

**Chapter – IV**  
**Assessments, Payment, Recovery and Collection of Tax**

**24. Submission of return**

- (1) Every dealer liable to pay tax under this Act including a dealer from whom any amount of tax has been deducted at source under section 34, shall, for such tax period and within such time, as may be prescribed, submit return of his turnover and tax, in such form and verified in such manner as may be prescribed, but the assessing authority may in its discretion and for reasons to be recorded, extend the date for submission of the return by any dealer or class of dealers:

Provided that every dealer liable to pay tax including a dealer who claims input tax credit, shall also submit along with return a list of purchases of goods from registered dealers and list of sales of goods to registered dealers during the tax period containing such particulars as may be prescribed.

Provided further that a dealer who has claimed input tax credit during any period of an assessment year, along with return of the last tax period of such assessment year, shall, in the prescribed form and manner, submit details of goods held in stock at the close of the assessment year and amount of input tax credit claimed in respect thereof.

- (2) Before submitting the return under sub-section (1), the dealer shall, in the manner prescribed, deposit the amount of tax payable shown in such return along with amount, if any, realized in excess of amount of tax due under this Act from purchaser of goods during the tax period.
- (3) Every person or dealer to whom provisions of section 34 apply, shall, in respect of dealers from whom any amount of tax has been deducted, submit such statement as may be prescribed, within the time prescribed under sub-section (8) of section 34.
- (4) Where as a consequence of the date for the submission of return being extended under sub-section (1) on the application of the dealer, the deposit of tax under sub-section (2) is deferred, there shall be payable simple interest at the rate of eighteen percent per annum on such deposit from the date

immediately following the last date prescribed for submission of the return till the date of deposit of such amount.

- (5) If any dealer discovers any omission or other error in any return submitted by him, he may, at any time before the expiry of the time prescribed for submitting the next return, submit a revised return. If the revised return shows a greater amount of tax to be due than was shown in the original return, the dealer shall also deposit separately the difference of tax due and the interest payable under sub-section (4) as if the time for submitting the original return had been extended on the application of the dealer to the date of submission of the revised return, if, however, the revised return shows lesser amount of tax to be due than was shown in the original return the dealer may adjust the excess amount towards the tax due for the subsequent tax periods.
- (6) If goods sold or purchased by a dealer are returned within six months of the date of sale or purchase, and assessment for the year to which such sale or purchase relates is as yet to be made, the dealer may, within thirty days of the expiry of the month in which such goods are returned, submit for that purpose only a revised return for the tax period during which such sale or purchase was made.
- (7) Every dealer liable to pay tax under this Act, including a dealer who has carried on business during part of an assessment year, shall, for such assessment year or for part of such assessment year, as the case may be, submit annual return of turnover and tax within such time and in such form and manner, as may be prescribed.

Provided that on the application of the dealer, in an appropriate case, the assessing authority may extend the period for submitting annual return but such extended period shall not exceed ninety days beyond the time prescribed for submitting such return.

- (8) Every person to whom provisions of section 34 apply, shall, for each assessment year, in respect of such dealers from whom amount of tax has been deducted, submit such details, in such form and manner and within such time as may be prescribed.

## **25. Assessment of tax for a tax period**

(1) Where in respect of any tax period of an assessment year-

- (i) any dealer has not submitted return of turnover and tax within the time prescribed or within the time extended by the assessing authority, or if return has been submitted without payment of tax shown payable in such return; or
- (ii) preliminary examination of return, by the assessing authority, reveals that computations shown in the return are wrong or amount of input tax credit claimed or tax payable shown is incorrect; or
- (iii) on the basis of material available on records with the assessing authority, it appears to the assessing authority that the turnover of sales or purchases or both, disclosed by the dealer is not worthy of credence;

the assessing authority may, after making such inquiry as it may deem fit and after giving a reasonable opportunity of being heard to the dealer, determine -

- (i) to the best of its judgment the turnover, amount of tax payable and amount of input tax credit admissible, in a case in which assessing authority is of the opinion that turnover disclosed by the dealer is not worthy of credence; or
- (ii) the amount of tax payable and amount of input tax credit admissible, in any other case,

by passing a provisional order of assessment for such tax period.

(2) No provisional order of assessment, under sub-section (1), for any tax period of an assessment year, shall be made after the dealer has submitted annual return of turnover and tax and where such annual return has not been submitted by the dealer within the time prescribed or within the time extended by the assessing authority, after expiration of such time.

(3) Amount of tax assessed under sub-section (1) in excess of the amount of tax deposited by the dealer, shall be paid by the dealer, in the prescribed manner, within a period of thirty days from the date of service of the order of assessment and notice of demand on it.

## **26. Assessment for an assessment year**

- (1) Subject to provisions of this Act, in respect of every dealer liable to pay tax, for each assessment year, there shall be an assessment of tax payable by the dealer and amount of input tax credit admissible to the dealer.

Provided that where the dealer has carried on business during a part of the assessment year, such assessment shall be for such part of the assessment year.

- (2) Subject to provisions of sub-section (4), every dealer, who has submitted annual return, shall be deemed to have been self assessed to an amount of tax admittedly payable on the turnover of purchase or sale or both, as the case may be, disclosed, and to an amount of input tax credit shown admissible in such return.

- (3) For all purposes under this Act and rules made thereunder –

- (i) annual return submitted, shall be deemed to be an assessment order and facts disclosed or figures mentioned in such return shall be deemed part of such assessment order; and
- (ii) last date of the assessment year succeeding the assessment year in which the date prescribed for submission of annual return falls, shall be deemed to be the date of such assessment order.

- (4) In cases of –

- (i) approximately twenty percent of such dealers as are liable to pay tax in any assessment year and who are specified or selected by the Commissioner or by an officer, not below the rank of an Additional Commissioner, authorized by the Commissioner in this behalf, before the expiry of the assessment year succeeding the assessment year for which assessment is to be made; and
- (ii) dealers falling in any of the category below,
  - (a) a dealer who has not submitted annual return within the time prescribed or extended; or
  - (b) a dealer by whom return for one or more tax periods of the assessment year have not been submitted; or.

