

AMENDMENT TO THE RULES

NOTIFICATION

1. Amendment to the Andhra Pradesh Value Added Tax Rules, 2005 Exemption to fair price shops

G.O.Ms. No. 1452, Revenue (CT-II), 26-07-2005

In exercise of the powers conferred by section 78 of Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh hereby makes the following amendment to the Andhra Pradesh Value Added Tax Rules, 2005, Issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31st March, 2005 and as amended from time to time :—

This notification shall be deemed to have come into force with effect on and from 1st April, 2005.

AMENDMENT

In the said rules, **after clause (k) of sub-rule (2), of rule 20** the following shall be **added**, namely,—

“(1) any goods (except kerosene) purchased or procured for supply through Public Distribution System (PDS)—

As a result of this restriction on input tax credit for the goods (except kerosene) purchased for the purpose of Public Distribution System (PDS), the corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India or Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only, if their sales are first sales. They will not be liable to pay any tax on the sales of goods (except kerosene) purchased from local Value Added Tax Dealers and they will also be not eligible to claim any input tax credit for such purchases. Fair Price Shops are acting as agents on behalf of the State Government i.e., a resident principal. As such, fair price shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax. However, if the fair price shops are dealing in any other goods not supplied through Public Distribution System, they will be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on their turnover of such goods and will have to pay tax accordingly.”

[Published in the A.P. Gazette Extra-ordinary Part I, No. 53,
dt. 29-07-2005].

Amendment to Schedule VI of the A.P. VAT Act 2005.

2. Carrying out Amendments to the Andhra Pradesh Value Added Tax Rules, 2005

G.O.Ms. No. 1614, Revenue (CT-II), dt. 31-08-2005

In exercise of the powers conferred under sub-section (1) of section 78 of the Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005) the Government of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31-03-2005 and published in the Rules Supplementary to Part-I Extra Ordinary issue of Andhra Pradesh Gazette No. 29, Dated 20-04-2005.

In the said Rules,—

1. In Rule 17,—

(1) In sub-rule (3),—

(i) for clause (b) the following shall be **substituted** namely :—

“(b) The VAT dealer mentioned in clause (a) above shall pay tax at the rate of four percent (4%) of the total consideration received or receivable.”

(ii) In clause (d) the words “of fifty percent (50%)” shall be **omitted**,—

(iii) In clause (g) the words “**The sub-contractor, if he is a VAT dealer, in such a case may either opt for composition under clause (c) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4.**” shall be **omitted**,—

(2) In sub-rule (4),—

(i) In clause (g) the words “**The sub-contractor if he is a VAT dealer, in such a case may either opt for composition under clause (d) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4.**” shall be **omitted**,—

(ii) **After clause (h)** the following clause shall be **added** namely,—

“The VAT dealer mentioned in clause (a) above shall pay an amount equivalent to one percent (1%) of the total consideration received or receivable or the market value fixed for the purpose of stamp duty, whichever is higher. This payment shall be made by way of a demand draft obtained in favour of the Commercial Tax Officer or Assistant Commissioner concerned and the instrument is to be presented at the time of registration of the property to the Sub-Registrar, who is registering the property, duly furnishing his TIN (Tax

payer Index Number) and the full postal address of the CTO/Assistant Commissioner concerned on the reverse of the DD. The Sub-Registrar, shall then send the same to the CTO/Assistant Commissioner concerned every week.

II. In Rule 18,—

“In clause (a) of Rule 18, for the words “two percent”, the words “four percent” shall be substituted.”

III. In Rule 19,—

sub-rule (5) shall be omitted.

IV. In Rule 20,—

After sub-rule (3), the following shall be inserted namely,—

“(3-a) Where any VAT dealer pays tax at the rate of twelve and half percent (12.5%) on the sale consideration of a used or a second hand vehicle already registered in the State under the Motor Vehicles Act, 1988, he shall be eligible for notional input tax credit at the rate of twelve and half percent (12.5%) on the purchase price actually paid supported by documentary evidence. Such notional input tax credit shall not exceed the output tax payable on the sale of used or second hand vehicle by the VAT dealer.”

V. In Rule 24,—

For sub-rule (1) the following shall be substituted namely,—

“(1) In the case of a VAT dealer, the tax declared as due on Form VAT-200, shall be paid not later than fifteen days after the end of the tax period if the payment is by way of cheque and not later than twenty days after the end of the tax period if the payment is by way of demand draft or bankers cheque or by way of remittance into the Treasury.”

[Published in the A.P. Gazette Extra-ordinary Part I, No. 652,
dt. 01-09-2005].

3. Amendment to Rule 20 of Andhra Pradesh Value Added Tax Rules, 2005.

G.O.Ms.No. 1675, Revenue (CT-II) Dept., dt. 23-09-2005

In exercise of the powers conferred by section 78 of Andhra Pradesh Value Added Tax Act, 2005, the Government of Andhra Pradesh in supersession of G.O.Ms.No. 1452, Revenue (CT-II) Department, dt. 26-07-2005 hereby makes

the following amendment to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31st March, 2005 and as amended from time to time :—

This notification shall be deemed to have come into force with effect on and from 1st day of April, 2005.

AMENDMENT

(1) In the said rules, the **clause (1)** under sub-rule (2) of Rule 20 shall be substituted as under :

“(1) rice purchased by Food Corporation of India from VAT dealers or farmers or farmers clubs or associations of farmers in the State.”

(2) **After clause (1), the following clause (m) shall be inserted.**

“(m) rice purchased by Andhra Pradesh State Civil Supplies Corporation Ltd., from the Depots of Food Corporation of India, in Andhra Pradesh or from any other VAT dealer in the State.”

[Published in the A.P. Gazette - Extra-ordinary Part I, No. 923
dt. 03-10-2005]

4. Amendment to Rule 20 of the Andhra Pradesh Value Added Tax Rules, 2005 - Food Corporation of India and Andhra Pradesh Civil Supplies Corporation made ineligible for Input Tax Credit - Liability of VAT on their Sales - Certain clarificatory orders issued.

G.O.Ms.No. 1676, Revenue (CT-II) Dept., dt. 23-09-2005

1. CCT's Ref. No. A III (1) / 244 / 05, dated 30-08-2005.
2. G.O.Ms.No. 1675, Revenue (CT-II) Dept. dated 23-09-2005.

ORDER

In the reference Ist read above the Commissioner of Commercial Taxes has reported that the Food Corporation of India purchases Rice from farmers and farmers clubs who are not the registered dealers under A.P. VAT Act, 2005, that the farmers and farmers clubs could be treated as Casual Traders under section 2(7) of A.P. VAT Act, 2005 not required to get themselves registered, but would be liable to pay VAT on their sales to Food Corporation of India, that the Food Corporation of India may be made responsible for

deduction of tax payable by the farmers and farmers clubs on their sales of Rice to FCI from out of the amounts payable by the FCI to the farmers and farmers clubs and that the FCI shall account for such purchases from farmers and farmers clubs as non-creditable purchases in FCI's Returns without claiming input tax credit, and requested the Government to issue appropriate orders in this regard.

(2) In the reference 2nd read above the Government issued order under section 78 of A.P. VAT Act, 2005 amending the A.P. VAT Rules, 2005 as per which the FCI is not eligible for input tax credit under clause (1) of sub-rule (2) of Rule 20. Similarly as per clause (m) of sub-rule (2) Rule 20 of A.P. VAT Rules, the A.P. Civil Suppliers Corporation is also not eligible to claim input tax credit.

(3) The Government after careful examination of the matter, and in view of the amendments issued to A.P. VAT Rules, 2005 as stated under Para (2) above, hereby issues the following clarifications in exercise of the powers vested under section 76 (2) of A.P. VAT Act, 2005.

- (i) The Government vide G.O.Ms.No. 1675, dated 23-09-2005 have made amendment to clause (i) of Rule 20(2) of Andhra Pradesh Value Added Tax Rules, 2005 and also inserted a new clause (m) in Rule 20(2). As a result of this, Rice purchased by Food Corporation of India from VAT dealers and farmers / farmers clubs / associations of farmers within the State and rice purchased by Andhra Pradesh State Civil Supplies Corporation from the Depots of Food Corporation of India, in Andhra Pradesh or from any other VAT dealer in the State will not be eligible for input tax credit. As input tax credit is not available on the purchase of Rice as mentioned above, their corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India and Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only if their sales are first sales in the State. Both Food Corporation of India and Andhra Pradesh State Civil Supplies Corporation Limited will not be eligible for transitional relief in respect of Rice purchased from registered dealers in Andhra Pradesh and held in stock as on 01-04-2005.
- (ii) In respect of the Rice purchased by the FCI from farmers / farmers clubs / associations of farmers who are treated as Casual Traders not required to be registered under VAT Act. The FCI shall deduct the Tax payable by the farmers or farmers clubs, association of

farmers on their sales of Rice to FCI from out of the amounts payable to them and remit the VAT so deducted to the Commercial Tax Officer concerned.

- (iii) Fair Price Shops are acting as agents on behalf of the State Government i.e., resident principles. As such Fair Price Shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax on the items like Rice, Wheat, Salt, Kerosene etc., supplied on behalf of Government as part of Public Distribution System. However, if the Fair Price Shops are dealing in any other goods not supplied through public distribution system they shall be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on the turnover of such goods in their hands and they will have to pay tax accordingly.

(4) The Commissioner of Commercial Taxes is requested to communicate the above orders to the concerned and take necessary action accordingly.

Vigilance and Enforcement Department”.

