

SIKKIM VALUE ADDED TAX ACT 2005

GOVERNMENT SIKKIM EXTRAORDINARY GAZETTE Gangtok No.5/LD/P/2005 PUBLISHED BY AUTHORITY Monday 21st February, 2005 GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION No. Dated: 19.3.2005. The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 9th day of March, 2005 is hereby published for general information:- 2

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Seizure of dealer's accounts Entry and search of place of business or any other place Establishment of check posts for inspection of goods in transport Interception, detention and search of vehicles or carrier and search of warehouse, etc. Stock of goods stored in undisclosed warehouses Seizure of goods Penalty for transporting goods into Sikkim in contravention of Section 60 Transporter liable to penalty for transport in contravention of the provisions of sub- section (4) of Section 68 Measures to prevent evasion of tax on sales Penalty for concealment of sales and furnishing incorrect particulars of sales and purchases CHAPTER VIII APPEAL AND REVISION Appeal against assessment Suo motu revision by Commissioner Revision by Commissioner upon application Revision by Appellate Authority Review of Order Power of taking evidence on oath Revision to High Court Revision or Review by High Court CHAPTER - IX OFFENCES AND PENALTIES Offences and penalties Special provision for liability to prosecution Compounding of offences 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 11 IV CHAPTER - X MISCELLANEOUS Cancellation of registration under specified circumstances Returns etc, to be confidential Powers to call for information Statement to be furnished by dealer, transporter, owner or lessee of warehouse, etc. Information to be furnished by dealers regarding changes of business Additional information to be furnished by dealers Supply of information by dealers in respect of transfer of goods otherwise than by way of Transfer of business by registered dealer Partial transfer of business by registered dealer Cancellation of registration and transfer of business Bar to proceeding in Civil Court Manner of payment of tax, penalty, interest, etc. Power to prescribe rates of fees Power to make rules Saving in relation to sales outside Sikkim, later-State Sales, and Sales in Course of Import or Export Transitional Provisions Repeal and Savings Power to remove difficulties SCHEDULES Goods exempted from payment of VAT Goods liable for 1 % rate of VAT Goods liable for 4% rate of VAT Goods liable for 4% rate of VAT Goods liable for 12.5% rate of VAT THE SIKKIM VALUE ADDED TAX ACT, 2005 (ACT NO. 5 OF 2005) AN ACT to consolidate the law relating to the levy of tax on sale of goods in the State of Sikkim and for matters connected therewith or incidental thereto. Be it enacted by the Legislature of Sikkim in the Fifty-sixth Year of the Republic of India as follows: - 1. (1) (2) (3) 2. (i) (ii) (iii) (iv) (v) (vi) CHAPTER 1 PRELIMINARY Short title, extent and commencement: This Act may be called The Sikkim Value Added Tax Act, 2005. It extends to the whole of Sikkim It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint. Definitions: In this Act, unless the context otherwise requires, — "Act" means the Sikkim Value Added Tax Act, 2005; "Appellate Authority" means the Sikkim Commercial Taxes Appellate Authority constituted under sub-section (1) of section 4; 'appointed day' means the date on which this Act comes into force; "assessee" means any person by whom tax or any other sum of money is payable under this Act and includes every person in respect of whom any proceedings under this Act have been taken for the assessment of tax payable by him; "assessing authority" means any officer not below the rank of Assistant Commissioner authorized by the Government or by any authority empowered by the Government to make any assessment under this Act; 'Business' includes- (a) any trade, commerce, manufacture, or any adventure or concern in the nature of trade, commerce, manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with the motive to make gain or profit and whether or not any (vii) (viii) (x) (xi) (xii) profit accrues from such trade, commerce, manufacture, adventure or concern irrespective of the volume, frequency, continuity or regularity of such trade, commerce, manufacture, adventure or concern. (b) any transaction of sale or purchase in connection with or ancillary or incidental to such trade, commerce, manufacture, adventure or concern referred to in sub-clause (a); (c) any transaction involving goods, whether original or secondhand, unserviceable, obsolete or discarded goods, mere scrap or waste material; and (d) any transaction involving goods obtained as waste products or by-products in the course of manufacture or processing of other goods or mining or generation or distribution of electrical energy or any other form of power; "capital goods" means plant, machinery, dyes, tools, and equipment used in the process of manufacturing, excluding civil structures and such goods as may be notified from time to time; "Commissioner" means the Commissioner of Commercial Taxes and includes, unless the context requires otherwise, the Special, Additional, Joint, Deputy and Assistant Commissioner of Commercial Taxes appointed under section 3; "Central Act" means the Central Sales Tax Act, 1956 (Act 74 of 1956); "Contractee" means any person for whom or for whose benefit a works contract is executed, "Contractor" means any person who executes, either himself or through a sub-contractor, a works contract; "dealer" means any person who, whether regularly or otherwise, in the

course of business buys, sells, supplies, distributes or does anything incidental to such buying, selling, supplying or distributing of goods, directly or indirectly, whether for cash or for deferred payment or for commission, remuneration or other valuable consideration and includes; (a) a casual trader; (b) a commission agent, a broker or a delcredere agent or an auctioneer or any other mercantile agent, by whatever name called, (c) a non-resident dealer or an agent of a non-resident dealer or a local branch of a firm or company or association or body of persons whether incorporated or not, situated outside the State;

(d) a person who, whether in the course of business or not, 2 (i) sells goods produced by him by manufacture, agriculture, horticulture or otherwise; or (ii) transfers any goods, whether in pursuance of a contract or not, for cash or for deferred payment or for other valuable consideration; (iii) supplies, by way of, or as part of any service or in any other manner whatsoever, goods being food or any other articles for human consumption or any drink (whether or not intoxicating), where such supply or service is for cash, deferred payment or other valuable consideration; Explanation I — Every person who acts 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— (a) (b) (a) a commission agent, broker, factor, a delcredere agent, an auctioneer or other mercantile agent, by whatever name called; or an agent for handling goods or documents of title to goods; or an agent for the collection or the payment of the sale price of goods or as guarantor for such collection or payment and every local branch of a firm or company situated outside the State; shall be deemed to be a dealer for the purpose of this Act. Explanation II — The Central or the State Government or any of their departments or offices which, whether or not in the course of business, buy, sell or supply for commission, remuneration or for other valuable consideration, shall be deemed to be a dealer for the purpose of this Act. Explanation III — Any commercial or financial establishment including a bank, an insurance company, a transport company and the like which whether or not in the course of business buys, sells, supplies or distributes goods directly or otherwise, for cash or for deferred payment, commission, remuneration or for other valuable consideration, shall be deemed to be a dealer for the purpose of this Act; (xiii) "goods" means all kinds of movable property (other than newspapers, actionable claims, electricity, stocks and shares and securities) and includes live stock, all materials, commodities and articles and every kind of property (whether as goods or in some other form) involved in the execution of a works contract, and all growing crops, grass or things attached to or

forming part of the land which are agreed to be severed before sale or under the contract of sale; (xiv) (xv) 'Government" means the Government of Sikkim; "gross turnover", means — 3 (a) in respect of sale of goods, aggregate of the sale prices received or receivable by a dealer on sales as defined under clause (xxix) and includes sale of goods made outside the State or in the course of inter-State trade or commerce or export but does not include sale price of goods which have borne the incidence of purchase tax under this Act; (b) for the purpose of levy of purchase tax, aggregate of purchase prices paid or payable by a dealer during any given period in respect of purchase of goods or class or description of goods which are liable to tax under this Act; Explanation : The amount received by a dealer on account of price variation or price escalation in respect of sale or supply of goods shall be deemed to form part of gross turnover of the financial year during which it is actually received; (xvi) "input" means goods purchased in the course of business— (a) for use in manufacture of goods including packing materials but excluding purchases of petrol, diesel and natural gas, and (b) for use as capital goods; (xvii) "input tax " means the tax paid or payable under this Act by a registered dealer to another registered dealer on the purchase of goods in the course of business for resale or for the manufacture of taxable goods or for use as containers or packing material or for the execution of works contract; (xviii) "manufacture", with its grammatical variations and cognate expressions, means producing, making, extracting any goods or altering, ornamenting, finishing, assembling or otherwise processing, treating or adapting of any goods, but does not include any process or mode of manufacture as may be notified from time to time; (xix) "notification" means notification published in the Official Gazette; (xx) "output tax" means the tax charged or chargeable in respect of sale or supply of goods made by a registered dealer; (xxi) "Person" includes:- (a) an individual; (b) a joint family; (c) a company; (d) a firm; (e) an association of persons or a body of individual, whether incorporated or not; (f) the Central Government or the Government of Sikkim or the Government of any other State or Union Territory in India; (g) a local authority; (xxii) "place of business" means any place where dealer sells any goods or keeps accounts relating to sales or purchase of goods and includes any warehouse of such dealer, any place where a dealer produces or manufactures goods, any place where the goods are stored or used for transporting the goods; (xxiii) "prescribed" means prescribed by rules framed under this Act; (xxiv) "purchase" means any transfer of property in goods to the person making the purchase for cash or other valuable consideration but does not include a transfer by way of mortgage, hypothecation, charge or pledge; (xxv) "purchase price" means the amount paid or payable by a dealer as valuable consideration in respect of purchase of goods and includes — (a) (b) (c) (d) (e) (f) (g) any sum charged for anything done by the vendor in respect of the goods at the time of or before the delivery thereof: transport costs or freight, if any; trade commission, if any, by whatever name called; clearing, forwarding and handling charges, if any; insurance charges, if any; cost of packing, if any, and any other charges or costs other than those specified above if such charges or costs are incurred or paid in respect of goods so purchased and includes any amount payable by a purchaser for anything done by the seller in respect of goods at the time of or before delivery thereof to the buyer if any of the costs, charges, taxes or duties as aforesaid are incurred in relation to the transfer of property in goods; 5 Explanation I— Purchase price shall not include tax paid or payable under this Act by a dealer in respect of any such purchase. Explanation II — For the purpose of this clause, purchase price shall not include the amount paid or payable by the purchaser by way of non-refundable deposit whether by way of a separate agreement or not in connection with or incidental to or ancillary to the said purchase of goods. (xxvi) "Repealed Act" means such provisions of Sikkim Sales Tax Act, 1983 in respect of commodities/products as will be dealt with under the provisions of the Sikkim Value Added Tax Act, 2005 repealed under section 100; (xxvii) "Rules" means the rules made under this Act; (xxviii) "Sale" means any transfer of property in goods for cash, deferred payment or other valuable consideration and includes: (a) any transfer, otherwise than in pursuance of a contract of property in any goods for cash, deferred payment or other valuable consideration; (b) any delivery of goods on hire-purchase or any system of payment by instalment; (c) any 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; (d) any supply of goods by any unincorporated association or body of persons to a member thereof 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 or unincorporated association or body of persons making

the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made but does not include a mortgage, hypothecation, charge or pledge. Explanation- A sale of goods shall be deemed to take place inside the Sikkim— (a) if the goods are within the State of Sikkim, (i) in the case of specific or ascertained goods at the time the contract of sale made; and (ii) in the case of unascertained or future goods at the time of their appropriation to the contract of sale by the seller, whether the assent of the buyer to such appropriation is prior or subsequent to the appropriation; 6 (iii) where there is a single contract of sale in respect of goods situated at more than one place, then the sale shall be deemed to have taken place as if there is a separate contract in respect of goods at each such places; (xxix) "Sale price" means the amount of valuable consideration received or receivable by a dealer for the sale of any goods less any sum allowed as cash discount, according to the practice normally prevailing in the trade but inclusive of any sum charged for anything done by the dealer in respect of the goods or services at the time of or before delivery thereof, excise duty, special excise duty or any other duty or taxes except the tax imposed under this Act; (xxx) "Schedule" means the Schedule appended to this Act and the description of any goods specified therein shall be subject to the exceptions, restrictions and conditions, if any, and the application of the provisions of this Act, referring to the Schedule shall be subject to the circumstances, if any, mentioned therein generally or against such goods; (xxxi) "section" means section of the Act; (xxxii) "State Government" means the Government of Sikkim; (xxxiii) "tax" means tax levied and payable under this Act; (xxxiv) "taxable goods" means all goods except those specified in Schedule I; (xxxv) "Tax Recovery Inspector" means a Tax Recovery Inspector appointed by the State Government under the provisions of the Sikkim (Collection of Taxes and Prevention of Evasion of Payment of Taxes) Act, 1987 (Act No. 7 of 1987); (xxxvi) "taxable turnover" means the turnover on which a dealer is liable to pay tax as determined after making such deductions from his total turnover and in such manner as may be prescribed; (xxxvii) "Value Added Tax or VAT" means a tax on sales or purchases levied under this Act; (xxxviii) "Works contract" includes any agreement for carrying out for cash or deferred payment or other valuable consideration, the assembling, construction, building, altering, manufacturing, processing, fabrication, installation, fitting out, improvement, repair or commissioning of any movable or immovable property; 7 (xxxix) "Year" means the financial year beginning from 1st April and ending on 31st March

CHAPTER 11 COMMERCIAL TAX AUTHORITIES AND APPELLATE AUTHORITIES 3. (2) (3) (4) (5) Commercial Tax Authorities. - (I) There shall be the Commissioner of Commercial Taxes to be appointed by the Government who shall have all the powers and shall perform all the duties conferred or imposed upon him by or under this Act. The Commissioner shall have superintendence over all officers and persons employed in the execution of this Act and the Commissioner may, - (a) call for returns from such officers and persons; (b) make and issue general rules and specify [forms for regulating the practice and procedure to be followed by such officers and persons; (c) issue such orders, instructions and directions to such officers and persons as it may deem fit, for the proper administration of this Act. (ah) •The Government shall appoint the Special Commissioner, Additional Commissioner and as many Joint Commissioners, Deputy Commissioners, Assistant Commissioners, Commercial Tax Inspectors and such other persons as it think fit for the purpose of performing the functions respectively assigned to them by or under this Act. (b) Such officers and persons shall perform the said functions within such local limits as the Government or any authority or officer empowered by it in this behalf may assign to [them. All officers and persons employed for the execution of this Act shall observe and follow the orders, instructions and directions of the officers superior to them: The Commissioner may by order in writing; (a) transfer any case or cases relating to any assessee or class of assessee pending before an assessing authority to another assessing authority having jurisdiction to deal with such case or cases; or (b) specify any one of the assessing authorities having jurisdiction over an area which shall deal with any case or cases relating to any assessee or class of assessee. (6) 4. (2) (3) (4) (5) (6) 5

6. Where any case is transferred to an assessing authority under clause (a) of sub-section (5), such assessing authority may deal with the case either de novo or from the stage at which it was transferred. Appellate Authority - (1) The Government shall appoint the Sikkim Commercial Taxes Appellate Authority to perform the functions assigned to the Appellate Authority by or under this Act. The Appellate Authority shall be a person who is or has been an officer not below the rank of the Secretary to Government of Sikkim and has served for a minimum period of two years in the department of

Commercial Taxes. The term of office, filling of vacancy and other conditions of service of the Appellate Authority shall be such as may be prescribed. The functions of the Appellate Authority may be performed in accordance with the provisions of this Act and the rules made thereunder. The Appellate Authority shall, with the previous sanction of the Government make regulations consistent with the provisions of this Act and the rules made thereunder for regulating its procedure and the disposal of its business. The regulations made under sub-section (5) shall be published in the Official Gazette. Delegation of Commissioner's powers and functions. - Subject to such restrictions and conditions as may be imposed, the Commissioner may, by order in writing, delegate any of his powers and functions under this Act and the rules made thereunder to any person appointed under Section 3, Tax Authorities and Appellate Authority to be public servants. - The Commissioner and all officers appointed under section 3 including the member of the Appellate Authority shall be deemed to be public servants within the meaning of section 21 of Indian Penal Code, 1860 (45 of 1860). Indemnity. - No suit, prosecution or other legal proceedings shall lie against any Government servant employed for execution of the provisions of this Act and rules made thereunder for anything which is in good faith done or intended to be done thereunder.

9 8. (1) (2) (3) (4) (5) CHAPTER 111 INCIDENCE, LEVY AND RATE OF TAX Incidence of tax Every dealer, (a) whose gross turnover of sales during the year immediately preceding the commencement of this Act, — (i) who has been liable immediately before the appointed day to pay tax under the Sikkim Sales Tax Act, 1983 or the Central Act, or (ii) whose gross turnover during a year first exceeds the taxable limit on the day immediately preceding the appointed day, and (b) who is in possession of a registration certificate under the Sikkim Sales Tax Act, 1983 before the appointed day and to whom clause (a) does not apply, shall be liable to pay tax under this Act on all sales effected on or after the appointed day. Every dealer on whom sub-section (1) does not apply shall, if his gross turnover of sales calculated from the commencement of any year exceeds the taxable limit at any time within such year, be liable to pay tax under this Act on all sales, effected on and from the date immediately following the day on which such gross turnover of sales first exceeds the taxable limit. In this Act, the expression "taxable limit" means in relation to any dealer— (a) who imports for sale any goods into Sikkim, for himself or on behalf of his principal (b) who manufactures or produces any goods for sale Rupees (c) who is engaged in any other business other than clauses NIL (a) and (b) Rupees (d) involved in the execution of works contract Rupees 1,00,000/- The State Government may, by notification in the Official Gazette, increase the taxable limit, in the case of any class of dealers, not exceeding rupees fifty lakhs, from time to time. Every dealer who has become liable to pay tax under sub-section (1) or sub-section (2) shall continue to be so liable until the expiry of three consecutive years, during each of which his gross turnover of sales has failed to exceed the taxable limit or such further period after the date of such expiry as may be allowed by the general or special order notified by the Commissioner and on the expiry of this period his liability to pay tax under sub-section (1) or sub-section (2) shall cease. Explanation - For the purpose of sub-section (5) in computing the period of three consecutive years in respect of a dealer who has become liable to pay tax under sub-section (1), three years which expired before the appointed day during which or each of which the gross turnover failed to exceed the taxable limit shall not be included. (6) (7) 9. (1) (2) Every dealer whose liability to pay tax under sub-section (1) or sub-section (2) has ceased under sub-section (5), shall, if his gross turnover of sales calculated from the commencement of any year again exceeds the taxable limit at any time within such year, he shall be liable to pay such tax on all sales, effected on and from the date immediately following the day on which such gross turnover of sales again first exceeds the taxable limit. The Commissioner shall, after making such enquiry as he may think necessary and after giving the dealer an opportunity of being heard, fix the date on and from which such dealer shall become liable to pay a tax under sub-section (2) or sub-section (5). Levy of tax on sale In this Act, the expression "taxable turnover of sales" means, in the case of a dealer who is liable to pay tax on sales of goods under section 8 that part of his gross turnover of sales during any period which remains after deducting therefrom his turnover of sales during that period as represents; (a) sales of goods which are not liable for any tax specified in Schedule I of section 12; (b) sales of goods, which are shown to the satisfaction of the Commissioner, have not taken place in Sikkim or have taken place in the course of inter-State trade or commerce within the meaning of the Central Act or in the course of import of the goods into or export of the goods out of, the territory of India within the meaning of section 5 of that Act; (c) such other sales on such conditions and restrictions as may be prescribed (a) Where the taxable turnover of sale is calculated without a separate amount of the

consideration being identified as payment of tax, the taxable turnover of that sale is the total amount of the consideration paid without reduction for the tax multiplied by the tax fraction. 11 IO. (ii) 11. (1) (b) For the purpose of this section, the "tax fraction" shall be determined for any sale, by applying the formula:- Where P1 is the aggregate of such sales prices exclusive of tax; P is the aggregate of such sales prices inclusive of tax. and R is the rate of tax applicable to such sales. Levy of tax on purchases- Every dealer who is in the course of his business purchases any goods- from a registered dealer in the circumstances in which no tax under section 9 is payable by that registered dealer on the sale price of such goods, or from any other person, shall be liable to pay tax on the purchase of such goods, if after such purchases, the goods are not sold within the State of Sikkim or in the course of inter-State trade and commerce or in the course of export out of the territory of India but are- (a) sold or disposed off otherwise or (b) consumed or used in the manufacture of goods declared to be exempt from tax under this Act, or (c) after their use or consumption in the manufacture of goods, such manufactured goods are disposed off otherwise than by the way of sale in the State of Sikkim or in the course of inter-State trade and commerce or export out of the territory of India; or (d) used or consumed otherwise, and such tax shall be levied at the same rate at which tax under section 9 would have been levied on the sale of such goods within the State on the date of such purchases. Levy of tax on containers and packing material- Where any goods are sold in containers or packed in any packing materials, the rate of tax applicable to such containers or packing materials shall, Whether the of the containers or packing materials is charged separately or not, be the same as those applicable to the goods contained or packed therein; 12 (2) 12. 13. (1) Where such goods are exempt from tax, the sale of the containers or packing materials shall also be exempt from tax. Rates of tax on sale or purchase of goods - The tax payable by a dealer on his taxable turnover shall be, in so far as such turnover or any part thereof, relates to, (a) [he goods specified in Schedule I (b) the goods specified in Schedule 11 (c) the goods specified in Schedule III (d) the goods specified in Schedule IV (e) the goods specified in Schedule V Nil I per cent 4 per cent 4 per cent 12.5 per cent Levy of tax on transfer of property in goods involved in the execution of Works Contract. — Every dealer shall pay for each year, a tax under this Act on his taxable turnover for transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract determined at the rates specified for the same goods in the Schedules mentioned in section 12. Provided that all amounts towards labour charges and other like charges not involving any transfer of property of goods actually incurred in connection with the execution of works contract, shall be allowed to be deducted from gross turnover of such dealer in determining his taxable turnover. (2) (3) Where the dealer proves to the satisfaction of the prescribed authority that tax on the turnover of goods supplied by him in the course of execution of works contract, has been paid by his sub-contractor, the dealer shall not be liable to pay tax again on the turnover Of such goods. Where a sub-contractor proves to the satisfaction of the prescribed authority that the tax leviable under sub-section (1) has, actually been paid by the dealer (his principal contractor) on the turnover of goods supplied to him by the dealer in the course of execution of works contract, the sub-contractor shall not be liable to pay tax again on the turnover of such goods. 13 (4) A dealer shall pay for each year, a tax under this Act on his taxable turnover in respect of the right to use any goods (whether or not for a specified period) at the rates specified in the Schedules under section 12 for the same goods had they been sold otherwise than by the transfer of the right to use them: Provided further if the transfer of the right to use any goods is made by a dealer on more than one occasion in a year to the same or different party, the tax shall be leviable on each such occasion. Explanation 1.— For the purposes of this section, the transfer of property in goods or transfer of right to use any goods for any purpose (whether or not for a specified period) shall be deemed to have taken place in Sikkim if the goods transferred are within the State at the time of their transfer or use application or appropriation for the execution of works contract, irrespective of the place where the agreement for the works contract is made and whether the consent of the other party, prior or subsequent to such use, application or appropriation has been obtained or not. Explanation 11.— The levy of tax under this section shall be made whether the works contract is executed fully or partly during a year or abandoned or terminated before completion, (5) Every person making any payment to contractors executing the works contract shall deduct such amount in the form and manner as may be prescribed as the tax deducted at source at two per cent or not exceeding eight per cent of the said amount, as the State Government may by notification, determine

14. Out-put tax - (1) Output tax in relation to a registered dealer means the tax payable under this Act in respect of any sale of goods by that dealer in the course of his business.(2) Subject to the provisions of section 20, a dealer shall be liable to pay the output tax under this 15. Act which shall be levied on the taxable turnover at the rates specified in the Schedules under section 12, Input tax - Input Tax in relation to a registered dealer means the tax charged under this Act by the selling dealer to such dealer on the sale to him of any goods for resale or use in manufacturing or processing of goods for sale.

