or duty imposed by it ; or

1. Added, by M.P. Act 20 of 1964, S. 18(ii),

2. Subs. by S. 19, for "any prosecution under the Indian Penal Code ibid. 1960 or under this Act."

3. Subs. by M.P. Act 16 of 1965, S. 11(i), for "by the Commissioner."

4. Subs. by M.P. Act 20 of 1961, S. 13, for "Central or State Government."

- (h) of any such particulars, when such disclosure is occasioned by the lawful exercise by a public servant of his powers under Indian Stamp Act, 1899 ( II of 1899), to impound an insufficiently stamped document ; or
- (i) of any such particulars where such particulars are relevant to any enquiry into a charge of misconduct in connection with sales-tax proceedings against a legal practitioner, sales-tax practitioner or chartered accountant, to the authority empowered to take disciplinary action against members practising the profession of any legal practitioner, sales-tax practitioner or chartered accountant, as the case may be; or
- (j) of any such particulars to the Director of Economics and Statistics Department, as may be necessary for enabling him to work out the incidence of tax on any commodity [or for carrying out any statistical survey of trade, commodity or dealers;]<sup>1</sup> [or]<sup>2</sup>
- [(k) of such information as may be required by any officer or Department of the Central Government or of a State Government for the purpose of investigation into the conduct and affairs of any public servant or by a court in connection with any prosecution of the public servant arising out of any such investigations]<sup>3</sup>

50. (1) Notwithstanding anything contained in this Act, a tax on the sale or purchase of goods shall not be imposed under this Act—

Sales not liable to tax.

- (i) where such sale or purchase takes place outside the State of Madhya Pradesh; or
- (ii) where such sale or purchase takes place in the course of inter-State trade or commerce ; or
- (iii) where such sale or purchase takes place in the course of import of the goods into, or export of the goods out of the territories of India.

(2) For the purpose of this section, whether a sale or purchase takes place—

- (i) outside the State of Madhya Pradesh; or
- (ii) in the course of inter-State trade or commerce; or
- (iii) in the course of the import of goods into the territory of India or the export of goods out of such territory;

shall be determined in accordance with the principles specified in sections 3, 4 and 5 of the Central Sales Tax Act, 1956 (74 of 1956).

51. (1) The State Government may, after previous publication, make rules for carrying out the purposes of this Act :

Power to make rules.

[Provided that where the State Government considers it necessary to bring the rules into force at once, it may make such rules without previous publication.]<sup>4</sup>

(2) In particular and without prejudice to the generality of the foregoing power, the State Government may make rules prescribing—

- [(a) all matters which under any provision of this Act, are expressly required to be or may be prescribed under this Act;]<sup>5</sup>
- (b) the period for return of goods under clause (t) of section 2 ;

1. Added by M.P. Act 7 of 1963, S. 6.

2. Added by M.P. Act 16 of 1965, S. 11(ii).

3. Added by S. 11(iii), *ibid*.

4. Ins. by M.P. Act 48 of 1976, S. 10(i).

5. Subs. by M.P. Act 10 of 1970, S. 10(i).

- 1[(bb) the restrictions and conditions subject to which provisions of sub-section (2) of section 6 shall apply to a selling and purchasing registered dealer;
- [(bb-i) the restrictions and conditions subject to which tax shall be levied under clauses (a) of sub-section (3) of section 6.]<sup>2</sup>
- (bbb) the restrictions and condition subject to which tax shall be charged at the concessional rate under sub-section (2) of section 7;
- (bbbb) the manner in which grant-in-aid shall be paid under sub-section(1) of section 7-B;]
- [(c) the restrictions and conditions subject to which and the manner in which set off shall be granted under section 8;]<sup>3</sup>
- (d) the conditions subject to which a dealer may be [licensed, prescribing the yearly turnover of goods]<sup>4</sup> and the rules for the determination of licence fee under section 13;
- (e) (i) the authority to which applications for registration under sub-section (3) of section 15 shall be made and the manner of making them;
- (ii) the form of certificate of registration under sub-section (4) of section 15;
- (f) the manner of granting a certificate of registration under section 16;
- [(ff) (i) the manner and other form in which security or additional security shall be furnished under sub-section (1) or sub-section (2) of section 16-A;
- (ii) the manner in which the average amount of tax shall be determined under sub-section (3) of section 16-A;]<sup>5</sup>
- (iii) the manner in which and the time within which any deficiency may be made up under sub-section (5) of section 16-A;]
- <sup>6</sup>[(fff)] (i) the manner of making application under sub-section (1) or section [16-B;]<sup>7</sup>
- (ii) the form of the provisional certificate of registration under sub-section (2) of section [16-B;]<sup>7</sup>
- [(ffff) the form in which, the manner in which and the restrictions and conditions subject to which a recognition certificate shall be issued under section 16-C;]<sup>8</sup>
- (g) the manner of and the authority to whom and the dates by which returns shall be furnished under sub-section (1) of section 17;
- [(gg)]<sup>9</sup> the manner of furnishing revised return under sub-section (2) of section 17;
- [(h) (i) the restrictions and conditions subject to which returns may be accepted under sub-section (1-A) of section 18;

1. Subs. by M.P. Act 25 of 1978, S. 36(1)(i).

2. Ins. by M.P. Act 19 of 1979, S. 13(i).

3. Subs. by M. P. Act 25 of 1978 S. 36 (1) (ii).

4. Subs. by M.P. Act 25 of 1982, S. 14(i), for "licensed."

5. Subs. by M.P. Act 14 of 1983, S. 7.

6. Re-numbered by M.P. Act 35 of 1973, S. 9(a).

7. Subs., by S. 9(b) i bid, for "16-A"

8. Ins. by M.P. Act 19 of 1979, S. 13(ii).

9. Re-numbered by M.P. Act 25 of 1978; S. 36(1)(iv).



(ii) the manner in which tax shall be assessed under sub-section (6) of section 18;]<sup>1</sup>