[Published in the A.P. Gazette - Extra-ordinary Part I, No. 74
dt. 17-10-2005]

5. Amendments to the Andhra Pradesh Value Added Tax Rules, 2005

G.O.Ms.No. 2201, Revenue (CT-II) Dept., dt. 29-12-2005

In exercise of the powers conferred by sub-section (1) of section 78 of the Andhra Pradesh Value Added Tax Act, 2005, (Act No. 5 of 2005) the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31-03-2005 and published in the Rules Supplement to Part-I Extra Ordinary issue of Andhra Pradesh Gazette No. 29, dated 20-04-2005 and as subsequently amended from time to time.

The amendments to rule 20 and rule 67 made hereunder shall be deemed to have come into force with effect on and from the 1st April, 2005; the other amendments made shall be deemed to have come into force with effect on and from the 1st December, 2005.

AMENDMENTS

In the said rules, —

I. In Rule 16, in sub-rule (3) after clause (e), the following clause shall be added namely, —

“(f) Wherever any credit notes are to be issued for discount or sales incentives by any VAT dealer to another VAT dealer after issuing tax invoice, the selling VAT dealer shall pass a credit note without disturbing the tax component on the price in the original tax invoice, so as to retain the quantum of input tax credit already claimed by the buying VAT dealer as well as not to disturb the tax already paid by the selling VAT dealer.

For example.— If 100 TVs are sold @ Rs. 10,000/- each, amounting to Rs. 10,00,000/-, the original tax charged @ 12.5% is Rs. 1,25,000/-. If the discount of 10% is offered subsequently based on fresh purchases, the selling dealer can pass on the benefit of Rs. 1,00,000/- for the price without disturbing the tax component of Rs. 1,25,000/-. The buying dealer will not alter the input tax credit already claimed amounting to Rs. 1,25,000/-. The selling VAT dealer will not claim reduction in output tax liability consequent to lowered price offered”.

II. In Rule 20,—

(1) In **sub-rule (2)**, for **clause (h)**, the following shall be **substituted namely,—**

“(h) Natural gas, naptha and coal unless the dealer is in the business of dealing in these goods”;

(2) **After clause (m)**, the **following clauses** shall be **added namely,—**

“(n) Refrigerators, coolers and deep freezers purchased by Soft Drink Manufacturers not for use in their manufacturing premises;

(o) Any goods purchased and used as inputs in job work;

(p) PDS Kerosene purchased by wholesale dealers for the purpose of supplying to Fair Price Shops”;

III. In Rule 24, in sub-rule (1), after the words “by way of remittance into the Treasury”, the words “or by Electronic Funds Transfer (EFT)” shall be added;

IV. In Rule 37,—

(1) In **sub-rule (2)**, the **following** shall be **inserted at the end**, namely,—

“Whenever a VAT dealer is liable to restrict his sales tax credit as per the conditions in Rule 20, he shall submit Form VAT 200-G alongwith the return. Wherever annual adjustment of sales tax credit is to be made, such VAT dealer shall submit Form VAT 200-H alongwith the return for March, 2006.”

(2) In **sub-rule (3)**, for the words “These shall be claimed monthly commencing on the return for August, 2005 and ending on the return for January, 2006” the **following words** shall be **substituted**, namely,—

“These installments shall be claimed in the returns for the period from August, 2005 to March, 2006.”

V. In Rule 55,—

(1) For **sub-rule (7)**, the **following** shall be **substituted**, namely,—

“(7) The transporter or owner or other person in charge of the goods vehicle or a vessel as the case may be shall maintain a register of record in Form 520-A containing full details of the consignor or consignee with full address, TIN Registration Number, CST Registration Number, Invoice Number / Delivery Challan Number / quantity and value of the goods and other details of goods transported in the goods vehicle or a vessel.

The transporter or owner or other person in charge of the goods vehicle or a vessel as the case may be shall submit an extract of the entries made in such register of records, extract of entries entered in the long book or goods vehicle records or trip sheet as the case may be for each month to reach the Commercial Tax Officer having jurisdiction over the area in which the goods are delivered before the 10th day of the succeeding month. The register of record maintained shall be made available to any officer of the Commercial Taxes Department not below the rank of Deputy Commercial Tax Officer in case of any enquiry, whenever called for the word “transporter” shall include any agency transporting goods by Road, Rail, Air, Water or combination thereof.”

(2) **After sub-rule (7)**, the **following** shall be **added**, namely,—

“(8) The owner or other person in charge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are transported for more than one consignee in the State or other States

and where such transport of goods are not covered by sub-rule (1) to sub-rule (6) of this rule, shall submit details of the goods being carried in Form-650 at the first entry into the State at the check post. Such Form shall be submitted in duplicate to the officer-in-charge of the check post and after getting it verified and attested by the officer-in-charge of the check post the original should be retained at the check post and the duplicate shall be issued to the person submitting such Form-650 and he shall carry duplicate form alongwith goods vehicle.

(9) The owner or other in charge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are transported for more than one consignee in other States and where such transport of goods are not covered by sub-rule (1) to sub-rule (6) of this rule, shall submit details of the goods being carried in Form 651 at the Exit Check Post in the State. Such Form shall be submitted in duplicate to the officer-in-charge of the check post and after getting it verified and attested by the officer-in-charge of the check post, the original should be retained at the check post and the duplicate shall be issued to the person submitting such Form-651 and he shall carry duplicate form alongwith goods vehicle.

(10) The owner or other person in charge of goods vehicle or a vessel or a bus, as the case may be had transported goods covered by Rule 55 (8) and Rule 55 (9), in a month, in addition to complying with the provisions of sub-rule (7) of this rule, shall submit the duplicate copies of Forms 650 and 651 for each month by 10th of the following month to the Deputy Commissioner having jurisdiction over the area where the registered office of such vehicles, buses and vessels carrying goods are located. The copies of duplicate Forms 650 and 651 should also be submitted by their branches and parcel offices if such branches are independently operating and such copies of forms should be submitted to the Deputy Commissioner in whose jurisdiction such branch offices are located or where goods are delivered by such transport vehicles or buses or vessels”.

VI. In Rule 56 after sub-rule (2), the following shall be added namely,—

“(3) Where the owner or other person in charge of goods vehicle or a vessel or a transport bus carrying passengers and goods has not complied with the provisions made in Rules 55 (8), 55(9) and 55 (10) or carrying goods other than those mentioned in such forms, on verification of such vehicle or bus or vessel, the officer-in-charge of the check post shall detain the vehicle alongwith the goods for further verification. The procedure and powers laid down in sub-rule (1) and sub-rule (2) of this rule shall be followed by the

officer-in-charge of the check posts to dispose of such detained goods and vehicles.”

VII. In Rule 57, after sub-rule (2), the following shall be added, namely, –

“(3) Further on such inspection by such officer it is found that any goods vehicle or a vessel or a bus carrying passengers and goods is not accompanying with the copies of Form-650 or Form-651 as the case may be or such vehicles are carrying the goods other than those mentioned in those forms, such officer may take action as provided for in Rule 56.”

VIII. In Rule 65, after sub-rule (7), the following shall be added, namely, –

“(8) The Commissioner of Commercial Taxes may authorise any officer not below the rank of Joint Commissioner to exercise the powers conferred in this rule”.

IX. In Rule 67, in sub-rule (3), the following words shall be omitted, namely, –

“Wherever the input tax exceeds output tax for a tax period and the deferment unit made any export sales or sales in the course of exports in the same tax period, the unit shall carry forward such excess input tax upto the month of March every year and shall be eligible to claim refund in the tax return for the month of March every year”.

[Published in the A.P. Gazette Extra-ordinary Part I, No. 892,
dt. 31-12-2005]

FORM 520-A

**REGISTER OF RECORDS TO BE MAINTAINED
BY THE TRANSPORTER / OWNER OR THE /
PERSON IN CHARGE OF THE GOODS VEHICLE /
VESSEL / BOAT**

[See Rule 55 (7)]

1. Name and address of the person consigning the goods.

Name	TIN No.
Address	CST No.
.....	STATE.

2. Full address of place
(a) From which consigned
(b) to which consigned.

Name of Place	Name of Place
Full Address	Full Address
.....

3. The name and address of the dealer / person to whom the goods are consigned.

Name	TIN No.
Address	CST No.
.....	STATE.

4. Description, quantity and value of goods.

Sl.No.	Commodity	Invoice No. Delivery Challan No. Excise Gate Pass No. Way Bill No. L.R. No. / R.R.No. etc.	Date	Quantity	Value
1					
2					
3					
4					
5					

5. Name and address of the owner of the goods vehicle or boat / vessel by which the goods are consigned.

Name Address	VEHICLE No./BOAT/ VESSEL No.
--------------------------------------	---------------------------------

SIGNATURE OF THE TRANSPORTER

Circle :

FORM VAT 200-G

Division :

**ANNEXURE TO MONTHLY VAT RETURN FOR
ADJUSTMENT OF SALES TAX RELIEF**

[See Rule 37 (2)]

This Form is to be filled up by VAT dealer having any of the following transactions, —

- (a) Sales of exempt goods (goods mentioned in Schedule I);
 (b) Stock transfers / consignment sales.

01	TIN									

02	Period covered by this Return							
From	DD	MM	YY	To	DD	MM	YY	

03.	Name of Enterprise
	Address

	Fax No. Phone No.

(i) Details of Turnovers in the tax period

04	Amount of taxable sales - sum of boxes - 13-A, 14-A, 16-A, 17-A and 19-A of VAT 200	Rs.	
05	Amount of sales of exempt goods in the tax period	Rs.	
06	Amount of exempt transactions in the tax period	Rs.	

(ii) Details of Sales tax relief / Transitional Relief (TR)

		Amount of TR approved (x)	TR eligible (y) = (x) x B/C
07	Amount of TR approved on Form VAT 116 to be claimed in the tax period	Rs.	Rs.