16. Compounding of tax liability in certain cases—(1) Notwithstanding anything to the contrary contained in this Act, the State Government may, by notification and subject to such conditions and restrictions as may be prescribed, permit any class of registered dealers whose gross turnover does not exceed the limit specified in the notification to pay in lieu of the tax payable by them, an amount calculated at such rate not exceeding four percent of his gross turnover as may be specified in the notification issued in this behalf: Provided that no such permission shall be granted to a manufacturer or a person who imports any goods from any place outside the State for the purpose of his business: Provided further that the amount so specified shall be in addition to any tax that may be payable by the dealer under section 10. (2) Dealers to whom the provisions of sub-section (1) apply shall, (a) not charge any tax on the sale of goods specified in Schedule I (b) not charge in excess of the rates specified in the notification issued under sub-section (1); and (c) not be entitled to issue tax invoices in respect of sales effected by them. (3) If reasonable grounds exist to believe that the dealer was not eligible to pay tax at a fixed rate under sub-section (1), the assessing authority shall, without prejudice to any action which is or may be taken under section 81, impose a penalty equivalent to three times the amount of tax arrived at after applying the rate specified under section 12 to the gross turnover of the dealer after deducting the value of sales of goods mentioned in Schedule I of that section: Provided that no order under this sub-section shall be passed without giving the dealer a reasonable opportunity of being heard

17. Compounding of tax liability in case of Works Contract (I) Notwithstanding anything contained in sections 9, 11, 12 or 13, every contractor referred to in clause (xi) of section 2 may, subject to such restrictions and conditions and in such manner as may be prescribed, at his option, instead of paying tax in accordance with section 12 pay, on the total value of each of the works contract executed by him, a lump sum tax, by way of composition, at the rate of two percent or at such rate not exceeding fifteen percent, as the State Government may, from time to time, by notification, specific

Provided that in case of cancellation of the permission granted for payment of lumpsum tax by way of composition, the provisions of sections 9, 10, 11 and 12 and rules made thereunder shall apply.(2)

(3) (4) (5) (6) (7) A contractor, exercising option under sub-section (I) shall, so long as the option remains in force, not be required to maintain accounts of his business under this Act or the rules made thereunder except the records in original of the works contract, extent of their execution and payments received or receivable in relation to such works contract executed or under execution. The State Government may prescribe that every person or any specified class of persons, making any payment to contractor who has exercised option under this section, shall deduct towards payment of lump sum tax, by way of composition at the prescribed rate or rates from the contractor on account of the works contract executed by him and remit the amounts so deducted to the State Government. If any person fails to deduct or having deducted fails to remit to the State Government within the prescribed time, the amount deductible under sub-section (I) and sub-section (3), shall be liable for penalty of a sum not exceeding twice the amount deductible.

The amount deductible and actually deducted under sub-section (3) and sub-section (4) shall be deemed to be a tax for the purpose of the Sikkim (Collection of Taxes and Prevention of Evasion of Payment of Taxes) Act, 1987 (7 of 1987), The assessing authority may, for the purpose of ascertaining the deduction or payment of tax in appropriate manner and for evaluation thereof, require any contractor, including a contractor not registered under this Act, to produce before him any of the relevant documents maintained by the contractor and or to furnish any information connected with the works executed by such contractor, subject to sub-section (2) of this section, and the contractor shall comply with such requirements. Subject

as aforesaid, the relevant documents shall, at all reasonable times, be open to inspection, search and seizure, if need be, by the assessing authority or any person appointed to assist him under sub-section (3) of section 3. 16 18. (1) (2) 19. (1) (2) (3) (4) (5) (6) Information of awarding of Works Contract. Any

person entering into any contract or letter of intent with any contractor for transfer of property in goods (whether as goods or some other form) involved in the execution of works contract shall furnish within fifteen days from the date of signing of the contract or letter of intent such information as may be prescribed, to the assessing authority under whose jurisdiction the contractor's place of business is situated.

Failure to do so shall entail a penalty not exceeding five hundred rupees per day of default after affording such person a reasonable opportunity of being heard. Deduction of tax at source from the payment to dealer Notwithstanding anything contained in any other law or contract to the contrary, any person or any specified class of persons responsible to pay any sum to any dealer for sale or supplies made by it to the State or Central Government including department of other States, situated in Sikkim, any local body, any authority or corporation established by or under a statute and any State or Central Government undertaking shall, at the time of credit of such sum to the account of the dealer or at the time of payment thereof in cash or by cheque or draft or any other mode, deduct the amount of tax from the bills or invoices, at the rate or rates as specified in the Schedules under Section 12, The amount of tax so deducted shall be deemed to be the amount of tax collected by the dealer from the State or Central Government Departments or aforesaid organizations or authorities, as the case may be, within the meaning of section 8. While making deduction under sub-section (1) deducting authority shall grant a certificate to the dealer in the prescribed form and shall send a copy thereof to the concerned assessing authority within whose jurisdiction such sale or

supply is made, The dealer shall furnish an authenticated copy of such certificate to the concerned assessing authority alongwith the returns as proof of payment of tax. The amount deducted from the bills or invoices shall be deposited to the credit of the State Government within fifteen days from the date of such deductions in such form or challan or through book adjustment as may be prescribed. The deducting authority shall supply a copy of the

form 01 challan or document of books adjustment, as the case may be, showing the details of deduction of tax to the concerned assessing authority. (7) (8) The remittance or deposit of deducted tax to the credit of the State Government shall be adjusted by the concerned assessing authority towards the tax liability of the dealer and shall constitute a good and sufficient discharge of the liability of the deducting authority to the dealer to the extent of the amount remitted or deposited. If any person fails to deduct, or having deducted, fails to remit to the State Government within the stipulated time, the amount deductible under sub-section

(I), he shall be liable for penalty of a sum not exceeding twice the amount deductible: Provided that no penalty under this sub-section shall be imposed unless a reasonable opportunity of being heard is given to such person. (9) The amount deductible and actually deducted under sub-section (I) and penalty levied under sub-section (8) shall be deemed to be a tax for the purpose of the Sikkim (Collection of Taxes and Prevention of Evasion of Payment of Taxes) Act, 1987



20. Tax payable - (I) The net tax payable by a registered dealer for a quarter shall be the difference between the output tax, if any, and the input tax, which can be determined from the following formula:- Net tax payable = (O+P-I) Where 'O' denotes the output tax payable for any tax period as determined under section 14, 'P' denotes the purchase tax paid by a registered dealer for any tax period as determined under section IO and 'I' denotes the input tax paid or payable for the said quarter as determined under section 15.(2) The net tax payable by a dealer liable to pay tax but not registered under this Act for a quarter shall be equal to the output tax payable for the said quarter as determined under section 14. If an amount calculated under sub-section (I) is a negative quantum in a quarter,- (3) the same shall be adjusted against the tax liability, if any, under the Central Act, at the (a) option of the dealer for the said quarter and only the remaining amount of Central Sales Tax shall be payable; or (b) any amount of credit remaining after such adjustment shall be carried forward to the next quarter. Explanation: In this section the expression "quarter" means a period of three months ending 01 30th June, 30th September, 3 December or 31 March in a Year. 18 21. (I) Input tax credit Subject to the provisions of this Act, an input tax credit as provided in this section shall be claimed by a registered dealer, subject to such conditions and restrictions as may be prescribed on sale of goods in the circumstances specified below:- (a) when a registered dealer purchases any input within the State from another such dealer after paying him the tax as specified under section 12, he shall claim credit of the said input tax in the manner prescribed if the goods are sold within the State or in the course of Inter-State trade and commerce; (b) when a registered dealer- (i) purchases any input within the State from another such dealer after paying him the tax under section 12, or (ii) purchases any input and pays tax on such purchase under section 10 of the Act and consumes such goods in the manufacture of any goods mentioned in Schedules 11 to V under section 12, he shall claim credit of the said input tax in the manner prescribed if the goods so manufactured are sold within the State or in the course of Inter-State trade and commerce; (c) when a registered dealer purchases any capital goods within the State from another such dealer after paying him the tax as specified under section 12, or uses such goods in the manufacture of any goods mentioned in Schedules 11 to V under section 12 and sells the manufactured goods within the State or in the course of Inter-State trade or commerce or otherwise, he shall claim and be allowed, in such manner as may be prescribed, credit of the amount of such tax; (d) when a registered dealer holds any stock on the appointed day, such goods as have been purchased by him on or after 1 April, 2004 and which have suffered the incidence of tax under the Sikkim Sales Tax Act, 1983, and (i) sells such goods within the State or in the course of Inter-State trade and commerce, or (ii) consumes such goods in the manufacture of any goods mentioned in Schedules 11 to V of section 12 and the goods so manufactured are sold within the State or in the course of Inter-State trade and commerce, he shall claim credit of the said tax in the manner prescribed; 19 (e) when a registered dealer purchases any input within the State from another such dealer after paying him the tax as specified under section 12 at a rate higher than 4 per centum and transfers such goods or goods manufactured from such goods to another dealer outside the State, he shall be allowed credit of such tax in excess of 4 per centum, in the manner prescribed; Provided that if the claim for input tax credit under clauses (a), (b), (c), (d) or (e), any month exceeds the output tax for the same month, such excess shall be carried forward for adjustment against the output tax of subsequent months not being a month later than two years after the close of the year during which such excess had arisen. (2) Any amount of input tax remaining unadjusted after two years after the close of the year during which such excess had arisen shall be refunded to the dealer subject to the provisions of this Act. Provided also that input tax credit in respect of capital goods shall be allowed in the manner and over such period, not exceeding 36 (thirty six) months from the date of their acquisition. Provided further that no credit of input tax shall be allowed in respect of capital assets purchased or acquired before the commencement of this Act. (3) (4) Notwithstanding anything contained in sub-section (1), where a registered dealer purchases any input in the circumstances stated in clauses (a) or (b) of sub-section (1) and,- (i) dispatches such goods or the goods manufactured by consuming such goods to a commission agent registered under the Act or transfers such goods to its branch or head office inside the State of Sikkim for sale as the case may be; or (ii) supplies such goods in the course of execution of a works contract to another such dealer to whom he has let out a sub-contract, for use in the execution thereof; the input tax credit on the sale or supply, as the case may be, of such goods shall be claimed by the registered dealer selling the goods on commission or using the goods supplied in the execution of sub-contract, as the case may be, in accordance with the provisions of sub-

section (I), in such manner as may be prescribed. No input tax credit under sub-section (I) shall be claimed or be allowed to a registered dealer- (a) in respect of goods specified under Schedule I or such goods as may be notified; or 20 (5) (6) (7) 22. (1) (b) in respect of inputs purchased by him from another such dealer or manufactured by him and the right wherein to use is transferred to another dealer; or (c) in respects of inputs purchased from a registered dealer permitted to pay tax under provisions of section 16 and section 17; or (d) in respect of inputs consumed either for the manufacture of goods specified in Schedule I of section 12; or (e) in respect of goods used for self consumption or as gift. In case the inputs or goods are used partially for the purpose specified in clause (d) or (e) of sub-section (4), the claim for the input tax credit shall stand reduced to the extent they are so used. No dealer shall claim input tax credit in respect of inputs chased, unless he is in possession of an original copy of the tax invoice, signed and issued by the selling registered dealer containing the prescribed particulars of sale. If the original tax invoice is lost, input tax credit shall be allowed only on the basis of a duplicate copy of the original tax invoice in the form and manner prescribed. Exports to be zero-rated A style specified under section 5 of the Central Act, by a dealer or an export oriented unit, shall be zero-rated and there shall be no tax payable on the turnover of such sale and the person exporting the goods shall be entitled in the manner prescribed to a credit of input tax paid. (a) on the purchase of the goods sold in the course of export, or (b) on the purchase of inputs and capital goods which have been used for the manufacture of goods sold in the course of export: Provided that the input tax credit on account of capital goods shall be allowed only to the extent and in the manner prescribed. Explanation — For the purpose of this section, all sale of inputs made to the dealers in a Special Economic Zone as notified by the Central Government under section 5 of the Foreign Trade Regulation Act, 1988 shall also be zero-rated. (2) Notwithstanding anything contained in sub-section (1), sale of goods made to foreign diplomats or missions shall not be exempt: Provided that the tax paid by such foreign diplomats or missions or their purchases will be refunded in full in the manner prescribed. 21 23. (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) 24. Burden of proof Where any assessee claims — that any receipt or dispatch of goods by him is otherwise than by way of purchase or sale of such goods by him; that any sum of money received or receivable or paid or payable by him by any means including adjustment against a debt is not in the course of business and where in the course of business such sum is not valuable consideration for any sale or purchase of goods effected by him in the year in which the said sum was received or receivable or paid or payable; that any purchase or sale of goods by him is not liable to tax by reason of such purchase or sale being outside the State or in the course of Inter-State trade and commerce or in the course of the import of the goods into, or the export of the goods out of, the territory of India; that any purchase or sale of goods effected by him is exempt from tax or liable to tax at a particular rate; that any purchase or sale of goods effected by him is not taxable because of return of such goods; that he is entitled to any deduction from gross turnover or any deduction of input tax from the tax calculated on the sale of goods; that in case of tax payable on works contract under Section 13, he is entitled to a deduction in respect of labour and like charges or non taxable components from the valuable consideration or bills for the execution of the contract, that any particular sum has been paid by him as tax, interest or penalty under this Act, that any goods, books of account and document discovered at his business premises or at any other place or in any goods carrier or other vehicle over which he has control at the time of such discovery, do not relate to his business; or that any relief under this Act or the rules made thereunder is admissible to him, the burden of proof shall be on him. Power of State Government to amend Schedules- The State Government, after giving by notification not less than fourteen days' notice of its intention to do so, may, by like notification, add to, amend or alter any of the Schedules to this Act. 22 25. (2) (3) 26. (1) Credit and Debit Notes: Where a tax invoice has been issued and the amount shown as tax charged in the tax invoice exceeds the tax chargeable under this Act in respect of that sale, the registered dealer making the sale shall provide the purchaser with a credit note containing the requisite particulars as may be prescribed. Where the tax invoice has been issued and the tax chargeable under this Act in respect of the sale exceeds the amount of tax charged in that invoice, the registered dealer making the sale shall provide the purchaser with a debit note containing the requisite particulars as may be prescribed. In case of goods returned or rejected by the purchaser, a credit note shall be issued by the selling dealer to the purchaser and a debit note will be issued by the purchaser to the selling dealer containing particulars of the transaction as prescribed. CHAPTER IV REGISTRATION OF DEALERS, AMENDMENT AND CANCELLATION OF REGISTRATION CERTIFICATES Registration of dealers — Subject to the

other provisions of this Chapter, no dealer shall, while being liable to pay tax under section 8, carry on business as a dealer unless he has been registered and possesses a valid certificate of registration in respect of his business in the State of Sikkim: Provided that a dealer liable to pay tax under section 8 shall be allowed two months time from the date from which he is first liable to pay such tax to get himself registered. (2) (3) Every dealer required by sub-section (1) to be registered shall make an application in this behalf in the prescribed manner to the prescribed authority and such application shall be accompanied by a declaration in the prescribed



form duly filled up and signed by the dealer specifying therein the class or classes of goods dealt in or manufactured by him. If the prescribed authority is satisfied that an application for registration is in order, it shall, in accordance with the manner prescribed, grant registration to the applicants and issue a certificate of registration in the prescribed form which shall specify the class or classes of goods dealt in or manufactured by the dealers. 23 (4) Where the application for registration is made under this section, the prescribed authority shall grant him the certificate of registration from the date of filling of such application: Provided that the prescribed authority shall grant to such dealer the certificate of registration from the date of commencement of his liability to pay tax where the application for registration is made within thirty days of such date: Provided further that where the prescribed authority is satisfied that during the pendency of an application made by a dealer under sub-section (2), such dealer has become liable to pay tax under section 8, it shall grant to such dealer the certificate of registration from the date of commencement of such liability, (5) Where any dealer, who has been registered on any day before the appointed day and continues to be so registered on the day immediately before such appointed day and is liable to pay tax under this Act on such appointed date, the prescribed authority shall issue to such dealer in the prescribed manner a fresh certificate of registration under this Act upon application filed by such dealer in prescribed form within thirty days from the commencement of the Act. (6) The prescribed authority may, from time to time, amend any certificate of registration in accordance with information furnished or otherwise received and such amendment may be made with retrospective effect in such circumstances and subject to such restrictions and conditions as may be prescribed. (7) When- (a) any business in respect of which a certificate of registration has been granted to a dealer on an application made has been discontinued or (b) a dealer has ceased to be liable to pay tax under section 8; or (c) an incorporated body is closed down or if it otherwise ceases to exist; or (d) the owner of an ownership business dies leaving no successor to carry on business; or (e) in case of a firm or association of persons, if it is dissolved, or (f) a person or dealer is registered by mistake, or (g) a dealer fails to furnish return and pay tax and interest according to such return or returns within the time extended, the prescribed authority shall cancel the registration of such dealer. (8) (9) (10) 27. The cancellation of registration will take effect from the end of the period in which it is cancelled unless it is to take effect from a different date as ordered by the prescribed authority. When any dealer to whom a certificate of registration has been granted has failed to pay any tax, penalty or interest payable under this Act or has failed to furnish any return, the prescribed authority may, after giving the dealer an opportunity of being heard, cancel the registration of such dealer. Where a dealer, after cancellation of his certificate of registration under sub-section (9), pays in full the amount of tax, penalty or interest payable by or due from him under this Act or has furnished overdue returns in default of which his certificate of registration had been cancelled under that sub-section and makes an application to the prescribed authority for restoration of his certificate of registration together with receipted challans evidencing payment of such tax, penalty and interest within sixty days from the date of such cancellation or within such further time as may be allowed, the prescribed authority shall, by an order in writing, restore the certificate as if the certificate were in force during the period in which it remained cancelled. Voluntary registration of dealers- (1) Any dealer whose gross turnover of sales during a year does not exceed the taxable limit may, notwithstanding that he is not liable to pay tax under section 8, apply in the prescribed manner to the prescribed authority for registration under this Act. (2) Every dealer who has been registered on application made under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act. (3) The registration of a dealer on application made under this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act. (4) A dealer registered on application made under this sub-section may apply in the prescribed manner not less than six months before the end of a year to the authority which granted him his certificate of registration for the cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made and the said authority shall, unless the dealer is liable to pay tax under this Act, cancel the registration accordingly. 25 (5) 28, (1) (2) (3) (4) (5) When the gross turnover of sales of any dealer registered on application made under this section has, for three successive years after the period of three years referred to in sub-section (3) failed to exceed the taxable limit, the prescribed authority may, after giving the dealer reasonable opportunity of being heard, cancel registration of such dealer. Security to be furnished in certain cases- The prescribed authority may, at the time of granting of certificate to a dealer,

for good and sufficient reasons to be recorded in writing, require the dealer to furnish in the prescribed manner such security as may be specified by it for securing proper and timely payment of tax or any other sum payable by him under this Act. The prescribed authority may, by order in writing and for good or sufficient reason to be recorded therein, demand from any person who imports into Sikkim any consignment of goods, a reasonable security for ensuring that there is no evasion of tax. The prescribed authority may, by order in writing and for good or sufficient reason to be recorded therein, forfeit the whole or any part of the security or additional security referred to in sub-section (1) or sub-section (2), furnished by a dealer, registered dealer, undertaking or person as required by sub-section (1) or demanded under sub-section (2), for- (a) realizing or recovery of tax or any other sum due, or (b) recovery of any financial loss caused to the State Government due to negligence or default in not making proper use of, or not keeping in safe custody, blank or unused forms of declaration. Where, by reason of any order under sub-section (3), the security furnished by a dealer, registered dealer, undertaking or person is forfeited in whole or is rendered insufficient, such dealer, registered dealer, undertaking or person shall, on demand by order of the prescribed authority, furnish fresh or further security of the requisite amount or shall make up the deficiency, as the case may be, in such manner and within such period as may be specified in such order. The prescribed authority may, on application by a dealer, undertaking or person, who has furnished security as required by sub-section (1) or demanded under sub-section (2), refund in the prescribed manner any amount of security or part thereof if such security is not required for the purposes for which it was furnished, 26 (7) 29. (1) Security as required by sub-section (1) or demanded under sub-section (2), shall be furnished by a dealer, registered dealer, undertaking or person in such manner and by such time as may be specified in the order requiring to furnish or demanding such security. No order shall be passed under this section without giving the dealer, registered dealer, undertaking or person an opportunity of being heard. Imposition of penalty for failure to get registered- If a dealer, who is required to get himself registered within two months from the date from which he is first liable to pay tax under section 8, fails to get himself so registered, the prescribed authority may, after giving the dealer an opportunity of being heard, by order impose by way of penalty a sum not less than five thousand rupees and not exceeding ten thousand rupees for each month of default: Provided that no penalty shall be imposed under this sub-section in respect of the same fact for which a prosecution has been instituted and no such prosecution shall lie in respect of a fact for which a penalty has been imposed under this section. (2) If any penalty is imposed under sub-section (1), the prescribed authority shall issue a notice in the prescribed form directing the dealer to pay such penalty by such date as may be specified in the notice and the date to be specified shall not be less than fifteen days from the date of service of such notice and the penalty so imposed shall be paid by the dealer on or before the date so specified, into a Government Treasury or the State Bank of Sikkim or any other bank, as may be notified by the Government: Provided that the prescribed authority may, for reasons to be recorded in writing, extend the date of such payment as specified in the notice in this behalf or allow such dealer to pay the penalty imposed in such number of installments as it may determine