[(hh) (i) the time within which and the fee on payment of which a Sales Tax Practitioner or a person entitled to appear as a Sales Tax Practitioner shall get himself enrolled under sub-section (2-A) of section 21;

(ii) the form of certificate of enrolment under sub-section (2-B) of section 21;]<sup>2</sup>

[(hhh) .....x.....x.....x.....x.....]<sup>3</sup>

(i) (i) the intervals at which the tax shall be paid under sub-section (1) of section 22;

(ii) the manner in which the full amount of tax due shall be paid into Government treasury under sub-section (2) of section 22;

[(ii-a) the restrictions and conditions subject to which further time may be given by the Commissioner under sub-section (4-A) of section 22;]<sup>4</sup>

(iii) the manner in which and the period within which the Commissioner shall inform the dealer and the authority regarding arrears of the tax under sub-section (6) of section 22; and

[(ii) (i) the form of notice under sub-section (3) of section 22-A; and

(ii) the manner in which and the time within which the tax payable in advance shall be paid;]<sup>5</sup>

[(iii) the manner in which any amount deducted by the purchaser under sub-section (1) of section 22-B shall be paid and adjusted;

(iv) the form and manner in which, the authority by whom, the time within which and the period for which sales tax clearance certificate shall be issued under section 22-C;]<sup>6</sup>

[(v) the manner in which and the restrictions and conditions subject to which deferred payments of tax due may be made by a dealer under section 22-D;]<sup>7</sup>

[(j) the manner in which, the extent to which, the person to whom and the conditions subject to which the refund shall be made under section 24;]<sup>8</sup>

(k) the conditions subject to which tax may be remitted under section 25;

(l) particulars of bill or cash memorandum under section 27;

(m) the form and manner in which a declaration shall be filed under section 28;

1. Ins. by M.P. Act 25 of 1978, S.36(1) (iv).

2. Subs. by S. 36(1) (v), *ibid*.

3. Omitted by M.P. Act 35 of 1983, S. 13(a) (i).

4. Ins. by M.P. Act 25 of 1978, S. 36(1) (vi).

5. Ins. by M.P. Act 23 of 1967, S. 9.

6. Ins. by M.P. Act 20 of 1976, S. 24(ii).

7. Ins. by M.P. Act 25 of 1982, S. 14(iii).

8. Subs. by M.P. Act 7 of 1963, S. 7.

- [(n) the conditions subject to which the Commissioner may order the production of accounts, registers or documents or require to furnish any information under sub-section (1), and the manner in which goods shall be disposed of under sub-section (12) of section 29;]<sup>1</sup>
- [(nn) the manner in which checkpoints be set up or barriers erected, the particulars which a bill, invoice or challan and a declaration shall contain, the form and manner in which a declaration be filed, the manner in which goods shall be seized, the manner in which the seized goods shall be released, the manner in which the goods seized shall be sold, the manner in which the amount deposited shall be refunded and the manner in which the transporter may authorise the consignor or consignee to appear before the checkpost officer under section 29-A;]<sup>2</sup>
- [[nnn) the form and manner in which, the date by which and the authority to whom the particulars of goods transported shall be furnished under section 29-B;]<sup>3</sup>
- (o) the restrictions and conditions subject to which the Commissioner may delegate his powers and duties under sub-section (1) of section 30;
- (p) the authority to which and the time within which information regarding the changes of business shall be furnished under section 32;
- (q) the prescription of further powers of authorities under clause (b) of section 35;
- [[qq) (i) the form in which, the authority to whom, the manner in which and the date before which the intimation under clause (i) of section 36-B shall be sent; and
- (ii) the form in which, the register under clause (ii) of section 36-B shall be maintained and the particulars which such a register shall contain;]<sup>4</sup>
- (r) (i) the manner of preferring appeal under section 38;
- (ii) the procedure to be followed by the appellate authority in disposing of appeals under sub-section (5) of section 38;
- [[rr) the form and the manner in which an appeal may be preferred under section 38-A, the procedure to be followed in hearing such appeals and the fees payable in respect of such appeals;]<sup>5</sup>
- (s) the time within which the Commissioner may call for record of proceeding under sub-section (1) of section 39;
- [[sr) the procedure for and other matters (including fees) incidental to the disposal of appeals, applications for revisions or rectification of mistake under section 38, 39 or 45 and other miscellaneous applications or petitions for relief under this Act;]<sup>6</sup>
- (t) the value of the court-fee stamps which an appeal or application for revisions shall bear under section 40;
- [[tt) the procedure for making an order under sub-section (1) of section 42-B;]<sup>7</sup>

1. Subs. by M.P. Act 35 of 1983, S. 13(a) (ii).

2. Subs. by M.P. Act 20 of 1976, S. 24(iii).

3. Ins. by M. P. Act 20 of 1964, S. 20(i).

4. Added by M.P. Act 10 of 1970, S. 10(ii).

5. Ins. by M.P. Act 35 of 1973, S. 9(c).

6. Ins. by M.P. Act 18 of 1960, S. 10(b).

7. Ins. by M.P. Act 25 of 1978, S.36(1)(ii)

- (u) the manner in which the refund shall be made under sub-section (3) of section 45;
- (v) the conditions subject to which the Commissioner may authorise the persons appointed under section 3 to assist him to investigate all offences under this Act under sub-section (4) of section 46;
- (w) the conditions subject to which the Commissioner may compound the offences under sub-section (1) of section 47;
- (x) how and within what time applications, information and notice shall be made, furnished or served under this Act;
- (y) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act; and
- (z) generally regulating the procedure to be followed and the forms to be adopted in the proceedings under this Act.

[(2-A) The power to make rules under this section shall include the power to give retrospective effect from a date not earlier than the date of commencement of this Act to the rules or any one of them.]<sup>1</sup>

[(3) In making any rules the State Government may direct that—

- (a) a breach thereof shall be punishable with fine not exceeding five hundred rupees, and if the offence is a continuing one, with a fine not exceeding twenty-five rupees for every day the offence continues; and
- (b) in respect of contravention of any rule, the Commissioner may impose a penalty not exceeding [five hundred rupees:]<sup>3</sup>

Provided that no such penalty shall be imposed save without giving the person concerned a reasonable opportunity of being heard.]