Note.— To claim eligible TR, the following calculation is to be made :

$$A \times \frac{B}{C} \text{ where}$$

A is value of sales tax relief approved on

Form VAT 116 for the tax period

B is value in box (04)

C is the sum of box (04), (05) and box (06).

Date:

Signature of Dealer

Circle :

FORM VAT 200-H

Division :

ANNEXURE TO VAT RETURN FOR THE MONTH OF MARCH FOR THE PERIOD OF 12 MONTHS ENDING MARCH FOR ADJUSTMENT OF SALES TAX RELIEF

[See Rule 37 (2)]

This Form is to be filled up by VAT dealer having any of the following instructions,—

- (a) Sales of exempt goods (goods mentioned in Schedule I);
- (b) Stock transfers / consignment sales.

01	TIN

02		Period covered by this Return					
From	DD	MM	YY	To	DD	MM	YY

03. Name of Enterprise	
Address	
.....	
Fax No.	Phone No.

(i) Details of Turnovers

04	Amount of taxable sales - sum of boxes - 13-A, 14-A, 16-A, 17-A and 19-A of VAT 200	Rs.	
05	Amount of sales of exempt goods in the tax 12 month period	Rs.	
06	Amount of exempt transactions in the 12 month period	Rs.	

(ii) Details of Sales tax relief / Transitional Relief (TR)

	Inputs	Amount of TR approved (x)	TR eligible (y) = (x) x B/C
07	Amount of TR approved on Form VAT 116	Rs.	Rs.

Note.— To claim eligible sales tax relief, the following calculation is to be made :

$$A \times \frac{B}{C} \text{ where}$$

A is value of sales tax relief approved on Form VAT 116

B is value in box (04)

C is the sum of box (04), (05) and box (06).

(iii) Excess or balance Sales Tax Relief payable or eligible for the 12-month period ending March

		TR claimed in the 6 monthly returns	TR eligible as per (ii)	Excess (+) / Balance (-)
08	Sales tax relief (TR)	Rs.	Rs.	Rs.

1. Any excess credit claimed in the monthly returns shall be paid back in the return for March by adding into the appropriate box in the output column for the tax rate.
2. Any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for the tax rate.

Date :

Signature of Dealer

DECLARATION FOR GOODS TRANSPORTED INTO THE STATE OF ANDHRA PRADESH

(Other than those covered under Form - 615 - Transit Pass)

[See Rule 55 (8)]

Name and Address of the Transporter

Name and

Vehicle No.

Address of Driver

Name of the Entry Checkpost

Driver Licence No.

Sl. No.	L.R. No. / Document No. and Date	Name and Full Address of Consigner with TIN / Registration No. under CST Act.	Name and Full Address of Consignee	TIN of Consignee	Invoice No. and Date	Description of goods	Quantity	Value

Date :

Signature of the person responsible

**DECLARATION FOR GOODS TRANSPORTED FROM THE STATE OF ANDHRA PRADESH
TO OTHER STATES**

Name and Address of the Transporter

[See Rule 55 (9)]

Name and the Address of Driver

Transporter / Phone

Driver Licence No.

Vehicle No.

Name of the Exit Checkpost

Sl. No.	L.R. No. / Document No. and Date	Name and Full Address of Consigner	TIN of Consigner	Name and Full Address of Con-signee with TIN (or) Registration No. under CST Act	Invoice No. and Date	Description of goods	Quantity	Value

Date :

Signature of the person responsible

**6. Andhra Pradesh Value Added Tax, 2005 (Act No. 5 of 2005)
— Amendment to Rules 23 and 24 of the Andhra Pradesh
Value Added Tax Rules, 2005 — Notification — Issued.**

G.O.Ms. No. 317 Revenue (CT-II) Department dt. 14-03-2006

- Ref. :** (1) G.O.Ms. No. 394, Rev. (CT-II) Dept., dt. 31-03-2005.
(2) From the Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad, Lr. No. AIII (1) / 134 / 2005, dt. 25-02-2006.

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 78 of Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005) the Governor of Andhra Pradesh hereby makes the following amendments to Andhra Pradesh Value Added Tax Rules, 2005 issued in G.O.Ms. No. 394, Revenue (CT-II) Department, dt. 31-03-2005 and published in the Rules supplementary to Part – I Extra ordinary issue of A.P. Gazette No. 29, dt. 20-04-2005, and as subsequently amended from time to time.

AMENDMENT

In the said **Rules** :—

(1) To **sub-rule (1) of rule 23** the following **proviso** shall be **added** namely :—

“Provided that the return for the month of March shall be filed on or before 7th April”.

(2) To **sub-rule (1) of rule 24** the following **proviso** shall be **added**, namely :—

“Provided that the tax declared as due for the month of march shall be paid on or before 7th April”.

□ □ □ □ □

ADVANCE WAY BILLS

NOTIFICATION

1. CCT's Ref. JC (CT) Enft. / D2 / 723 / 05 dt. 15-06-2005

Sub : A.P. VAT Act 2005 – Issue of Notification under sub-rule (2) of Rule 55 of A.P. VAT Act, 2005 – Issue of Advance Way Bill for import of Sensitive Goods – Notification issued – Regarding.

In exercise of the powers conferred by sub-rule (2) of Rule 55 of A.P. VAT Rules, 2005, the Commissioner of Commercial Taxes, Andhra Pradesh hereby notifies the following goods to be sensitive for the purpose of said rule.

1. Marbles, Marble Tiles and Marble Articles.
2. Sheet Glass, Plate Glass and Mirrors.
3. Laminated sheets of all kinds, plywood, particles Board, Lamin Board, MDF Board, Batters board, hard or soft boards, insulating board, veneered panels i.e., flush doors.
4. Plastic moulded furniture.
5. Timber and logs cut into sizes such as beams refters and planks.
6. Electrical wires, switches, switch boxes, all kinds of bulbs and lights, washing machines, Transformers and Generators.
7. Parts and Accessories of automobiles and automobiles spare parts including spare parts of tractors and bull dozers.
8. Beedi Leaves.
9. Bitumen.
10. Ceramic Sanitaryware.
11. Cement sheets and Asbestos sheets.
12. Aluminium products other than conductors and utensils.
13. Arecanut, betel nut and betel nut powder.
14. Flour, Atta, Maida, Suji, Besan and Ravva.

15. Paper of all kinds and news print.
16. All kinds of Foot ware (all kinds of footwear including plastic footwear, sports shoes, shoe polishes of all kinds, polish brushes and shoe horns.
17. Vegetable Oils – All kinds of vegetable oils including solvent oils and coconut oil.
18. (a) Iron and Steel, that is to say.
 - (i) Pig Iron, Sponge Iron, and cast iron including ingot moulds, and bottom plates.
 - (ii) Steel semis, ingots, slabs, blooms and billets of all qualities, shapes and sizes.
 - (iii) Skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars.
 - (iv) Steel bars, rounds, rods, squares, flats, octagons and hexagons; plain and ribbed or twisted, in coil form as well as straight length.
 - (v) Steel structural, angles, joints, channels, tees, sheet piling sections, Z sections or any other rolled sections.
 - (vi) Sheets, hoops, strips and scalp, both black and galvanised, hot and cold rolled, plain and corrugated in all qualities, in straight lengths and in coil form as rolled and in refitted condition.
 - (vii) Plates, both plain and chequered in all qualities.
 - (viii) Discs, rings, forgings and steel castings.
 - (ix) Tool, alloy and special steels of any of the above categories.
 - (x) Steel tubes, both welded and seamless, of all diameters and lengths including tube fittings.
 - (xi) Tin-plates, both hot dipped and electrolytic and tin free plates.
 - (xii) Fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails – heavy and light crane rails.

- (xiii) Wheels, tyres, axies and wheel sets.
- (xiv) Wire rods and wires rolled, drawn, galvanized, aluminised, tinned or coated such as by copper.
- (b) Iron and Steel scrap, that is to say.
 - (i) Iron scrap, cast-iron scrap, runner scrap and iron skull scrap.
 - (ii) Steel melting scrap in all forms including steel skull, turnings and borings.
 - (iii) Defectives, rejects, cuttings or end pieces of any of the categories of item (i) to.
- (xv) of entry 71.
- 19. Oil seeds, that is to say
 - (i) Sesamum or Til (orientale)
 - (ii) Soyabean (Glycine seja)
 - (iii) Rape seed and mustard
 1. Toria (Brassica campestris vartoria)
 2. Rai (Brassica Juncea)
 3. Jamba – Taramira (Eruca satiya)
 4. Sarcon – yellow and brown (brassica compestris varsarson)
 5. Banarasi Rai or True mustard (Brassica nigra)
 - (iv) Linseed (linum usitatissium)
 - (v) Sunflower (Helianthus annus)
 - (vi) Nigar seed (Guizotia abyssinica)
 - (vii) Neem, vepa (Azadi rachta indica)
 - (viii) Mahua, illupai, ippe (Madhuca indica, M. Latifolia), Bassia, Latifolia and Madhuca Longifolia Syn. M. Longifolia.
 - (ix) Karanja, Pongam, Honga (Pongamia pinnata syn. P. Glabra)

- (x) Kusum (Schleichera Oleosa, syn. S. Trijuga)
 - (xi) Punna undi (Calophyllum, inophyllum)
 - (xii) Kokum (Carcinia indica)
 - (xiii) Sal (Shorea robusta)
 - (xiv) Tung (Aleurite Jordi and A. Montana)
 - (xv) Red Palm (elaeis guinenesis)
 - (xvi) Safflower (corthanus tinctorius)
 - [(xvii) Castor Seed]
20. All kinds of pulses and dalls.
21. All kinds of packing material including Hessian cloth and jute twine but excluding storage tanks made of any materials.