CHAPTER V RETURNS, ASSESSMENT, RE-ASSESSMENT AND PAYMENT OF TAX 30. Returns, payment of tax, interest and penalty- (1) Every such dealer as may be required so to do by the prescribed authority, by notice served in the manner prescribed and every registered dealer (other than a dealer required by section 16 27 to pay tax at a fixed rate in lieu of the tax payable by him), shall furnish a true and complete return in respect of all his transactions relating to sales, purchases, receipts and dispatches of goods in a quarter, on or before the end of the month following the end of the quarter to the prescribed authority in such form and in such manner as may be prescribed (2) Every such dealer as may be required so to do by the prescribed authority, by notice served in the manner prescribed and every registered dealer (other than a dealer required by section 16 to pay tax at a fixed rate in lieu of the tax payable by him), shall furnish a true and complete statement in respect of all his transactions relating to sales and purchases of goods and any such details as may be prescribed for each completed quarter on or before the end of the month following the end of the quarter to the prescribed authority in such form and in such manner as may be prescribed. (3) Every registered dealer shall furnish to the prescribed authority, on or before the due date, a true and complete return in respect of every financial year in the form and manner prescribed. Explanation- In this sub-section, "due date" means- (i) where the dealer is a company within the meaning of the Companies Act, 1956 (Act I of 1956), the 31st day of November of the year following the year to

which such return relate; (ii) where the dealer is a person, other than a company- (a) in a case where the accounts of the dealer are required under this Act or any other law to be audited, the 31st day of October of the year in which the year to which such return relates; (b) in any other case, 31st day of July of the year following the year to which such return relates. (4) Every dealer required by section 16 to pay tax at a fixed rate in lieu of the tax payable by him shall file a quarterly abstract statement for each completed quarter on or before the end of the month following the end of the quarter to the prescribed authority in such form and in such manner as may be prescribed. (5) If the last day prescribed for the filing of quarterly statement or monthly return happens to be a holiday, the next date on which the office opens shall be deemed to be the last day. (6) Notwithstanding anything contained in sub-section (1) or (2), the prescribed authority may, for specific reasons to be recorded in writing, extend the date of filing such return or quarterly statement, as the case may be, subject to the condition that such an extension may be allowed only once and for a period not exceeding thirty days from the due date; Provided that the Commissioner may allow extension beyond thirty days for reasons to be recorded in writing subject to the condition that such an extension may be allowed only once and that also for a period not exceeding three months. If a dealer having furnished a quarterly return under sub-section (1) or the quarterly statement (7) under sub-section (2) discovers any omission or wrong statement therein he may furnish a revised return or statement, as the case may be in the form and manner prescribed to the prescribed authority at any time before the due date within the meaning of sub-section (3): Provided that no such return or statement shall be taken into consideration if, upon information or otherwise and for reasons to be recorded in writing, the prescribed authority is satisfied that the return or statement originally furnished was deliberately false or that it was furnished with intent to defraud the State Government of its revenue. If a dealer fails to furnish the return under sub-section (1) or the quarterly statement under (8) sub-section (2), within the time prescribed in this regard, the prescribed authority shall, after giving such a dealer an opportunity of being heard, impose a penalty at the rate of five hundred rupees for every day of default after the due or extended date, as the case may be. (9) (a) Every dealer liable to furnish the return under sub-section (1) shall deposit the tax payable according to the return on or before the end of the following month in such manner and shall enclose the proof of payment in such form as may be prescribed. (b) Every dealer required by section 16 to pay tax at a fixed rate in lieu of the tax payable by him shall deposit the tax, arrived at after applying the rate specified in the notification issued under section 16 to his quarterly turnover, on or before the end of the month following the quarter to which it relates and shall enclose the proof of payment in the form and manner prescribed along with the statement required to be furnished under sub-section (4). (c) Subject to the provisions of sub-section (10), if any registered dealer submits a revised return under sub-section (7) and if the amount of tax due from such dealer according to the 29 (2) (3) (4) 33. 34. 35. 36. is earlier, upon so much of the amount of tax payable by him according to such notice as remains unpaid at the end of each such month of default. A dealer liable to pay interest under sub-section (1) of this section shall, in the prescribed manner, pay into a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government the amount of interest payable by, or due from, him by such date as may be prescribed. Where as a result of an order under section 74, section 75, section 76 or section 77 the amount of tax payable is modified, the interest payable under sub-section (1) shall be determined on the basis of such modified amount and the excess interest paid, if any shall be relinquished. Interest under sub-section (1) shall be payable in respect of assessment, notices for which are issued under section 41, on or after the appointed day. Exemption from payment of interest- Notwithstanding anything contained in section 31 or 32, no interest shall be payable in such cases or under such circumstances and subject to such conditions, if any, as may be prescribed. Interest payable by Commissioner- The Commissioner shall in the prescribed manner, pay a simple interest at the rate of two per centum for each calendar month of delay in making refund to a dealer of the amount of tax paid in excess which arises out of an order under section 74, section 76 or section 77, passed on or after the appointed day, from the thirty first day of the date following the date of such order. upto the date preceding the date in which the refund is made in the manner referred to in section 53, upon the amount of tax refundable to him according to such order. Rounding off of amount of tax, interest or penalty- The amount of tax, interest or penalty payable or refundable for any period under the provisions of this Act shall be rounded off to the nearest rupee and for this purpose, where such amount contains a part of a rupee, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise it shall be ignored. Collection of tax only by dealers liable to pay

tax- (1) No dealer who is not liable to pay tax under this Act shall collect in respect of any sale of goods by him any amount of tax under this Act, and no dealer who is liable to pay tax under 32 (2) (3) this Act, shall make any such collection except in accordance with the provisions of this Act or in excess of the amount of tax payable by him under this Act. If any dealer contravenes the provisions of sub-section (1) he shall, notwithstanding anything contained elsewhere in this Act, deposit the amount collected by way of tax or the amount collected by way of tax in excess of the amount payable under this Act, as the case may be, into a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government within thirty days from the date of such collection and intimate the prescribed authority of such deposit along with a receipt from such Treasury or Bank showing payment of such amount. The prescribed authority shall on application made by the buyer in respect of sales of goods referred to in sub-section (1) and on such terms and conditions as it may deem fit and proper, refund to such buyer the tax or the excess tax, as the case may be, collected from such buyers and deposited by the dealer in the manner referred to in sub-section (2): Provided that no application from any buyer shall be entertained unless the same is made within twelve months from the date on which the tax or excess tax, as the case may be, is paid and supported by relevant cash memo or bill issued by the dealer. 37. (1) (2) (3) 38. (1) Scrutiny of returns- The prescribed authority shall, within the time and in the manner prescribed, scrutinize every return filed under sub-sections (1), (3) and (4) of section 30 for the purpose of ascertaining that- (a) all calculations contained therein are arithmetically accurate; (b) the output tax, the input tax, the tax payable and interest payable, if any, have been computed correctly and properly; (c) tax rates have been applied correctly; and (d) evidence has been furnished with regard to payment of tax and interest payable, if any. If, upon scrutiny under sub-section (1) the prescribed authority discovers any error, it shall serve a notice in prescribed form on the dealer directing him to- (a) either pay, within thirty days, the extra amount of tax along with the interest, if any, payable and furnish the challan evidencing such payment; or (b) explain, within thirty days, that the return or returns filed by him do not suffer from the infirmities mentioned in sub-section (1). (a) The prescribed authority shall, in a case falling under clause (b) of sub-section (2) and after giving the dealer a reasonable opportunity to adduce necessary evidence, pass such order in the matter as may be deemed fit. (b) If, pursuant to an order under clause (a), any sum is found to be payable, a notice in the form and manner prescribed, shall be served upon the dealer requiring him to pay the tax and interest within the time prescribed. (c) Any tax or interest payable under clause (b) shall be deemed to be an arrear of tax within the meaning of section 45 of the Act. Assessment of tax payable by registered dealers- If no returns are furnished by a dealer in respect of any period by the prescribed date, or the prescribed authority is not satisfied that the returns furnished are correct and complete, the prescribed authority shall proceed in such manner as may be prescribed to assess to the best of his judgment the amount of tax due from the dealer, and in making such assessment, give a dealer a reasonable opportunity of being heard. 34 (2) (3) (4) (5) In the case of failure by a registered dealer to furnish, in respect of any period, a return accompanied by a receipt from a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government as required under sub-section (9) of section 30, by the prescribed date, the prescribed authority may, if it is satisfied that the default was made without reasonable cause, direct that the registered 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 that amount: Where a registered dealer brings to the notice of the prescribed authority in writing, ordinarily within six months from the end of the year that, due to error in fact or in law, an amount of tax has been paid by him in excess of what was payable by him during any return period relating to such a year and requests the prescribed authority for making

assessment, proceed to make assessment in respect of such year before the expiry of the period of limitation provided in sub-section (2) of section 42. Where upon search or seizure of any accounts, registers or documents or of any goods of a registered dealer, or upon enquiry or information received, the prescribed authority has reasons to believe that the dealer has not accounted for the turnover of sales of goods or purchases of goods as appear from such accounts, registers or documents in the books of accounts referred to in section 54 or has not shown such turnover in his return furnished under section 30 in respect of any return period, the prescribed authority shall proceed in such manner as may be prescribed to assess to the best of his judgment the amount of tax payable by the dealer in respect of such return period after giving the registered dealer a reasonable opportunity of being heard and direct such dealer to pay the amount of tax so assessed in such manner and by such date as the prescribed authority may deem fit. In the case of failure by the registered dealer to furnish in respect of any period, a return accompanied by a receipt from the Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government required under sub-section (5) of section 36 by the prescribed date, the prescribed authority may, if it is satisfied that the default was made without cause, 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. (3) date during the period commencing on the day of January and ending on the 30th day of June; and (b) after the 3 day of December next following the expiry of six years from the end of the year in respect of which or part of which the assessment is made, where such six years end on any date during the period commencing on the 1st of July and ending on the 31st day of December. (3) Notwithstanding anything contained in sub-section (1) or sub-section (2), assessment of tax due from a registered dealer, not being selected under section 40 for assessment in respect of any year comprising a period or periods, may be made before the expiry of six years from the end of the year in respect of which or part of which the assessment is made or was 10 have been made. (4) Notwithstanding anything contained in sub-section (1) or sub-section (2) or sub-section (3), when a fresh assessment is required to be made in pursuance of an order under section 74 or section 75 or section 76 or section 77 or in pursuance of any order of the Appellate Authority or any court, such fresh assessment may be made at any time within two years from the date of such order. (5) In computing the time limit for making any assessment under section 39 or section 40, the period during which the prescribed authority is restrained from commencing or continuing any proceedings by an order of the competent authority or any court shall be excluded.

43. Determination of interest- (1) Where the prescribed authority is satisfied that a dealer is liable to pay interest under section 31 or section 32, he shall, in such manner as may be prescribed, determine the amount of interest payable by such dealer. (2) If additional amount of interest is found to be payable by the dealer or any excess amount of interest is found to be refundable to the dealer, the prescribed authority shall issue a notice, in the prescribed manner to such dealer directing him to pay such additional amount or informing him of the excess amount paid, as the case may be. (3) No determination of Interest under sub-section (1) in respect of interest payable under section 31 shall be made after the date of assessment under section 38, 39 or 40 in respect of the period to which interest is determined. 38 44. (2)

45. (1) (2) Rectification of mistake in determination of interest- Where there is an apparent mistake in the determination of interest under sub-section (1) of section 43, the prescribed authority may, on its own motion or upon application made by a dealer within six months from the date of such determination of interest, rectify the amount of interest payable by such dealer or refundable to such dealer and issue a fresh notice for payment of interest in the manner prescribed under that section. Where on rectification of the amount of interest under sub-section (1) any excess amount is found refundable to a dealer, the prescribed authority shall, in the manner referred to in section 53, refund such excess amount of interest to such dealer. Recovery of tax, penalty and interest Any amount of tax, penalty or interest due under this Act from a dealer, which remains unpaid after the date specified in a notice of demand issued in this behalf under this Act or the rules made thereunder, directing payment of such amount of tax, penalty or interest, shall be recoverable by the Tax Recovery Inspector in accordance with the provisions of sub-section (2) of this section, section 50, section 51 or section 52 and the rules regulating the procedure for recovery of tax, penalty and interest made thereunder where the State Government directs by general or special order so to do in respect of such class or classes of dealers having their places of business in such area or areas as may be specified in such order. Where any amount of tax, penalty or interest is recoverable in accordance with sub-section (1), the prescribed authority shall send to the Tax Recovery Inspector a certificate under the

signature specifying the amount of tax, penalty or interest due from the dealer, owner or lessee of warehouse, person or owner of goods (hereinafter referred to as the certificate-debtor), and the Tax Recovery Inspector shall, on receipt of such certificate, proceed to recover from the certificate-debtor the amount specified in the certificate by one or more of the following modes in accordance with the rules as may be prescribed; - (a) attachment and sale of the movable property of the certificate-debtor; (b) attachment and sale of the immovable property of the certificate-debtor; (c) arrest of the certificate-debtor and his detention in prison; (d) appointing a receiver for the management of the movable and immovable properties of the certificate-debtor. (3) (4) (5) (6) (7) (8) (9) The prescribed authority may send a certificate under sub-section (2), notwithstanding that proceedings for recovery of such tax, penalty or interest have been initiated or are continuing by any other mode. The State Government may, for the purpose of this section and sections 46 to 49, appoint, by notification, such number of Tax Recovery Inspectors under section 4 of the Sikkim (Collection of Taxes and Prevention of Evasion of Payment of Taxes) Act, 1987 (Act No. 7 of 1987) and specify the area or areas over which they shall exercise jurisdiction. On receipt of the certificate under sub-section (2), the Tax Recovery Inspector shall serve a notice along with a true and authenticated copy of it to the certificate-debtor, in the form and manner prescribed. On and from the date of the receipt of the notice under sub-section (5), the certificate-debtor shall not transfer his immovable property or any interest therein and any such transfer of the said property or any interest therein shall be void. The certificate-debtor may, within thirty days from the service of the notice required by sub-section (5), or where the notice has not been duly served, then, within thirty days from the execution of any process for enforcing the certificate, file his objections denying his liability in whole or part of the immovable property specified in the certificate in the form and manner as may be prescribed. The Tax Recovery Inspector to whom the original certificate is sent shall, subject to the provisions of sub-section (1) of section 48 hear the petition, take evidence, if necessary and determine whether the certificate-debtor is liable for the whole or any part of the amount for which certificate was signed. Where any proceeding for the recovery of any amount of tax, penalty or interest remaining unpaid has been commenced under this Chapter and the amount of tax, penalty or interest is subsequently modified, enhanced or reduced in consequence of any assessment made, or order passed on appeal, revision or review, under this Act, the prescribed authority may, in such manner and within such period as may be prescribed, inform the certificate-debtor and the Collector or the Tax Recovery Inspector, as the case maybe, by whom or under whose order the recovery is being made or to be made and thereupon such proceedings may be continued as if the amount of tax, penalty or interest as modified, enhanced or reduced has been substituted for the amount of tax, penalty or interest which was to be recovered under sub-section (1). 40 (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) 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Tax Recovery Inspector. The prescribed authority shall have the power to withdraw or cancel such certificate, or to correct such certificate. The prescribed authority shall intimate to the Tax Recovery Inspector any order withdrawing or canceling a certificate or any correction made by him under sub-section (1) of section 46. (2) Validity of Certificate for Tax Recovery- When the prescribed authority forwards a certificate to a Tax Recovery Inspector under section 46, it shall not be open to the certificate-debtor to dispute before the Tax Recovery Inspector the propriety or correctness of the assessment of tax, imposition of penalty or determination of interest under this Act and no objection to such certificate on any such ground shall be entertained by the Tax Recovery Inspector. It is hereby declared that where any amount of tax, penalty or interest is recoverable in accordance with the provisions of sub-section (3) of section 46, the provisions of the Sikkim (Collection of Taxes and Prevention of Evasion of Payment of Taxes) Act, 1987, shall not apply to any proceedings for the recovery of such amount of tax, penalty or interest. (3) Transmission of Certificates for Tax Recovery to Collector in certain cases- Where any amount of tax, penalty or interest due from a certificate debtor cannot be recovered by the Tax Recovery Inspector by any one of the modes referred to in section 45 and where the Tax Recovery Inspector has information that such certificate debtor owns any property outside Sikkim, the amount of such tax, penalty or interest remaining unpaid shall be deemed to be an arrear of land revenue and the Tax Recovery Inspector shall apply to the Collector of the district in Sikkim in which such certificate-debtor carries on his business, has his principal place of business or his goods have been seized, as the case may be, for the recovery of the said amount in accordance with the provisions of the law for the time being in force in Sikkim. (4) Special mode of recovery of tax, penalty and interest - Notwithstanding the forwarding of a certificate under section 46 for recovery of any amount of tax, penalty or interest, the prescribed authority may, at any time, by notice in the prescribed form, require any person from whom money is due or may become due to a dealer or any (2) (3) (4) (5) (6) person who holds or may subsequently hold money for, or on account of, such dealer, to deposit into a Government Treasury or State Bank of Sikkim or any other bank as may be notified by the Government under the appropriate head of account, either forthwith upon the money becoming due or being held or at or within the time specified in the notice so much of the money as is sufficient to pay the amount due from such dealer in respect of the arrears of such tax, penalty or interest or the whole of the money when such money is equal to or less than that amount. A notice under this section may be issued to any person who holds or may subsequently hold any money for, or on account of, the dealer jointly with any other person, and for the purposes of this section, the shares of the joint-holders in such account shall be presumed, until the contrary is proved, to be equal. A copy of the notice shall be forwarded to the dealer at his last known address and in the case of a joint account, to all the joint-account holders at their last known address. Save as otherwise provided in this section, every person to whom a notice is issued under this section shall be bound to comply with such notice, and, in particular, where any such notice is issued to a post office, banking company or insurer, it shall not be necessary for any pass book, deposit receipt, policy or any other document to be produced for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary. Any claim respecting any money, which is due or to become due or is being held or may subsequently be held in relation to which a notice under this section has been issued arising after the date of such notice, shall be void as against any demand contained in such notice. Where a person to whom a notice under this section is sent proves to the satisfaction of the prescribed authority that the sum demanded or any part thereof is not due to the dealer or that he does not hold any money for, or on account of, the dealer or that the money demanded or any part thereof is not likely to be due to the dealer or be held for, or on account of, the dealer, then, nothing contained in this section shall be deemed to require such person to deposit any such sum or part thereof, as the case may be. (7) The prescribed authority may, at any time, amend or revoke any notice issued under this section or extend the time for making any payment in pursuance of such notice. (8) The Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government, shall grant a receipt for any amount paid in compliance with a notice issued under this section and the person so paying the amount shall be fully discharged from his liability to the dealer to the extent of the amount so paid. (9) Any person discharging any liability to the dealer after receipt of a notice under this section shall be personally liable to the extent of his own liability to the dealer so discharged or to the extent of the liability of such dealer for any amount due under this Act, whichever is less. (10) If the person to whom a notice under this section is sent fails to make payment in pursuance thereof, he shall be

deemed to be a dealer in default in respect of the amount specified in the notice and further proceeding may be taken against him for the recovery of the amount as if it were an arrear due from him and the notice shall have the same effect as attachment of debt. (11) The prescribed authority may apply to the court in whose custody there is money belonging to the dealer for payment of the entire amount of such money or, if it is more than the amount of tax, penalty or interest due, an amount sufficient to discharge the liability of the amount of tax, penalty or interest: Provided that any diies exempt from attachment in execution of a decree of a civil court under section 60 of the Code of Civil Procedure, 1908 (5 of 1908), sha I be exempt from any payment required to be made under this section

51. Assessment without prejudice to prosecution for any offence- Any assessment of tax or determination of interest made under this Act shall be without prejudice to any prosecution instituted for an offence under this Act



52. Assessment after partition of Hindu Undivided Family or dissolution of firm and tax payable by a deceased dealer- (l) Where a dealer is a Hindu undivided family, firm or other association of persons, and such family, firm or association is partitioned, disrupted or dissolved, as the case maybe,- (a) the tax, penalty or interest payable under this Act by such family, firm or association of

44 (2) 53.(1) (2) (3) persons for the period up to the date of such partition, disruption shall be assessed, imposed or determined as if no such partition, disruption or dissolution had taken place and all the provisions of this Act shall apply accordingly, and (h) every person who was. at the time of such partition, disruption or dissolution, a member of the Hindu undivided family. partner of a firm or member of an association of persons and the legal representative of any such person, who is deceased, shall, notwithstanding such partition, disruption or dissolution, be jointly and severally liable for the payment. of the tax, penalty or interest payable under this Act by such family, firm or association of persons for the period up to the date of such partition, disruption or dissolution, whether assessment of such tax. imposition of such penalty or determination of such interest is made prior to, or after, such partition disruption or dissolution. Where a dealer carrying on a business as the sole proprietor dies and the business is partitioned, disrupted or discontinued upon his death, the executor, administrator or legal heir shall notwithstanding the provisions of clause (xii) of section 2, be deemed to be a dealer under this Act for the purposes of assessment or tax, determination of interest and payment, recovery and refund of tax assessed or interest determined, shall apply accordingly. Refunds- The prescribed authority shall, in the manner prescribed, refund to a dealer any amount of tax, penalty or interest paid by such dealer in excess of the amount due from him under this Act, either by cash payment, deduction or adjustment of such excess from the amount of tax, penalty or interest due in respect of other period or periods. Nothing in sub-section (1) shall be deemed to empower the prescribed authority to amend, vary or rescind any assessment, or to amend, vary or rescind any order passed on appeal, revision or review under section 74, section 75, section 76, or section 77 or to confer on a dealer any relief in addition to what he is entitled under the provisions of this Act. Subject to other provisions of this Act, the prescribed authority shall, in the manner prescribed, refund to a dealer the amount of excess input tax credit if it is satisfied that the claim made under section 21 is true and correct. 45 54. (1) (2) (3) (4) (5) 55. (1) (2) CHAPTER VI ACCOUNTS AND

RECORDS Maintenance of accounts and records etc.- Every registered dealer or a dealer to whom a notice has been served to furnish return under section 30 shall maintain a true and up to date account of the value of goods purchased or manufactured and sold by him or goods held by him in stock, and, in addition to the books of account that a dealer maintains and keeps for the purpose referred to in this sub-section, he shall maintain and keep such registers and accounts in such

form in the manner prescribed. Every registered dealer or dealer referred to in sub-section (1) shall keep at his place of business all accounts, registers and documents maintained in the course of business, Where a dealer as referred to in sub-section (1) has established branch offices of the business in the State other than the principal place of business, the relevant accounts, registers and documents in respect of each such branch shall, without prejudice to the provisions of sub-section (5), be kept by him at such branch. If the prescribed authority is of the opinion that the accounts maintained by any dealer or class of dealers do not sufficiently enable him to verify the returns referred to in section 30 or the assessment can not be made on the basis thereof, it may by an order, require such dealer or class of dealers, to keep such accounts, in such form and in such manner as it may, subject to rules made under this Act, direct. If the prescribed authority is satisfied that any dealer is not in a position to maintain accounts in accordance with the provisions of sub-section (1), it may, for reasons to be recorded in writing, exempt such dealer from the operation of the provisions of the said sub-section.

