

LAW DEPARTMENT

NOTIFICATION

The 26th July 1991

No. 10854 / Legis.— The following Ordinance promulgated by the Governor of Orissa on the 26th July 1991, is hereby published for general information.

- ORISSA ORDINANCE No. 6 OF 1991

THE ORISSA SALES TAX (AMENDMENT) ORDINANCE, 1991**AN****ORDINANCE****FURTHER TO AMEND THE ORISSA SALES TAX ACT, 1947**

WHEREAS the Legislature of the State of Orissa is not in session;

AND WHEREAS, the Governor of Orissa is satisfied that circumstances exist which render it necessary for him to take immediate action to amend the Orissa Sales Tax Act, 1947 in the manner hereinafter appearing;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Orissa is pleased to make and promulgate the following Ordinance in the Forty-second Year of the Republic of India:—

1. (1) This Ordinance may be called the Orissa Sales Tax (Amendment) Ordinance, 1991.

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

Short title
and
commence-
ment.

Amendment
of section 2:

2. In section 2 of the Orissa Sales Tax Act, 1947 (hereinafter referred to as the principal Act),— Orissa Act 14 of 1947.

(a) after clause (ddd), the following clauses shall be inserted, namely:—

(dddd) "importer" means a dealer who brings any goods into the State or to whom any goods are despatched from any place outside the State;

(ddddd) "manufacture", with all its grammatical variations and cognate expressions, means producing, extracting, altering, ornamenting, fishing or otherwise processing or adopting any goods, but shall not include such manufacture or manufacturing process as the State Government may, by notification, specify from time to time.

(b) after clause (f), the following clause shall be inserted, namely:—

(ff) "Small Scale Industry" means an industry which is certified as such by the Director of Industries, Orissa, or the General Manager or Project Manager of the concerned District Industries Centre, Orissa or by any other authority as the State Government may, by notification, specify from time to time;

Amendment
of section 4.

3. In section 4 of the principal Act,—

(a) in sub-section (1),—

(i) for the words, brackets and figure "Orissa Sales Tax (Amendment) Act, 1990", the words, brackets and figures "Orissa Sales Tax (Amendment) Ordinance, 1991" shall be substituted;

(ii) for the letters and figure "Rs.1,00,000", the words "the limit specified in sub-section (7)" shall be substituted;

(b) in sub-sections (2), (3) and (4), for the letters and figure "Rs.1,00,000", the words, brackets and figure "the limit specified in sub-section (7)" shall be substituted;

(c) after sub-section (6), the following sub-section shall be inserted namely:—

(7) For the purpose of this section, the limit shall be,—

(a) in relation to a dealer who is an importer, Rs.20,000;

(b) in relation to a dealer who manufactures any goods (other than such goods as the State Government may, by notification, specify from time to time in this behalf), Rs. 1,00,000;

(c) in relation to a dealer engaged in the execution of works contract and in execution thereof supplies goods (whether as goods or in some other forms), Rs.1,00,000; and

(d) in relation to any other dealer not covered by clauses (a), (b) and (c), Rs. 2,00,000".

Amendment
of section 9.

4. In section 9 of the principal Act, in clause (b) of sub-section (6), for the letters and figure "Rs.1,00,000", the words, brackets and figures "the limit specified in sub-section (7) of section 4" shall be substituted.

Amendment
of section
11.

5. In section 11 of the principal Act, in sub-section (3),—

(a) in the Explanation, after the words, brackets, figures and letters "under sub-section (2) of section 13-AA", the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA" shall be inserted; and

(b) in the proviso, after the words, brackets, figures and letters "under sub-section (2) of section 13-AA" the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA" shall be inserted.

Amendment
of section
13.

6. In section 13 of the principal Act,—

(a) in sub-section (2) after the words, brackets, figures and letters "under sub-section (2) of section 13-AA" the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA" shall be inserted; and

(b) in sub-section (4), in clause (ee), after the word, figure and letters, "section 13-AA", the words, figures and letters "or under sub-section (5) of section 13-AAA", shall be inserted.

Insertion
of new
section
13-AAA.

7. After section 13-AA of the principal Act, the following section shall be inserted, namely:—

Deduction
of tax at
source from
payment to
small scale
Industry.

“13-AAA. (1) Notwithstanding anything contained in section 13 or in any other law or contract to the contrary, any person responsible for paying any sum to any small scale industry for supplies made by it to the State Government shall at the time of credit of such sum to the account of the small scale industry or at the time of payment thereof in cash or by issue of a cheque or draft or any other mode, whichever is earlier, deduct the amount of sales tax from the bills of invoices.

- (2) While making deduction as referred to in sub-section (1), the deducting authority shall grant a certificate to the small scale industry in the prescribed form and shall send a copy thereof to the Sales Tax Officer within whose jurisdiction such supply is made.
- (3) The amount deducted from the bills or invoices shall be deposited into the Government Treasury within one week from the date of such deduction in such form or challan as may be prescribed.
- (4) Such deposit into the Treasury shall be adjusted by the Sales Tax Officer towards the sales tax liability of the small scale industry and shall constitute a good and sufficient discharge of the liability of the deducting authority to the small scale industry to the extent of the amount deposited.
- (5) If any person contravenes the provisions of sub-section (1) or sub-section (2), or sub-section (3), the Sales Tax Officer shall, after giving him an opportunity of being heard, by an order in writing impose on such person a penalty not exceeding twice the amount required to be deducted and deposited by him into Government Treasury.”

Removal of
doubts.

8. For the removal of doubts it is hereby declared that the liability of any dealer to pay tax under the principal Act in respect of any period prior to the date appointed by notification under sub-section (1) of section 4 of the principal Act as amended by this Ordinance shall not in any way be affected by any amendment made under this Ordinance.

Dated the 26th July 1991

YAGYA DUTT SHARMA
GOVERNOR OF ORISSA
S. K. MISHRA
Secretary to Government