All the dealers who desire to import the above sensitive commodities from other State or Union Territories shall send in advance a way bill in duplicate to the consignor. Such way bill in duplicate duly filled in by the consignor shall accompany the goods and shall be tendered by the person in charge of the goods vehicle to the officer-in-charge of the check post thorough which the goods vehicle first enters into Andhra Pradesh.

This notification shall come into force with effect from 15-06-2005.

2. CCT's Ref. JC (CT) Enft. / D2 / 723 / 05 dt. 06-07-2005

Sub : A.P. VAT Act, 2005 – Issue of Notification under sub-rule (2) of Rule 55 of A.P. VAT Act, 2005 – Issue of Advance Way Bill for import of Sensitive goods – Notification issued – Amendment to the Notification issued – Regarding.

Ref : Notification issued in CCT's Enft. Ref. No. D2/723/05, dt. 15-06-2005.

In exercise of the power conferred by sub-rule (2) of Rule 55 of A.P. VAT Rules, 2005, and in continuation of the Notification issued in the reference

1. Added by CCT's Ref. JC (CT) Enft. / D2 / 723 / 05 dt. 06-07-2005.

cited, the Commissioner of Commercial Taxes, Andhra Pradesh hereby notifies CASTOR SEED as SENSITIVE COMMODITY under sub-item XVII of Item 19 of the above Notification, for the purpose of said sub-rule.

3. CCT's Ref. JC (CT) Enft. / D2 / 723 / 05 dt. 12-01-2006

Sub : A.P. VAT Act, 2005 – Issue of Notification under sub-rule (2) of Rule 55 of A.P. VAT Act, 2005 – Issue of Advance Way Bill for import of Sensitive Goods – Notification issued – Amendment to the Notification – Issued – Regarding.

- Ref :**
1. Notification issued in CCT's Enft. Ref. No. D2/723/05, dt. 15-06-2005.
 2. Notification issued in CCT's Enft. Ref. No. D2/723/05, dt. 06-07-2005.

In exercise of the powers conferred by sub-rule (2) of Rule 55 of A.P. VAT Rules, 2005 and in continuation of the Notification issued in the reference cited, the Commissioner of Commercial Taxes, Andhra Pradesh hereby notifies Vanaspathi as Sensitive Commodity under sub-item (a) of item 17 of the above Notification for the purpose of said sub-rule.

□ □ □ □ □

EXEMPTIONS

- 1. Exemption from payment of sales tax on the sale of ghee made to Tirumala Tirupathi Devasthanams, by the District Milk Producers Co-operative Unions, during the period of 06-02-2000 to 22-10-2001 under Andhra Pradesh General Sales Tax Act, 1957**

G.O.Ms.No. 96, Revenue (CT-II), 28th January, 2006.

In exercise of the powers conferred by sub-section (1) of section 9 of the Andhra Pradesh General Sales Tax Act, 1957 (Andhra Pradesh Act No. VI of 1957), the Government of Andhra Pradesh hereby directs that the sale of Ghee made to Tirumala Tirupathi Devasthanams, by the District Milk Producers Co-operative Unions, from 06-02-2000 to 22-10-2001, shall be exempted from payment of tax, under the said Act.

[Published in the A.P. Gazette Part-I, Extra-ordinary No. 60,
dt. 01-02-06].

EXEMPTION UNDER RURAL DEVELOPMENT CESS

- 2. Rural Development Cess – Exemption from levy and collection of R.D. Cess on the Purchase value of Paddy corresponding to the quantum of Rice, milled there from and exported out side the country by Rice Millers – Orders – Issued.**

G.O.Ms.No. 290, Revenue (CT-II), Department, 7th March, 2006.

1. G.O.Ms.No. 25, Food and Agriculture Department, dt. 09-01-1996.
2. From the Commissioner of Commercial Taxes, A.P. Hyd. Lr. No. AI (4) / 498 / 2005, dt. 14-07-2005.
3. From Rice Millers Association, Andhra Pradesh, Reprn. dt. 20-10-2005 addressed to the Government.

ORDER

1. The Rice Millers Association, Andhra Pradesh in their representation 3rd read above, stated that it was indicated by Government from time to time that the Exports will be exempted from all taxes and levies, they further stated that the Export Sales of Rice outside the country are being

subjected to A.P. Rural Development Cess and therefore, requested to give effect to the assurances made by the Government by removing the levy of R.D. Cess on paddy corresponding to Export Sales of Rice.

2. The Commissioner of Commercial Taxes, in his letter 2nd read above, has stated that in case of exports of rice, there is no provision in the Act, exempting from the levy of RD Cess, the purchases of paddy, corresponding to the export sales of rice. While furnishing a report on the representation of the Palasa Cashew Manufacturers Association, regarding levy of RD Cess, the CCT has recommended to the Government, to issue a notification exempting from the levy of R.D. Cess, the Paddy, purchased and utilized by the Rice Millers and dealers in milling and exporting the resultant rice to outside the country.

3. As per the existing provisions of the R.D. Cess Act, 1996, Rural Development Cess is leviable on the purchase value of the Paddy and Cashew nut @ 5%. The Government have issued orders in the G.O. 1st read above, to the effect that the R.D. Cess paid on Paddy purchased and utilized for deriving Rice, which is sold locally within the state or within the country, shall be reimbursed to the millers by way of subsidy from the special fund created for Rural Development. The said Fund has not been created and the subsidies are also not disbursed so far. Hence, the CT Department is raising demands in respect of the local sales of Rice, but not enforcing collection in view of the fact that the subsidy is not being paid to the millers. As regards to Export Sales of Rice, the Government, in principle, has agreed in the meeting of the Group of Ministers constituted to solve the problems faced by the Rice Milling Industry held on 02-12-2005 and also earlier to grant subsidy equal to the R.D. Cess paid @ 5% on Paddy purchased and utilized for milling Rice, which was actually exported outside the country also, which was not so far available.

4. The Government have decided to grant subsidy equal to the R.D. Cess payable on the purchase value of Paddy corresponding to the quantum of Rice milled there from and exported out side the country, by the Rice Millers and also not to enforce collection of such demands raised pending sanction and release of subsidies after due procedure and mechanism is established. Accordingly, the Government hereby direct that the subsidy equal to the amount of RD Cess payable on paddy purchased corresponding to the quantity of Rice exported and also that the collection of demands so raised shall not be enforced till the procedure and mechanism for sanction and release of subsidy is established.

5. The Commissioner of Commercial Taxes, A.P. Hyderabad is therefore requested to take necessary action, accordingly.

GOVERNMENT MEMOS

1. Memo No. 75655/CT-II (2)/2005-1, dt. 27-10-2005

Sub : A.P. VAT Act, 2005 – TTD, Tirupathi – Exemption of Religious institutions from VAT Act, 2005 – Clarification – Issued – Regarding.

Ref : From the CCT. Lr. Ref. No. A III (1)/01/2005, dt. 07-06-2005.

The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad, in his letter has informed that the Executive Officer, TTD, Tirupathi has requested for exclusion of religious institutions from the definition of “Dealer” by making suitable amendment to section 2 (10) of A.P. VAT Act, 2005, to exclude Religious Institutions from the purview A.P. VAT Act, 2005. Further in the Group of Ministers meeting held on 28-04-2005, a decision was already taken to exclude religious institutions from the purview of “Dealer”.

2. It is therefore, informed that the definition of “Dealer” under sub-section (10) of section 2 of the A.P. VAT Act, 2005, covers all sales and deemed sales made in the course of trade or business but does not specifically covers the sales made by Religious Institutions in furtherance of or for the propagation of the religious teachings and practices. Hence, clarification is hereby issued under section 76 (2) of A.P. VAT Act, 2005, to the effect that the Religious Institutions does not come under the definition of the “Dealer” in respect of purchases and sales made by them for the purpose of propagation of religious teachings and practices as per the aims and objects of such institutions.

3. The Commissioner of Commercial Taxes is therefore, requested to issue necessary orders to all the assessing authorities of Commercial Taxes Department under intimation to Government.

2. Memo No. 37672/CT.II (1)/2005, dt. 28-11-2005

Sub : A.P. VAT Act, 2005 – M/s. The Hyderabad Agricultural Co-operative Association Ltd., Hyderabad – Inclusion of the item “Idly Mix” to the Entry 28 of IV Schedule to the Act – Clarification – Issued.

Ref : 1. From M/s. The Hyderabad Co-operative Association Ltd. Hyderabad, representation dt. 27-06-2005.

2. From the CCT, Hyd., Lr. No. A III (2) / 164 / 2005, dt. 26-07-2005.

The attention of the Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad is invited to the reference 2nd cited. He is informed that the Hyderabad Agricultural Co-operative Association Ltd., Hyderabad has requested for inclusion of the item "Idly Mix" to the Entry 28 of IV Schedule appended to the A.P. VAT Act, 2005 has been examined.

2. The Entry 28 reads as follows, liable for tax @ 4%.

"(28) Flour Atta, Maida, Suji, Besam and Ravva"

As seen from the above entry flour and Ravva fall under the said entry. The idly mix is a mixture of flour and Ravva a semi processed food item and falls under the item 28 even though it is not specifically mentioned.

3. The Government in exercise of powers conferred u/s. 76 (2) of the A.P. VAT Act, 2005, hereby clarifies having come to a conclusions that it is necessary for removing the difficulty, that the semi finished food product "idly mix" falls under item 28 of the IV Schedule, appended to the A.P. VAT Act, 2005, liable to tax @ 4%.
4. The CCT is requested to issue necessary instructions to the assessing authority, concerned, under intimation to the Government.

3. Memo No. 24765/CT.II (1)/2005-2, dt. 19-01-2006.

Sub : A.P. VAT Act, 2005 – GCC Ltd. Visakhapatnam – Exemption of tax under VAT Act on MFP/AP Purchases and Sales – Request – Regarding.