- (c) a dealer in whose case assessing authority has passed provisional assessment order under section 25 in respect of one or more tax periods to the best of its judgment; or
- (d) a dealer in whose case, on the basis of material available on records, if the assessing authority is satisfied that the turnover of sales or purchases or both, as the case may be, disclosed by the dealer in annual return of turnover and amount of tax payable shown is not worthy of credence or tax shown payable in the return has not been deposited by the dealer, or the amount of input tax credit claimed is wrong or the amount of tax payable shown is incorrect; or
- (e) a dealer about whom there is presumption that he has made any sale or purchase of any taxable goods under this Act; or
- (f) a dealer who has prevented or obstructed an officer empowered to make survey, inspection, search or seizure under the provisions of this Act; or
- (g) except a dealer who has opted any scheme of payment of composition money under provisions of section 27, a dealer in whose case amount of tax has been deducted at source under section 34; or
- (h) a person who has obtained authorization for transit of goods through the State and there is presumption that such goods have been sold within the State;

the assessing authority, after detailed examination of books, accounts and documents kept by the dealer in relation to business and after making such inquiry as it may deem fit, subject to provisions under sub-section (5), shall, -

- (i) where assessing authority is satisfied about correctness of turnover of sale or purchase or both, as the case may be, disclosed by the dealer, assess the amount of tax payable by the dealer on such turnover and determine the amount of input tax credit admissible to the dealer or amount of reverse input tax credit payable by the dealer; and

(ii) where assessing authority is of the opinion that turnover of sale or purchase or both, as the case may be, disclosed by the dealer is not worthy of credence, determine to the best of its judgment the turnover of sale or purchase or both, as the case may be, and assess the tax payable on such turnover and determine admissible amount of input tax credit and reverse input tax credit payable by the dealer.

(5) Before making an assessment under sub-section (5), dealer shall -

(h) be required to furnish annual return of turnover and tax referred to in sub-section (7) of section 24, if he has not submitted such return;

(ii) be given reasonable opportunity of being heard; and

(iii) be served with a notice to show cause, where determination of turnover, input tax credit or reverse input tax credit, or assessment of tax, all or any one of them, as the case may be, are to be made to the best of the judgment of the assessing authority.

(6) The show cause notice referred to in sub-section (5) shall contain all such reasons on which the assessing authority has formed its opinion about incorrectness of the turnover of sale or purchase or both, as the case may be, amount of tax, amount of input tax credit or amount of reverse input tax credit:

Provided that where opportunity for production of books, accounts and documents has been afforded to the dealer but for any reason he has not availed such opportunity and thereby the assessing authority could not examine the correctness and propriety of particulars shown in the return, it shall not be necessary for the assessing authority to give show cause notice to such dealer before making assessment to the best of its judgment.

(7) Order of assessment shall be in writing and copy of assessment order along with notice of demand of the amount of tax, if any, to be deposited by the dealer, shall be served on the dealer.

(8) Dealer shall deposit amount of tax assessed in excess of amount of tax deposited by him for the assessment year, within a period of thirty days after

the date of service of the assessment order and notice of demand. If the amount of tax deposited by the dealer is found in excess of tax assessed, the same shall be refunded to the dealer according to the provisions of the Act.

(9) Assessing authority shall not be precluded from making assessment order under this section on the ground of passing of any provisional assessment order in respect of any tax period under section 25 and such provisional assessment order shall stand merged in the assessment order passed under this section.

(10) Notwithstanding anything contained contrary in this Act, in cases of following dealers or class of dealers, such number of assessments as mentioned below, may be made for the same assessment year:

- (i) cases relating to issue of authorisation for transit of goods through the State, separate assessment relating to each such authorisation;
- (ii) where an unregistered dealer brings any taxable goods from outside the State more than once during an assessment year, separate assessment relating to goods brought on each occasion.

(11) Dealers under sub-section (10) shall not be required to furnish annual return of turnover and tax and in cases of such dealers assessment under sub-section (10) may be made even before the expiry of the assessment year.

## **27. Composition of tax liability**

(1) Notwithstanding anything contained in this Act, the State Government may announce a scheme payment of lump sum in lieu of amount of tax payable in respect of turnover of sale or purchase or both of taxable goods (hereinafter referred to as composition scheme), in the circumstances mentioned hereunder, and the assessing authority subject to provisions of the scheme may agree to accept -

- (a) a lump sum, based on estimated value addition in trading of any taxable goods, in lieu of amount of difference of tax payable on actual turnover of sale of such goods and amount of input tax credit admissible in respect of purchase of such goods during any assessment year, from any dealer who:
  - (i) makes retail sales of goods and does not issue tax invoice;

- (i) carries on business of purchase and sale of goods in his own account and makes purchase and sale of goods inside the State only;
  - (ii) does not consign any goods outside the State whether by reason of a sale or otherwise;
  - (iv) does not sell any goods brought or received from outside the state; and whose aggregate of turnover of sale during the assessment year preceding the assessment year under scheme, has not exceeded rupees twenty five lakh and whose estimated aggregate of turnover of sale, for the assessment year under scheme, is not likely to exceed rupees twenty five lakh.
- (b) a lump sum in lieu of aggregate of amount of—
- (i) tax payable by a brick kiln owner or lessee of brick-kiln on actual turnover of sale of self manufactured bricks, brick-tiles and surakhi or rabish manufactured in such brick-kiln and brick-bats, brick-ballasts, brick-gitti, and brick-rori made out of such bricks or brick-tiles, during the period of composition scheme whether such goods are manufactured prior to or during the period of scheme, in excess of amount of input tax relating to goods used or consumed in manufacture of such goods as are manufactured and sold during the period under scheme;
  - (ii) tax payable on turnover of purchase of taxable goods from persons other than registered dealers where such goods, purchased during the period of composition scheme, are used, consumed or utilized in manufacture of goods referred to in sub-clause (i) and such manufactured goods are sold during the period under scheme; and
  - (iii) special additional tax payable on turnover of sale of goods referred to in sub-clause (i) during the period under the composition scheme.
- (c) in respect of the execution of a works contract of civil nature specified under the composition scheme, a lump sum in lieu of aggregate of -