(4) All rules made under this section shall, as soon as may be, after they are made, be laid before the Legislative Assembly and shall be subject to such modifications as the Legislative Assembly may make.

52. (1) The Central Provinces and Berar Sales Tax Act, 1947, the Madhya Bharat Sales-Tax Act, Samvat 2007, the Central Provinces and Berar Sales Tax Act, 1947, as extended to Vindhya Pradesh and Bhopal regions and as in force in those regions immediately before the commencement of this Act, and the Rajasthan Sales-Tax Act, 1954, as in force in Sironj, region, are hereby repealed :

Repeal and savings.

Provided that such repeal shall not affect the previous operation of the said Acts 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 or licence) in the exercise of any power conferred by or under the said Acts shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were 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.

[(1-a) Notwithstanding anything contained in sub-section (1) a dealer registered or licenced under any of the repealed Acts who has not been assessed to tax for any period prior to the commencement of this Act shall be assessed to tax in accordance with the provisions of the repealed Acts as if this Act has

1. Ins. by M.P. Act 25 of 1978, S. 36(2).  
 2. Subs. by M.P. Act 20 of 1964, S. 20(2).  
 3. Subs. by M.P. Act 35 of 1983, S. 13(b), for "one hundred rupees."

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not been passed, subject however to the condition that the period prescribed therefor under the relevant provisions of the relevant repealed Act shall extend till the expiry of five years from the date of commencement of the Madhya Pradesh General Sales Tax (Second Amendment) Act, 1964 (20 of 1964).<sup>1</sup>

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

(3) Notwithstanding the repeal of the Acts specified in sub-section (1), any second appeal, application for revision, review or reference to the High Court (hereinafter called the proceedings) proffered or made under any of the said Acts and pending at the commencement of this Act, shall, continue to be governed by the provisions of the Act and rules under which such proceedings were preferred and made and such proceedings shall be heard and decided in accordance with the provisions of the said Act and the rules, as in force on the date immediately before the commencement of this Act as if the said Act and the rules had not been repealed and the right of reference to High Court, if any, arising out of any such proceedings shall not be affected by the said repeal and such reference shall be made and disposed of in accordance with the provisions of the said Act and rules.

[(4) Notwithstanding anything contained in sub-section (1), any first appeal or any second appeal arising under any of the said Acts but preferred after the commencement of this Act, shall be heard and decided, in case of first appeal, by the officer competent to entertain first appeal under sub-section (1) of section 38, and in case of second appeal, by the Tribunal, in accordance with the provisions of this Act.]<sup>2</sup>

Repeal of Vindhya Pradesh  
Sales Tax on Coal Ordinance  
No. 1 of 1948.

53. The Vindhya Pradesh Sales Tax on Coal Ordinance, 1948 (1 of 1948) is hereby repealed.

Transitional provisions.

54. (1) Where the sale of any goods was exempted from tax before the commencement of this Act and such goods are after such commencement taxable at the point of first sale, then the first sale of such goods after such commencement shall be deemed to be sale at the first point for purpose of this Act and tax shall be payable accordingly.

(2) Where any goods which were taxable at the point of first sale under repealed enactment thereto have already been subjected to tax before the commencement of this Act, and the tax in respect of such goods is under the provisions of this Act payable at the point of last sale, then no tax under this Act shall again be leviable on the sale or purchase of such goods after the commencement of this Act.

(3) Where before the commencement of this Act, any goods have been sold without being subjected to tax to a registered dealer on the basis of a declaration of such dealer in accordance with the provisions of the repealed enactment applicable thereto and tax in respect of such goods is under this Act leviable at the point of first sale, then, notwithstanding anything to the contrary in this Act, the sale of such goods by such dealer shall, for all purposes of this Act, be deemed to be the first sale thereof, and shall be liable to tax accordingly, and in case such dealer disposes of the goods in the manner laid down in section 7 he shall be liable to pay purchase tax as provided therein.

**Explanation.**—In this section, “repealed enactment” means any of the Acts repealed by section 52.

Power to remove difficulties.

55. 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, or Ordinance in force immediately before the commencement of this Act, the State Government may, by order notified in the Official Gazette of the State, make such provisions not inconsistent with this Act as appear to it to be necessary or expedient for removing the difficulty.

1. Ins. by M.P. Act 23 of 1967, S. 10.  
2. Ins. by M.P. Act 13 of 1982, S. 7(1).

## SCHEDULE I

(See section 10 (1))

**Goods Exempted From Tax**

| S.No. | Description of goods  | Conditions and exceptions subject to which exemption has been allowed. |
|-------|---|--|
| 1     | 2   | 3  |
| 1.    | Agricultural implements worked or operated exclusively by human or animal agency specified by the State Government by notification in the Official Gazette.   |  |
| [2.   | Books including almanacs, panchangs, and drawing books, but excluding catlaogues, all publications which mainly publicise goods and articles for commercial purposes, race cards, account books, diaries, calenders and books, (not being exercise books) containing space exceeding eight pages for writing.]1 |  |
| [3.   | Sawan, Kodon, Kakun, Bejhari, Kutki and Ramdhan.]2  |  |
| [4.   | All kinds of roofing tiles and ridges excepting Manglore, Bagra, Kusner and similar superior roofing tiles and ridges.]3  |  |
| [5.   | .....]4   |  |
| [6.   | All varieties of cloth manufactured in mills or on powerlooms or handlooms including processed cloth [but excluding hessian cloth.]6  |  |
| [7.   | .....]4   |  |
| [8.   | Double Roti.]7  |  |
| [9.   | .....]4   |  |
| 10.   | Charkha including Amber Charkha and its parts including wooden and rubber parts.  |  |
| 11.   | Earthenwares made by Kumhars (potters).   |  |
| 12.   | Eggs.   |  |
| 13.   | Electrical energy.  |  |
| 14.   | Exercise books.   |  |