Tax invoice:- Every registered dealer making a taxable sale to another dealer, whether registered or not, shall provide that purchaser at the time of sale with a tax invoice containing such particulars as specified in sub-section (4), and retain a copy thereof. The tax invoice shall not be issued by a dealer in the following circumstances, (a) a retail registered dealer is paying compounding tax in lieu of VAT; or (b) the sale in the course of export out of the territory of India; or (c) the sale in the course of inter State trade and commerce; or 46 (3) (4) (5) (6) (d) the sale of goods exempt from tax under Schedule I. (e) the goods transferred in the execution of works contract. Not more than one tax invoice shall be issued for each taxable sale. The tax invoice issued under sub-section (1) shall contain the following particulars on the original as well as copies thereof— (a) the word 'Tax Invoice' in bold letter at the top or any prominent place; (b) the name, address and registration certificate number of the selling registered dealer; (c) the name, address and registration certificate number of the purchasing registered dealer; (d) an individual serialised number and the date on which the tax invoice is issued; (e) description, quantity, volume and value of goods sold and amount tax charged thereon indicated separately; (f) signature of the selling dealer or his servant, manager or agent, duly authorised by him; (g) the name and address of the printer, and first and last serial number of tax invoices printed and supplied by him to the dealer; Except when tax invoice is issued under sub-section (1), if a registered dealer sells any goods exceeding such amount in value as may be notified from time to time, in any one transaction to any person, he shall issue to the Purchaser a retail invoice and retain a copy thereof. The retail invoice shall contain the following particulars on the original as well as copies thereof,- (a) the words 'Retail Invoice' or 'Cash Memorandum' or 'Bill' in bold letters at the top or in a prominent place; (b) the name, address and registration certificate number of the selling registered dealer; (c) in case the sale is in the course of export out of the territory of India, the name, address and registration number, if any, of the purchasing dealer/foreign buyer and the type of statutory form, if any, against which the sale has been made; (d) an individual serialised number and the date on which the retail invoice is issued; (e) description, quantity, volume and value of goods sold inclusive of tax, charged thereon; (f) signature of the selling dealer or his servant, manager or agent, duly authorised by him; (g) the name and address of the printer, and last serial number of retail invoices printed and supplied by him to the dealer. 47 (7) (8) (9) Tax invoice shall be issued in triplicate. The original and the first copy shall be issued to the purchaser or the person taking delivery of the goods, as the case may be, and the second copy shall be retained by the selling dealer. Retail invoice shall be issued in duplicate, The original shall be issued to the purchaser and the duplicate copy shall be retained by the selling dealer. Every dealer referred to in sub-section (1) shall preserve books of account including tax invoices and retail invoices until the expiry of five years after the end of the year to which they relate or until the assessment reaches its finality whichever is later, (10) Where such dealer is party to any appeal, or revision under this Act, he shall retain, until the 56. 57. 58. (1) (2) appeal or revision is finally disposed of, every record and accounts that pertain to the subject matter of the appeal or revision. **Electronic record:-** Every dealer who maintains the records electronically shall retain them in electronically readable format for the period of five years. **Requirement to provide information:-** Notwithstanding anything contrary to the provisions of this Act, the prescribed authority may, for any purpose related to the administration or enforcement of the provisions of this Act, by notice, require any person to provide to the prescribed authority, within such reasonable time as is stipulated in the notice, with any information including a return or any document including electronic records. **Audit of accounts.-** Where in any particular year, the gross turnover of a dealer exceeds five lakh rupees or such other amount

as the State Government may, by a notification in the official Gazette specify, then such dealer shall get his accounts, in respect of that year audited by an Accountant within six months from the end of that year and obtain a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed. A true copy of such report shall be furnished by such dealer to the prescribed authority by the end of the month after expiry of the period of six months during which the audit would have been completed. 48 If any dealer liable to get his accounts audited under sub-section (1) fails to get his accounts (3) audited and furnish a true copy of the audit report within the time specified in sub-section (2), the prescribed authority shall, after giving the dealer a reasonable opportunity of being heard, impose on him, in addition to any tax payable, a sum by way of penalty equal to one percent of the turnover as it may determine to the best of its judgement in respect of the said period.

Explanation - For the purpose of this section, "Accountant" means a Chartered Accountant within the meaning of the Chartered Accountant's Act, 1949 and includes a person who by virtue of the provisions of sub-section (2) of section 226 of the Companies Act, 1956, is entitled to be appointed to act as an auditor of Companies registered under the said Act

59. Dealer to declare the name of his business manager:- (1) Every dealer, who is liable to pay tax and who is a Hindu Undivided Family or an association of persons, club or society, firm or company, or who is engaged in business as the guardian or trustee, or otherwise on behalf of another person, shall within the period prescribed, furnish a declaration in the manner prescribed stating the name of the person or persons who shall be deemed to be manager or managers of such dealer's business for the purposes of this Act. (2) Such declaration shall be furnished at the time of registration, where applicable and shall be revised from time to time, (3) The declaration furnished under sub-section (1) shall also contain the name and address with designation in relation to the business of such persons who are authorised to receive notice and other documents under this Act and the service of notice on such persons shall be binding on the dealer

CHAPTER INSPECTION OF ACCOUNTS, DOCUMENTS, SEARCH AND SEIZURE AND ESTABLISHMENT OF CHECK POSTS

60. Maintenance of accounts by transporter, carrier or transporting agent - (1) Notwithstanding anything contained in any other law for the time being in force, any transporter, carrier or transporting agent, shall maintain, in the prescribed form, proper accounts of taxable goods transported by him into, or outside, or within Sikkim on account of any person or 49 (2) (3) (4) dealer, being a consignee or consignor. as the case may be, and shall, on demand by the officer authorised in this behalf, furnish such information to such officer as may be required in relation to transport of such goods by such transporter, carrier or transporting agent, The accounts referred to in sub-section (1) and goods referred to in that sub-section and stored in a godown or warehouse in Sikkim, shall be open to inspection by the officer authorised in this behalf, at all reasonable time. Where any transporter, carrier or transporting agent fails to maintain proper account in the prescribed form or fails to furnish information to the officer authorised in this behalf as required by sub-section (1), such officer may enter and search the place of business or any other place where transporter, carrier or transporting agent keeps any records or documents in relation to transport of goods and such officer may, for reasons to be recorded in writing seize such records or documents. Where any transporter, carrier or transporting agent has,- (a) received any consignment of goods to any place outside or within Sikkim, or (b) transported into Sikkim any consignment of taxable goods on account of any person or dealer and the officer authorised in this behalf has information that such person or dealer is not in existence at the address given in the invoice, consignment note or any document of like nature in respect of any consignment of goods referred to in clause (a), or clause (b), such officer may direct the transporter, carrier or transporting agent, by an order in writing, that,- (i) the consignment of goods referred to in clause (a) shall not be transported outside, or within, Sikkim; (ii) the consignment of goods referred to in clause (b) shall not be delivered till the matter is investigated into by such officer or till period of fifteen days [excluding Sunday or a public holiday declared under the Negotiable Instrument Act, 1881 (26 of 1881)] expires from the date of communication of such direction to the transporter, carrier or transporting agent, whichever is earlier. 50 (5) 61. (1) Where the officer authorised in this behalf. after giving the person or dealer referred to in clause (a), or clause (b), as the case may be, of sub-section (4), a reasonable opportunity of being heard. or after causing an enquiry about the existence of such person, casual trader or dealer. (a) is in existence at the address given in the bill, invoice, consignment note or any document of like nature, such officer shall forthwith withdraw, by an order in writing, his direction issued under sub-section () to the transporter, carrier or transporting agent', or (b) is not in address given in the bill, invoice, consignment note or any document of like nature, the transport of the consignment of taxable goods by such person or dealer to any place outside, or within, or into, Sikkim, shall be deemed to be in contravention of the provisions of this section or section 71, as the case may be, and such officer shall seize such consignment or goods under section 68. Imposition of penalty for failure to issue tax invoice, cash memo or bill" If a registered dealer or dealer contravenes the provisions of section 55, the officer authorised in this behalf may, after giving such dealer a reasonable opportunity of being heard, by order in writing, direct that such dealer shall pay, by way of penalty, a sum equal to double the amount of tax which could have been levied under this Act in respect of the sales referred to in that section where no tax invoice, cash memo or bill has been issued, or five thousand rupees, whichever is greater: Provided that if such registered dealer or dealer proves to the satisfaction of the Commissioner or such other officer that he deals exclusively in goods specified in Schedule \ sales of which are declared tax-free under section 12 or that it is not practicable for such registered dealer or dealer to issue tax invoice, cash memo or bill against each transaction in view of the circumstances and nature of his business, such other officer exempt such registered dealer or dealer from payment of penalty or impose such lesser amount of penalty as he deem fit and proper. (2) Any penalty imposed under sub-section (1) shall be paid by the registered dealer or dealer into a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government by such date as may be specified in a notice to be issued by such other officer 51 (3) 62. (1) (2) 63. (1) (2) 64. (1) officer in this behalf, and the date to be specified shall not be less than fifteen days from the date of service of such notice. Any amount of penalty that remains unpaid after the date specified in the notice referred to in sub-section (2), shall be recoverable in accordance with the provisions of section 45, Production and inspection of accounts, registers and documents- The officer authorised in this behalf may require any dealer,- (a) to produce before him any accounts, registers or documents, or (b) to furnish any information relating to,- (i) stock of goods held by

such person or dealer, (ii) purchases, sales or deliveries of goods made by such dealer, or (iii) any other matter, and (c) to explain to such officer any accounts, registers or documents produced by such dealer as may be deemed necessary for the purposes of this Act. All accounts, registers and documents relating to the stock of goods held or purchases, sales or deliveries of goods, by any dealer and all goods kept in any place of business of any dealer shall, at all reasonable time, be open to inspection by such officer. Seizure of dealer's accounts- If the officer authorised in this behalf, 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 or electronic accounts maintained on any computer or electronic media, as may be necessary and shall grant a receipt for such accounts, registers or documents seized by him and shall retain all or any of them only for such period as may be necessary examination thereof or for prosecution or for any other purpose of this Act. The officer authorised in this behalf shall not retain any of the accounts, registers or documents seized by him under this section for a period exceeding one year from the date of the seizure except after recording reasons in writing for retaining them beyond one year. Entry and search of place of business or any other place- For the purpose of section 62 or section 63, the officer authorised in this behalf, may enter and search any place of business of any dealer, person, transporter or owner/lessee of a warehouse 52 (2) 65. (1) (2) (3) where he has reason to believe that such dealer, person, transporter, owner or lessee of a warehouse, keeps or is, for the time being, keeping any accounts, registers, documents or records of his business or any stock of goods for sale in such place. The officer authorised in this behalf, while entering or searching any place of business of a dealer, person, transporter, owner or lessee of a warehouse or any other place, break open any door or window of a house, room or warehouse, or any almirah, safe, box or receptacle in which such officer has reason to believe that such dealer, person, transporter, owner or lessee of warehouse keeps or is, for the time being, keeping any accounts, registers, documents or records of his business or any stock of goods for sale. Establishment of check posts for inspection of goods in transport — The Government may, with a view to prevent or check avoidance or evasion of tax, by notification in the Official Gazette, direct the establishment of the checkpost or barrier at such places as may be specified in the notification and declare the name of officer who shall exercise powers and discharge duties at such checkpost by way of inspection of documents produced and goods being moved. The driver or person in charge of a vehicle or carrier of goods in movement shall - (a) carry with him the records of the goods including delivery challans, bills or cash memo of Sales or dispatch memos and prescribed declaration Form or way bill duly filled in and signed by the consignor of goods concerned, (b) stop the vehicle or carrier at every check post set up under sub-section (1), or any other place when so required by an officer authorised in this behalf: (c) produce all the documents including the prescribed way bill relating to the goods before the officer in charge of the checkpost or the authorised officer; (d) give all the information in his possession relating to the goods; (e) allow the inspection of the goods in the vehicle by the officer in charge of the check post or any authorised officer. Where any goods are in movement within the territory of the State of Sikkim an officer empowered by the State Government in this behalf, may, stop the vehicle or the carrier or the 53 (4) 66.

67. (1) (2) person carrying such goods, for inspection, at any place within his jurisdiction and the provisions of sub-section (2) shall mutatis mutandis apply. For the purposes of this Chapter "vehicle or carrier" shall include every river craft, raft, timber, bamboos or any floating material propelled by any manner.

Interception, detention and search of vehicles or carrier and search of warehouse, etc.- For the purpose of verifying whether any consignment of goods are being or have been transported in contravention of the provisions of section 60 or section 71, the officer in charge of the check post or any other officer authorised in this behalf, may, - (a) intercept, detain and search at any place referred to in sub-section (1) of section 65, any vehicle or carrier or any load carried by a person, or (b) search any warehouse or any other place in which, according to his information, such goods transported in contravention of the provisions of section 71 have been stored. Stock of goods stored in undisclosed warehouses - If any registered dealer has not disclosed any warehouse in his application or for registration made under sub-section (2) of section 26 or has not furnished information under section 88 regarding change of his warehouse or opening of a new warehouse for amendment of his certificate of registration under sub-section (6) of section 26 and if any stock of goods is found in such warehouse after search made under section 64 by authorised officer, it shall be presumed that such dealer has transported such goods in contravention of section 60 and stored those goods in such warehouse, unless such dealer- (a) explains to

the authorised officer who conducts such search, the reason for not disclosing the warehouse or furnishing the information under section 88 and the stock of goods found stored in such warehouse, and (b) produces on demand by the authorised officer and explains the stock register or any account of stock showing entry of such goods in the purchase bill or cash memo or challan. Where the dealer prays for time for the purpose of clause (b) of sub-section (1) the authorised officer may allow time to produce before him the document referred to in that clause, and shall meanwhile seal such warehouse up to the time allowed by

Sum. 54 68. (1) Seizure of goods- Where, upon interception or search referred to in section 66, the authorised officer is of the opinion that any goods are being transported in contravention of the provisions of that section, he shall first detain the vehicle or cart carrying such goods for a period not exceeding forty eight hours and, if the person bringing, imparing or receiving such goods fails to furnish particulars in the prescribed form, shall seize such goods together with any container or other materials for the packing of such goods: Provided [that in computing the period of detention not exceeding forty-eight hours, Sunday or public holiday declared under the Negotiable Instrument Act, 1881 (26 Of 1 881) Shall not be taken into account. (2) (3) (4) Where, upon search of any warehouse or other place referred to in clause (b) of section 66, the authorised officer has reason to believe that any goods transported in contravention of the provisions section 60, have been stored in such warehouse or other place, he shall seize such goods together with container or any other materials used for packing of such goods or, in case such goods are not seized. he may seal such warehouse. If the dealer fails to produce before the authorised officer the document referred to in clause (b) of sub-section (1) of section 67 and fails to satisfy him that the goods found in such warehouse have not been transported in contravention of section 6(), he shall, for reasons to be recorded in writing, seize the goods and grant a receipt specifying the items of goods so seized. Where the authority referred to in sub-section (1) seizes any goods under that sub-section, it may, at the option of any transporter, in writing, give custody of such seized goods to him and allow him to transport such seized goods upto the godown or warehouse of the transporter in Sikkim as declared by him, on the express condition that such transporter shall keep such seized goods in the said godown or warehouse and that he shall not deliver such seized goods to the consignee or owner of such seized goods so transported by him before the proceedings, if any, initiated against the consignee or owner of such seized goods under section 69 are concluded: Provided that the authority referred to in sub-section (1) may take physical possession of such seized goods from the custody of the transporter even before the conclusion of the proceedings under section 69 where such transporter communicated, in writing, to such authority his difficulty in keeping such seized goods in his custody after the expiry of thirty days from the date of storing of such seized goods in his godown or warehouse. 69. (1) (2) Penalty for transporting goods into Sikkim in contravention of Section 6()- If any goods are seized under section 68, the authorised officer may, by an order in writing, impose upon the person from whom such goods are seized, or the owner of such goods. where particulars of the owner of such goods are available, or where there is no claimant for such goods at the time of such seizure, any person who subsequently establishes his claim of ownership or possession of such goods, after giving such person or owner, as the case may be, a reasonable opportunity of being heard, a penalty of a sum not exceeding fifty per centum of the value of such goods. A penalty imposed under sub-section (1) shall be paid by the person or the owner of goods. as the case may be, into a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the (Government by such date as may be specified by the authorised officer in a notice to be issued for this purpose, and the date so specified shall not be earlier than fifteen days from the date of the notice; Provided that the authorised officer may, for reasons to be recorded in writing, extend the date of payment of the penalty for such period as he may think fit. (3) (4) (5) The goods seized under section 68 shall be released in the prescribed manner on payment of the penalty imposed under sub-section (1); If the penalty is not paid by the date specified in the notice issued under sub-section (2), the authorised officer may, in such manner and subject to such restrictions and conditions as may be prescribed, sell the goods seized under section 68 in open auction and remit the sale proceeds thereof to a Government Treasury. Notwithstanding anything contained in sub-section (a) the officer before whom an application for revision under section 75 against an order for imposition of penalty referred to in sub-section (1), is pending, or (b) The Commissioner, where there is no application for revision under section 76, may, for reasons to be recorded in writing, direct release of the goods seized under section 68 on such terms and conditions as he may deem fit. 56 (6) (7) (8) 70. Notwithstanding anything contained in sub-section (4). the Commissioner

may. where the goods seized under section 68 are.- (a) of perishable nature. or (b) required to be used by a specified date, sell such goods in open auction after the expiry of such period as he may consider fit and proper. if he is of opinion that such goods may become unusable or unsaleable on detention or destroy such goods if the said goods become unusable before the sale in open auction actually takes place. The proceeds of sale of the goods referred to in sub-section (4) or sub-section (6) shall be applied for payment in the following order of priority:- (a) first, for incidental charges. if any, relating to auction sale of such goods; (b) secondly, for expenses, if any, for storage of such goods; (c) thirdly, for penalty imposed under sub-section (I). and the balance of the proceeds of sale. if any, shall be paid to the owner of the goods or if his particulars are not available, to the persons from whom such goods were seized under section 68, upon application within one year from the date of sale or within such further period as may be allowed by the Commissioner for cause shown to his satisfaction. Any amount of penalty imposed under sub-section (I), which remains unpaid after the date specified in the notice issued under sub-section (2) or which cannot be recovered in accordance with the provisions of sub-section (4), sub-section (6) or sub-section (7), shall be recoverable in accordance with provisions of section 45.

Transporter liable to penalty for transport in contravention of the provisions of sub-section (4) or Section 68 Where a transporter, at his option, takes custody under sub-section (4) of section 68 of any goods seized under sub-section (I) of that section and thereafter contravenes the provisions of sub-section (4) of that section by delivering such seized goods wholly or partly to the consignee or owner of such seized goods without prior permission, in writing of the authority referred to in sub-section (I) of section 68. the said authority shall, after giving the transporter a reasonable opportunity of being heard, impose upon him penalty not exceeding fifty per centum of the market value of such seized goods in Sikkim.

57 Explanation — For the purposes of this section and section 71- 71, (1) (a) 'transporter' means the owner, or any person having possession or control of goods vehicle, who transports, on account of any other person for hire or on his own account any goods from one place to another and includes any person whose name is entered in the permit granted under the Motor Vehicles Act, 1988 (Act No. 59 of 1988), as the holder thereof, the driver or any other person in charge of such vehicle, (b) "goods vehicle" means any motor vehicle as defined in the Motor Vehicles Act, 1988, constructed or adapted for use for transportation of goods or any motor vehicle not so constructed or adapted when used for the transportation of goods and includes a trailer attached to such vehicle.

Measures to prevent evasion of tax on sales Where a transporter carries from any place in Sikkim, in a goods vehicle, any consignment of goods and such vehicle is bound for any place outside Sikkim, he shall, in addition to a document of title to the goods, carry with him in respect of such goods,- (a) Where carriage is caused by sale of such goods, two copies of the bill or cash memorandum issued by the seller of such goods, and the prescribed

form containing such particulars as may be or (b) where carriage IS caused otherwise than by a sale of such goods, two copies of the forwarding note, delivery challan or document of like nature, by whatever name called, issued by the owner or consignee of such goods, and a billform in the prescribed form containing such particulars as may be prescribed: Provided that the provisions of [this sub-section shall not apply where the transporter carrying such goods proves to the satisfaction of the authorised officer that consequent upon a sale of such goods, in the course of export within the meaning of sub-section (1) of section 5 of the Central Act, his goods vehicle carrying such goods is bound for such country as the State Government may by notification, specify. (2) The transporter, while carrying the goods referred to in sub-section (1) shall stop the vehicle at the checkpost, or at any place when so required by the authorised officer and produce the documents referred to in sub-section (1) along with the document of title to such goods before the authorised officer and shall get countersigned [the documents referred to in clause (a) or clause (b), as the case may be of sub-section (1) by such officer 58 72. (1) (2) Penalty for concealment of sales and furnishing incorrect particulars of sales and purchases — Where, (a) a dealer has concealed any sales or any particulars thereof, or (b) a dealer, being a registered dealer or a dealer required by the prescribed authority to furnish return under section 30, has furnished incorrect statement of his turnover of sales or purchases or incorrect particulars of such sales or purchases with an intent to reduce the amount of tax payable by him, the prescribed authority may, after giving such dealer a reasonable opportunity of being heard, by an order in writing, direct that the dealer shall, in addition to any tax levied or penalty imposed under this Act, pay, by way of penalty, a sum not less than one and half times but not exceeding thrice the amount of tax which would have been avoided by him if such concealed sales or purchases or particulars thereof or incorrect statement, of his turnover of sales or purchases or incorrect particulars of such sales or purchases were not detected and taken into account of, if turnover of sales or particulars of sales furnished in returns or shown in his books of account were accepted as correct, as the case may be, in making an assessment or passing any order upon appeal, revision or review under the Act. Any penalty imposed under sub-section (1) shall be paid by the dealer into a Government Treasury or the State Bank of Sikkim or any other bank as notified by the Government by such date as may be specified by the prescribed authority in a notice issued for the purpose, and the date to be so specified shall not be less than fifteen days from the date of such notice: Provided that the prescribed authority may, for reasons to be recorded in writing extend the date of such payment or allow the dealer to pay the penalty imposed in such number of instalment as it may determine. (3) Any amount of penalty that remains unpaid after the date specified in the notice referred to in sub-section (2) or where such date has been extended under the proviso to that sub-section, after the expiry of extended time, shall be recoverable in accordance with the provisions of section 45. 59 CHAPTER: APPEAL AND REVISION 73. Appeal against assessment.- (1) Any assessee may, in the prescribed manner, appeal to the Appellate Authority against any assessment within thirty-five days or such further period as may be allowed by the said authority for cause shown to its satisfaction from the receipt of a notice of demand in respect thereof: Provided that no appeal shall be entertained by the said Authority unless it is satisfied that such amount of the tax, penalty or interest, as the case may be, as the appellant may admit to be due from him has been paid. (2) Subject to such rules of procedure as may be made, the Appellate Authority, in disposing of any appeal under sub-section (1), may, - (a) confirm, reduce, enhance or annul the assessment, or (b) when such Authority is satisfied, for reasons to be recorded in writing, that it is not practicable or desirable to act in accordance with the provisions of clause (a), set aside that assessment and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed. (3) While acting in accordance with the provisions of clause (b) of sub-section (2), the assessing authority shall make a fresh assessment in respect of such part or parts only and the remaining part or parts of the previous assessment shall remain unaltered and valid. (4) Pending disposal of an appeal referred to in sub-section (2), the Appellate Authority may, on application, at its discretion and subject to such conditions and restrictions as may be prescribed, stay realization of the amount of tax, penalty or interest in dispute wholly or in part. (5) Every appeal before the Appellate Authority shall be decided within a period of five years from the date of its filing: Provided that the period of stay granted by the superior court and the period spent in deciding the appeal against the interim order of the Appellate Authority, shall be excluded while computing [the period of limitation: Provided further that the Appellate Authority may, for reasons to be recorded, extend the period of limitation within one year from the end of five years period for a further period of six months, 60 (6) (7) The appeal pending for

more than five years from the appointed day under the Sikkim Sales Act, 1983. shall be disposed of within period of two years from the appointed day. Where the appeal is not decided within the period as specified under sub-section (5) or sub-section (6), the appeal shall be deemed to have been allowed. Explanation -