- (i) amount of tax payable in respect of purchase of any taxable goods where such goods are purchased from inside the State from a person in the circumstances mentioned in sub-section (4) of section 3 and are incorporated in such works contract;
  - (ii) amount of tax payable on the turnover of sale of any taxable goods where such goods are purchased from inside the State and are incorporated in such works contract;
- (d) in respect of the execution of a works contract of civil nature specified under the composition scheme, a lump sum amounting to tax computed on turnover of sale of any taxable goods estimated in the manner provided under the scheme and according to rate of tax applicable to sale of such goods where such goods are brought or received from outside the State and are incorporated in the works contract, in lieu of amount of tax payable on the actual turnover of sale of such goods.
- (e) in respect of dealers or class of dealers, in respect of such goods or class of goods and for such period, as may be specified under the composition scheme, a lump sum in lieu of amount of tax payable by a dealer, on actual turnover of sale of any taxable goods during the period under the scheme, where such dealer makes sale of such goods by way of transfer of right to use goods (whether or not for a specified period) for any purpose,
- (f) a lump sum in lieu of amount of tax payable by a casual unregistered dealer on actual turnover of sale of any taxable goods or class of such goods sold during such period, as may be specified under the scheme;
- (g) in case of an unregistered dealer, a lump sum, to be determined in the manner provided under the composition scheme, in lieu of amount of tax payable by such dealer on actual turnover of purchase or sale of any taxable goods where such dealer has been presumed to have made such purchase or sale or both, as the case may be, of such goods under any provision of this Act;

(h) a lump sum amounting to tax payable on turnover of sale of any taxable goods estimated in the manner provided under the composition scheme, in lieu of amount of tax payable on actual turnover of sale of such goods where such goods are being brought or received by an unregistered dealer from outside the State for sale.

- (2) Dealers under clause (a) and clause (e) shall be liable to pay tax in respect of turnover of purchase of taxable goods where such purchase is made from a person other than a registered dealer.
- (3) A dealer who opts any composition scheme of payment of lump sum under this section shall not be entitled to claim input tax credit in respect of goods sold in the period of the scheme or any goods used or consumed in manufacture of any goods sold in the period of the scheme.
- (4) A dealer who opts any composition scheme shall not be liable to submit returns of turnover of purchase or sale or both, as the case may be, for such tax periods as are covered under the period of the scheme if lump sum has been accepted in lieu of tax on such turnover.
- (5) A dealer who opts any composition scheme of payment of lump sum in lieu of amount of tax due on the turnover of sales of any goods shall not realise any amount from the purchasers in the name and colour of tax.
- (6) A dealer who makes purchase of any goods from a dealer, who has opted any composition scheme, shall not be entitled to claim input tax credit in respect of goods purchased from such dealer.
- (7) In case of a dealer falling under clause (a) of sub-section (1), if during the assessment year under the composition scheme, aggregate of his turnover of sale exceeds rupees twenty five lakh, the dealer shall be liable to pay tax in accordance with other provisions under this Act, on such exceeded turnover of sale of taxable goods.
- (8) Except a dealer falling under clause (g) or clause (h) of sub-section (1), every other dealer to whom this section applies, shall furnish such information, as may be prescribed.

## **28. Assessment of tax of turnover escaped from assessment**

- (1) If the assessing authority has reason to believe that the whole or any part of the turnover of a dealer, for any assessment year or part thereof, has escaped

assessment to tax or has been under assessed or has been assessed to tax at a rate lower than that at which it is assessable under this Act, or any deductions or exemptions have been wrongly allowed in respect thereof, the assessing authority may, after issuing notice to the dealer and making such inquiry as it may consider necessary, assess or reassess the dealer to tax according to law :

Provided that the tax shall be charged at the rate at which it would have been charged had the turnover not escaped assessment, or full assessment as the case may be.

Explanation I: - Nothing in this sub-section shall be deemed to prevent the assessing authority from making an assessment to the best of its judgement.

Explanation II: - For the purpose of this section and of section 31, " assessing authority" means the officer or authority who passed the earlier assessment order, if any, and includes the officer or authority having jurisdiction for the time being to assess the dealer.

Explanation III: - Notwithstanding the issuance of notice under this sub-section, where an order of assessment or re-assessment is in existence from before the issuance of such notice it shall continue to be effective as such, until varied by an order of assessment or re-assessment made under this section in pursuance of such notice.

- (2) Assessment order for any tax period of an assessment year may be made within the time prescribed under section 25.
- (3) Except as otherwise provided in this section or section 70, no order of assessment or re-assessment under any provision of this Act for any assessment year shall be made after the expiration of five years from the end of such assessment year:
- (4) Where the notice under sub-section (1) for any assessment year has been served within a period of five years after expiry of the assessment year to which assessment or re-assessment relates, the assessment or reassessment may be made within a period of five years and six months after the expiry of such assessment year.

(5) Where appellate authority, revising authority, Tribunal, High Court or the State Government has -

- (i) set aside an order of assessment or reassessment and has remanded the case to the assessing authority; or
- (ii) for want of reasonable opportunity of being heard, set-aside or has directed the assessing authority to set aside an exparte order of assessment or re-assessment; or
- (iii) quashed any order of assessment or reassessment for want of jurisdiction or for want of notice,

the assessing authority may make order of assessment or re-assessment before expiry of the assessment year succeeding the assessment year in which such order or direction is received by the assessing authority by due process:

Provided that where any assessment or reassessment order is quashed by any authority or Court, for want of notice or for want of jurisdiction, the order of assessment or re-assessment may be made by the competent assessing authority after serving notice on the dealer.

(6) Where an order of assessment or reassessment has been set aside by the assessing authority himself under section 32, a fresh order of assessment or re-assessment may be made before expiry of the assessment year in which such order of assessment or re-assessment has been set aside.

Provided that if an order of assessment or re-assessment made exparte is set aside on or after first day of October in any assessment year, fresh order of assessment or re-assessment may be made on or before thirtieth day of September of the assessment year succeeding the assessment year in which such ex parte order of assessment or re-assessment was set aside.

(7) Where the Commissioner on his own or on the basis of reasons recorded by the assessing authority, is satisfied that it is just and expedient so to do, authorises the assessing authority in that behalf, such assessment or reassessment may be made within a period of eight years after expiry of assessment year to which such assessment or reassessment relates notwithstanding such assessment or reassessment may involve a change of opinion.

Provided that it shall not be necessary for the Commissioner to hear the dealer before authorising the assessing authority.

- (8) Where the proceedings for assessment or re-assessment for any assessment year remain stayed under the order of any court or authority, the period commencing on the date of stay order and ending with the date of receipt by the assessing authority concerned of the order vacating stay, shall be excluded in computing the period of limitation provided in this section:

Provided that if in computing the limitation as aforesaid, the last date for passing an assessment or re-assessment falls on any date before first day of October in any assessment year, assessment or re-assessment may be made before the expiry of such assessment year and in a case in which such date falls after thirtieth day of September of any assessment year, order of assessment or re-assessment may be made before the expiry of the assessment year subsequent to assessment year in which such date falls.