1. Subs. by M.P. Act 18 of 1960, S. 11(a).

2. Subs. by M.P. Act 7 of 1963, S. 8(a).

3. Subs. by M.P. Act 35 of 1983, S. 14.

4. Omitted by M.P. Act No. 9 of 1964, S. 2(i).

5. Subs. by M.P. Act 23 of 1967, S. 11(i).

6. Subs. by M.P. Act 25 of 1978, S. 37(i), for but "excluding silk fabrics, articles made thereof and hessian cloth."

7. Subs. by S. 37(ii), ibid.

| 1  | 2   | 3                                      |
|--|---|--|
| [15. ....]   |   | 1                                      |
| [16. ....]   |   | 2                                      |
| [17. ....]   |   | 3                                      |
| [18. ....]   |   | 4                                      |
| 19. Meat.  |   | Except when sold in sealed containers. |
| 20. Vegetables including potatoes, onions, [ginger excluding dried ginger (Sontha)] <sup>5</sup> garlic, green chillies, but excluding dried chillies.                                 |   | Except when sold in sealed containers. |
| [21. Fresh milk, milk other than fresh milk, curd and butter-milk but excluding sweetened and coloured milk sold in sealed containers, condensed and powdered milk and separate milk.] |   | 6                                      |
| [22. ....]   |   | 7                                      |
| <sup>8</sup> [23. Goods on which duty is or may be levied under the Madhya Pradesh Excise Act, 1915 (No. 2 of 1915), [.....] <sup>9</sup> other than—                                  |   |  |
|  | (i) medicinal and toilet preparations specified for the time being in the Schedule to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (No. 16 of 1955); and |  |
|  | (ii) foreign and Indian-made foreign Liquor.]   |  |
| 24. Handlooms including pit-looms, frame-looms, light-shuttle-looms and paddle looms.  |   |  |
| 25. Handmade Kambals.  |   |  |
| 26. Handmade paper   |   |  |
| 27. Implements used in the production of Khaddar or Khadi as defined in clause (b) of section 2 or the Madhya Pradesh Sales of Khaddar Act, 1953 (X of 1953).                          |   |  |
| [28. ....]   |   | <sup>10</sup>                          |
| 29. Kosa cloth and kosa cocoons.   |   |  |

1. Omitted by M.P. Act 7 of 1963, S. 8(b).
2. Omitted by M.P. Act 19 of 1979, S. 14(i).
3. Omitted by M.P. Act 16 of 1980, S. 3(a).
4. Omitted by M.P. Act 29 of 1974, S.8(a).
5. Subs. by M.P. Act 9 of 1964, S. 2(iii), for "ginger."
6. Subs. by Notification No. A3-55-1981(6)-ST-V, dated 19-3-1983, published in M.P. Rajpatra (Asadharan) on 21-3-1983, page 886.
7. Omitted by M.P. Act 20 of 1972, S. 5(a) (ii).
8. Subs. by M.P. Act 29 of 1974, S. 8(b).
9. Words "or the Opium Act 1878 (No. 1 of 1878), omitted by M.P. Act 19 of 1979, S. 14(ii).
10. Omitted by M.P. Act 16 of 1965, S. 12(a).

| 1   | 2 | 3 |
|---|---|---|
| [30. Kumkum and Sindoor.] <sup>1</sup>  |   |   |
| 31. Glass and lac bangles.  |   |   |
| 32. Lassi.  |   |   |
| 33. Live-stock including poultry.   |   |   |
| [34. ....] <sup>2</sup>   |   |   |
| 35. Periodicals.  |   |   |
| 36. Oils (edible) pressed on ghani by human or animal labour.   |   |   |
| 37. Pal woven on handloom.  |   |   |
| 38. Quinine.  |   |   |
| 39. Raw wool except knitting wool.  |   |   |
| 40. Salt.   |   |   |
| [41. Sugar including khandsari and palmyra but excluding mishri, batasha and chironji.] <sup>3</sup>                                      |   |   |
| 42. Tobacco, manufactured or unmanufactured, cured or uncured, and tobacco products including cigarettes, cigars, cheroots and bidis.     |   |   |
| 43. Water other than aerated, mineral and distilled water.  |   |   |
| 44. Writing slates and slate-pencils, chalk-sticks, crayons and foot-rules.   |   |   |
| 45. Sirali, bageshi, barroo, date leaves, baskets made out of such leaves, tattas, fans, curtains, mattings and other goods made thereof. |   |   |
| [46. Hand-made sooma and gerama (सूमा और गिरमा)] <sup>4</sup>   |   |   |
| [47. ....] <sup>5</sup>   |   |   |
| [48. Utensils made of bamboo, e. g., Dauri, supa, etc.,] <sup>6</sup>   |   |   |
| [49. Hand-made barahi of leather.] <sup>7</sup>   |   |   |
| [50. ....] <sup>8</sup>   |   |   |

1. Subs. by M.P. Act 25 of 1978, S. 37(iv).  
 2. Omitted by M.P. Act 20 of 1972, S.5(c) (ii).  
 3. Subs. by M. P. Act 23 of 1967, S. 11 (ii).  
 4. Subs. by ibid S. 11 (iii).  
 5. Omitted by M. P. Act 29 of 1974, S. 8 (c).  
 6. Subs. by M. P. Act 18 of 1960, S. 11 (b).  
 7. Subs. by M. P. Act 16 of 1966, S. 8 (iii).  
 8. Omitted by M. P. Act 9 of 1964, S. 2 (i).