Ref : 1. From M/s. Girijan Co-operative Corp. Ltd., Visakhapatnam, Reprn. Dt. 11-05-2005.

In the reference 1st cited, M/s Girijan Co-operative Corporation Limited, Visakhapatnam, have requested for granting exemption as was granted under APGST Act, 1957 from the purview of A.P. VAT Act, 2005. Their request has been examined, keeping in view the critical role played by them in Tribal Development, providing of essential commodities to Tribals as well as minor forest produce and also keeping in view the opinion expressed by the Commissioner of Commercial Taxes.

2. After careful examination of the matter, the Government hereby clarify and direct that M/s. Girijan Co-operative Corporation Limited,

Visakhapatnam shall be excluded from the purview of dealer, defined under section 2 (10) of the Andhra Pradesh Value Added Tax Act, 2005, for a period of 3 years i.e. from 01-04-2008 to 31-03-2011, subject to condition on that M/s. Girijan Co-operative Corporation Limited, Visakhapatnam, would pay VAT as required under the Act, from 01-04-2008, after completion of the three years period.

3. The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad is therefore, requested to take necessary action accordingly, under intimation to the Government.

□ □ □ □

POWER OF OFFICERS

1. Certain Powers to officers working in General Administration (Vigilance and Enforcement) Department - Not Vested under Andhra Pradesh Value Added Tax Act and Rules, 2005 - Proposal to Amend Rules 59 and 61 of A.P. VAT Rules.

G.O.Ms.No. 1779, Revenue (CT-II) Dept., dt. 13-10-2005

In exercise of the powers conferred by sub-section (1) of section 78 of the Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005), the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Value Added Tax Rules, 2005 issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dt. 31-03-2005 and published in the Rules Supplement to Part-I of the A.P. Gazette No. 29, dt. 20-04-2005 and as subsequently amended from time to time.

AMENDMENTS

In the said Rules,—

I. In sub-rule (1), of Rule 59 in the table,—

(1) against **Sl.No. 07 column (2)** in the **existing entry (d) after the words** “Deputy Commercial Tax Officer working in the General Administration (Vig. and Enf.) Department” the following shall be inserted namely,—

“as authorised by the Deputy Commissioner working in Vigilance and Enforcement Department having jurisdiction over the entire State”.

II. Against Sl.No. 08,—

(1) for **column (1)**, the following shall be **substituted** namely,—

“Residential accommodation not being a business cum residence”;

(ii) for **column (2)** the following shall be **substituted** namely,—

“Any officer not below the rank of Deputy Commercial Tax Officer authorised by the Deputy Commissioner concerned and officers not below the rank of Deputy Commercial Tax Officer working in General Administration (Vig. and Enf.) Department authorised by the Deputy Commissioner working in Vigilance and Enforcement Department”.

(3) Against **Sl.No. 9** for **column (2)** the **following** shall be **substituted** namely, —

“Any officer not below the rank of Assistant Commercial Tax Officer of the Circle / Division concerned as authorised by the Commercial Tax Officer / Deputy Commissioner Concerned and any officer not below the rank of Deputy Commercial Tax Officer working in the General Administration (Vig. and Enf.) Department”.

II. In **sub-rule (1)** of **Rule 61**, **after the words** “The Commissioner or any officer authorised in writing by the Commissioner”, the **following words** shall be **inserted**, namely, —

“or any officer working in Vigilance and Enforcement Department not below the rank of Deputy Commissioner or any officer not below the rank of Deputy Commercial Tax Officer working in Vigilance and Enforcement Department authorised in writing by the Deputy Commissioner working in Vigilance and Enforcement Department”.

[Published in the A.P. Gazette - Extra-ordinary Part I, No. 74
dt. 17-10-2005]

□ □ □ □ □

REFUNDS

1. A.P. VAT Act, 2005 – Refund of Excess Paid Tax To Exporters, Plastic Manufacturers etc., - Refund of Tax Mechanism – Orders – Issued.

G.O.Ms.No. 1248, Revenue (CT-II) Department, dt. 23-06-2005.

ORDER

The Government of Andhra Pradesh introduced Value Added Tax system of taxation w.e.f. 01-04-2005 as per the provisions of Andhra Pradesh Value Added Tax Act, 2005. The State of Andhra Pradesh did not include the items of Raw materials and industrial inputs in Schedule-IV of the APVAT Act taxable at 4% as was done by some of the States. In order to ensure that the un-organised industries would come into the VAT fold. Resultantly the industrial inputs and raw material purchased by manufacturers are taxable under Schedule-V @ 12.5% tax. In case of the manufacturers, whose final product is liable to tax @ 4% under Schedule-IV with specific reference to plastic industry comprising of PVC pipes, HDPE sacks, plastic containers etc. are subjected to disadvantageous position, as the differential tax element of 8.5% paid by them on inputs get blocked as they cannot adjust this portion of tax against the tax payable by them on the sales of their final product.

2. In view of the above, the Group of Ministers in their meeting held on 28-04-2005, considered the request of the plastic manufacturers industry and approved the proposal of the Commissioner of Commercial Taxes, to grant monthly refunds, so as to avoid the burden of 8.5% tax of such manufacturers being locked up with the Government, since the refund of tax to the VAT dealers other than exporters are available in March, 2007. The Commissioner of Commercial Taxes, A.P. Hyderabad submitted proposal in the letter, read above, to accord permission for arranging to refund the differential tax of 8.5% paid by such manufacturers remaining un-adjusted from out of the output tax payable @ 4%. The Commissioner of Commercial Taxes, A.P. Hyderabad has also sent proposal to permit him to follow the same process to arrange refund of tax paid by the exporters, on monthly basis, as per the provisions of A.P. VAT Act, 2005.

3. The Government have carefully examined the matter in view of the decision taken by the Group of Ministers at its meeting held on 25-04-2005 and decided to accord permission to grant monthly refunds for the excess input tax available in respect of plastic manufacturers and also for approving the mechanism of monthly refunds to the exporters under section 38(1)(a) of A.P. VAT Act, 2005. The Commissioner of Commercial Taxes, A.P. Hyderabad

has also submitted a proposal with a process of mechanism for regulating the grant of refunds for approval of the Government. The Commissioner of Commercial Taxes is himself competent to issue directions and instructions to his sub-ordinate officers, prescribing the procedure under section 77 of the A.P. VAT Act, 2005. The Government, have therefore decided to permit the Commissioner of Commercial Taxes to issue instructions prescribing the procedures to be followed for regulating the refunds.

4. Accordingly, the Government hereby permit the Commissioner of Commercial Taxes (i) to provide for monthly refunds of excess input tax wherever the manufacturers like plastic manufacturers pay tax @ 12.5% on the purchase of inputs while they have to pay out put tax only @ 4% (ii) to adopt suitable mechanism for refund of tax to the eligible exporters under section 38 (1)(a) of A.P. VAT Act, 2005 on monthly basis. The Government also permits the Commissioner of Commercial Taxes to issue instructions under section 77 of A.P. VAT Act, 2005 to all his sub-ordinate officers prescribing the procedure regulating the refunds to be granted as per the orders issued herein and to send a copy to the Government for record.

2. Refund of Tax to M/s. Hyderabad International Airport Limited, Hyderabad under Andhra Pradesh Value Added Tax Act, 2005.

G.O.Ms.No. 1254, Revenue (CT-II), Department, dated 24-06-2005.

- I. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :
- (a) By M/s. Hyderabad International Limited, Hyderabad on its purchase of goods to the sellers and;
 - (b) By the contractors and the sub-contractors if any engaged by or for Hyderabad International Airport Limited, on their purchases of goods to the sellers under the provisions of the said Act shall be refunded to the respective purchasers, subject to the following conditions :—

CONDITIONS

1. The Goods purchases by M/s. Hyderabad International Airport Limited or its constrators or sub-contractors must be for use or consumption in the execution of the project work of Hyderabad International Airport, in Andhra Pradesh.

2. M/s. Hyderabad International Airport Limited shall furnish a separate declaration duly signed by the Managing Director or a Senior Officer authorised by him in this regard to the effect that the goods purchased by it are for use or consumption in the execution of project work of Hyderabad International Airport, for each tax invoice or invoice, in respect of which refund of tax paid is claimed.
3. Where the said contractors or sub-contractors make claim for refund of the said tax paid, in addition to the tax invoices or invoices received by them from their sellers, they shall furnish the said declaration in respect of each such invoice, duly signed by the said person on behalf of Hyderabad International Airport Limited.

This Notification shall be deemed to have come into force with effect from the first day of April 2005 and shall be in force till 31st December 2009, or completion of the said project, whichever is earlier.

II. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid under sub-section (7) of section 4 of the said Act, by M/s. Hyderabad International Airport Limited, Hyderabad and the contractors engaged by M/s. Hyderabad International Airport Limited for execution of works contract relating to the project work of Hyderabad International Airport in Andhra Pradesh, shall be refunded as follows :—

- (a) the said tax paid by M/s. Hyderabad International Airport Limited to the contractors shall be refunded to M/s. Hyderabad International Airport Limited on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, along with invoices issued by the contractors;
- (b) the said tax paid by the contractors to the sub-contractors if any shall be refunded to the contractors on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, along with the invoices issued by the sub-contractors.

This order shall be subject to the condition that the said contractors and sub-contractors, if any, shall opt for payment of tax by way of composition, under clause (c) of sub-section (7) of section 4 of the said Act.

This notification shall be deemed to have come into force with effect from the first day of April, 2005 and shall be in force till 31st December, 2009 or completion of the said project, whichever is earlier.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 474,
dt. 02-07-2005]

3. Refund of tax to Sri Satya Sai Central Trust and its Organisations under the Andhra Pradesh Value Added Tax Act, 2005.