- (9) Where in the assessment or re-assessment of a dealer for any assessment year, any assessing authority, -

- (a) has included any turnover and any superior authority or Court has, in exercise of the powers lawfully vested in it, held such turnover to relate to the assessment of-
  - (i) such dealer for any other assessment year, or
  - (ii) such dealer under the Central Sales Tax Act, 1956, or
  - (iii) any other dealer, whether under this Act, or under the Central Sales Tax Act, 1956,
- (b) has not included any turnover on the ground that it relates to assessment under the Central Sales Tax Act, 1956 and any superior Authority or Court has, in exercise of the powers lawfully vested in it, held such turnover to relate to the assessment of that dealer under this Act, whether for such assessment year or any other assessment year,

then nothing contained in this section limiting the time shall apply to assessment or re-assessment whether under this Act or under the Central Sales Tax Act, 1956 of such dealer or such other dealer, relating to such assessment year or such other assessment year, as the case may be.

(10) Where the assessing authority has reason to believe that any person with a view to evade payment of tax or in order to claim any input tax credit or rebate which he otherwise is not eligible for or was carrying on business in the name of, or in association with any other person either directly or indirectly, whether as an agent, employee, manager, partner or power of attorney holder or guarantor, relative or sister concern or in any other capacity, such person and the person in whose the name the registration certificate, is taken, shall be liable severally and jointly for payment of tax, interest or penalty which shall be assessed, levied and recovered from all or any such person as if such person or persons are dealers under this Act. However, before taking any action, the person concerned shall be given a opportunity of being heard.

(11) Where the State Government is of the opinion that due to any extra-ordinary circumstances prevalent in any assessment year in the State or any part of it, it will be difficult to complete assessment or re-assessment in any case or class of cases in respect of which limitation for passing assessment or re-assessment expires in such assessment year, for the purpose of making assessment or re-assessment in such a case or class of cases, it may, by notification in the Gazette, extend the time limit upto one year beyond the time limit prescribed under this section.

#### **29. Assessment of escaped turnover in case of price variation**

Where under agreement between seller and purchaser it is agreed that sale price of goods due to price escalation shall be settled on a later date and in the circumstances such date falls in any assessment year subsequent to the assessment year in which such goods were sold, amount receivable due to price settlement, for all purposes under this Act, shall be deemed to be turnover during the tax period in which such settlement is made, but the tax on such turnover of sale shall be charged at the rate prevalent at the time of sale.

#### **30 Rounding off of turnover, tax etc.**

- (1) The amount of turnover, determined in the prescribed manner shall if such amount is not in the multiple of ten, be rounded off to the nearest multiple of ten rupees, that is to say, a part of ten rupees which is less than five rupees shall be ignored and any other part shall be counted as ten rupees. The amount so rounded off shall be deemed to be the turnover of the assessee for the purpose of assessment of tax under this Act.
- (2) The amount of tax, fee, interest, penalty or any other sum payable or the amount of refund due under the provisions of this Act shall, where such amount contains part of a rupee, be rounded off to the nearest rupees, that is to say, a part of a rupee which is less than fifty paise shall be ignored and any other part shall be counted as one rupee.

### **31 Rectification of mistakes**

- (1) Any officer, authority, the Tribunal or the High Court may on its own motion or on the application of the dealer or any other interested person rectify any mistake apparent on the face of record, in any order passed by him under this Act, within three years from the date of the order sought to be rectified:

Provided that where an application under this sub-section has been made within such period of three years, it may be disposed of even beyond such period:

Provided further that no rectification which has the effect of enhancing the assessment, penalty, fees or other dues, shall be made unless reasonable opportunity of being heard has been given to the dealer or other person likely to be affected by such enhancement.

- (2) Where such rectification has the effect of enhancing the assessment, the assessing authority shall serve on the dealer a revised notice of demand in the prescribed form and therefrom all the provisions of the Act shall apply as if such notice had been served in the first instance.

### **32. Power to set aside exparte order of assessment or penalty**

- (1) In any case in which an order of assessment or re-assessment or order of penalty is passed exparte, the dealer may apply to the assessing authority within thirty days of the service of the order to set aside such order and re-open the case; and if such authority is satisfied that the applicant did not

receive notice or was prevented by sufficient cause from appearing on the date fixed, it may set aside the order and reopen the case for hearing:

Provided that no such application for setting aside an ex parte assessment order shall be entertained unless it is accompanied by satisfactory proof of the payment of the amount of tax to be due under this Act on the turnover of sales or purchases, or both, as the case may be, admitted by the dealer in the returns filed by him or at any stage in any proceeding under this Act, whichever is greater.

(2) Where an assessment order under sub-section (1) of section 25 is passed, ex parte, the dealer may apply to the Assessing Authority within thirty days of the service of the order, to set aside such order and if such authority is satisfied that the dealer has filed the return and deposited the tax due according to the return within thirty days from the last day prescribed for filing such return, it may modify or set aside such order and also the demand notice, if any, issued thereunder.

### **33. Payment and recovery of tax**

- (1) Any amount of tax or fee or penalty or any other amount, which a dealer or other person is liable to pay under this Act, shall be deposited by the dealer or such other person in the prescribed manner.
- (2) Subject to provisions of section 35, the tax admittedly payable, shall be deposited within the time prescribed, failing which simple interest at the rate of one and half percent per mensem shall become due and be payable on unpaid amount with effect from the day immediately following the last date prescribed till the date of payment of such amount and nothing contained in section 24 shall prevent or have the effect of postponing liability to pay such interest:

Explanation For the purpose of this sub-section, the tax admittedly payable for a tax period or an assessment year, as the case may be, means the positive amount represented by the expression:

$$A - B$$



Where A is aggregate of the amount of tax and special additional tax due under this Act on the turnover of sales or purchases, or both, as the case may be, as disclosed in the accounts maintained by the dealer, or if no accounts were maintained then according to the estimate of the dealer, or admitted by him in any return or in any proceedings at any stage under this Act, whichever is greater and B is the amount of input tax credit, for such tax period or the assessment year, as the case may be;

- (3) Subject to other provisions of this Act, the amount of tax assessed under this Act in excess of amount of tax already deposited, the amount of interest payable thereon, any amount imposed by way of penalty and any other amount determined payable under this Act shall be deposited in the manner specified, within thirty days of the service of the order-
- (i) of assessment and notice of demand in case of tax assessed and interest payable;
  - (ii) imposing penalty or determining any other amount payable, as the case may be.
- (4) If the tax {other than the tax admittedly payable to which sub-section (2) applies} assessed, reassessed or enhanced by any authority or court remains unpaid after expiration of the period specified in the notice of assessment and demand, simple interest *at the* rate of fifteen percent per annum on the unpaid amount calculated from the date of such expiration shall become due and be payable:
- (5) The amount of interest payable under this section shall be without prejudice to any other liability or penalty that the dealer may incur under this Act or under any other law for the time being in force, and shall be added to the amount of tax and be also deemed for all purposes to be part of the tax.
- (6) Where realisation of any tax remained stayed by any order of any court or authority and such order of stay is subsequently vacated, the interest shall be payable also for any period during which such order remained in operation.