| (1)  | (2)   | (3)  |
|--|---|--|
| <p><sup>1</sup>[51. [Khadi silk cloth, that is to say, any cloth woven on handlooms in India from silk yarn handspun in India or from a mixture of such silk yarn with cotton and/or woolen yarn handspun in India, readymade garments of Khadi as defined in clause (d) of section 2 of the Khadi and Village Industries Commission Act, 1956 ( No. 61 of 1956) and /or products of the undermentioned village industries as specified in the Schedule appended to the said Act—</p> <p>(i) Bee keeping.</p> <p>(ii) Cottage Match Industry.</p> <p>(iii) Cottage Pottery Industry.</p> <p>(iv) Cottage Soap Industry.</p> <p>(v) Flaying, Curing and Tanning of Hides and Skins and Ancillary Industries connected with the same and Cottage Leather Industry.</p> <p>(vi) Ghani Oil Industry.</p> <p>(vii) Manufacture of Cane-gur and Khandsari</p> <p>(viii) Palm-gur making and other Palm Products Industry.</p> <p>(ix) Processing of Cereals and pulses.]<sup>2</sup></p> | <p>When sold by a producer/and/or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 (No. 61 of 1956) or the State Khadi and Village Industries Board Constituted under the Madhya Pradesh Khadi and Village Industries Act, 1959]</p> |  |
| [52. Hand spun cotton yarn.] <sup>3</sup>  |   |  |
| [53. Betel leaves.] <sup>4</sup>   |   |  |
| [54. Fruits other than dry fruits including pindkhajur and coconut.  |   | Except when sold in sealed containers.] <sup>5</sup> |
| [55. (i) Braille writer. (ii) Braille shorthand writer; (iii) Braille watch; (iv) Braille writing frame (v) Braille mathematical instruments; (vi) Braille globes and maps (geography); (vii) Braille thermometer; (viii) Braille lactometer; (ix) Braille barometer.  |   |  |
| 56. (i) Contraceptives made of rubber, that is, condoms and diaphragms.<br>(ii) Connectional contraceptives, that is checkersaries, jellies, foaming tablets.  |   |  |
| 57. Cowdung gas plant.   |   |  |
| 58. Wooden bullock cart wheels with or without iron rims.] <sup>6</sup>  |   |  |
| [59. Cowdung and products thereof.] <sup>7</sup>   |   |  |

1. Added by Notification No. 3083-1242-V-ST, dated 30-11-1961 published in M. P. Rajpatra, dated 12-1-1962, Part iv.(60) P. 31.
2. Subs. by M.P. Act 9 of 1969, S. 12.
3. Added by Notification No. 4034/1981-V-ST dated 20-10-1964, published in M.P. Gazette dated 30-10-1964, Part IV.
4. Added by M.P. Act 20 of 1972. S. 5(c) (iii).
5. Added by Notification No. 1402, dated 13-5-1977.
6. Added by M.P. Act 25 of 1978, S. 37(v).
7. Added by Notification No. A-3-13-1982(40)ST-V, dated 7-12-1983, published in M.P. Rajpatra (Asadharan) on 9-12-1983, Page 3360.



## [SCHEDULE II

(See section 6 (1))

| S. No.<br>(1) | Description of goods<br>(2)  | Total rate of tax<br>[(3)] <sup>2</sup>  |
|---------------|--|--|
| PART I        |  |  |
| 1.            | Iron and steel as specified in clause (iv) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956).  | [4 per cent] <sup>3</sup>                |
| 2.            | Paddy ( <i>Oryza Sativa</i> L.).   | [2.5 per cent] <sup>4</sup>              |
| 3.            | Unginned cotton  | <sup>5</sup> [[3] <sup>6</sup> per cent] |
| 4.            | Cooked food  | 4 per cent                               |
| 5.            | Bones of animals including powdered bones horns and hoofs.   | 4 per cent.                              |
| 6.            | Chapri, lakh, kitti, wax and honey.  | 4 per cent.                              |
| 7.            | Readymade garments excluding garments of silk fabrics and readymade hosiery or knitted garments.   | 4 per cent.                              |
| PART II       |  | Percent                                  |
| 1.            | (i) Motor cars, jeeps and jeep trailers.   | 13.5                                     |
|               | (ii) Trucks, buses, minibuses and pick-up vans including their chassis and bodies.   | 13.5                                     |
|               | (iii) Tyres and tubes and spareparts and accessories of the vehicles mentioned in (i) and (ii) above.  | 13.5                                     |
| 2.            | Batteries excluding dry cells mentioned in entry 37 of Part III.   | 13.5                                     |
| 3.            | Motor cycles and motor cycle combinations, motor scooters, Motorettes, autorickshaws and tyres, tubes, spare parts and accessories thereof.  | 13.5                                     |
| 4.            | Wireless reception instruments and apparatus, radios and radio gramophones, television, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof. | 13.5                                     |
| 5.            | Refrigerators, deep freezers, air conditioning plants including air-conditioners, mechanical water coolers, air coolers and components, parts and accessories thereof.                         | 13.5                                     |
| 6.            | Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses, films and parts and accessories required for use therewith.                     | 13.5                                     |

1. Sub. by M.P. Act 25 of 1978, S. 38.

2. Columns (3) and (4) together with entries specified therein omitted and column (5) renumbered as column (3) by M.P. Act 25 of 1982, S. 15(i).

3. Subs. by S. 15(ii)(a), *ibid.*, for "according to the provisions of section 5-B.4. Subs. by S. 15(ii)(b), *ibid.*5. Subs. by S. 15(ii)(c), *ibid.*