G.O.Ms.No. 1282, Revenue (CT-II), Department, dated 30-06-2005.

In exercise of the powers conferred under sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :—

- (1) By Sri Satya Sai Central Trust, Prasanthi Nilayam, Anantapur District, Andhra Pradesh on purchase of goods required for the construction activity and civil works connected with the trust including the works of Sri Satya Sai Water Projects for providing safe drinking water to upland habitations in East and West Godavari Districts.
- ¹[(2) By Sri Satya Sai Institute of Higher Medical Sciences, Prasanthi Gram, Sri Satya Sai Medical Trust, Prasanthi Nilayam on the purchase of drugs and medicines and all surgical consumables, all medical equipment and machinery for support services, spares for diesel generating sets, boilers and air conditioning equipment, medical gases and dietary items for the patients, all furniture items used in hospitals maintained by the trust under the provisions of the said Act shall be refunded to the respective purchasers, subject to the following conditions] :

CONDITIONS

1. The purchases made by Sri Satya Central Trust, Prasanthi Nilayam, Sri Satya Sai Institute of Higher Medical Sciences,

1. Subs. by G.O.Ms.No. 95, Revenue (CT-II), 28th January, 2006.

Prasanthi Gram, Sri Satya Sai Medical Trust, Prasanthi Nilayam should have been made for utilisation in the execution of works relating to the trust or for use in the institutions maintained by trust.

2. Sri Satya Sai Central Trust, Prasanthi Nilayam should furnish a declaration duly signed by the Secretary or the person authorised by him in this regard to the effect that the goods purchased are for utilisation in the execution of works relating to the trust or for use in the institutions maintained by the trust for each tax invoice or invoice in respect of which refund of tax paid is claimed.

This notification is deemed to have come into force with effect from 01-04-2005.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 484, dt. 07-07-2005]

4. Certain Exemption to M/s. Hyderabad International Airport Limited, Hyderabad under the Andhra Pradesh Tax on Entry of Motor Vehicles into Local Areas Act, 1996.

G.O.Ms.No. 1284, Revenue (CT-II), Department, dt. 30-06-2005.

In exercise of the powers conferred by section 12 of Andhra Pradesh Tax on Entry of Motor Vehicles into Local Areas Act, 1996 (Act No. 26 of 1996), the Governor of Andhra Pradesh hereby directs that the tax leviable under the said Act on the entry of Motor Vehicles, purchased by M/s. Hyderabad International Airport Limited or their contractors and sub-contractors and brought into the local areas of Andhra Pradesh for utilisation in execution of work relating to construction of Hyderabad International Airport, shall be exempted under the provisions of the said Act, provided M/s. Hyderabad International Airport Limited, furnishes a declaration to the effect that the said Motor Vehicles purchased from outside the State and brought into the State of Andhra Pradesh are for utilisation in execution of works relating to Hyderabad International Airport.

The notification shall come into force with immediate effect.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 484, dt. 07-07-2005].

5. A.P. VAT Act, 2005 – Sanction of Refund of Tax for Sri Swamy Ramananda Tirtha Rural Institute, Bhoodan Pochampally.

G.O.Ms.No. 1394, Revenue (CT-II) Department, dt. 16-07-2005.

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor, of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :—

- (1) By Sri Swamy Ramananda Tirtha Rural Institute, Bhoodan Pochampally, Nalgonda District, Andhra Pradesh on purchase of sophisticated equipment required for training programmes organized in their institute, shall be refunded to them subject to the following conditions.

CONDITIONS

- (1) The purchases made by Sri Swamy Ramananda Tirtha Rural Institute, Bhoodan Pochampally, Nalgonds District, Andhra Pradesh should have been made for utilization in the Training programmes established in the institute;
- (2) Sri Swamy Ramananda Tirtha Institute, Bhoodan Pochampally, should furnish declaration signed by the Secretary or the person authorised by him in this regard to the effect that the goods purchased were for utilization in the Training Programmes established by the institute for each tax invoice or invoice in respect of which refund of tax paid is claimed.

This notification shall come into force with immediate effect.

6. Amendment to the Andhra Pradesh Value Added Tax Rules, 2005 Exemption to fair price shops

G.O.Ms. No. 1452, Revenue (CT-II), 26-07-2005

In exercise of the powers conferred by section 78 of Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh hereby makes the following amendment to the Andhra Pradesh Value Added Tax Rules, 2005, Issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31st March, 2005 and as amended from time to time.

This notification shall be deemed to have come into force with effect on and from 1st April, 2005.

AMENDMENT

In the said rules, after clause (k) of sub-rule (2), of rule 20 the following shall be added, namely,—

“(1) any goods (except kerosene) purchased or procured for supply through Public Distribution System (PDS)—

As a result of this restriction on input tax credit for the goods (except kerosene) purchased for the purpose of Public Distribution System (PDS), the corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India or Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only, if their sales are first sales. They will not be liable to pay any tax on the sales of goods (except kerosene) purchased from local Value Added Tax Dealers and they will also be not eligible to claim any input tax credit for such purchases. Fair Price Shops are acting as agents on behalf of the State Government i.e., a resident principal. As such, fair price shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax. However, if the fair price shops are dealing in any other goods not supplied through Public Distribution System, they will be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on their turnover of such goods and will have to pay tax accordingly.”

[Published in the A.P. Gazette Extra-ordinary Part I, No. 53,
dt. 29-07-2005].

Amendment to Schedule VI of the A.P. VAT Act 2005.

7. A.P. VAT Act, 2005 – 8th AOC Re-union celebration at Secunderabad – Refund of tax on the purchase of liquor for consumption during celebrations held from 8-10 December 2005.

G.O.Ms. No. 2158, Revenue (CT-II) Department dt. 19-12-2005.

In exercise of the powers conferred by sub-section (15) of the Andhra Pradesh Value Added Tax Act, 2005, the Government of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid by the Commandant, AOC Centre, Trimulgherry, Secunderabad, on the purchase of the liquor, made on the eve 8th AOC Re-union celebrations held from 8th to 10th December, 2005 at Secunderabad, under the provisions of the said Act, shall be refunded to the respective purchasers, subject to the

condition that the liquor purchased by the Commandant, AOC Centre, Trimulgherry, Secunderabad, should have been purchased in Andhra Pradesh and consumed in the 8th AOC Re-union celebrations held from 8-10 December, 2005 at Secunderabad only, and shall furnish the declaration in respect of each invoice duly signed by the authorized person.

[Published in the A.P. Gazette Part-I, Extra-ordinary No. 887,
dt. 27-12-2005]

8. Andhra Pradesh Value Added Tax, 2005 – GITEX India 2006 – Refund of tax on the sale of certain IT products during GITEX – Hyderabad, 2006 Exhibition, between 11-13 January, 2006, at HITEX Exhibition Grounds, Madhapur, Hyderabad – Notification - Issued

G.O.Ms. No. 22 Revenue (CT-II) Department dt. 10-01-2006

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of the section 15 of the Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005) the Government of Andhra Pradesh having found it necessary, so to do in the public interest, hereby orders that the tax paid on the purchase of goods listed in the Annexure appended to this notification, by the dealers who sell the goods or book orders for sale so purchased, participating in the GITEX Hyderabad, 2006 Exhibition organized by Information Technology, and Communications Department of Government of Andhra Pradesh, at HITEX Exhibition Grounds, Madhapur during the period from 11-01-2006 to 13-01-2006, to the customers, be refunded to such dealers, subject to the following conditions :

1. The dealer participating in the GITEX, Hyderabad 2006 Exhibition and claiming refund under section 15 of A.P. VAT Act, 2005 shall be a registered VAT dealer possessing, TIN Number allotted by the CTO having jurisdiction.
2. That the goods sold in GITEX, Hyderabad 2006 Exhibition shall be to the end consumers and not for resale and that the value of each sale taking place in the Exhibition shall not exceed Rs. 1,00,000/-.
3. That in case of the orders booked during the exhibition the delivery shall be made on or before 31-01-2006 and the selling dealer shall

furnish a copy of the invoice / delivery challan with a customer's signature.

4. That the sales made or orders booked in GITEX, Hyderabad 2006 Exhibition during the period from 11-01-2006 to 13-01-2006 are certified by the officials of Information Technology and Communications Department based on the record maintained at the exit gate of the exhibition and reported to the assessing authority concerned i.e., the Commercial Tax Officer, Madhapur Circle, at the end of each day in respect of each dealer.
5. That the dealer claiming refund shall enclose the original invoices on which tax was recovered and paid on purchases made by him, to his claim for refund.

ANNEXURE

G.O.Ms. No. 22, Revenue (CT-II) Department dt. 10-01-2006

“IT Products, that is to say—

S.No.	Description of the goods
1.	Word Processing Machines and Electronic Typewriter
2.	Electronic Calculators
3.	Computer Systems and Peripherals, Electronic Diaries
4.	Parts and Accessories of HSN 8469, 8470 and 8471 for items listed above
5.	DC Micro-motors / Stepper motors of an output not exceeding 37.5 Watts
6.	Parts of HSN 85.01 for items listed above
7.	Uninterrupted Power Supplies (UPS) and their parts
8.	Electrical Apparatus for line telephony or line telegraphy, including line-telephone sets with cordless handsets and telecommunication apparatus for carries-current line systems or for digital line systems; videophones
9.	Microphones, Multimedia Speakers, Headphones, Earphones and Combined Microphone / Speaker Sets and their part

S.No.	Description of the goods
10	Telephone answering machines
11.	Parts of Telephone answering machines
12.	Prepared unrecorded media for sound recording or similar recording of other phenomena, Video and Audio CDs, Cassettes and DVDs (recorded and unrecorded)
13.	IT software on any media
14.	Transmission apparatus other than apparatus for radio broadcasting or TV broad casting, transmission apparatus incorporating reception apparatus, digital still image video cameras
15.	LCD Panels, LED Panels and parts thereof
16.	Data / Graphic Display tubes, other than TV Picture tubes and part thereof
17.	Optical fibre cables
18.	Optical fibre and optical fibre bundles and cables
19.	Liquid Crystal Devices, Flat Panel display devices and parts thereof
20.	Cathode ray oscilloscopes, Spectrum, Analysers, Cross-talk meters, Grain measuring instruments, Distortion factor meters, Psophometers, Network and Logic analyzer and Signal analyzer.