(7) Notwithstanding anything contained in any law or contract to the contrary, the assessing authority may, at any time or from time to time, by notice in writing a copy of which shall be forwarded to the dealer at his last address known to the assessing authority, require -

(a) any person from whom any amount is due or may become due to the dealer; or

(b) any person who holds or may subsequently hold money for or on account of the dealer;

to pay to the assessing authority -

(i) forthwith upon the money becoming due or being held, or

(ii) at or within the time specified in the notice not being before the money becomes due or is held.

so much of the money as is sufficient to pay the amount due by the dealer in respect of arrears of tax and other dues under this Act, or the whole of the money when it is equal to or less than that amount:

Provided that the assessing authority may at any time or from time to time revoke or amend such notice.

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

(8) Any person making any payment in compliance with notice under sub-section (7) shall be deemed to have made the payment under the authority of the dealer and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such person to the dealer to the extent the amount referred to in the receipt.

(9) Any person discharging any liability to the dealer after receipt of the notice referred to in sub-section (7) shall be personally liable to the assessing authority to the extent of the liability discharged or to the extent of the amount mentioned in such notice, whichever is less.

(10) Where a person, to whom a notice under sub-section (7) is sent, proves to the satisfaction of the assessing authority that sum demanded or any part thereof is not due by him to the dealer, or that he does not hold any money for or on account of the dealer, then nothing contained in this section shall be

deemed to require such person to pay the sum demanded or any part thereof, as the case may be, to the assessing authority.

(11) Any tax or other dues payable to the State Government under this Act, any amount of money which a person is required to pay to the assessing authority under sub-section (7) or for which he is personally liable to the assessing authority under sub section (9) shall, notwithstanding anything contained in any other law for the time being in force and subject to any special or general order of the State Government, be recoverable as arrears of Land Revenue, or in the prescribed manner by the assessing authority or any other officer authorised by the State Government in that behalf and such authority or officer shall, for the purposes of such recovery -

- (i) have all the powers which a Civil Court has under the Code of Civil Procedure, 1908 for the purpose of recovery of an amount due under a decree;
- (ii) have the power to require the assessing authority or such authorised officer, having jurisdiction in any other area to make such recovery if the defaulter is or has property within the area of such other assessing authority or officer, and thereupon such other assessing authority or officer shall proceed to make recovery in prescribed manner;

(12) In respect of any sum recoverable under this Act as arrears of land revenue, the assessing authority may forward to the Collector a certificate under his signature specifying the sum due. Such certificate shall be conclusive evidence of the existence of the liability of its amount and of the person who is liable and the Collector on receipt of the certificate shall proceed to recover from such person the amount specified therein as if it were an arrear of land revenue:

Provided that without prejudice to the powers conferred by this section the Collector shall, for the purpose of recovering the amount specified in the certificate, have also all the powers which -

- (a) a Collector has under the Revenue Recovery Act 1890; and
- (b) a Civil Court has under the Code of Civil Procedure, 1908, for the purpose of recovery of an amount due under a decree.

Explanation: -

The expression Collector includes an Additional Collector or any other officer authorised to exercise the powers of a Collector under the law relating to land revenue for the time being in force in the State.

(13) Notwithstanding anything contained in sub-section (2) and sub-section (3) and notwithstanding any judgement, decree or order of any Court, Tribunal or other authority, where any notice of assessment and demand in respect of any tax or other dues under this Act, is served upon a dealer by an assessing authority and an appeal, revision or other proceeding is filed in respect of such tax or dues then-

(a) where as a result of such appeal, revision or other proceeding the amount of such tax or other dues is enhanced, the assessing authority shall serve upon the dealer a fresh notice only in respect of the amount by which such tax or other dues are enhanced, and any proceeding in relation to the amount specified in the notice already served upon him before the disposal of such appeal, revision or other proceeding may be continued from the stage at which it stood immediately before such disposal;

(b) where as result of such appeal, revision or other proceeding the amount of such tax or other dues is reduced -

(i) it shall not be necessary to serve upon the dealer a fresh notice but only the reduced amount shall be realized;

(ii) if any recovery proceedings are pending before any officer or authority other than the Assessing authority, the Assessing Authority shall intimate such reduction to such officer or authority;

(iii) any proceeding initiated on the basis of the notice or notices served upon the dealer before the disposal of such appeal, revision or other proceedings, including any recovery proceeding, may be continued in relation to the amount so reduced from the stage at which it stood immediately before such disposal.

(c) No fresh notice shall be necessary in any case where amount of the tax or other dues is not enhanced (with reference to the amount

assessed by the Assessing authority) as result of such appeal, revision or other proceedings

- (14) Any amount paid or deposited by, or recovered from, or refundable to a dealer, shall first be adjusted towards the principal amount of tax, fee, penalty or other dues outstanding against him and the excess if any, shall then be adjusted towards the interest, if any, due from him.
- (15) Where any amount of tax assessed, interest payable or penalty imposed is recoverable from an owner of a vehicle and for realization of such amount of tax, interest or penalty, recovery certificate has been issued by the assessing authority, the officer competent to execute the recovery certificate may take assistance of police and other officer or official of the State Government in locating such vehicle or other vehicles of the same owner. If so required by the officer executing the recovery certificate, such other officer or official shall be empowered to detain such vehicle. Whenever any officer or official detains any such vehicle, he shall give the cause of detention in writing to the person in charge of the vehicle at the time of detention and shall immediately inform the officer executing the recovery certificate. Officer executing the recovery certificate shall proceed in accordance with law to realise such amount of tax or penalty.