For the purposes of this section or section 76,- (a) (b) 74. 75. 76. (1) (2) "assessment" Includes- (i) assessment of tax and imposition of penalty under section 38 (ii) assessment of tax under section 40; (iii) determination of interest under section 43, 01' (iv) rectification or mistake in determination of interest under section 44; notice of demand" IVieans any notice served in accordance with the provision of this Act for realization of the tax, penalty or interest. referred to in clause (a). Suo motu revision by Commissioner- Subject to such rules as may be made and for reasons to be recorded in writing, the Commissioner may, on his own motion, revise any assessment made by assessing authority or order passed by the prescribed authority. Revision by Commissioner upon application- Subject to such rules as may be made and for reasons to be recorded in writing, the Commissioner may, upon application, revise any order, other than an order referred to in section 77 and an order of assessment against which an appeal lies under section 73 passed by the assessing authority or the prescribed authority. Revision by Appellate Authority- Subject LO such rules as may be made and for reason to be recorded in writing, the Appellate Authority may, upoJI appl ication, revise a final appellate order from an order of assessment. Where during the pendency ofan application for revision pielérred hy a dealer under sub-section (I) before the Appellate Authority, the Commissioner, having discovered,- (a) any error or omission, whetherin factor law, in the final, appellate orrevisional order refcnecl to in sub section (I), or 61 (b) any concealment by a dealer of his turnover ofsales or purchases or claim for deduction of any part of gross turnover of sales or purchases or claim for lower rate of tax payable under this Act, is of the opinion that the amount of tax assessed is liable to be enhanced from what has been made in the order of assessment or in the final appellate or revisional order in the matter of the amount for tax so assessed, as the case may be, he may, file, at any time before the application for revision is finally heard by the Appellate Authority a memorandum bringing to the notice ofthe Authority the error or omission referred to in clause (a) or the concealment by the dealer of the turnover of sales or purchases or incorrect statement under clause (b). (3) The Appellate Auth0Lity shall, while proceeding to revise final appellate 77. 78. or revisional order of assessment, entertain the memorandum filed under sub-section (2) as an application by the Commissioner for revision and pass such revisional order as it deems fit. Review of Order- Subject to such rules as may be made, any assessment made or order passed under this Act or the rules made thereunder by any officer appointed under sub-section (3) of section 3, may be reviewed by the person passing it upon application or on his own motion, and, subject to the rules as aforesaid, the Appellate Authority may, in the like manner and for reasons to be recorded in writing, review any order passed by it, either Oil its motion or upon an application. Power of taking evidence on oath: The Appellate Authority, the Commissioner, or the authorised officer shall, for the purposes of this Act, have the sa me powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the follo ving matters, namely, — (a) enforcing the attendance of any person and examining himon oath or affirmation; (b) compelling the production of documents; and (c) issuing commissions(orthe examination of witnesses and any proceeding underthis Act before the Appellate Authority, the Commissioner, the Special Commissioner, or the authorised officer, shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 and for the purpose of section 196, of the Indian Penal Code,1860 (45 of 1860). 62 79. (1) (2) (3) (4) 80. 81, (1) Revision to High Court — An assessee who is dissatisfied with the decision of the Appellate Authority or Commissioner may, within sixty days after being notified of the decision, file a revision with the High Court; and the assessee so appealing shall serve a copy of the notice of revision on the respondent to the proceedi ng. A revision to the High Court may be made on question of law or an erroneous decision or failure to decide a question of law that will be raised in the revision. The Commissioner shall also be made a palty to the proceedings before the Hi gh Court where appeal is filed by the dealer or other person, The High Court may on application either by the petitioner or by the respondent review any order passed by it provided such application is made within one year from the date of receipt ofthejudgement. Revision of" Review hy High Court — A revision or review application presented before the High Court under section 79 shall be heard by the bench consisting of not less than two Judges. CHAPTER OFFENCES AND PENALTIES Offences and penalties: - Whoever, - (a) Comes on business as a dealer without furnishing thesecur;ty demanded under section 28; or (b) Fails to pay full amount of tax payable for any period in

accordance with the provisions of sub section (9) of section 30; or (c) Fails to make payment of interest payable under section 31 or section 32: or (d) Fails to comply with provisions of section 54; or (e) Contravenes the provisions of section 65; or (T) Fails to comply with any requirement under section 71; or (g) Neglects or refuses to furnish information required by section 86; or 63 (2) (3) (4) (5) (h) Neglects to furnish any information required by section 88, shall be punishable with simple imprisonment which may extend to six months or with fine not exceeding one thousand rupees or with both and a COLIt having jurisdiction Inay, in addition to any fine as aforesaid, order confiscation of any goods seized under section 68 for the offence of contravention of section 65. Whoever carries on business as a dealer in contravention of sub-section (I) of section 26 shall be punishable wiLh simple imprisonment, which may extend to one year or Wi Lh line not exceeding one hundred rupees during Lhe period of the continuance of the offence. Whoever, being a transporter, carrier or transporting agent, fails or neglects to comply with the provisions of section 60, shall be punishable with simple imprisonment whith may extend to six months or with fine not exceeding one thousand rupees or with both, and when the offence is a continuing one, with a daily fine not exceeding one hundred rupees during the period of continuance of the offence. Whoever, - (a) furnishes a false return referred to in section 30; or (b) issues false tax Invoice referred to in section 55 or produces a fake or fabricated invoice referred to in sub-section (6) or (7) of section 21. (c) fails without reasonable cause to furnish a return under section 30; or (d) refuses to comply with any requirement under section 62; shall be punishable with imprisonment of either description which shall not be less than three months but which may extend to two years and with fine not exceeding ten thousand rupees or with both, and when the off-ence is a continuing one, with a daily fine not exceeding fifty rupees during the period of the continuance of the offence. Whoever has in his possession any prescribed form referred to in section 21 not obtained by him under the act or by his principal or agent in accordance with the provisions of this Act or any rules made thereunder, shall be deemed to have committed an offence of criminal breach of trust under section 405 of the Indian Penal Code, 186(} (45 of 1860) and every such person who commit such crinoinal breach of trust, shall, on convictions be punishable with imprisonment of either description which shall not be less than three months but which may extend to three years or with fine net exceeding ten thousand rupees, or with both. 64 (6) (7) (8) (9) Whoever willfu lly attempts in any manner to evade or defeat any tax imposed under this Act, shall, in addition to any other penalty provided by any law for the time being in force, be liable also for the offence of dishonest misappropriation of propeny under section 403 ofthe Indian Penal Code. 1860 and shall be punishable with imprisonment of either description which shall not be less than three months but which may extend to two years or with fine not exceeding ten thousand rupees, or with both. Whoever knowingly pmduces incon•ect accounts, registers or documents, or knowingly furnishes incom•ect information or suppresses material information shall be punishable with implisonment of either description which shall not bc less than three months but which may extend to two years or with fine not exceeding ten thousand rupees or with both. Whoever obstructs any officer making inspection or search or seizure or taking other actions under section 60, section 62, section 64, section 66, section 68 or section 71 shall be punishable with imprisonment of either description which shall not be less than three months but which may extend to two years or with fine not exceeding ten thousand rupees or with both. Whoever abets any of the offences mentioned in sub-section (2), sub-section (4), sub-section (6), sub-section (7), and sub-section (8) shall, if the act of offence is committed in consequence of the abatement, be punishable with the same punishment as provided for the offence. (IO) Any offencepunishable under sub-section (1), sub-section (2), sub-section (4), or sub-section (9), shall be cognizable and bailable while that punishable under sub-section (3), sub-section (5), sub-section (6), sub-section (7), and sub-section (8), shall be cognizable and non-bailable. (1 1) In any prosecution for an offence under this Act which requires aculpable mental state on the part. of accused, the Couutt shall presume the existence of such culpable mental state until the contrary is proved. Explanation I — In this sub-section, " culpable mental state" includes intention, motive, knowledge of a fact, or beliefin, or reason to believe, a fact, Explanation 2 If any of the offences under sub-section (2), sub-section (3) or clause (c) of sub-section (4) continues, such offence shall be deemed to be a continuing offence. (12) No Court shall take oog nizance of any offence under thisAct orthe rules made there under except with the previous sanction of the Commissioner and no Court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate shall try such offence, 65 82. (I) Special provision for liability to prosecution: - Where an offence refen•ed to in section 81 has been committed by a dealer, every person who, at the time the

offence was committed, was in charge of, and was responsible to the dealer for the conduct of, the business of the dealer, as well as the dealer shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided under section 81 if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence. (2) 83. (1) (2) Notwithstanding anything contained in sub-section (1), where an offence under section 81 has been committed by a dealer and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer, as the case may be, of the dealer such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly. Compounding of offences: - Subject to such conditions as may be prescribed, any person alleged to have committed an offence either under clause (a) or clause (b) or clause (c) or clause (d) or clause (e) or clause (f) or clause (h) of sub-section (1), sub-section (2), sub-section (3), sub-section (4), sub-section (5), sub-section (6), sub-section (7), and sub-section (9) of section 81, or under any rules made under this Act, may, either before or after the commencement of any proceedings against him in respect of such offence, at his option, compound such offence, and the Commissioner may, at his discretion, accept from such person, by way of composition of such offence, such sum not exceeding fifty thousand rupees as may be determined by the Commissioner. On payment in full of the sum determined by the Commissioner under sub-section (1) (a) no proceedings shall commence against such person as aforesaid; and (b) if any proceedings have already been commenced against such person as aforesaid, such proceedings shall not be further proceeded with. 66 84. (1) (2) (3) 85. (1) (2) CHAPTER X MISCELLANEOUS Cancellation of registration under specified circumstances: - Notwithstanding anything contained in section 26 or section 27, a registered dealer who does not manufacture goods in Sikkim for sale, may apply in the prescribed manner to the prescribed authority for cancellation of his registration granted under this Act. It is during the year in which such application is made and during the year immediately following such year, he shall deal exclusively in tax-free goods specified in Schedule I. If the Prescribed Authority is satisfied that the application made under sub-section (1) is in order, he shall cancel the registration. A registered dealer whose registration has been cancelled under sub-section (2) shall continue to be liable to pay tax in accordance with the provisions of sub-section (4) of section 8 in the event of his making any sale of goods taxable under this Act subsequent to such cancellation of registration. But during the period of such liability to pay tax, he shall within thirty days of such sale, apply for registration under section 26 and such application shall be disposed of in accordance with provisions of that section. Returns etc. to be confidential: - All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act, other than the proceeding before a Criminal Court, shall, save as provided in sub-section (2), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872 (i of 1872), no Court shall, save as aforesaid, be entitled to require any Government servant to produce before it any such statement, return, accounts, document or record or any part thereof or to give evidence before it, in respect thereof. Nothing in this section shall apply to the disclosure of any of the particulars referred to in sub-section (1), (a) for the purposes of any prosecution under the Indian Penal Code. 1860 (45 of 1860), the 67

86. Prevention of Corruption Act, 1988 (49 of 1988), or this Act or any preliminary inquiry for ascertaining whether such prosecution lies; (b) in connection with any suit or proceeding in a Civil Court to which the State Government or any person appointed under this Act is a party and which relates to any matter arising out of any proceeding under this Act; (c) where it is necessary to make such disclosure for the purposes of this Act; (d) to an officer of Government for the purpose of enabling such Government to levy or realize any tax or duty imposed by it; (e) to an officer of Government for the audit of receipts and refunds of tax, penalty or interest under this Act; (f) in connection with an inquiry concerning allegations of corruption or official misconduct against any Government servant or for the purpose of taking disciplinary action against such Government servant, (g) in any inquiry into a charge of misconduct in connection with any proceeding under this Act against any Legal Practitioner, Chartered Accountant or other person entitled to appear on behalf of a dealer or person before the taxing authorities under this Act, to the authority competent to take disciplinary action against such Legal Practitioner, Chartered Accountant or other person; (h) to any officer of the State Government to enable such officer to perform his executive functions relating to the affairs of the State; (i) to any person for purposes other than those referred to in clause (a), clause (b), clause (c), clause (d), clause (e), clause (g) and clause (h), if the State Government considers such disclosure necessary in the public interest.

Powers to call for information

Subject to the provisions of any law for the time being in force, the Commissioner, the Special Commissioner, or any officer appointed under sub-section (3) of section 3, may require, by notice, any bank, post office, transporter, carrier, owner or lessee of a warehouse, or clearing, forwarding or transporting agent to furnish to him any information or statement useful for, or 68 87. 88. 89, relevant to, any proceeding under this Act or to produce before him any accounts, registers, documents or other records in the possession of such bank, post office, transporter, carrier, owner or lessee of a warehouse or clearing, forwarding or transporting agent for examination for [the purposes of this Act. Statement to be furnished by dealer, transporter, owner or lessee of warehouse, etc.: If, in the opinion of the State Government, there is appreciable evasion of tax in respect of any goods, the State Government may, by notification, specify such goods, and thereupon every person dealing in transporting, carrying, or clearing, forwarding or warehousing, whether as owner or lessee of a warehouse such goods shall furnish a statement or declaration in such form, within such time, in such manner, and for such period, as may be specified in the notification. Information to be furnished by dealers regarding changes of business: - If any dealer to whom the provisions of sub-section (2), or sub-section (3), of section 28 apply, - (a) sells or otherwise disposes of his business or any part of his business or effects or comes to know of any change in the ownership of his business, or (b) discontinues his business or changes his place of business or opens a new place of business, or (c) discontinues or changes his warehouse or opens a new warehouse, or (d) changes the name or nature of his business or effects any change in the class or classes of goods in which he carries on his business and which is or are specified in his certificate of registration, or (e) in the case of a company, effects any change in the constitution of its board of directors, he shall, within the prescribed time and in the prescribed manner, inform the prescribed authority accordingly and if any such dealer dies, his legal representative shall, in the like manner, inform the said authority. Additional information to be furnished by dealers: - Every registered dealer shall, within the period prescribed, send to the prescribed authority a declaration in the prescribed manner, stating the names of the manager and of all officers of other designation who are responsible for ensuring compliance with any requirement made of 69 90. 91. 92. (1) such dealer under this Act, and in the event of any change of such manager or other officers, the dealer shall send a revised declaration in the like manner to the said authority within such time as may be prescribed, Supply of information by dealers in respect of transfer of goods otherwise than by way of sale: - If, in the opinion of the State Government, it is necessary to obtain information relating to transfer of goods otherwise than by way of sale in Sikkim, it may, by notification, call upon dealers or such class or classes of dealers as may be specified in the notification, to furnish such information relating to such goods, in such manner, at such intervals, for such period and to such authority, as may be specified in the notification. Transfer of business by registered dealer: - Where the ownership of the business of a registered dealer is transferred absolutely by sale, gift, bequest, inheritance or otherwise, or transferred by way of lease and the transferee or the lessee carries on such business, either in its old name or in some other name, the transferee or the lessee shall, for all the purposes of this Act (except for the liabilities under this

Act already discharged by such dealer), be deemed to be and to have always been registered (in the case of a lease for so long as the lease subsists) as if the certificate of registration of such dealer had initially been granted to the transferee or the lessee; and the transferee or the lessee shall, on application to the Commissioner, be entitled to have the certificate of registration amended accordingly. Partial transfer of business by registered dealer: Where the ownership of a part, division or unit of the business of a registered dealer is transferred by sale, gift, bequest, inheritance or otherwise, or transferred by way of a lease or licence, and if the transferee, lessee or licensee, as the case may be, carries on such business as a part of his existing business in some other name, he shall, for the purposes of this Act except for the liabilities under this Act already discharged by the transferor) be deemed to be a dealer in default in the matter of payment of any tax, penalty or interest payable by or due from the transferor in respect of all the periods immediately preceding the date of such transfer in relation to such part, division or unit. 70 (2) 93.

(1) (2) (3) (4) (5) 94. (1) If the transferee, lessee or licensee is a registered dealer and carries on the business referred to in sub-section (1), he shall, by an application under section 26, get his certificate of registration duly amended. If the transferee, lessee or licensee is not a dealer registered under this Act and if he carries on business from such part, division or unit, he shall, notwithstanding anything contained in section 8 be liable to pay tax under this Act from the date of such transfer and be liable for registration under section 26, Cancellation of registration and transfer of business: - The prescribed authority may cancel the registration of any dealer in any of the following cases- (a) in the case of incorporated body, closed down, sold or transferred or if the incorporated body otherwise ceases to exist; (b) in the case of individual ownership, if the owner dies; (c) in the case of a firm or association of persons if it is dissolved or if the registered dealer ceases to be engaged in the business or if a person is registered by mistake. The cancellation of registration may be on prayer from the dealer or on the prescribed authority's findings. All the goods that remain in stock at the time of cancellation of registration (including capital goods) on which input tax has already been given credit, tax shall be assessed and collected in the manner as may be prescribed. The cancellation of registration will take effect from the end of the period in which the registration is cancelled unless the prescribed authority orders the cancellation to take effect on an earlier date. Any dealer registered under this Act shall mention the Registration Certificate No. issued by the prescribed authority in his return, challan, petition and other documents used for the purpose of this Act. Bar to proceeding in Civil Court: - No assessment made and no order passed under this Act or the rules made thereunder by the Commissioner, or any officer appointed under sub-section (3) of section 3, and no order 71 (2) 95. 96. (1) (2) 97. (1) (2) passed by the Appellate Authority under this Act shall be called into question in any Civil Court and save as provided in section 74, section 75, section 76, or section 77, no appeal or application for revision or review shall lie against such assessment order. Save as provided in section 78, no order passed by Tax Recovery Inspector under this Act or the rules made thereunder and no order passed upon an appeal from, or review or revision of, any order of the Tax Recovery Inspector in accordance with the provisions of this Act and the rules made thereunder, shall be called in question in any Civil Court, and, save as provided in section 78, no appeal, review or revision shall lie against such order. Manner of payment of tax, penalty, interest, etc.: - Where the manner of payment of any tax, penalty or interest payable by a person or any sum determined by the Commissioner in compounding any offence under this Act, is not provided specifically elsewhere in this Act, such tax, penalty, interest or sum shall be paid into a Government Treasury or the State Bank of Sikkim or any other bank as may be notified by the Government. Power to prescribe rates of fees: - Fees payable upon memorandum of appeal or application for review or revision, or upon any other miscellaneous application or petition, for relief shall be such as may be prescribed: The fees as aforesaid shall be paid in court-fee stamp to be affixed to the memorandum of appeal, application for review or revision or other miscellaneous application, as the case may be, referred to in sub-section (1). Power to make rules: The State Government may, by notification in the Official Gazette make rules for carrying out the purposes of this Act. In particular and without the prejudice to the generality of the foregoing power, such rules may provide for, (i) the manner of making deductions for determining the taxable turnover under clause (xxvi) of section 2; (ii) the term of office, filling of vacancy and other conditions of service of the Appellate Authority under sub-section (3) of section 4; 72 (iii) the functions of the Appellate Authority under sub-section (4) of section 4; (iv) the conditions and restrictions for deducting sales from turnover of sales, under clause (c) of sub-section (1) of section 9; (v) restrictions and conditions and the manner of paying composite tax under Section 16,

deduction of composite tax to be paid by the contractor and the time within which the tax to be remitted to the government under section 17; (vi) supply of information of execution of works of contract or letter of intent under sub-section (1) of section 18; (vii) the form or challan showing the amount of deduction of tax at source under sub-section (5) of section 19; (viii) (ix) (x) (xi) the manner of claiming input tax credit and conditions and restrictions subject to which such claim be made under section 21; the manner of claiming input tax credit in case of sale specified under section 5 of the Central Act on zero-rated goods, extent and manner of claiming tax credit and manner of refunding the tax paid by foreign missions under section 22; requisite particulars for credit and debit notes in the tax invoice under section 25; the form and manner of application for registration under sub-section (2), the manner of granting certificate of registration; form of certificate of registration under sub-section (5) and restrictions and conditions subject to which amendments in the certificate of registration

are to be made under sub-section (6) of section 26; (xii) the manner for application for voluntary registration under sub-section (1) and (4) of section 27; (xiii) the manner of furnishing security under sub-section (1), and the manner of refunding any amount of security or part thereof under sub-section (5) of section 28; (xiv) the form of notice for payment of penalty under sub-section (2) of section 29. (xv) the manner of serving notice and furnishing of quarterly return in the form and manner 73 (xxi) (xxii) (xxiii) (xxiv) (xxv) (xxvi) by the dealer under sub-section (1) the manner of filing notice and furnishing of the quarterly statement by the registered dealer with details of transactions relating to sales and purchases and the form and manner of furnishing such statement under sub-section (2), the form and manner of filing yearly return by the registered dealer under sub-section (3) the form and manner of

filing a quarterly abstract statement by the dealer under sub-section (4), the form and manner of submitting revised return or statement under sub-section (7) and the form and manner of submission of proof of payment under sub-section (9) of section 30; the date and manner of payment of interest by the dealer under sub-section (3) of section 31, the circumstances and conditions of exemption from payment of interest under section 33; the time and manner of filing of returns under sub-section (2) of section 37, the manner of auditing of returns and statements of the dealer under sub-section (2) & (3) of section 39; the manner of determination of amount of interest and the manner of issue of notice directing the payment of additional amount of interest under section 43; the form and manner of service of notice on the certificate-debtor under sub-section (5), the form and manner of filing of objections by the certificate-debtor under sub-section (7) and the manner and period in which subsequent modification, enhancement or reduction of penalty or interest as a consequence of any assessment made, order passed on appeal, revision or review under sub-section (9) of section 45; the form of notice requiring any person to deposit money due in the Government Treasury, State Bank of Sikkim or any other bank under sub-section (1) of section 50; the manner in which the amount of tax is to be refunded to a dealer under section 53; the form and the manner of keeping registers and accounts by the dealer and the registered dealer under sub-section (1) of section 54; form of audit report and particulars included therein under sub-section (1) of section 58; the manner and the period within which a declaration shall be furnished by the dealer the name or names of the managers under sub-section (1) of section 59; 74 (xxvii) the maintenance of proper accounts of taxable goods transported by the transporter, under sub-section (1) of section 60; (xxviii) the