6. Subs. by M. P. Act 14 of 1985, S. 8(i), for "4"

| (1)  | (2)   | (3)     |
|------|---|---------|
|      |   | Percent |
| 7.   | Photographic and other cameras and enlargers, lenses, films, plates, paper and cloth and other parts and accessories required for use thereof. . .  | 13.5    |
| 8.   | All Arms including rifles, revolvers and pistols and ammunition for the same.   | 13.5    |
| 9.   | Cigarette cases, holders and lighters.  | 13.5    |
| 10.  | Dictaphone, tape-recorders including tape for use in connection therewith and other similar apparatus for recording sound and spare parts thereof.  | 13.5    |
| 11.  | Type writers, tabulating, calculating, registering, indexing, card punching, franking, addressing and duplicating machines including duplicators and other apparatuses for obtaining duplicate copies, teleprinters and components, parts and accessories of any of them. | 13.5    |
| 12.  | Sound transmitting equipment including telephones, micro-phones and loud speakers and spare parts thereof.  | 13.5    |
| 13.  | Gramophone and components and parts thereof and records.  | 13.5    |
| 14.  | Binoculars, telescope, opera glasses and goggles.   | 13.5    |
| 15.  | Precious stones, namely, diamonds, emeralds, rubies, real/cultured pearls and sapphires, whether they are sold loose or as forming part of any article in which they are set.   | 13.5    |
| 16.  | Pile carpets including Kalins and Galichas.   | 13.5    |
| 17.  | Furs and skins (other than those of cattle, sheep and goats) and articles of personal or domestic use made therefrom.   | 13.5    |
| 18.  | Ivory, ivory products, carvings, paintings and curios.  | 13.5    |
| 19.  | Electroplated articles with gold or silver.   | 13.5    |
| 20.  | Dyes, paints, varnishes, lacquers, enamels, glue, paint brush, sand paper, turpentine oil and polish excluding dry colours, gual and shoe polish.   | 13.5    |
| 21.  | Scents, perfumes, hair tonics, hair creams, hair shampoo, depilatories and cosmetics including face creams, snows, lipsticks, rouge and nail polish.  | 13.5    |
| [22. | * * * *   | *]1     |
| 23.  | Saltpeter, gunpowder, potash, other explosives and fireworks including coloured matches.  | 13.5    |
| 24.  | Vaccum flasks of all kinds including thermos flasks and parts thereof.  | 13.5    |
| 25.  | Sheets, cushions, pillows, mattresses and other articles made of rubber, foam rubber, plastic foam or other sythetic foam or rubberised coir.   | 13.5    |

| 1    | 2   | 3                 |
|------|---|-------------------|
|      |   | Per cent          |
| 26.  | (i) Petrol;   | 13.5              |
|      | (ii) Light diesel oil;  | 13.5              |
|      | (iii) High speed diesel oil;  | 13.5              |
|      | (iv) Motor spirit other than that mentioned in (i) to (iii) above, aviation spirit and aviation turbine fuel specified in entry 40 of this Part and articles specified in entry 41 of this Part and entry 33 of Part III. | 13.5              |
| 27.  | Marble and goods and wares made thereof excluding tiles specified in entry 28 of this part.   | 13.5              |
| 28.  | Floor and wall tiles of marble and glazed and vibrum tiles.   | 13.5              |
| 29.  | Culinary and flavouring essences.   | 13.5              |
| 30.  | Art paper, lustra coat art paper, sun coat, art card, art board, [ivory card] <sup>1</sup> chromo-coated paper, cheque paper, imitation art paper, bible paper and silver coat art paper.                                 | 13.5              |
| 31.  | Laminated sheets such as sunmica, formica, etc.   | 13.5              |
| 32.  | All clocks, time pieces, watches and parts thereof.   | 13.5              |
|      | <sup>a</sup> [32-A. Timber.   | [16] <sup>a</sup> |
|      | [32-B. Tendu leaves.  | 13.5]             |
| 33.  | Foreign and Indian made foreign liquor  | 42.75             |
| 34.  | All kinds of furniture including upholstered and metal - furniture, cabinet wares such as safes and almirahs made of iron and steel.  | 12                |
| 35.  | Electroplated articles other than those specified in entry 19 of this Part.   | 12                |
| 36.  | All types of crockery, goods made of china and tomchina goods made of glass and glass-ware but excluding glass chimneys of hurricane lanterns and kerosene lamps.   | 12                |
| [37. | * * * *   | *                 |
| 38.  | * * * *   | *                 |
| 39.  | * * * *   | *] <sup>4</sup>   |
| 40.  | Aviation spirit and aviation turbine fuel.  | 12                |
| 41.  | All kinds of petroleum products, fuel gas and mineral oils other than kerosene oil specified in entry 33 of Part III and crude oil specified in entry 7 of Part IV.   | 12                |
| [42. | * * * *   | *                 |

1. Subs. by M.P. Act 19 of 1979, S. 15(i), for "ivory board."

2. Ins. by M.P. Act 16 of 1980, S. 3(b)(i).

3. Subs. by M.P. Act 25 of 1982, S. 15(ii), for "13-5."

4. Omitted by M. P. Act 14 of 1985, S. 8(ii) (a).

| 1               | 2   | 3       |
|-----------------|---|---------|
|                 |   | Percent |
| 43.             | * * * *   | *]1     |
| 44.             | Bakelite, masonite and articles made thereof.   | 12      |
| 45.             | All types of sanitary goods and fitting thereof.  | 12      |
| 46.             | All types of pipes and pipe fittings excluding those specified in entry 1 of Part I and entry 10 of Part IV.  | 12      |
| <b>PART III</b> |   |         |
| 1.              | (i) Purses and watch straps   | 10      |
|                 | (ii) Ladies hand bags and vanity bags.  | 10      |
|                 | (iii) Suitcases, attache cases and despatch cases.  | 10      |
| 2.              | Toilet articles including tooth paste, tooth powder, perfumed hair oils, face powder, talcum powder, combs, brushes, razors, razor blades, but excluding articles specified in entry 21 of Part II.   | 10      |
| 3.              | Incandescent lamps and incandescent lanterns, mantles and parts thereof.  | 10      |
| 4.              | Sheets, fabrics and goods made of plastic or gataparcha but excluding polythene and P.V.C. pipes specified in entry 10 of Part IV.  | 10      |
| 5.              | All kinds of leather goods excluding sports goods and footwears.  | 10      |
| 6.              | (i) All kinds of footwear.  | 10      |
|                 | (ii) Shoe polish and shoe cream.  | 10      |
| 7.              | Lubricants.   | 10      |
| 8.              | All kinds of musical instruments.   | 10      |
| 9.              | All machineries or machines worked by electricity, diesel or petrol and spare parts and accessories thereof but excluding tractors and pumping sets as specified in entry 12 of part IV and agricultural machinery and accessories, implements and parts thereof. | 10      |
| 10.             | Imitation of the following goods,—<br>gold ornaments, silver ornaments, ornaments made of similar metals, jewellery, set ornaments, precious stones and pearls.   | 10      |
| 11.             | All kinds of woollen goods including knitting wool excepting those covered by entries 6 and 39 of Schedule I.   | 10      |
| 12.             | Asbestos sheets and goods made thereof.   | 10      |
| 13.             | All kinds of chemicals including all kinds of acids, sulphur and bleaching powder.  | 10      |
| 14.             | Ice-cream, kulfi, ice-candy, non-alcoholic drinks containing ice-cream.   | 10      |