Provided that if the owner or person in charge of the vehicle proves to the satisfaction of such officer or official that amount shown recoverable has already been paid, the vehicle shall be set free.

Provided further that if at the time of detention of vehicle, if some goods are loaded on it and owner of such goods is a person other than the owner of the vehicle, the owner or the person in charge of the goods shall be allowed to remove such goods from such vehicle if he desires so.

- (16) During the period of detention of vehicle under sub-section (15), the person-in-charge of the vehicle at the time of detention shall take all necessary measures for safety of goods and vehicle and officer or official detaining the vehicle shall not be responsible for any loss or damage to goods or vehicle.

### **34. Tax deduction at source**

- (1) Without prejudice to any other mode of recovery, payment or collection of tax under this Act, every person responsible for making payment to the selling

dealer, for discharge of liability on account of valuable consideration payable on sale of goods, shall, at the time of making such payment to the seller, either by credit or by payment in cash or in any other manner, towards satisfaction of tax payable by the dealer on account of sale of any taxable goods, deduct an amount determined in the manner and in the circumstances mentioned below :-

(a) Where sale of any taxable goods is made by way of transfer of property in such goods (whether as goods or in some other form) involved in the execution of a works contract, such contract not being a building contract of such class or value as may be notified by the State Government in public interest in this behalf, an amount equal to amount of tax payable, according to rate of tax applicable to sale of such goods, on such turnover of sale of taxable goods, as may be reasonably estimated by the contractor;

(b) Where sale of any taxable goods is made by an unregistered dealer under an agreement of transfer of right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration, and lessee is either a registered dealer or a person amongst following:

- (i) the Central Government or any State Government; or
- (ii) any local authority, any corporation or undertaking established or constituted by or under a Central Act or a State Act; or
- (iii) any co-operative society or other society, club, company, firm or other association of persons, whether incorporated or not,

an amount equal to the amount computed on the turnover of such sale at such rate as may be provided under section 4 in respect of such goods;

(c) where in respect of a sale of any taxable goods, except a sale under clause (a) or clause (b), selling dealer liable to pay tax on such sale, is an unregistered dealer and the person purchasing such goods is either a registered dealer or a person amongst following:

- (i) the Central Government or any State Government; or
- (ii) any corporation or under taking established or constituted by or under a Central Act or a State Act,

an amount equal to the amount of tax payable on turnover of sale by the dealer selling such goods according to rate of tax applicable to sale of such goods;

(d) Where a registered dealer, for or on behalf of an unregistered principal, makes sale of such taxable goods, as may be specified by the State Government, by notification in the Gazette, to a registered dealer, an amount equal to tax payable on the turnover of such sale according to rate of tax applicable to sale of such goods.

(2) Where-

- (a) a dealer selling any taxable goods under any of the clauses of sub-section (1), for any reason claims that he either is not liable to pay tax on any sale of taxable goods or is liable to pay as tax an amount lesser than amount of deduction computed in the manner provided; or

- (b) the person responsible for making payments to the contractor is unable to ascertain either the turnover of various goods involved in the execution of the works contract or the amount of deduction, the person responsible for making payment shall require the selling dealer to produce direction issued in this behalf by the assessing authority of the selling dealer and shall act according to such direction of the assessing authority.
- (3) Where any deduction has been made by a contractor from the payments made to his sub-contractor in accordance with sub-section (7) the amount of such payments shall be deducted from the amount on which deduction is to be made under clause (a);
- (4) Where purchasing dealer himself is liable to pay tax on turnover of purchase of any goods by virtue of provision under sub-section (4) of section 3, he shall not deduct any amount in respect of turnover of such goods.
- (5) In the circumstances under sub-section (2), the dealer selling goods may apply to the assessing authority having jurisdiction over the principal place of his business or if he has no fixed place of business, to the assessing authority in whose jurisdiction he ordinarily resides, for issue of direction to the purchaser to deduct an amount lesser than the proposed amount of tax or not to deduct any amount as tax.
- (6) The assessing authority referred to in sub-section (5), after examining the liability of payment of tax of the dealer in respect of sale of goods made and after giving reasonable opportunity of being heard to the dealer, shall by an order in writing direct the purchaser of the goods accordingly.
- (7) Any contractor responsible for making any payment or discharge of any liability to any sub-contractor, in pursuance of a contract with the sub-contractor, for the transfer of property in goods, whether as goods or in some other form, involved in the execution, whether wholly or in part, of the work undertaken by the contractor, shall, at the time of such payment or discharge, deduct an amount purporting to be full amount of the tax payable under this Act on such transfer from the bills or invoices raised by the sub-contractor as payable by the contractor:
- Provided that no deduction under this sub-section shall be made on the amount on which deduction has already been made under clause (a) of sub-section (1)
- (8) The amount deducted under sub-section (1) or sub-section (7) shall be deposited into the Government Treasury by the person making such deduction before the expiry of the month following that in which deduction is made:
- Provided that where the purchaser of goods under clause (c) or clause (d) is a registered dealer, he shall deposit the amount of deduction in the manner and within the time in which amount of tax for the tax period in which purchase has been made, is payable and such dealer shall be entitled to claim input tax credit in accordance with provisions of section 13 in respect of such purchase.
- (9) The person making deductions under any clause of sub-section (1) or under sub-section (7) shall, at the time of payment or discharge, furnish to the selling dealer a certificate of amount deducted in such form and manner

and within such period as may be prescribed and shall submit such statement of all such purchases, payments and deductions made and certificates issued by him, in such manner and within such time, as may be prescribed.

- (10) If any such person referred to in sub-section (1) or sub-section (7) fails to make the deduction or after making deduction fails to deposit the amount so deducted as required by sub-section (8), the assessing authority may, after giving to such person an opportunity of being heard, by order in writing, direct that such person shall pay, by way of penalty, a sum not exceeding twice the amount deductible under the section but not so deducted and, if deducted, not so deposited into the Government Treasury.
- (11) Without prejudice to the provisions of sub-section (10), if any such person, after deducting, fails to deposit the amount so deducted, he shall be liable to pay simple interest at the rate of eighteen percent per annum on the amount not so deposited from the date on which such amount was deducted to the date on which such amount is actually deposited.
- (12) Where the amount has not been deposited after deduction, such amount together with interest referred to in sub-section (11) shall be a charge upon all the assets of the person concerned.
- (13) Nothing contained in this section shall prevent the assessing authority from making an assessment of tax payable by the dealer in accordance with other provisions of the Act and the dealer shall be liable to pay tax in accordance with other relevant provisions of this Act.