form containing such particular in respect of sale of goods under sub-section (xxix) (xxx) (xxxo) (I) of section 71; rules of procedure of the Appellate Authority under sub-section (2) and conditions and restrictions for staying realisation of amount of tax under sub-section (4) of section 73; rules relating to suo motu revision under section 74 and relating to revision upon application under section 75, by the Commissioner; rules relating to revision of final appellate order under sub-section (1) of section 76 and relating to review of any assessment order by any officer under section 77, by the Appellate Authority; (ixxi) the manner and time within which the registered dealer shall send the information about change of business to the prescribed authority under section 88; (xxxiii) the manner and period within which additional information shall be sent to the prescribed authority under section 89; (xxxiv) fees payable upon memorandum of appeal or application for review or revision, etc. under sub-section (1) of section 96; (xxxv) prescribing the authorities and assessing authorities to carry out the functions and exercising the powers under the Act; and (xxxvi) any other matter which may be, or is required to be prescribed. (3) In making any rules under this section, the State Government may direct that a breach thereof shall be punishable with fine not exceeding five hundred rupees and, when the offence is a continuing one, with a daily fine not exceeding twenty-five rupees during the continuance of such offence. Saving in relation to sales outside Sikkim, Inter-State Sales, and Sales in Course of Import or Export: - Nothing in this Act shall be construed to impose or authorize the imposition of tax on the sale or purchase of goods where such sale or purchase takes place: - 75 100. (1) (j) Any application for revision, review or reference arising from any order passed before the appointed day or any appeal arising from any assessment of tax or determination of interest made before such appointed day or any application for refund, or for declaration form, in respect of any period before such appointed day, under the repealed Act, if made before such appointed day and pending on such appointed day or if made on or after such appointed day, shall be disposed off in accordance with the provisions of the repealed Act; (k) The Commissioner or any other authority to whom power in this behalf has been delegated by the Commissioner under the repealed Act, may, on his or its own motion, review or revise any order passed before the appointed day in accordance with the provisions of the repealed Act; (l) Any application for registration, amendment of certificate of registration or any application for permit, or for declaration, for transport of goods into Sikkim, pending on the day immediately before the appointed day, shall be deemed to have been made under this Act and shall be disposed off in accordance with the provisions of this Act; (m) Any tax assessed, interest determined or penalty imposed under repealed Act in respect of sales or purchases made, or in respect of tax payable, or in respect of contravention of any provision of the repealed Act, before the appointed day, shall be payable or recoverable in accordance with the provisions of the repealed Act. Repeal and Saving: - Notwithstanding anything contained in this Act, the provisions contained in Sikkim Sales Tax Act, 1983 with regard to the commodities/products, which are covered by Sikkim Value Added Tax Act, 2005 shall stand repealed: Provided that, the provisions of Sikkim Sales Tax Act, 1983 shall, however, in so far as they relate to the commodities/products, which do not fall under the purview of provisions of Sikkim Value Added Tax Act, 2005 shall accordingly continue to be governed by the provisions of Sikkim Sales Tax Act, 1983. (2) The repeal shall not, - (a) revive anything not in force or existing at the time of which the repeal takes effect; or (b) affect the previous operation of repealed Act or anything done or suffered thereunder; or 78 (c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under the repealed Act; or (d) affect any penalty, forfeiture or punishment incurred or inflicted in respect of any offence or violation committed under the provisions of the repealed Act; or (e) affect any investigation, enquiry, assessment, proceeding, any other legal proceeding or remedy instituted, continued or enforced under the repealed Act; and any such penalty, forfeiture or punishment as aforesaid or any proceeding or remedy instituted, continued, or enforced under the repealed Act shall be deemed to be instituted continued or enforced under the corresponding provisions of this Act. (3) All rules made and notifications issued under the provisions of the repealed Act and rules made thereunder and in force on the date of the commencement of this Act, shall remain in force unless such rules and notifications are superseded in express terms or by necessary implication by the provisions of this Act or the rules made and notifications issued thereunder. (4) Any reference to any section of the repealed Act in any rule, notification, regulation or circular shall be deemed to refer to the relevant corresponding section of this Act, until necessary amendments are made in such rule, notification, regulation or circular. (5) The limitations provided in this Act shall apply prospectively

and all events occurred and all issues arising prior to the date of commencement of this Act, shall be governed by the limitations provided or the provisions contained in the repealed Act



Khandsari Tobacco Textiles Mat locally known as maduri made wholly or principally of cyperus corymbosus known as gold muthi. madurkatli or cyperus Rattan, reed (in Malayalam) Plantain leaves CoconUL fibre Chalk stick Idols made of clay Clay lamps Coconut in shell & separated kernel of coconut other than copra Bamboo matting Muddhas made of sarkanda, Phool bahuri jhudoo Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chiura, -parched rice, commonly known as khoi, Animal shoeleaves Husk including groundnut husk Bangles (made of shell, glass, metal or plastic) Appalam. vadam and vathal Unprocessed green leaves of tea Leaf plates and cups-pressed or stitched Unbranded broomsticks Kites Agate Takhti Seeds of grass. vegetables and flowers. Beehi or Gamoshia Bukhari Loi Pattu Gabba Kangri Quandakari Atukulu Sabai grass and rope Sirali, bageshi, baroo, date leaves, baskets, handmade sooma & germa, made only of bamboo Mat sticks & reed obtainable from Cyperus Kathi, mutha or Cyperus Malaccensis. Poha, Murmura and lai.

Panchamritatn,namakatti, vibhuti 82 Sl.No. 2 SCHEDULE [Sec Section 12 The goods mentioned heiov,' are to V A T at the ""Rte of 1 per cent Descri Jtion of ;roods and silver ornaments Precious slones Bullions jewellery 83 Sl.N0. 2 3 7 9 11 12 13 14 15 16 17 19 20 21 22 23 24 25 26 27 28 29 30 32 33 34 35 36 37

SCHEDULE V [See Section The goods mentioned below are liable to V A T nt the rate of 4 per cent
INDUSTRIAL INPUTS AND INFORMATION TECHNOLOGY PRODUCTS Description of goods
Attilnai (including fish) fats, oils, crude, refined or purified. Glycerol, glycerol waters and glycerol lyes
Vegetable waxes (Other than triglycerides), bees wax, other insect waxes and superracetic, whediet or
not refined] coloured. Aninull or Vegetable fats boiled, oxidised, dehydrated, blown, polymerised by heat

in or in Inert gas. Liquid glucose (lion-medicinal), Denatured ethy of any Manganese ores and concentrates, including ferruginous manganese and c011tenL of Copper ores and Nickel ores and concentrates Cobalt ores and concenLrñles Aluminium ores and concentrates. Lead ores and concentrates.

Zinc ores und concentrates. 'il) ores and concentrates. Chromium unci cunceiltl'dles. Tungsten ores and concentrates. Uranium or thorium ores and Molybdenum ores and concentrates. ores and concentrates

Niobium, tantalum, vanadium or zirconium concentrates. Precious ores and concentrates, Other ores concentrates. Granulated (slag sand) from mfg. or iron ore, etc. Naphthalene. Phenols. Creosote

oils. Normal & wax. Butadiene. Industrial cables (High voltage cables, XLPE Cables, jelly filled cables, optical fibres) Fluorine, chlorine, bromine and iodine. Sulphur, sublimed or precipitated, colloidal sulphur. Carbon (carbon blacks & other forms of carbon not elsewhere specified) or Hydrogen, rare gases & other

non-metals- Alkali or alkaline earth metals, rare earth metals, scandium and yttrium, whether or not intermixed or inter alloyed, mercury. 86 73 77 78 83 86 Hydrogen acid). acid. and anhydrides thereof Nitric acid. acids. Diphosphoric phosphoric acid and polyphosphoric acids Oxides Of boron.

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Propylene. Cyclic bihydrocarbons, derivatives Sulphonated, nitrated or nitrated derivatives of hydrocarbons whether or not Di-F,ethylene Glycol. Monot-Ethylene Glycol, Glycol, triethylene Glycol. Ethylene Glycol. Cyclic on their hydrogenated, sulphonated, nitrated or nitrated derivatives, I la sulphonated; nitrated or nitrated derivatives of phenols phenol-, alcohols. Ethers, ether-alcohols peroxides, ether-peroxides, ketone peroxides (whether or not chemically defined) & [their Expansions. epoxides, epoxy phenols & polyethers, with three-membered ring [their halogenated sulphonic acid.

E(hylene Oxide Acctals and hemiacetals. Avhether nr with other fur,ctiai' and their lullngcnated, Mitralcd nitrosald. Aldehydes or nol with olher cyclic polymers aldehydes, paraformaldehyde. 87 87 80 92 94 95 97 IOU 101 02 104 105 107 108 110 117 119 120 123 124 125 [26 128 129 130 acyclic munccai•huxylie acids illeir anhydrides. halides, peroxides und peroxyaciels, their halogenated, sulphonated Unsaturated acyclic mallocui•boxylic acids, cyclic acids. their anhydrides. halides. and peroxyacids. Polycarboxylic acids. Ilu:ir anhydrides. halides, peroxides and perkaxyucids. their halogenated, sulphocated. nitratedderivitles. Curbuxylic acids with udclitiollal oxygen function their aniiydrides, halides, petexides peroxyacid, their Phosphoric esle:' and Illeir salts, including sulphunnled. 01' nilrusalc•ci vatt ves Esters Other inorganic acids (excluding caste:' uffrydrogen halides) Illicir salts, their halogenated. nitrated, Amine-function Campoulls. - muino-cnmpaunds. 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Synthetic organic colouring whether or 110t chemically defined, preparations lrascd syllllhetic organic colouring Glass frit and elher glass ill the farm ef powder, granules or flakes. Prepared drteß, Prillting ink whether concentrated ur solid. Casein, Caseinates Zild Uther ease 111 derivatives, casein glues. Enzymes, Prepared enzynnec 1101 elsewhere specified 01' included. grâphite, colloidal or semi-colloidal graphite, preparations based 011 graphite or ollter carboli ill Arti Activated carbon, activated natural mineral prucclucl, animal black, including spend anillial black. lignin Residuul illfg. wuud pulp whether or nut concentrated, desugaled o chernically treated, inclL1d1Ug sulphonate Rasitl and resin acids and derivatives, thereof, resili spirit ond rosin oils, gurns. Woad tar, wood tar oils woad creosote, wood Ilaphtha, vegetable pitch, brewere Pitch and similar preparaliun based Cn resin acid. Finishing •agents, dye carriers lu accelerate the dyeing or fixing uf due-staffs and athel products & preparations, textile, papers. Prepared rubber accelerators, cornpound plasticisers for rubber ur plus-lies, elsewhere specified or included unti- oxidising. Reducers and blanket wash ill the prillli:ig industry. Reaction initiators, reaction acceleraters and catalytic VI•eparalions elsewhere specified or included CIE.'11ieul elements doped for use in electronics in Ille turn of wafers si,aikll• forms, chemical contpuunds dapeci for use industrial munocarboxylic Patty acids, acid ails frem refining, Illlus{riul fatly alcohols. Retarders used in the prilltilig industry. LLDPE/LE'PE UDPE 88 133 1 35 136 142 144 i 45 147 140 1 50 151 1 53 156 57 1 50 160 1 62 1 64 165 i 66 167 168 169 170 172 173 174 175 176 177 Polymers of propylene in prillllary forms. Acrylic polymers in primary Üorms Polyacetals, other polyethers ancl cpaxide resin, in primary forms, polycarbonates. alkyd resins, polyalkylesters & pnlyesters Polyethylene Terephthalate chips Polyamides in primary forms A niinn-rcsins. polyphenylene oxide, phenolic resins and polyurethanes in primary forms Silicon in primary (arms Pct\$olcum resins. coutnarone-indenc resins. polylerpcncs, polysulphides, polysulphrne.s Cellulose and its chemical derivatives & celli-Ilose ethers, not specified in primary forms Natural polymers (for example. alginic acid) anci nwdificel natural poly ners (for example, hardened proteins, chemicals) Sen-adhesive plates. shectS, film, strip plastics whelher or not in rolls. Flexible plain films Articles [nr packing of goods of plastics, namely boxes, cases, crates, containers, carboy, bottles, jerry cans & stoppers, lids. ca Natural Illhher. balata, gulta percha, guayule, chicle and sirnilar natural gums. in primary (Orms or in plates, sheets or stri s Synthetic l'lhBer and factice derived from oils in pritnary rnrns or in plates, sheets or strips, mixtures of any products. Rcclaimcel in primary or in plalcs, sheets or strips. Compounded l•ubher, unvulcanised 111 primary forms or in plates, sheets or strip Mechanical wood pulp, chemical wood pulp, semi-chemical wood pulp & pulps of other fibrous cellulosic materials Cartons, Boxes (including natteded or !olded cartons), boxes (tncluding flattened or folded haxcs). Cases. bags, packing container Paper printed labels, paperboard printed labels. Papcr self-achcsivc tape and printed wrappers used for packing. Partially oriented yarn, polycsler texturised yarn and waste thereof, Pniyesler Staple Fil_trc & Polyester Staple Fibre Fil Polycsler Staple Fibre waste, Sacks and bags, nf a kind Liscd ror packing of goods Of jute.

or of other textile bast fibres Carboys, bottles, jars, phials of glass of a kind used for the packing goods, stoppers, lids and other enclosures of glass. Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers) capsules for bottles, threaded bungs, seals, Word processing machines, Electronic typewriters Microphones, multimedia speakers, headphones etc. Telephone answering machines Prepared unrecorded media for sound recording Prepared unrecorded media for sound recording IT software or any media. Transmission apparatus other than apparatus for radio or T. V. broadcasting Radio communication receivers, Radio Pagers Aerials, antennas and parts LCD Panels, LED panels and parts. Electrical capacitors, fixed, variable and parts Electronic calculators Electrical resistors Printed Circuits Switches, Connectors. Relays for up to 5 amps DATA/ Graphic Display tubes, other than Picture tubes and parts Diodes, transistors & similar semi-conductor devices Electronic Integrated Circuits and Micro-assemblies Signal Generators and parts Pulp of bamboo, wood and paper 89 180 185 187 191 193 94 Optical fibre optical fibre bundles, cables Liquid devices, panel display devices and parts Computer systems displays Cathode ray oscilloscopes, Spectrum analysers. Signal analysers. Circuits, Stepper motors 37.5 watts. [Uninterrupted power supply (UPS) Permanent magnets Electrical apparatus for line telephony or line telegraphy. Zipper Chromium Sulfide Sodium Biomass briquettes Castor oil Soda ash Dyes. dyes & basic dyes Maize 90 10 11 12 13 14 15 17 18 20 22 23 24 25 26 27 28 20 30 31 SCHEDULE V [See Section 12 (e)] The goods mentioned below are liable to V A T at the rate of 12.5 per cent Description of goods Abrasives including grinding stones, abrasive sheets, wheels, sections, sand paper, emery paper, emery cloth, emery powder, emery paste, water paper and the like Absolute alcohol, methyl alcohol, rectified spirit, neutral spirit and denatured spirit Adhesive Of all kinds including gum, glue, adhesive solution, gum paste, lapping compound, liquid M-seal epoxy, shellac, vulcanizing solution and adhesive tapes, self adhesive tapes, gum tapes, gummed tapes and resin other than those specified elsewhere in this schedule or in any other schedule. Aircraft: Aircraft Acro planes and other aircrafts including helicopters and all kinds of parachutes, dirigibles, all kinds of gliders, aircrafts or flying machines, launchers, parts and accessories thereof Air conditioning plants, air conditioners and other air conditioning appliances, air coolers, room coolers including all cooling appliances, apparatus and instruments: (ii) Refrigeration and all kinds of refrigerating appliances and equipment including deep freezers, mechanical water coolers, cold storage coolers, walk-in coolers: (iii) Cold storage plants and equipments including refrigeration materials like polystyrene and polyurethane foam materials used in refrigerators and cold storage equipments, (iv) cooler cum heat exchanger units: (v) Parts and accessories of items (i) to (iv) above Air purifiers, cupboard Fresheners and deodorizers, whether odourless or with odour All-weather safe material of P V C, rubber or other materials. Apparatus for making coffee under pressure, commonly known as espresso. Arms, ammunitions and explosives or all kinds including (i) rifles, revolvers, pistols and bayonets, truncheons and ammunition used therewith (ii) Hand grenades; (iii) Air guns, air rifles and pellets used therewith, (iv) gelatin sticks, RDX, gun powder, detonators caps, initiators, electric (detonators, fuse; and other blasting powder and the like Articles and other goods of aluminium, brass, bronze, copper, cadmium, lead and zinc other than specified in any other Schedule. Articles made of ivory, horn, coconut shell, straw, bamboo, cane, rosewood, sandalwood and other woods other than those specifically included in an other entry this schedule Asafetida including compounded asafetida Asbestos sheets and products, cement products including products in combination with other materials not elsewhere mentioned in this Schedule Asphaltic roofing Baby and adult diapers Baby feeding bottles and nipples made any material Bakery products including biscuits or all varieties, cakes, pastries, other than those specified in any other schedule Baking powder, bread Improver, cake gel, vinegar, wheat gluten and edible gelatin used for confectionery and ice creams Balloons and parts thereof, dry cells, button cells, solar cells of all kinds, parts and accessories thereof including zinc plates and carbon rods Beds, pillows and quilts made of cotton or silk cotton Binoculars, monocular, opera glasses, optical telescope, astronomical instruments, microscopes, & optical lenses other than lenses for spectacles. Blasting gunpowder and other mechanical explosives. Bleaching powder of all varieties and descriptions Boards such as planer boards, graph boards, writing cum projecting boards, white mark ceramic steel dry wipe boards. Bulldozers, excavators, earth movers, dumpers, dippers, pipe-layers, scrapers and the like, and parts and accessories thereof Cables all types, other than those specifically included in this schedule or in any other schedule Cement including white cement and their substitutes and cement concrete mixture Chinaware, porcelain ware and stoneware articles Cigar cases and cigarette cases, pipe holders, tobacco

pipes, cigarette filters and hookah Cinematographic equipments, including video Cameras, projectors, over-head projectors, enlargers, plates and cloth required or used therewith, sound-recording and reproducing equipments, parts and accessories thereof and lenses, x-ray films, film-slides, arc or cinema carbons, cinema slides, net-boards, arc boards required for use therewith 91 32 35 36 37 38 39 40 41 42 43 44 45 46 47 48 50 52 54 55 56 57 58 59 60 Cinnamomum oil Clip boards. clutch pencil, black lead. date stamps, dusters, index file clips, pointers, office files of all kinds, paper black board, black board dusters coal Coconut products (others than sweets and confectionery and those specified under any other in this Schedule) Coffee powder including French coffee and coffee drink Collapsible gates, rolling shutters whether operated manually, or electrically and their parts [111] grills of iron steels Computer cleaning kit Conduit pipes and its fittings Confectionery including toffee, Choerulute sweets of all kinds, ice-cream, ice-cream, ice-jelly, kulfi frozen, frozen desert, chewing gum, bubble gum and the like, confectioner Cooked food including Sweetened beverages other than liquor, served in, or supplied from any- (u) hotel. (b) Restaurant. (c) refreshment room (d) club (e) eating house Cooking gas other than those specified elsewhere Cosmetics and toilet articles that is say. • Talcum powder, prickly heat powder, medicinal medicated body powder, shampoo all varieties and forms. hair oil body cream powder of all kinds, sandal wood oil. ramachom oil, cinnamon oil, perfumes, scents, snow and cream. eau de cologne, solid colognes, beauty boxes, face packs, cleansing liquids. moisturisers, make-up articles (including powder), complexion bleaching agents, hair oil. hair dyes. hair sprayers, hair removers, hair creams, lipsticks, nail polishes and varnishes, polish removers, eye liners, eye lashes and body deodorants Cushion. mattress, pillows, seat cover and other articles made wholly or partly of artificial or synthetic resin or plastic foam or rubber foam Deccan hemp products other than hemp fibre Deodorants whether cake liquid or powder, Toilet soap, washing soap, laundry brighteners, abir, blue, Stain removers, stain removers and all kinds of cleaning powder and liquids Dextrose monohydrate or powder for food drink having dextrose monohydrate as ingredient Diesel locomotive and parts and accessories Locomotives, doors, windows, ventilators, partitions, stands, ladders, etc. made of any materials Dry fruits. nuts and kernel such as almond, pistha, dry grapes, figs, apricots, walnut, cashew kernel other than those specified elsewhere in this Schedule Duplicating machines, photo copying machines, reprographic copiers including machines, reprographic copiers including duplicators and any other apparatus obtaining duplicate copies, parts and accessories ribbons, plates used therewith Electric motor, spare parts and accessories Electrical domestic and commercial appliances including - food processors like mixer. grinder. blenders. fryers. rotis-unaker, rice cooker, deep fat fryer- curd maker; cabinet, water heater; including immersion heater. electric kettle. electric knife, cooking ranges, washing machine, dish washer, electric iron, electric hair drier, electric hair remover. shavers, electric time switches, mechanical timers, vacuum cleaner, water purifier, drier, coffee roasting appliances, polishers, massage apparatus, sharpeners, vending machines other than those specifically included under any other entry in this schedule in an other schedule Electrical goods of all kinds used in the generation. transmission, distribution or in connection with the consumption of electricity, including all kinds of inverters, voltage stabilizers, wires and cables, holders, plugs. Sockets, switches. capacitors, reapers. bends, junction boxes, coupling boxes; meter boxes, switch boxes, fuse switch boxes, distribution boxes, power Meters, meter boards, switch boards, panel boards, distribution boards, electrical relays, single phasing preventors. wooden plugs, lightning arrestors, electrical earthenware and porcelain ware, circuit breakers. starters, chokes, power supply indicators, winding Wires and strips, jointing materials, heating elements, general lighting system (GLS) bulbs, tubes, light fittings, chandeliers and incandescent shades, fans, air circulators, protectors. stands, fixtures, fittings, battens, brackets, sound or visual signaling apparatus such as bells, sirens, indicator panels, burglar or fire alarms other than those specifically included Electronic goods (i) electronic systems, instruments, apparatus and appliances including television, audio & video cassette tape recorder, compact disc writer, audio & video cassettes, audio & video magnetic tapes and COS, video cassette player. • automatic electronic machines, music systems, amplifier, graphic equalizer. synthesizer, tuner, tape deck. record player, record changer, compact disc player, speaker, sales register: (ii) components, spare parts and accessories Locomotives including cathode ray tube, electronic wires, sleeves, casings. couplings, cables, switches, plugs, holders, jacks, connectors, electronic relays, relays, fuses, head cleaners and lubricants of all kinds other than those specifically included in any other entry in this schedule or in any other schedule Electroplated nickel, chromium silver or (German silver goods Empty gas cylinders Fax machines and their parts and accessories Fiberglass sheets

and articles made of fibreglass other than those specifically included in this schedule or in any other schedule Fire fighting equipments and devices 92 64 70 76 78 81 83 84 01 Fire works coloured matches Floor tiles all varieties (n) Ceramic tiles. glazed floor. roofing and wall tiles; Cuddappah stone slabs and shahabad stone (iii) Granite blocks (rough or (h) Polished granite slabs, in' liddin@ stones. siah and head stone: (iv) Black stone. stone or any Other stone. Vldrbbs. that is to say, - MarhVe hmllders nr (b) Mdrble slihs (t) Murh\c chips arbles (vi) Masnic tiles, chips and powder (d) Marble [lusts (e) marble floor tiles tiles Other articles made of Floor coverings. is to say. (i) carpets, durries, druggets- gnlich;is. carpcLry and rugs whether tufted. piled nr otherwise Whether made from CHI ton silk. synthetic fibres. nutdc.