| 1    | 2  | Percent          |
|------|--|------------------|
| [15. | All kinds of electrical goods excluding articles specified in entry 37 of this Part.   | 10] <sup>1</sup> |
| 16.  | Toilet soaps and washing soaps including detergents.   | 10               |
| 17.  | Fountain pens, stylograph pens and propelling pencils and accessories and parts thereof.                                     | 10               |
| 18.  | Proprietary preparations of baby food such as Amul, Amul-spray, Lactogen etc.  | 10               |
| 19.  | Cement and cement goods other than cement pipes.   | 10               |
| 20.  | All kinds of sports goods, their parts and accessories.  | 10               |
| 21.  | All kinds of umbrellas and parts thereof.  | 10               |
| 22.  | Scientific and surgical apparatus and instruments.   | 10               |
| 23.  | (i) Bricks.  | 10               |
|      | (ii) All types of floor and wall tiles excluding tiles specified in entry 28 of Part II.                                     | 10               |
| 24.  | Utensils other than those specified in [* * * *] <sup>2</sup> entry 6 of Part V.   | 10               |
| 25.  | Hydrogenated vegetable oil.  | 10               |
| 26.  | All kinds of toys.   | 10               |
| 27.  | Spectacles and their lenses and frames.  | 10               |
| 28.  | Leather cloth, rubber cloth, oil cloth, waterproof cloth, linoleum, tarpoline and goods made thereof excepting sports goods. | 10               |
| 29.  | Tyres, tubes and flaps of tractors, tractor trailers and animal drawn vehicles.  | 8                |
| 30.  | Rubber and rubber solution used in retreading of tyres.  | 8                |
| 31.  | Tea, coffee and cocoa [* * *] <sup>3</sup>   | 8                |
| 32.  | Stoves and parts thereof.  | 8                |
| 33.  | Kerosene oil   | 8                |
| 34.  | Agarbatti and Dhoop  | 8                |
| 35.  | Dried fruits including pindkhajoor but excluding coconut.  | 8                |
| [36. | * * * * *  | *] <sup>4</sup>  |
| 37.  | Dry cells including torch cells.   | 8                |
| [38. | * * * * *  | *] <sup>4</sup>  |

1. Subs. by M. P. Act 14 of 1985, S. 8 (iii) (a).  
 2. Words "entry 38 of Part II and" omitted by S. 8(iii) (b), *ibid*.  
 3. Words "excluding that specified in entry 39 of Part II" omitted by M. P. Act 14 of 1985, S. 8 (iii) (c).  
 4. Omitted by S. 8 (iii) (d), *ibid*.

| 1              | 2  | 3                |
|----------------|--|------------------|
|                |  | Percent          |
| 39.            | Betel nuts (Supari) raw or processed.  | 8                |
| 40.            | Bicycles, tricycles, tandem cycles, cycle combinations and parts, accessories, tyres and tubes thereof.  | 8                |
| 41.            | Dhania, methi, jira and kalimirch.   | 8                |
| <b>PART IV</b> |  |                  |
| 1.             | Coal including coke in all its forms but excluding charcoal.   | [4] <sup>1</sup> |
| 2.             | Hides and skins whether in a raw or dressed state.   | [4] <sup>1</sup> |
| 3.             | Jute as specified in clause (v) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956).   | [4] <sup>1</sup> |
| 4.             | Oilseeds as specified in clause (vi) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956).  | [4] <sup>1</sup> |
| 5.             | Ginned cotton (indigenous or imported) baled, pressed or otherwise [and cotton waste.] <sup>2</sup>  | [4] <sup>1</sup> |
| 6.             | (i) Pulses as specified in clause (vi-a) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956).  | [4] <sup>1</sup> |
|                | (ii) Pulses other than pulses mentioned in serial number (i) of this entry.  | 5                |
| 7.             | Crude oil as specified in clause (ii-c) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956).   | [4] <sup>3</sup> |
| 8.             | Gur.   | [3] <sup>4</sup> |
| 9.             | Dried chillies, turmeric (Haldi) and tamarind (Jmli).  | 6                |
| 10.            | Pipes made of polythene, P.V.C., rubber and canvas.  | 5                |
| 11.            | Jari thread and embroidery material of gold and silver thread and gota kinari and salma sitara.  | 5                |
| 12.            | Tractors, tractor trailers, pumping sets and spare parts and accessories thereof.  | [3] <sup>5</sup> |
| 13.            | Atta, maida, suji, rawa, flour and other by-products (other than bran) of goods specified in entry 1 of Part V. except when sold in sealed containers. | [3] <sup>5</sup> |
| 14.            | Besan, chuni and other by-products obtained by using goods specified in entry 6 of this Part.  | [3] <sup>5</sup> |
| 15.            | Goods for use as containers and packing material, that is to say—  | [4] <sup>6</sup> |
|                | (i) gunny bags and hessian;  |                  |
|                | (ii) jute twine;   |                  |
|                | (iii) card board boxes and cartons;  |                  |