9. Amendment to Sri Satya Sai Central Trust, and its organizations for Refund of Tax under Andhra Pradesh Value Added Tax Act, 2005

G.O.Ms. No. 95 Revenue (CT-II) Department dt. 28-01-2006

Carried out in Proper Place

10. Refund of Tax on the purchase of Liquor for consumption during Silver Jubilee celebrations of the Battalion from 17-21 March, 2006 at Secunderabad, under the Andhra Pradesh Value Added Tax Act, 2005.

G.O.Ms.No. 291, Revenue (CT-II) Department, dt. 07-03-2006.

ORDER

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Government of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid by the Lieutenant Colonel, Officiating second-in-Command, Secunderabad on the purchase of Liquor, not exceeding 10 cases of Whisky, Gin, Brandy, Vodka and Smirnoff, 344 cases of Rum and 348 cases of Beer made on the eve of Silver Jubilee Celebrations of the Battalion from 17th to 21st March, 2006 at Secunderabad, shall be refunded, under the provisions of the said Act, subject to the condition that the Liquor purchased by Lieutenant Colonel, should have been purchased in Andhra Pradesh and consumed in the said celebrations, and shall furnish the declaration in respect of each invoice duly signed by the authorised person. The applicant shall make an application in Form VAT 510 in original alongwith copies of purchase invoices to the designated Joint Commissioner within 90 days from the date of purchases. The refund shall be made by the Commissioner of Commercial Taxes as per the procedure laid down in section 38 of the A.P. Value Added Tax Act, 2005.

**11. Andhra Pradesh Value Added Tax Act, 2005—
M/s. Gangavaram Port Limited — Refund of tax under
APVAT Act, 2005 — Notification — Issued.**

G.O.Ms. No. 304, Revenue (CT-II) Department dt. 10-03-2006

Govt. Memo No. 11768, P1/2005, dt. 31-01-2006 of TR&B (Ports) Department.

NOTIFICATION - I

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :

- (a) By M/s. Gangavaram Port Limited to their sellers on the purchase of all inputs for construction of Gangavaram Port;

- (b) By the contractors and the sub-contractors, if any, engaged by or for Gangavaram Port Ltd., on their purchases of all inputs used for construction of Gangavaram Port, under the provisions of the said Act; shall be refunded to the respective purchasers, subject to the following conditions.

CONDITIONS

1. The goods purchased by M/s. Gangavaram Port Limited, or its contractors or sub-contractors must be for use or consumption in the execution of the project work of Gangavaram Port.
2. M/s. Gangavaram Port Ltd., shall furnish a separate declaration duly signed by the competent authority to the effect that the goods purchased by it are for use or consumption in the execution of project work of Gangavaram Port Ltd., for each tax invoice, in respect of which refund of tax paid is claimed.
3. Where the said contractors or sub-contractors make claim for refund of the said tax paid, in addition to the tax invoices or invoices received by them from their sellers, they shall furnish the said declaration in respect of each such invoice, duly signed by the said person on behalf of Gangavaram Port Limited.

This Notification shall be deemed to have come into force with effect from the month of September, 2005, and shall be in force till December, 2008 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

NOTIFICATION - II

In exercise of the powers conferred under sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid under sub-section (7) of section 4 of the said Act, by M/s. Gangavaram Port Limited, Contractors or sub-contractors engaged by M/s. Gangavaram Port Limited, for execution of works contracts relating to the project work of Gangavaram Port in Andhra Pradesh, shall be refunded as follows :—

- (a) The said tax paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be refunded to M/s. Gangavaram Port Limited, or its contractors or sub-

contractors on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, alongwith the invoices issued by the contractors.

- (b) The said tax paid by the contractors to the sub-contractors if any shall be refunded to the contractors on production of proof of remittance of tax deducted at source in accordance with invoices issued by the sub-contractors sub-section (4) of section 22 of the said Act, alongwith the invoices issued by the sub-contractors.

This notification shall be subject to the condition that the said contractors and sub-contractors if any shall opt for payment of tax by way of composition under clauses (c); (d) and (e) of sub-section (7) of section 4 of the said Act.

This Notification shall be deemed to have been come into force with effect from the month of September, 2005, and shall be in force till December, 2008 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

12. Indian Red Cross Society – Refund of tax on the purchase of Blood Bags and other necessities for of Red Cross Blood Bank and other Institutions working under Indian Red Cross Society, A.P. Branch.

G.O.Ms. No. 327 Revenue (CT-II) Department dt. 16-03-2006

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005 the Government of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid by the Indian Red Cross Society, A.P. Hyderabad on purchase of Blood Bags and other necessities for use of Red Cross Blood Bank and other Institutions working under Indian Red Cross Society. A.P. State Bank, shall be refunded, under the provisions of the said Act. The refund shall be made by the Commissioner of Commercial Taxes as per the procedure laid down in section 38 of the APVAT Act, 2005.

This Notification is deemed to have come into effect with effect from 01-04-2005.

13. Athmeeyaa Manasika Vikas Kendram, Secunderabad — Refund of tax on the purchase of School Bus, donated by M/s. Indian Oil Corporation Limited

G.O.Ms.No.365, Revenue (CT.II), dt. 23-03-2006

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Government of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid by the Athmeeyaa Vikas Kendram, Secunderabad, on purchase of TATA LP 410 Mini School Bus (24+1 seater) (bearing chassis No. 455061 KUZ 826200 and Engine No. 497SPTC40KUZ893550), from M/s. Jasper Industries Pvt. Ltd., dealer for TATA Motors, Khairatabad, Hyderabad, shall be refunded, under the provision of the said Act. The refund shall be made by the Commissioner of Commercial Taxes as per the procedure laid down in section 38 of the Andhra Pradesh Value Added Tax Act, 2005.

14. M/s. Krishnapatnam Port Company Ltd. — Refund of Tax under Andhra Pradesh Value Added Tax Act, 2005.

G.O.Ms.No. 609, Revenue (CT.II), dt. 29-05-2006

I. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :—

- (a) By M/s. Krishnapatnam Port Company Ltd. to their sellers on the purchase of all inputs for construction of Krishnapatnam Port.
- (b) By the contractors and the sub-contractors, if any, engaged by or for Krishnapatnam Port Ltd., on their purchases of all inputs used for construction of Krishnapatnam Port, under the provisions of the said Act; shall be refunded to the respective purchasers, subject to the following conditions :

CONDITIONS

- (1) The goods purchased by M/s. Krishnapatnam Port Company Ltd., or its contractors or sub-contractors must be for use or consumption in the execution of the project work of Krishnapatnam Port;

- (2) M/s. Krishnapatnam Port Company Ltd., shall furnish a separate declaration duly signed by the competent authority to the effect that the goods purchased by it are for use or consumption in the execution of project work of Krishnapatnam Port Ltd., for each tax invoice, in respect of which refund of tax paid is claimed.
- (3) Where the said contractors or sub-contractors make claim for refund of the said tax paid, in addition to the tax invoices or invoices received by them from their sellers, they shall furnish the said declaration in respect of each such invoice, duly signed by the said person on behalf of Krishnapatnam Port Company Limited.

This Notification shall be deemed to have come into force with effect from the month of March, 2006, and shall be in force till April, 2010 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Krishnapatnam Port Company Ltd., or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

II. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid under sub-section (7) of section 4 of the said Act, by M/s. Krishnapatnam Port Company Ltd., contractors or sub-contractors engaged by M/s. Krishnapatnam Port Company Ltd., for execution of works contract relating to the project work of Krishnapatnam Port in Andhra Pradesh, shall be refunded as follows :—

- (a) the said tax paid by M/s. Krishnapatnam Port Company Limited, or its contractors or sub-contractors shall be refunded to M/s. Krishnapatnam Port Company Limited, or its contractors or sub-contractors on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, alongwith the invoice issued by the contractors;
- (b) the said tax paid by the contractors to the sub-contractors if any shall be refunded to the contractors on production of proof of remittance of tax deducted at source in accordance with invoices issued by the sub-contractors sub-section (4) of

section 22 of the said Act, alongwith the invoices issued by the sub-contractors.

This order shall be subject to the condition that the said contractors and sub-contractors if any shall opt for payment of tax by way of composition under clauses (c); (d) and (e) of sub-section (7) of section 4 of the said Act.

This Notification shall be deemed to have come into force with effect from the month of March, 2006, and shall be in force till April, 2010 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Krishnapatnam Port Company Ltd., or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

□ □ □ □ □

Andhra Pradesh Value Added Tax Appellate Tribunal Regulations, 2005¹

Rc. No. STAT - A2/381/06.— In exercise of the powers conferred by sub-section (5) of section 3 of the Andhra Pradesh Value Added Tax Act, 2005 (A.P. Act No. 5 of 2005) the Appellate Tribunal, Andhra Pradesh, with the previous sanction of the State Government hereby makes the following Regulations, for regulating its procedure and disposal of its business.