Provided that any deduction made in accordance with the provisions of this section shall be treated as a payment of tax on behalf of the selling dealer, and credit shall be given to him for the amount so deducted on the production of the certificate, referred to in sub-section (9) in the tax return of the relevant period or the assessment made, as the case may be, and any amount found in excess of tax due shall be refunded to the selling dealer.

- (15) No deduction of any amount shall be made under this section if seller of goods is not a dealer, but the onus to prove that goods have been purchased from a person other than a dealer shall lie on the person responsible for making payment, failing which it shall be deemed that goods have been purchased from a dealer.

Explanation: - For the purpose of this section, assessing authority in relation to person responsible for making payments to the seller means the officer having jurisdiction over the place where the principal place of business of such person inside the State is located and where such person has no such place, the place where the residence of such person is located.

### **35. Moratorium for payment of tax**

- (9) The person making deductions under any clause of sub-section (1) or under sub-section (7) shall, at the time of payment or discharge, furnish to the selling dealer a certificate of amount deducted in such form and manner and within such period as may be prescribed and shall submit such statement of all such purchases, payments and deductions made and certificates issued by him, in such manner and within such time, as may be prescribed.



- (10) If any such person referred to in sub-section (1) or sub-section (7) fails to make the deduction or after making deduction fails to deposit the amount so deducted as required by sub-section (8), the assessing authority may, after giving to such person an opportunity of being heard, by order in writing, direct that such person shall pay, by way of penalty, a sum not exceeding twice the amount deductible under the section but not so deducted and, if deducted, not so deposited into the Government Treasury.
- (11) Without prejudice to the provisions of sub-section (10), if any such person, after deducting, fails to deposit the amount so deducted, he shall be liable to pay simple interest at the rate of one and quarter percent per mensem on the amount not so deposited from the date on which such amount was deducted to the date on which such amount is actually deposited.
- (12) Where the amount has not been deposited after deduction, such amount together with interest referred to in sub-section (11) shall be a charge upon all the assets of the person concerned.
- (13) Nothing contained in this section shall prevent the assessing authority from making an assessment of tax payable by the dealer in accordance with other provisions of the Ordinance and the dealer shall be liable to pay tax in accordance with other relevant provisions of this Ordinance.
- Provided that any deduction made in accordance with the provisions of this section shall be treated as a payment of tax on behalf of the selling dealer, and credit shall be given to him for the amount so deducted on the production of the certificate, referred to in sub-section (9) in the tax return of the relevant period or the assessment made, as the case may be, and any amount found in excess of tax due shall be refunded to the selling dealer.
- (15) No deduction of any amount shall be made under this section if seller of goods is not a dealer, but the onus to prove that goods have been purchased from a person other than a dealer shall lie on the person responsible for making payment, failing which it shall be deemed that goods have been purchased from a dealer.

Explanation: - For the purpose of this section, assessing authority in relation to person responsible for making payments to the seller means the officer having jurisdiction over the place where the principal place of business of such person inside the State is located and where such person has no such place, the place where the residence of such person is located.

#### **Moratorium for payment of tax**

- 35.** (1) Notwithstanding anything contained in this Act, the Commissioner may, on application of a manufacturer holding eligibility certificate granted under section 4-A or section 4-AAA of the Uttar Pradesh Trade Tax Act, 1948 and enjoying facility of exemption from payment of tax under the said Act, subject to other provisions of this section, grant moratorium for payment of admitted tax computed in the manner provided in sub-section (7).

- (2) Where facility of moratorium for payment of admitted tax in lieu of exemption from payment of tax has been granted to a dealer under the Uttar Pradesh Trade Tax Act, 1948 or such facility may be granted to such dealer under clause (b) below, the commissioner -
- (a) may grant facility of moratorium for payment of the amount equal to the difference of the amount of tax payable on sales of goods in respect of which moratorium for payment of admitted tax would have been available, had this Act commenced and the amount of input tax credit relating to goods used or consumed in manufacture, processing or packing of such goods ; and
  - (b) shall dispose of such application by an order in writing, according to provisions of the Uttar Pradesh Trade Tax Act 1948, where application of such dealer for granting moratorium from payment of admitted tax in lieu of exemption from tax is pending on the commencement of this Ordinance or where an application for granting such moratorium is presented by a dealer within the time prescribed under the Uttar Pradesh Trade Tax Act, 1948 on the commencement of this Ordinance before the Commissioner.
- (3) Notwithstanding anything contained contrary to in any provision of this Act, application for grant of eligibility certificate presented on a date prior to the date of the commencement of this Ordinance, before the competent authority under the Uttar Pradesh Trade Tax Act 1948 shall be disposed of under the Uttar Pradesh Trade Tax Act 1948.
- (4) An application for granting facility of moratorium for payment of admitted tax under sub-section (1), may be presented to the Commissioner by an eligible dealer within a period of sixty days from the date of the commencement of this Act or within a period of sixty days from the date on which eligibility certificate is granted to such dealer, whichever expires later.
- (5) The commissioner shall, after giving reasonable opportunity of being heard to the dealer, dispose of the application under sub-section (4) by passing an order in writing.
- (6) Dealers holding eligibility certificate shall be eligible for the facility of moratorium for payment of amount of tax to the extent and for the period whichever expires earlier, as under:
- (a)(i) in case of a dealer under sub-section (1) to the extent of amount of exemption from tax mentioned in the eligibility certificate less aggregate of amount of exemption from tax as has been availed before the date of the commencement of this Act; and
  - (ii) in case of a dealer under sub-section (2), to the extent of aggregate amount of one hundred percent of the amount of exemption from tax mentioned in the eligibility certificate and fifty percent of the amount of fixed capital investment mentioned in the eligibility certificate less

aggregate of such amount in respect of which facility for moratorium for payment of tax has been availed during the period before the commencement of this Act.

- (b) for one hundred and thirty percent of the remaining period of exemption from tax as on the date of the commencement of this Act, out of the maximum period mentioned in the eligibility certificate.

Explanation: Aggregate amount of exemption from tax includes amount of exemption from tax payable under the Central Sales Tax Act, 1956.