Ilar»d made hilt excluding jute Carpets, cair c,lrpets nr Illiiv,ings. handmade or hillidloan' ru;ide wovendrrie.s and jannakillnms-.qii) [Gilliingtd. impregnated or coated matting such as including PVC (vinyl)analens rohrr products. plastic foam products. other synthetic products nf 'very description including: (i) sheets. cushions (iii) (iv) mattresses Fond . (i) Ready to serve foods and food preparations including instant foods, pickles, chatnis. s;tuces, jams. marmalades. jellies. sweets and sweet nears, confectionery. chocolates. Goffezs and savories like chips and popcorn; fii) Sweets made of groundnuts. gingelly: (iii) Fried. Illii'k, cocona! milk powricr. food mixes. or salted grams and kernels: (iv) Semi-cooked Or semi-processed food stuffs like coconut nndk'. vermicelli and n-acaroni spaghetti and vegetative and animal preparations sold in sealed containers. (v) Food colours. essences of all kinds nr tablets used for making food preparations: Fruits other than dry fruits and vegetable products when in tins. bottles in kind (vii) paste onion. ginger nr gnrlc and similar other pastes and inRli'l't thercaf. including 'gurry when in sealed container comh Footwear of kinds excluding plastics footwear and hawai chappals Fruit oils like - grape oil, orange oil. lemon oil, lime oil carrot oil etc (ii) Leaves oil mint oil. curry leaf oil Fruits sold in preserved form skins With fur, and articles made fur, Skin and leather Furnaces hatters of types including fluidized bed boilers and ignifitid batters and boilers ll.sjng agricultural waste as fuel bat iwiuding hoilcr.s L'Sing waste only as fuel Furniture made from any material whether sold in assembled or unassembled form and ready assemble. and parts thereof. Explanation: - Slnlted angles. gussets. plates. panels and strips which when assenlbied form furniture nrÄ1 lptngntsE shall be deemed to be furniture or affice equipments as IIC case Illay he. rar 1112 purpose nr this item. Garden and bench and parts thereof Garnet sand Gas cylinders, gas stove. burners and nther accessories lheid of Gases. liquefied or nther than those specifically Inentioned in this schedule nr in any other schedule Glass glassv,'itrc Other these sliicified elsewhere in this schedule or in any Other schedule Glycerin Hair - (i) Human hair; (ii) Wigs Handicrafts made of any material including jute [able nulls. jute dr,nr mats, handicrafts. jute wall hangings. bidariware. handmade pottery items, hand lamps. art works, dnkra items. coconut shell articles, conch and shell articles. palm leaf articles. papier-mâché screw pine articles. articles. wood carvings and wmd figure. war,clen inlaid articles Elnncllnms Machinery and parts and accessories thereof Idclmets I Inflow polyester fibre I-Inspit:d instrument_s. Npparatus. ECG instruments. appliances, tools and aids used in medical, surgical. dental. veterinary sciences or electrical and electronic equipments and appliances: syringes and needles; operation theatrexquipments, shadow bulbs tubes.specially made oper.'ttian and examination and cots and suction stands. trolleys. laharatny equipments and glassware: stethoscopes. thermometers. lactometers. B.P. insinunents. surgical cotton wool: enenil cans. bed pans, kidney trays such other hospital ware surgical gloves, aprons. operation suits. ruhher sheef, catheters.] V sets and the like cervical collars, dhdnrnina! belts lelonet paraffin gauze dressing, Illtr,isonnd Jelly. pinchers (steel). medical oxygen. kits. medical disposable intravennuS , dmir,istratian thermanheter, ;rechanical nasal filters. instrumentsterilizer, hospital wares, gypsona plaster of Paris. bandage. fixed. partial dentures. enameled iron trays basis (115 Instant tea unci instant coffee Insulated flexible air ducts made of PVC nr nther materials Internal combustion engine. marine engine. diesel engine, oil engine, generators, their spare pans, other than those specifically mentioned in this Schedule Ivory. rosewood and sandalwnntl articles Jlitc.cum-pnlypropylene coverings S and key Key c Ina I n KitchenwalÄ_' including crockery, cutlery. non-stick wares. resistant cookware. casseroles, pressure cookers, pressure stoves, gas Stoves. l.abarat(iry reagents, disinfectants. 93 92 93 100 103 106 IOS 109 i 10 111 112 llå 119 120 123 Laminated board of sheet of all varieties and description including expanded polystyrene of kinds Of

formica, tic Leather goods. Lifts, hoists, whether operated by electricity, hydraulic power, mechanical power or Light roofing sheets (obl'dined by Incruuf'silig paper in Lighters o:- all kinds including spark ligllteis Liquefied peltulcunl gas Locks, padlocks and keys (ZII kinds) loow sulphui• heavy slock (I— SHS) Lubricants Machinery of ull kinds (other than those specifically mentioned in Ihis schedule) worked by (i) F.leciricily (iii Nuclear power 1 Diesel petrol (v) Furnace oil {vib Kerusefie (vii) including coke (tii) Hydro dynatnic •and steal" power (viii) Any other forni of fuel or power (excluding Ilunr.lä or lubuur) (ixi Parts and uccessuries of machineries und 1001s Maize products, Io say, - liquid glucose, dextrose, hydi•ol corn steep liquor. Measuring devices (i) vernier caliper. screw gauge, depth gauge, coaling thickness gauge. dizi outside mic:o meter. Ilitutoya cy:inder gauge, precision tilre'.ul rink gauge. ply gauge. colour gus parts (iiJ weighing Of kinds including plutlütun weigli bridges. counter swies, spring weighing scules urid balances, pans accessories of such nrachines and used therewith(iv) dipping nuz•aSures, pounng measures, conical cylindrical measures (v) :eterscules, Lapes, steel yalds and Survey chains Meat, poultry, fish, sea rood, egg, f:uils and vegetables preserved and sold in airlight_ containers Mercury MenthnI Metallic producis other Ihan those specified elsewhere in Ihis schedule or it: aliy other schedule Metal unoys. nletal powders it:cludng pastes oral! types unci grades and melt! scl"dps Uther than those fulling under 'dechured goods', Milk products including, condensed nilk, ghee, cheese, butter, butter oil ice creams. nr,lrg'drine. whether bouled, canned o:' 'acked. Mosquito repellents including electric or electronic mosquito lepellenls, gadgets and insect repellents. devices and puns and accessories thereof Moto," coolatlt, solvent oil und uil Moto? vehicle, 01' motor vehicles, motor c0111binuti01ts, 1110tor scooter, Illupeds. ntuluretlles, Illrec• wheelers. motor vessels, motor engine, trailers, bodies built chassis on nuotor vehicles and hotties built on [natur vessels. s ate ans and accessories thereof Motor, operated electrically or otherwise, and pump operated with or withuul 1110101', including spate parts, comp01 lenlS and accessories of sucll Inotur and Musical insltuments, electrical alid electronic Naphtha Natural & synthetic essential oils not elsewhere specified ill this schedule or in any other schedule Non-alcoholic beverages and ltheir powders, concer',trute.s and tablets including (i) water, soda water, mineral water, ce, fruit concentr.lte, fillil squash, fruit syrup und fruit cordial, (iii) drinks, sold in sealed containers or pouches, (ii) fruit j (iv) health drillKs of all varieties. (v) other non-alcoholic beverages. not falling under any other entry in this schedule or in all y oiler schedule Office :naclllles. equiplnents and apparazuses including franking, address-printing, tnbulating, rash registering, accounting. slälsilical, indexing, punelling stapler mucllilies, punching and paper shreddii:g machines paper pins, Slands, pencil lead, pencil sharpeners, pc leads, stalltp racks, stapler rulers ins in studs of all kinds. Optical goods, that is to say, - spect'acles, sull glasses, goggles, lenses and frames including p,uts and lens care solutioti Paints, lacquers, polishes and enarnels not otherwise specified in this schedule, including powder paints, stiff paste paints and Equid paints; (ii) Colours (iii) Pigments, including water pigments and leather finishes: (iv) Dry distempe:s including cement based water-puints, ail-bound distempers, plustic emulsioll paints; (v) Vamishes, french polish, bituminous and blacks' (vi) Cellulose lucquers, nilm-cellulose lacquers, clear and piglnelizs und nitro-cellulose ancillalies in liquid, setni-solid or pasty forms: (vii) Turpentine oil, bale-oil, white oil: (viii) Diluents und thinners including natural and syntheâc drying and semi-drying oils such as double boiled linseed oil, blown linseed oil, stand oil, sulphurised linseed Di), Parilla Oil, whale oil and lung (tx) Glaziers putty, grafting putty, resin cemenlS, caulking compounds and o:her niastics, fillings, non-reft•t1C101-y suriUuing preparations for facades, indoor walls, false ceiling o? the like; (x) of kinds Pan masala, pun chutney, scented supari and the like tray and paper products Paper envelopes whether printed or net, paper cupsi pulp muulded products such as eg•eG 94 4 inclu:ling push chair for batic:s. spare parts, acccessories and components thereof Photographic cameras and eniargers, fiash light apparatus. photo blocks. lenses. films including x-my films and fitm packs and plates. scannrs. medical imaging equipments. chen licat5 in tile photographic acvelop,ment and printing præess. and cloth. photo phfita frames. photo nther parts and accessories required for use therewith Pihstc•r or Pitris Articles "lade all kinds and forms offilibtic articles i"%ide Of polythene. polyvinyl ch+ide. poly propyler. polyesterene and tile like n%lleriais, excluding those specified ift anynther schedule. Playing cards every Lllescription laminalcd and decorative sheets vencirolllywr,od: hard board. board. block board. insulation board_ board. l.•oartl. hard nr sort wall ceiling. hoards. and similar hoards nf kinds. whether or not containingary other than wood: soft boards instilating made any other Other than wood Poi':ulion contraieqtipments, namely:- (i) Water poll-clion control Coarse screen micro screen {stainYess sleeVZ2ild steel. Rotary screen

(stainless steel / detritor). Racker weirs, paddles, motor with reduction gear arrangements intended for z:zrifcers for liquid waste Mirface aerators / floating accessories.diffuses Of all lypcs for supply of air. in liquid •-zs:e tzatrnt. radial nrms accessories trickling filters. den-,incraliser ror effluent treatment-synthetic packing media for tricking pack:d bed columns / towers far effillcnt treatanent. heuders and laterals with accessories ror trickling filters. digesters. gas and heaters for Iligcslcrs. gas holding tanks for digesters. Pollution control (ii) instrumentation B Oc incubator. C Oz ion Pauer drwcn pumps for liqtlilLs and liquid elevators whether Or with measuring device excluding pump sets, submersible pnmps paras and accessories which are adilpted for use with pumps factors and capacilnrs af kinds Raii coaches. p:lrts "ccessories Rain coat. tarpaulin products of walerproof• cloth. rexine and PVC cloth. Rolling and collapsihlc gates Wlæther oper;tted rnnnunliy, mechanically or electrically and their Rough synthetic gem boules RTS Fraducls. synthetic rul'her products and products nf mixture rul±er synthetic rubber inchiding tread r.tentioned in *Ili' Schedule or in any other schedule Saccharine Saffron Sanitary Inwels. sanitary rapkins. beltless napkins and diapers. baby nappies, disposable diapers Scientific instrumerls and equipments like optical instruments. electrical instnmer,ts, scientific balance. acoustic and mechanical instruments Shaving set, safety razor. razor blades, ruzor cartridge, shaving hrush, shaving cream. shaving soap. after shavu Shoe polish including shoe wax, cream and whitener Silverwnrc transmitting equipments including Inndspeakers. dictaphones. amplifiers and similar apparatus for and anci spare pans and accessories thereof Soya milk Articles. equipnnents gyninastics and health fitness ecliipnents Stainless steel plorl'.lcts excluding Iltensils Strong room or vault and or reinmrccd sarcs. strong boxes and doors, cash chests. cash coffers. safe, deposit lockers and locker cabinets Studio including lighting control reflectors, tri.rcfiec(nr, modifiers, backgrounds, curtains backgrounds. etc Silil cases. brief cases. cases, dispatch cases, trunks. purses. hand bags. vanity bags. vanity cases and vanity Synthetic gerns Tahulaling. ca lcnlating machines. pans and accessories thereof Tailoring materials. namely needles. scissors, hooks. buttons, zips. buckles, tape ld stick. collar; and collar Suttons. aniling harks Telecommunication apparatus and ribbnns used therewith not falling Linder any other entry Schedule or in any Television sets cornpnnenL parts and ilccessories thereof 95 Explanati01!: •timber includes all kinds Of Wuod, standing trees. Jugs, planks, rafters or variety lither those under any ill this or in any other Tool: wear pans such as uvist drills. iaps. reamers. spanners. screw-drivers, iil•s, cutting pliers, hannners, cultus. dies. bullou bits, tungsten, carbide wear industrial wear parts and like Tootil paste. powder (whelher medicated Ur not). ioolh blush and dentifrices. Torch light and of kinds Including electrical and electronic Transport those specifically this schedule Typewri:ers, typewriter ribbon used therewith. or in spools. curlect.iotl flLids and par'S Tyres and tubes uLlier than those for bicycles, tri.cycies, Cyc): rickshaws and wheel-chairs; flaps Vacuum nasks of kinds and descriptions including refills for such flasks thermally insulated flasks, containers and vessels including thermoses, thermic jugs. ice but-•kets boxes. tins receptacles to keep nr beverages or other articles. culd conponentS and accessories lhereof mineral and Other preparations, tonics, food supplements. appetizers, dielical foods preparations consumption in liquid, pill, powder whether •prepared aecordit:g to pharn•.acupial standards or otherwise, Other Illun those speci,lied elsewhere in this schedule Watches. clocks, (Whether ur not in With any devices), Stop watches. records, print time punchi ng Clocks. time-registers. inserurnent panei 01 all kinds including all such electronic devices. parts accessories thereof, watch bands, watch bracelets, chains, waich straps Waler • distilled water, waler. ionic water. battery water. de-tmncralised water Wuter ot all varieties and descriptions Water proofing. dan•.p proofing and weather proofing compounds Water supply and sanitary equipmen's and fittings ofevery description including storage tanks. taps, pipe-fillings, showers, bidets, water closet pans. flushing cisterns, urinals, eutnmodcs. sewer0,ge disposals, parts and accessories Welding rods sinks, wash wash basil' pedestals. Inan•hole used With Wireless instruments and apparatus, transistor radio. radiogranb and transistors and including electrical valves. speakers whi'--ii are used exclusively in such and apparatus Yeast•fresh, dried or cornpresse.% yeast extract-pastc or powder and ycasl eel' wall Misc. 'ten' not covered in any Schedule By Order. "Tashi Wangdi, SSJS, Legal Remembrancer cum Secretary to the Govt. of Sikkim. F.No. 16 (82) LI/2005 96 SIKKIM GOVERNMENT EXTRAORDINARY PUBLISHED BY AUTHORITY GAZETTE Gangtok No: 4/LD/2005 20th September, 2005 Tuesday, GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION No. 347 Dated : 20/9/2005 The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 7th September, 2005 is hereby published forgeneral information:- THE SIKKIM VALUE ADDED TAX

(AMENDMENT) ACT, 2005 (ACT NO. 12 OF 2005) ACT fufiher to amend the Sikkim Value Added Tax Act, 2005. Be it enacted by the Legislature of Sikkim in the Fifty-sixth Year of the Republic of India as follows: - Short title and commencement Amendment of the i'itfE. Amendment of Section 8 Insertion of provisos to sub-section (1) of Section 13 (I) This ACI may be called the Sikkim Value Added Tax (Amendment) Acti 2005. (2) It extends to the whole of Sikkim. (3) It shall come into force at once. 2, In the Sikkim Value Added Tax Act, 2005 {hereinafter referred to as the 'principle Act') in the long title, after the words 'tax on sale and before the words of goods, the words nor purchase" shall be insened. 3, . In the principal Act, in clauses (b) and (c) of sub-section (3) of section 8, for the figure wherever it occurs, the figure be substituted

4. In the principal Act, after the first proviso to sub-section (1) of section 13, the following provisos shall be inserted, namely "Provided further that if the amount towards labour charges and other like charges not involving any transfer of property in goods, actually incurred in connection with the execution of works contract are not ascertainable from the books of accounts maintained and produced by a dealer before the appropriate Insertion of proviso to sub-section (5) of Section 26 Insertion of new section 25A assessing authority, such dealer shall be allowed to deduct from his gross turnover such amount towards labour charges and other like charges as the said authority shall determine on the basis of the nature of works, records available before him and making such verification as may be necessary, but not exceeding forty percent of the total value Of the works executed by such dealer: Provided further that the appropriate assessing authority shall determine the turnover taxable as applicable as per the rates of tax specified in the Schedules from the total taxable turnover ascertained after allowing deductions on account of labour charges and other Eike charges, on the basis of the records available before him and making such verifications as may be necessary in this behalf: Provided also that the appropriate assessing authority shall record in writing the reasons of determination of taxable quantum and applicable tax rate on such taxable quantum", Insertion of proviso to sub-section (5) Of Section 26 5.In the principal Act, under sub-section (5) of Section 26, the following proviso shall be inserted, namely: - 'Provided that the Commissioner, if satisfied, do so by Notification, extending the period of limitation for registration for such further time as he deems necessary

6. In the principal Act, after Section 26, the following section shall be inserted, namely; "26A.Registration of certain classes of dealers-Notwithstanding anything contained in section 1 6, sub-section (1) of Section 26 but subject to the provisions sub-section (2), (4), (5), (6), (7), (9) and (10) of Section 26, Section 28 and Section 29, where a dea\er has no fixed place of business in Sikkim but sells goods inside the Stata either directly or through representatives or agents including traveling representatives or agents or sales men inside the State or othenvise or, having one or more place or places of business in Sikkim, sells goods in places other than those in which such place is, or places of business are, situated, the Commissioner or an appropriate assessing authority authorized by him in this behalf, by order in writing, direct that such dealer shall be registered under the Act in respect of such saias and shall be liable for payment of tax as per the rates specified in Schedules 11 or Ill or IV or V, as the case may be, and that unless provided othemise in this Act, the provisions of the Act and the ruies made there under shall apply accordingly: Providod that the Commissioner or the authorized assessing authority may hear the dealer before such order if request in writing in that behalf is made by him: Provided further that nothing in such order shall be deemed to divest the taxing authorities or Inspectors of the areas in which the dealer sells goods, of 2 Insertion of new Section 30A Insertion of new Section 60,4 Amendment of Section 75 Repeal their powers and functions delegated by the Commissioner or conferred by or under the Act or the rules made there under: Provided also that the State Government may, by notification and subject to such conditions and restrictions as may be prescribed, permit any dealer registered under this section to pay in lieu of the tax payable by hirn at the rate or rates specified in the Schedules, an amount calculated at such rate not exceeding four percent of his gross turnover as may be specified in the notification Issued in this behalf, 7. In the principal Act, after Section 30, the following section shall be inserted, namely; -"30A. Deferment of payment of tax in respect of certain industrial units and payment of tax in installments by the dealers- Subject to such restrictions and conditions as may be prescribed, the Commissioner may, in the prescribed manner, permit the output tax payable under this Act by a registered dealer or a class or classes of dealers as may be prescribed, according to his returns referred to in sub-

sections(1), (2) and (3) of Section 30, to be deferred or to be paid in installments, as the case may be, subject to the provisions of the rules made under this Section

8. In the principal Act, after Section 60, the following Section shall be inserted, namely:- "60A, Enrolment of transporters, carriers or transporting agents- Every transporters, carriers or transporting agents operating his transporting business in Sikkim of transporting any consignment of taxable goods into or outside or within Sikkim shall obtain from the Commissioner a certificate of enrolment in such manner and within such time as may be 9. In the principal Act, for the words and figure "referred to in Section 77 and an order of assessment against which an appeal lies under Section 73 passed by the assessing authority or the prescribed authority" the words and figures "passed under section 73 and Section 77 by the Appellate Authority", shall be substituted. IO. The Sikkim Value Added Tax (Amendment) Ordinance, 2005 is hereby repealed. By Order. R.K. Purkayastha, SSJS, Legal Remembrancer cum Secretary, Law. File No. 16 (82) LD/2005. SIKKIM GOVERNMENT EXTRAORDINARY GAZETTE Gangtok No. 10/LD/2007 PUBLISHED BY AUTHORITY Saturday 21st April, 2007 GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION No. 155 Date: 21.04.2007 The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on 16th day of April, 2007 is hereby published for general information:- THE SIKKIM VALUE ADDED TAX (AMENDMENT) ACT, 2007 (Act No. 10 of 2007) AN ACT further to amend the Sikkim Value added Tax Act, 2005. Be it enacted by the Legislature of Sikkim in the Fifty-eighth Year of the Republic of India as follows:- Short title, extent and commencement Insertion of proviso to Section 12 I. (1) This Act may be called the Sikkim Value Added Tax (Amendment) Act, 2007. (2) It extends to the whole of Sikkim. (3) It shali come into force on such date as the State Government may, by notification in the Official Gazette, appoint