1. Subs. by M.P. Act 25 of 1982, S. 15(iv), "According to the provisions of section 5-B."

2. Subs. by M.P. Act 14 of 1985, S. 8(iv)(a), for "but not including cotton waste."

3. Subs. by M.P. Act 25 of 1982, S. 15(iv), for "According to the provisions of section 5-B."

4. Subs. by M.P. Act 14 of 1985, S. 8 (iv) (b), for "6"

5. Subs. by S. 8 (iv) (c), *ibid*, for "5".

6. Subs. by S. 8 (iv) (d), *ibid*, for "5".

| 1   | 2   | 3                |
|-----|---|------------------|
|     |   | Percent          |
|     | (iv) empty tins and empty barrels;  |                  |
|     | (v) wooden boxes (khoka) and tin boxes;                                       |                  |
|     | (vi) empty bottles and corks;   |                  |
|     | (vii) polythene packing materials;  |                  |
|     | (viii) paper labels;  |                  |
|     | (ix) tin seals;   |                  |
|     | (x) paper bags;   |                  |
|     | [(xi) wooden frames and reels;] <sup>1</sup>                                  |                  |
|     | (xii) paper cones;  |                  |
|     | (xiii) such other goods as may be notified as containers or packing material. |                  |
| 16. | Drugs and medicines.  | [3] <sup>2</sup> |
| 17. | Poppy seed.   | 5                |
| 18. | Insecticides and pesticides.  | [3] <sup>3</sup> |
| 19. | Cattle feed and poultry feed.   | [3] <sup>2</sup> |
| 20. | (i) Ilaichi   | 4                |
|     | (ii) Sonf   |                  |
|     | (iii) Jaiphal   |                  |
|     | (iv) Laung  |                  |
|     | (v) Garam Masala  |                  |
|     | (vi) Sabudana   |                  |
|     | (vii) Amchur  |                  |
|     | (viii) Chhuhara (Kharak)  |                  |
|     | (ix) Singhra  |                  |
|     | (x) Chillies and chilli powder  |                  |
|     | (xi) Tamarind   |                  |
|     | (xii) Turmeric,   |                  |
| 21. | Stationery articles other than paper, paper board and newsprint.              | 4                |
| 22. | Safety matches.   | 3                |
| 23. | Parched gram (Bhune Chane), Murmura, poha and Lai.                            | 3                |
| 24. | Sports goods.   | 3                |
| 25. | Hurricane lanterns, kerosene lamps, glass chimneys and other parts thereof.   | 3                |

## PART V

- |    |  |                  |
|----|--|------------------|
| 1. | (i) Cereals as specified in clause (i) of section 14 of the Central Sales Tax Act, 1956 (No. 74 of 1956), excluding paddy;                           | [3] <sup>3</sup> |
|    | (ii) Food grains and cereals other than paddy and those mentioned in serial number (i) of this entry and goods exempted under entry 3 of Schedule I. | [3] <sup>3</sup> |

1. Subs. by M. P. Act 19 of 1979, S. 15 (ii).

2. Sub. by M. P. Act 14 of 1985, S. 8 (iv) (c).

3. Subs. by M.P. Act 25 of 1982, S. 15(v), for "According to the provisions of section 5-B."

| 1  | 2       | 34      |
|--|---------|---------|
|  |         | Percent |
| [2. *  | * * * * | ]¹      |
| 3. Grass, hay, straw or any other plant in green or dried form.  |         | [3]²    |
| 4. Ghee.   |         | 4       |
| [5. All yarn including blended yarn, yarn waste and thread including swing thread.   |         | [2]³    |
| 6. Articles made of gold or silver or an admixture of gold or silver not being articles falling in entries 16 and 17 of this Part. |         | 4       |
| 7. Tender coconut.   |         | 4       |
| [8. *  | * * * * | ]¹      |
| 9. Sugarcane.  |         | [3]²    |
| 10. Bran.  |         | [3]²    |
| [10-A Fish.  |         | [4]⁴    |
| 11. Vegetable and edible oils except hydrogenated vegetable oils and oils exempted under entry 36 of Schedule I.                   |         | [2]⁵    |
| 12. Firewood and charcoal.   |         | [2]⁵    |
| 13. Oil cakes  |         | [2]⁵    |
| 14. [Fertilizers other than (i) oil cakes, and (ii) fertilizer made from cow-dung.]⁶   |         | [2]⁵    |
| [15. (i) Sheets, circles and ingots of brass, copper and zinc.   |         | 3       |
| (ii) Scrap of brass, copper and zinc.  |         | [6]⁷    |
| 16. Silver ornaments of personal wear.   |         | 2       |
| 17. Gold ornaments of personal wear.   |         | 2       |
| 18. Bullion and specie.  |         | 1       |
| <b>PART VI</b>   |         |         |
| 1. All other goods not included in Schedule I or any other Part of this Schedule.  |         | 10      |

**SCHEDULE III**

(See Section 13)

- [1. Cooked food.]⁸
2. Bones of animals including powdered bones, horns and hoofs.
3. Chapri, lac, kiti, wax and honey.
- [4. ....]⁹
- [5. Readymade garments excluding garments of silk fabrics and readymade hosiery or knitted garments.]¹⁰
- [6. Sugarcane juice.]¹¹

**[SCHEDULE IV....]¹²**

1. Omitted by M.P. Act 14 of 1985, S. 8 (v) (a).
2. Subs. by S. 8 (v) (b), *ibid*, for "4".
3. Subs. by S. 8 (v) (c), *ibid*.
4. Ins. by M. P. Act 16 of 1980, S. 3(b) (ii).
5. Subs. by M. P. Act 14 of 1985, S. 8 (v) (d), for "3".
6. Subs. by Notification F. No. A-3-13-1982, (39)-ST-V, dated 7-12-1983 published in M. P. Rajpatra (Asadharan) on 9-12-1983, page 3359.
7. Subs. by Notification No. A-3-20-78(2)-V-ST, dated 11-1-1979.
8. Subs. by M. P. Act 25 of 1978, S.39.
9. Omitted by M. P. Act 20 of 1972, S.5 (d)(v).
10. Subs. by M. P. Act 23 of 1967, S.13.
11. Added by notification F. No. A-3-55-80 (29) dated 24-7-1981.
12. Omitted by M. P. Act 23 of 1977, S.9.