- (7) In case of manufacturing units which were enjoying facility of exemption immediately before the commencement of this Act, amount of tax for which moratorium for payment may be granted, shall be the amount equal to the difference of amount of exemption from tax would have been available in accordance with relevant notification under the Uttar Pradesh Trade Tax Act, 1948, had this Act not commenced and partial amount of input tax credit relating to goods used or consumed in manufacture, processing or packing of such goods, in the ratio of amount of tax exemption to the total amount of tax payable in respect of the goods sold.
- (8) Where any manufacturing unit was entitled for partial exemption from tax in different years under the Uttar Pradesh Trade Tax Act, 1948, for the purpose of extended period under sub-section (6) partial exemption shall be deemed equal to the extent for which unit was entitled in the final year of exemption from tax under the Uttar Pradesh Trade Tax Act, 1948, had this Act not commenced.
- (9) Facility of moratorium for payment of tax shall be subject to the following conditions:
  - (a) Facility shall be limited to the amount of tax and for the period mentioned in sub-section (6) of this section.
  - (b) Payment of amount of tax for each assessment year, shall be deferred for a period of five years and such period of 5 years shall be computed from 1st May of the assessment year succeeding the assessment year to which such amount of tax relates.
  - (c) Facility shall be available to only such manufacturer who creates first charge on its property in favour of the State Government sufficient to cover the amount of tax in respect of which moratorium has been granted.
  - (d) The amount of tax, payment of which has been deferred, relating to each assessment year, shall be paid by the manufacturer in a lump sum within one month of the expiry of the period of moratorium;
  - (e) Facility shall not be admissible in respect of the amount of tax assessed in excess of tax admittedly payable.

- (f) Facility shall be admissible in respect of tax on sale of goods mentioned in the eligibility certificate and in the circumstances in which exemption from payment of tax on turnover of sale manufactured goods is admissible.
  - (g) If the amount in respect of which moratorium has been granted is not paid within the time specified in clause (d), the manufacturer shall in addition to penalty, if any, be liable to pay interest in accordance with sub-section (2) of section 33 for the entire period during which the amount remained deferred and subsequently till the date of its payment.
- (10) The Commissioner may, after giving reasonable opportunity of being heard to the dealer, withdraw facility of moratorium in the following circumstances:
- (a) Where any dealer is found to have concealed any turnover of sale or purchase with a view to evade payment of tax either under this Ordinance or under the Central Sales Tax Act, 1956; or
  - (b) Where the dealer, without a reasonable cause, fails to pay any amount of tax or penalty due from him either under this Ordinance or under the Central Sales tax Act, 1956; or
  - (c) Where the dealer has acted in contravention of any of the conditions of eligibility certificate; or
  - (d) Where dealer has discontinued business; or
- (11) The moratorium shall cease and the total amount payment of which has been deferred, shall become payable-
- (a) on the date of discontinuance of business where the manufacturer discontinues business within the meaning of explanation under sub-section (6) of section 3;
  - (b) on the date on which dealer violates any of the conditions subject to which eligibility certificate has been granted;
  - (c) on the date on which order for withdrawal of facility under sub-section (8) is passed by the Commissioner,
- and shall be paid in lump sum within three months of its so becoming payable.

### **36. Recovery or refund of petty amounts to be ignored**

Notwithstanding anything contained in this Act, no tax, fee, interest or penalty under this Act shall be recovered and no refund shall be allowed if the amount involved for any assessment year is less than twenty five rupees.

### **37. Recovery of tax in case of a company under liquidation**

- (1) Every person -
  - (a) who is the liquidator of a company which is being bound up, whether under orders of a Court or otherwise; or
  - (b) who has been appointed the receiver of any assets of a company {here in after referred to as the liquidator} shall within thirty days after he has become such liquidator, give notice of his appointment as such to the appropriate authority.
- (2) The appropriate authority shall after making such inquiry or calling for such information as it may deem fit, notify the liquidator within three months from the date on which he receives notice of the appointment of the liquidator the amount which in the opinion of the appropriate authority would be sufficient to provide for any tax which is then or likely thereafter to become, payable by the company.
- (3) The liquidator shall not part with any of the assets of the company or the properties in his hands until he has been notified by the appropriate authority under sub-section (2) and on being so notified, shall set aside an amount equal to the amount notified and, until he so sets aside such amount, shall not part with any of the assets.

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties in compliance with any order of a Court or for the purpose of the payment of tax payable by the company under this Act or for making any payment over debts due to Government on the date of liquidation or for meeting such costs or expenses of the winding up of the company as are in the opinion of the appropriate authority reasonable.
- (4) If the liquidator fails to give the notice in accordance with sub-section (1) or fails to set aside the amount as required by, or parts with any of the assets of the company or the properties in his hands in contravention of the provisions of sub-section (3), he shall be personally liable for the payment of the tax which the company would be liable to pay:

Provided that if the under sub-section (2), the amount of any tax payable by the company is notified personal liability of the liquidator under this sub- section shall be to the extent of such amount.

- (5) Where there are more liquidators than one, the liquidations and liabilities attached to the liquidator under this section shall attach to all the liquidators jointly and severally.
- (6) The provision of this section shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

Explanation- (1) "appropriate authority" in relation to a company means the competent authority to assess the tax on the company.

(2) company has the meanings assigned to it by clause(1) of sub-section (1) of section (3) of the Companies Act, 1956 (1 of 1956).

### **38. Liability of director of private company in liquidation**

Notwithstanding anything contained in the Companies Act, 1956, when any private company is wound up and any tax assessed on the company under this Act for any period, whether before or in the course of or after its liquidation, can not be recovered, then every person who was a director of the private company at any time during the period for which the tax is due shall be jointly and severally liable for the payment of such tax unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

### **39. Power to grant instalment**

- (1) Subject to such conditions and restrictions, including the conditions regarding furnishing security to the satisfaction of the assessing authority, as may be deemed fit to be imposed-
  - (a) the State Government may permit any dealer or other person, against whom any amount of tax, penalty or other dues is outstanding, to pay the amount in such number of monthly installments not exceeding twenty four; and
  - (b) the Commissioner may likewise permit any dealer or other person, against whom any amount of tax, penalty or other dues aggregating not more

than one lakh rupees is outstanding, to pay the amount in such number of monthly instalments, not exceeding twelve.

- (2) Where such dealer or other person fails to furnish, within sixty days of the order referred to in sub-section (1), adequate security to the satisfaction of the assessing authority concerned for payment of the outstanding amount, or fails to comply with the conditions or restrictions imposed in such order, the amount due shall be recoverable at once.