2. In the Sikkim Value Added Tax Act, 2005, (hereinafter referred to as the said Act), under Section 12, the following proviso shall be inserted, namely:- "Provided that, notwithstanding anything contained in this Section and Sections 9, 14, 15, 16, 20. and 21 . sales of goods specified in the Schedules, except Schedule I. made by canteen stores department of the army or defence Amendment of Section 26 3. establishment, or canteen run by a unit of such army or defence establishment, shall be liable for such rate or rates of tax, and on such conditions, as the Government may by notification, specify from time to time". In the said Act, in sub-section (1) of Section 26, after the words, "under Section 81, and before the punctuation mark and the words, , carry on", the following words shall be inserted, proviso to Section 12 By Order. R.K. Purkayastha (SSJS) LR-cum-Secretary S G P.G • 155/ Gazette '150 NOS./Ot:- 27 4.2007 SIKKIM GOVERNMENT GAZETTE EXTRAORDINARY No. 131 Gangtok No.22/LD/P/2008 PUBLISHED BY AUTHORITY Wednesday 16th April, 2008 GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION Date: 10.04.2008 The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on the 28th day of March, 2008 is hereby published for general information:- THE SIKKIM VALUE ADDED TAX (AMENDMENT) ACT, 2008 ACT NO, 6 OF 2008 ACT further to amend the Sikkim Value Added Tax Act, 2005, Be it enacted by the Legislature of Sikkim in the Fifty-ninth Year of the Republic of India as follows:- Short title, extent and 1 commencement Amendment of section 30 2. (1) This Act. may be called the Sikkim Value Added Tax (Amendment) Act, 2008, (2) It extends to the whole of Sikkim. (3) It shall be deemed to have come into force on the ISi day of April, 2005. In the Sikkim Value Added Tax Act, 2005, in sub-section (8) of Section 30,- (i) after the words and figures, "sub-section (2)" and before the word "within", the following words and figures shall be inserted, quarterly abstract statement under sub-section (4)"; (ii) for the word "of I", appearing after the word "rate" and before the words "five hundred", the words "not exceeding" shali be substituted. By Order. R.K. PURKAYASTHA (SSJS), L,R-CUM-SECRETARY, LAW DEPARTMENT. FILE NO,16 (82) LD/2008 S.G.P.G. 131/ Gazette /150 Nos./Dt:. 16.4.2008. SIKKIM GOVERNMENT EXTRAORDINARY GAZETTE Gangtok No. 11/LD/P/2010 PUBLISHED BY AUTHORITY Wednesday 21st July, 2010 GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION No. 357 Date: 17.7.2010 The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on the 29th day of June, 2010 is hereby published for general information:- THE SIKKIM VALUE ADDED TAX (AMENDMENT) ACT, 2010 ACT NO. 11 OF 2010 AN ACT further to amend the Sikkim Value Added Tax Act, 2005, Be it enacted by the Legislature of Sikkim in the Sixtieth Year of the Republic of India as follows:- Short title,

and extent commencement Substitution of new clause for clause (xxviii) of section 2. (2) (3) (a) (b) (C) (d) This Act may be called the Sikkim Value Added Tax (Amendment) Act, 2010. It extends to whole of Sikkim. Unless otherwise specifically provided, it shall come into force at once, In the Sikkim Value Added Tax Act, 2005, (hereinafter referred to as the said Act), for clause (xxviii) of section 2, the following clause shall be substituted, namely:- "(xxviii) "Sale" with all its grammatical variations and cognate expressions, means every transfer of property in goods by one person to another for cash or deferred payment or for any other valuable consideration, and includes:- a transfer, otherwise than in pursuance of a contract, of property in goods for cash, deferred payment or other valuable consideration; a transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract; a delivery of goods on hire purchase or any other system of payment in installment; a transfer of the right to use any goods for any purpose, whether or not for a specified period, for cash deferred payment or any other valuable consideration; Amendment of 3. clause (xxix) of section 2 Amendment of 4 section 4 Amendment of 5 section 10 (i) (2) (b) 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 any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration; a transfer of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or any 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 purchase of those goods by the person to whom such transfer, delivery or supply is made, but does not include a mortgage, hypothecation, charge or pledge: Provided that these provisions shall be deemed to have come into force on the first day of April, 2005," In the said Act, in clause (xxix) of section 2, the following proviso shall be inserted, namely:- "Provided that the State Government may, if satisfied to do so in public interest, from time to time, by notification exclude any levies under any other Act for the time being in force, from being part of the sale price for levy of tax under this Act. In the said Act, in section 4,- for sub-section (2), the following sub-section shall be substituted, namely:- "(2) The Government may appoint either the Commissioner of Commercial Taxes as the Appellate Authority or a person who is or has been an officer not below the rank of the Secretary to Government of Sikkim and has served for a minimum period of two years in the department of Commercial Taxes.' after sub-section (6), the following sub-section shall be inserted, namely:- Notwithstanding anything contrary to the provisions laid down in sub-section (1) and sub-section (2) above, and subject to clause (b) to this sub-section, the Commissioner may allow any of the prescribed authority who is subordinate to him, to perform the responsibilities of an Appellate Authority in certain cases, and such authority shall be deemed to be an Appellate Authority appointed under the Act. The responsibilities referred to in clause (a) shall not be conferred to a prescribed authority below the rank of Joint Commissioner in the cases where original order is passed by either Deputy Commissioner or Assistant Commissioner, and to a prescribed authority not below the rank of Additional Commissioner or Special Commissioner where the original order is passed by Joint Commissioner and equivalent. (c) The powers, functions and procedures prescribed for the Appellate Authority shall mutatis mutandis, apply in dealing with the appeal preferred with the authorities referred to in clauses (a) and (b) above, In the said Act, for the existing section 10 and the entries relating thereto, the following shall be substituted, namely:- "10. Levy of tax on purchases- Every registered dealer who is in the course of business purchases from an unregistered dealer any goods- 2 Amendment of sub-section (5) of section 13 Substitution of clause (c) of sub-section (2) of section 16 Omission of sub-section (2) of section 17 Amendment of section 18 Amendment of section 19 Amendment of section 21 Amendment of section 24 6. 8. 9. 11. 12. (1) (b) (c) (2) 10. specified in Schedule 11, II, IV and V to this Act, he shall be liable to pay tax on the purchase of such goods, if the goods are: used in the process of producing exempted goods, used in the process of producing taxable goods and such goods are disposed off otherwise than by sale, disposed off otherwise than by sale. specified in Schedule I to this Act, he shall be liable to pay tax on the purchase of such goods, if the goods are used in the process of producing taxable goods and the goods so produced are disposed off otherwise than by sale: Provided that such tax on purchases shall be levied at the same rate at which such tax under section 9 or 12 would have been levied on the sale of such goods within the State on the date of such purchase." In the said Act, in sub-section (5) of section 13, for the words "not exceeding eight percent", the words "at such percentage" shall be substituted, In the said Act, for clause (c) of sub-section (2) of section 16, the following clause shall be

substituted, namely:- "c) issue tax invoices of the sales made in the form and manner specified in section 55." In the said Act, sub-section (2) of section 17 shall be omitted. In the said Act, in sub-section (2) of section 18, for the words "not exceeding five hundred rupees per day of default" appearing after the words "a penalty" and before the words "after affording", the following words shall be substituted, namely:- "equivalent to two percent of the gross value of the work awarded". Provided that this provision shall be deemed to have come into force on the first day of April, 2005." In the said Act, in sub-section (5) of section 19, the following Proviso shall be inserted, namely:- "Provided that in such cases where the deducting authority remits to the credit of the State Government the amount deducted at source by cheque or demand draft or any other similar instruments, such deducting authority may make the remittance within a period of one month from the date of the deductions made. In the said Act, in section 21, in clause (e) of sub-section for the figure and word "4 percentum" wherever they occur, the figure and word "2 percentum" shall be substituted, and After the first Proviso, the following Proviso shall be inserted, namely,- "Provided further that the State Government may, by notification, revise the rate prescribed in this clause as and when required due to change of provisions of any other law for the time being in force." In the said Act, for the existing section 24 and the entries relating thereto, the following shall be substituted, namely:- "24. Power of the State Government to amend Schedule - 3 Amendment of section 25 Amendment of section 29 13. 14. (1) (2) Insertion of 15 new section 29A (1) (2) (3) The State Government may, by notification, add to, amend or alter any of the items and the rates of tax in the Schedule to this Act." In the said Act, in section 25, in sub-section (3), the following Provisos shall be inserted, namely:- "Provided that the dealer shall furnish prior information with details, to the prescribed authority, of the goods being returned or disposed of otherwise than by sale for reasons of rejection or for any other reasons: Provided further that duly providing an opportunity of being heard, the prescribed authority shall impose on the dealer a penalty of a sum not exceeding fifty percentum of the value of the goods claimed as returned or rejected or disposed of otherwise than sales, for failure to furnish prior information as required by first Proviso to this sub-section. In the said Act, in section 29,- in sub-section (1), for the words "less than five thousand rupees and not exceeding ten thousand rupees for each month of default" the words, "exceeding five hundred rupees per day of default." shall be substituted; in sub-section (2), after the first proviso, the following proviso shall be inserted, namely:- "Provided further that if the dealer fails to pay the penalty within the time prescribed in sub-section (2) or first Proviso thereof, the prescribed authority may, after providing an opportunity of being heard, pass an order to close down the business of the defaulter till the penalty is paid, and the licensing authority empowered under any other law for the time being in force, if any, shall suspend the trade license till the order remains in force. In the said Act, after section 29, the following new section shall be inserted, namely:- "29A. Exemption from registration to certain class of contractor involved in execution of works contract- Notwithstanding anything contained in section 26 and other provisions laid down in this Chapter or anything contrary to this Act, a contractor involved in execution of works contract the gross contractual value of which does not exceed such amount as may be specified by the Government by notification, shall not be required to register himself and file the returns under the Act : Provided that any contractor intending to opt for registration shall not be barred to register himself under the Act. Any contractor exempted under sub-section (1) shall not be entitled to import goods from outside the State of Sikkim, whether such goods are purchased or otherwise, for use in the works contract . Provided that a total tax liable to be paid on the value of the goods and a penalty not exceeding equivalent to double the tax but not less than one half of such tax shall be imposed against breach of the provision of this sub-section. The State Government may from time to time, by notification, prescribe the rate of tax payable by such class of contractors who are exempted from registration under sub-section (1), and the deducting or paying authority shall deduct such tax at source from the bills payable to such contractors. 4 Amendment of section 30 Amendment of sub-section (1) Of section 38 and insertion of new sub-section (4A) Amendment Of section 39 Amendment of sub-section (2) of section 40 Amendment of section 41 1 61 18. 19. 20. (a) (b) (2) No person or any authority shall award works contract to any contractor exempted from registration under this section unless no objection certificate is produced, before such person or authority, issued by the concerned prescribed authority on production of proof of payments of tax and necessary verifications as to the works contract executed previously, if any." In the said Act, in section 30, in sub-section (4),- after the words and figures "by section 16" and before the words "to pay tax", the words and figures "or section 17"; shall be inserted;

in sub-section (9),- in clause for the words "according to the return on or before the end" , the words, "for each month on or before the fifteenth day" shall be substituted in clause (b),- for the words "quarterly turnover, on or before the end of the month following the quarter to which it relates", the words, "monthly turnover, on or before the fifteenth day of the following month" shall be substituted. In the said Act, in section 38,- in sub-section (1 after the words and the punctuation mark "correct and complete," and before the words "the prescribed authority", the following words and punctuation mark shall be inserted, namely:- "or if no tax is paid or if the tax is not fully paid in respect of any period,' after sub-section (4), the following sub-section shall be inserted, namely:- If any assessing authority discovers in the returns or books of accounts or any statement of business of any dealer that in such returns or books of accounts or statement non-taxable component is included, which is not shown separately for being unascertainable in nature, the assessing authority may, after verification and assigning the reason thereof in writing, determine the taxable turnover component as he justifies as reasonable, for the purpose of levy of tax." In the said Act, in sub-section (3) of section 39, the following Proviso shall be inserted, namely:- "Provided that for just and sufficient reasons to be recorded in writing, the Commissioner may order for detailed audit of any dealer or dealers after a period of twenty four months, but not later than six years in any case, from the due date referred to above". In the said Act, in sub-section (2) of section 40, for the words "a sum of one hundred rupees" the words, "a sum not exceeding five hundred rupees" shall be substituted; the words "or an amount equal to the tax assessed, whichever is greater", and the first Proviso and the second Proviso thereunder shall be omitted. In the said Act, in section 41, in clause (i), after the words 'the returns", the words "or the abstract statements, as the case may be," shall be inserted ; in clause (ii), for the word and figures "section 39", the word and figures "section 38" shall be substituted ; 5 Amendment section 42 Insertion of new section 42A Amendment of sub-section (3) of section 43 Insertion of new section 53A Amendment of section 54 (ii i) " (iii) 21. (a) (b) (iii) 22. (1) (2) (3) 23, 24. "53A 25. after clause (ii), the following clause shall be inserted, namely:- if the dealer fails to pay the assessed tax or penalty or both within the time prescribed under clause (ii), the prescribed authority may, after providing an opportunity of being heard, pass an order to close down the business of the defaulter till the due tax or penalty or both is paid, and the licensing authority under any other law for the time being in force, if any, shall suspend the trade license till the order remains in force. In the said Act, in section 42,- sub-section (1) shall be omitted , in sub-section for the word and figures "section 39" the words and figures '*section 38 and section 40", shall be substituted , in clause (a) and clause (b), after the words "assessment is made" the words "or was to have been made" shall be inserted ; sub-section (3) shall be omitted. In the said Act, after section 42, the following new section shall be inserted, namely,- Reassessment- Any assessment made on any dealer may be reopened for reassessment by the same prescribed or the assessing authority who made the assessment or by such higher authority next to the authority who made the assessment: Provided that no reassessment shall be made unless new and reliable fact or facts are discovered subsequent to the assessment that was made, which shall be recorded in writing by the authority making reassessment, and a notice to that effect is given to the assessee. A prior permission in writing of the Commissioner or the authority authorized by him shall be obtained by the assessing authority before initiating the proceedings of reassessment, No reassessment shall be made after three years from the date of passing of the order of the assessment. In the said Act, in sub-section (3) of section 43, the figure "39" shall be omitted. In the said Act, after section 53, the following new section shall be inserted, namely,- . Bar on issue of prescribed declaration Forms or suspension of such Forms- If any dealer or person fails, after expiry of a due date of a notice for payment of tax or interest or penalty required to be paid under this Chapter or the Act, the issue of prescribed Forms of declaration of purchases or waybills, whether inter-state or intra-state, shall be withheld, or import of goods, even if declared in the prescribed Forms, shall be suspended until payment is made of due tax or interest or penalty, as the case may be. In the said Act, in section 54, In sub-section (1), after the words (to furnish return" and before the words and figures "under section 30" , the words " or quarterly abstract statement" , shall be inserted in sub-section (3), the following words and punctuation marks shall be omitted, namely:- 6 (iii) (iv) (v) (a) (b) (c) Amendment of 26. section 55 Amendment of 27. section 56 Insertion of 28. new section 59A Amendment of 29. section 60A Insertion of 30. new section 64A ' , without prejudice to the provisions of sub-section in sub-section (4), after the words "verify the returns" and before the words "referred to", the words " or quarterly abstract statement", shall be inserted , existing sub-section (5) shall be omitted ; after sub-section (5) as so omitted, the following sub-section

shall be inserted, namely,- The accounts, records, registers, statements, and/or documents referred to in this section or elsewhere in the Act, shall be, subject to section 42, maintained for a period of six years. In the said Act, in section 55,- clause (a) of sub-section (2) shall be omitted; in sub-section (9), for the words "five years", the words "six years", shall be substituted, after sub-section (10), the following new sub-section shall be inserted, namely,- "(11) If a dealer or person required under this section to provide or issue tax invoice or retail invoice, as the case may be, is found not complying with the provisions of this section, the prescribed authority shall impose upon him a penalty of a sum not exceeding fifty percentum of the value of the goods sold without providing or issuing tax invoice or retail invoice, to the purchasers, In the said Act, in section 56,- before the opening words "Every dealer", the words "Subject to the provisions of section 42" shall be inserted • for the words "five years" the words, "six years" shall be substituted. In the said Act, after section 59, the following new section shall be inserted, namely:- "59A. Penalty for non-maintenance of accounts, records or documents- Any dealer or person whoever fails to maintain the accounts or records or documents required under this Chapter or under the Act, and in cases where a penalty for default is not prescribed specifically in the relevant section, shall be liable for a penalty of a sum not exceeding rupees ten thousand in every instance: Provided that an opportunity of being heard shall be provided to the defaulting dealer or person before imposing the penalty. In the said Act, in section 60A, the following Proviso shall be inserted, namely:- "Provided that any transporter, carrier of goods or transporting agent carrying on business without valid certificate of enrolment shall be liable for penalty not exceeding five thousand rupees that shall be imposed after providing an opportunity of being heard, and when the offence is a continuing one, with a daily fine of rupees fifty during the continuance of the offence." In the said Act, after section 64, the following new section shall be inserted, namely:- 7

"64A. Survey and verification- (1) (2) (3) (a) (b) (4) (5) Amendment of 31 section 65 (iii) For the purpose of identifying dealers who are liable to pay tax at the rates specified in the Schedule to the Act or compounded tax under the Act or the tax under section 26A, but have registered as composite dealers or remained unregistered, or for verification of documents in the business premises, of any kind required to be maintained by the dealers under the Act or stock of goods for sales kept in a store or godown or warehouse, whether declared or not, the Commissioner shall from time to time cause to be undertaken or any authorized prescribed authority may undertake a survey of such composite dealers or unregistered dealers, or he shall cause to be conducted or any authorized prescribed authority may conduct an inquiry, as the case may be. The Commissioner or the authorized prescribed authority may, by notice require any information or particulars from any person or dealer or class of dealers or transporter or providers of public utilities and financial institution including banking companies which he is of the opinion will be relevant and useful for the purpose of survey or verification. For the purpose of survey or verification, the Commissioner or any authorized prescribed authority enter any place of business of the persons or dealers referred to in sub-section (1) during the hours at which the business is open or in case of any other place, only after sunrise and before sunset: Provided that any person, proprietor or employee attending or helping in the business shall,- provide all necessary facility to inspect such books of accounts or other documents as the Commissioner or the authorized authority may require, afford necessary facility to check or verify the cash, stock or other valuable article or things which may be found therein, and furnish such information as may be required as to any matter which may be useful for or relevant, to any proceedings under this Act. The Commissioner or any authorized prescribed authority may seize any accounts or documents from the dealer or class of dealers or any person referred to in sub-section (1) or in Proviso to sub-section (3), and the provisions of section 63 shall mutatis mutandis apply for making the seizures, Any dealer or class of dealers or any person not providing information or facilities required under this section without any valid and reasonable cause, shall amount to obstruction in discharge of the lawful authority and liable for action under any other law for the time being in force. In the said Act, in section 65,- in sub-section (2),- in clause (a), after the words "signed by the consignor" and before the words "of goods carried", the words "or the consignee, as the case may be," shall be inserted; in clause (b), after the words "any other place" and before the words "by an officer", for the words "when so required" the words "when directed" shall be substituted. after clause (e), the following new sub-section shall be inserted, namely:- "(2a) Any person whoever brings goods from outside Sikkim for any purpose otherwise than for sale into Sikkim or for sale of which no tax is payable under the Act, shall make declaration of the goods so imported 8 Amendment Of 32 section 66 Amendment of 83. section 69 Amendment of 34, section 72

insertion of 35 new section 72A Amendment of 36. section 73 Amendment of 37. section 86 before the authorities in the Check post in the Form by whatever name it may be called, and in such manner as provided in this section or as prescribed Provided that the provisions of this section, section 63, section 67, section 68 and section 69 shall apply invariably for the import of goods into Sikkim referred to in this clause" In the said Act, in section 66 after the word and figures "section 60" and before the words and the figures "or section 71 the words and figures section 65" shall be inserted, In the said Act in section 69, in the marginal heading,- after the word and the figures "section 60", the words, figures and punctuation mark "or section 65 or section 71 as the case may be," shall be inserted, In the said Act, in section 72, in clause (b) of sub-section (I), after the words "to furnish return", and before the words "under section 30", the words "or abstract statement" shall be inserted. In the said Act, after section 72, the following new section shall be inserted, namely,- "72A. Penalty for purchases made without declaration in waybills or in prescribed Forms or manners- Where a dealer or any person transported or purchased any goods, whether in the course of inter-state or intra-state trade or business, without making declaration in the prescribed Forms or waybills or invoices and upon inspection or verification those goods are found in the possession or place of business, godown or ware house of such dealer or person or discovered during inspection or verification of his books of accounts, the prescribed authority shall, after providing such dealer or person a reasonable opportunity of being heard, impose upon him a penalty of a sum not exceeding fifty percentum of the value of such goods." In the said Act, in sub-section (5) of section 73,- for the words "five years" appearing after the words "within a period of" and before the words "from the date", the words "two years" shall be substituted , for the second Proviso the following new Proviso shall be substituted, namely:- 'Provided further that the Appellate Authority may, for reasons to be recorded, extend the period of limitation for a further period of six months.' In the said Act, in section 86, after the words "transporting agent" appearing in the first place, and before the words 'to furnish to him" , the words and punctuation mark "or any person or authority awarding works contract, releasing payment, processing bills for payment or principal contractor and sub-contractor," shall be inserted , 9 after the words "transporting agent" appearing in the second place, and before the words "for examination", the words "or any person or authority awarding works contract, releasing payment, processing bills for payment or principal contractor and sub-contractor," shall be inserted. By Order. R.K. PURKAYASTHA (SSJS) LR-cum-Secretary Law & Parliamentary Affairs Department. S.G.P.G. • 357 Gazette /100 Nos./Dt:- 21.07.2010. SIKKIM GOVERNMENT GAZETTE Gangtok No.05/LD/P/12 EXTRAORDINARY PUBLISHED BY AUTHORITY Thursday 30th August, 2012 GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK NOTIFICATION No. 428 Dated 28.08.2012 The following Act passed by the Sikkim Legislative Assembly and having received the assent Of the Governor on 29th day of June, 2012 is hereby published for general information: THE SIKKIM VALUE ADDED TAX (AMENDMENT) ACT, 2012 ACT NO. 05 OF 2012 AN ACT further to amend the Sikkim Value Added Tax Act, 2005 Be it enacted by the Legislature of Sikkim in the Sixty Third Year of the Republic of India as follows:- Short title, extent and 1 (1) This Act may be called the Sikkim Value Added Tax(Amendment) Commencement Amendment of Section 12 Amendment of Section 21 Act, 2012. (2) It extends to the whole of Sikkim. (3) It shall be deemed to have come into force on the 1st day of June, 2012 2 In the Sikkim Value Added Tax Act, 2005, (hereinafter referred to as the said Act, after clause (e) of Section 12, the following Clause shall be inserted, namely:- "(f) the goods specified in Schedule VI — 20 percent." 3 In the said Act, in Section 21 , for the words and figure "Schedules 11 to V" wherever they occur, the words and figure "Schedules 11 to VI" shall be substituted. Amendment of Schedule V Insertion of New Schedule V/ 4 In the said act, in Schedule V, (I) Serial Number and the entries relating thereto shall be omitted. (2) the existing Serial Number 165 shall be renumbered as Serial Number 164. 5 In the said Act, after Schedule V, the following Schedule shall be added namely "SCHEDULE VI" (See Section 12 (f)) The goods mentioned below are liable to Value Added Tax at the rate of 20 percent Sl. No. Description of goods Tobacco and all its products including cigarettes and chewing tobacco, other than bidis and raw R.K Purkayastha, SSJS L.R-cum-Secretary, Law Department. S.G.P.G. - 428/Gazette/30 Nos JDt:- 30.08.2012.