REGULATIONS

CHAPTER - I

In exercise of the powers conferred by sub-section (5) of section 3 of the Andhra Pradesh Value Added Tax Act, 2005 (A.P. Act No. 5 of 2005) the Appellate Tribunal, Andhra Pradesh, with the previous sanction of the State Government hereby makes the following Regulations, for regulating its procedure and disposal of its business.

1. Short title.— These regulations may be called the Andhra Pradesh Value Added Tax Appellate Tribunal Regulations, 2005.

2. Definitions.— In these regulations, unless there is anything repugnant in the subject or context,—

- (i) 'Act' means the Andhra Pradesh Value Added Tax Act, 2005.
- (ii) 'Appeal' means a memorandum of appeal to the Appellate Tribunal filed under section 33 of the Act;
- (iii) 'Chairman' means the Chairman of the Tribunal;
- (iv) 'Form' means a form annexed to these regulations;
- (v) 'Gazette' means the Andhra Pradesh Gazette;
- (vi) 'Legal Representative' means a person who in law represents the estate of a deceased person, and includes a universal donee or legatee or a part of an estate and any person decided by the Tribunal to represent the deceased person in the proceedings pending before it unless and until a competent court has decided otherwise;
- (vii) 'Party' means the appellant or applicant and includes his pleader or authorised agent;

1. Published in Rc.No. STAT – A2/381/06 dt. 27-4-2006.

- (viii) **'Pleader'** means a pleader as defined in sub-section (15) of section 2 of the Code of Civil Procedure, 1908;
- (ix) **'Rules'** means the Andhra Pradesh Value Added Tax Rules, 2005;
- (x) **'Secretary'** means the person who is for the time being discharging the functions of the Secretary to the Tribunal;
- (xi) **'Section'** means a section of the Act;
- (xii) **'State Representative'** means an officer appointed by the State Government to receive on their behalf notices issued by the Tribunal and generally to appear, act and plead on their behalf in all proceedings before the Tribunal and includes an officer appointed to act on his behalf in his absence;
- (xiii) **'Tribunal'** means the Appellate Tribunal;
- (xiv) Words and expressions used but not defined in these regulations shall have the meaning assigned to them in the Act and the Rules.

CHAPTER - II

HEADQUARTERS, SITTINGS AND OFFICE HOURS

3. **Headquarters.**— (1) The Tribunal shall sit at Hyderabad and Visakhapatnam.

(2) **Place of hearing.**— All appeals shall ordinarily be heard at Hyderabad and Visakhapatnam :

Provided that the Chairman may decide that any appeal may be heard at any other place in the respective jurisdictions.

4. **Office hours.**— The Appellate Tribunal shall hold its sittings during the same hours as the other offices of the State Government.

5. **Language.**— The language of the Tribunal shall be English.

CHAPTER - III

APPEALS

6. **Presentation of appeals.**— (1) An appeal shall be presented to the Secretary concerned either by the party in person or by sending it through registered post.

(2) When an appeal is presented by a pleader or an authorised agent, it shall be accompanied by a letter of authority appointing him as such.

(3) Every such appeal shall be made in accordance with the provisions of the Act, the rules and these regulations and shall be accompanied by a Government Treasury Challan in support of the payment of the fee prescribed by sub-rule (1) (c) of rule 44.

(4) An appeal preferred by any dealer shall specify the State of Andhra Pradesh as the respondent; it shall also furnish the name and the address of the party to whom notice may be sent.

7. Registration of appeals.— (1) On receipt of an appeal, the Secretary concerned shall endorse on it the date of its receipt. The Secretary concerned shall thereafter, as soon as possible, examine,—

- (i) Whether the person presenting it has the authority to do so; and
- (ii) Whether it conforms to the provisions of the Act, the rules and these regulations.

If the Secretary concerned is satisfied on these points he shall cause it to be registered in a register to be kept for the purpose.

(2) If the Secretary concerned finds that the appeal does not confirm to the requirements of the Act, the rules and these regulations, he shall call upon the party by a notice in Form 'A' to remedy the defect or defects within a reasonable period to be specified by him. The Secretary may, for sufficient cause, extend the said period. If the defect or defects are remedied within the period allowed, the Secretary shall cause the appeal to be registered.

(3) If the defects are not remedied within the period allowed, the Secretary shall make a report to that effect to the Chairman of that jurisdiction who may reject the appeal or fix a date for hearing the matter and give due notice of such hearing to the party and State Representative of Form 'B'.

(4) On the date so fixed, the Tribunal shall, after hearing the party and the State Representative, pass orders directing either the registration of the appeal or its rejection. Where the appeal is rejected the Tribunal shall record its reasons for doing so.

(5) When an appeal is presented after the period prescribed under the Act, it shall be accompanied by a petition supported by an affidavit setting forth the facts on which the applicant relies to satisfy the Tribunal that he had sufficient cause for not preferring the appeal within such period. Such appeal shall not be admitted unless notice has been given to the respondent and his objections have been heard and the Tribunal is satisfied that the appellant had sufficient cause for not preferring the appeal in time.

The notice under sub-regulation (5) shall invariably mention, among others, the date on which the appeal was presented to the Secretary under Regulation 6 and also the challan number and date on which the appeal fee was paid according to rule 44 of the AP VAT Rules, 2005.

8. Procedure after registration of appeal.— (1) As soon as may be after the registration of the appeal, the Secretary shall fix a date for hearing in Form 'C'. A copy of the memorandum of appeal and of the order appealed from shall also be furnished to him. It shall be the duty of the State Representative to obtain the records of the case from the Commercial Tax Officer or the Deputy Commissioner, as the case may be, and transmit them to the Secretary concerned.

9. Notice of appeal.— (1) After the appeal has been registered, notice of the day fixed for hearing under Regulation 8 in Form 'C' shall be delivered or issued by registered post to the party. The notice shall state that if he does not appear on the day so fixed or on any other day to which the hearing may be adjourned, the appeal will be dismissed for default or disposed of on merits, *ex parte*.

(2) Where an appeal, application or petition has been dismissed for default or disposed of *ex parte*, the appeal, applicant or petitioner may apply to the Tribunal for re-admission of the appeal, application or petition; and where it is shown to the satisfaction of the Tribunal that he was prevented by sufficient cause from appearing when the appeal, application, or petition was called on for hearing, the Tribunal may re-admit the appeal, application or petition on such terms as it thinks fit.

(3) An application for re-admission of an appeal, application or petition dismissed for default or disposed of *ex-parte*, shall be made within thirty days from the date of communication of the order of dismissal.

CHAPTER - IV

HEARING, ADJOURNMENT AND JUDGMENT

10. Procedure of the hearing.— On the date fixed for hearing or on any other date to which may be adjourned, the party shall ordinarily be heard first in support of his appeal. The respondent or his pleader or his authorised agent, shall, if necessary, be heard next, and in such case, the party shall be entitled to reply.

11. Fresh evidence and witnesses.— (1) The party or the respondent shall not be entitled to produce additional evidence whether oral or

documentary, before the Tribunal, but,—

- (a) if the authority from whose order the appeal is preferred has refused to admit evidence which ought to have been admitted; or
- (b) if the party or the respondent seeking to adduce additional evidence satisfies the Appellate Tribunal that such evidence, notwithstanding the exercise of due diligence, was not within his knowledge or could not be produced by him at or before the time when the order under appeal was passed; or
- (c) if the Tribunal requires any documents to be produced or any witnesses to be examined to enable it to pass orders; or
- (d) for any other sufficient reason the Tribunal may allow such evidence or documents to be produced or witnesses examined :

Provided that the other party shall, in such cases, be entitled to produce rebutting evidence, if any.

(2) If the Tribunal is of opinion that any witness should be examined in connection with any case before it, it may, instead of examining him before itself, issue a notice to any Commercial Taxes or an Advocate or such other suitable person as it may deem fit, in the circumstances of the case.

12. Adjournment.— The Appellate Tribunal may, on such terms as it thinks, fit, and at any stage, adjourn the hearing of any appeal.

An application for adjournment shall ordinarily be presented in person by the party before the Tribunal. In case such an application is sent by post or otherwise, the party shall make his own arrangements for obtaining intimation of the date of adjournment at his own cost by enclosing postage stamp or reply-paid telegram voucher. Notice of adjournment shall also be put up on the notice board of the Tribunal.

13. Procedure in case of death of appellant.— If the appellant dies while the appeal is pending and it cannot be proceeded with, unless his legal representative is brought on record, the Tribunal shall adjourn further proceedings to enable his legal representative to appeal and apply for being made a party. If the legal representative fails to do so within ninety days from the date of death of the appellant, the appeal shall abate as regards such deceased appellant.

14. No abatement by reason of death after hearing.— Notwithstanding anything contained in regulation 13, there shall be no abatement by

reason of the death of any party between the conclusion of the hearing and the passing of the order but the order may, in such case, be passed notwithstanding the death and shall have the same force and effect as if it has been passed before the death took place.

15. Determination of legal representative.— If a question arises in any appeal whether a person is the legal representative of a deceased appellant, such question may be determined by the Tribunal in a summary way, if necessary, after taking evidence.

16. Procedure in case of assignment.— If during the tendency of an appeal before the Tribunal, the business of any dealer who is a party thereto is assigned to or devolves upon some other person either wholly or in part, the Tribunal may after considering the applications of any persons claiming to be so entitled, add such person as party to the appeal as it may consider to be so entitled in law.

17. Procedure in case of Insolvency.— If a dealer, who is a party to an appeal becomes insolvent and his estate becomes vested in the Official Assignee or Official Receiver, the latter may by leave of the Tribunal, be made a party to the appeal.

18. Setting aside of abatement or dismissal.— (a) Whenever an order of abatement or dismissal has been passed, in a case where the appellant has died, his legal representative, in a case where the representative has died, the appellant and, in a case where the appellant and, in a case where the appellant has become insolvent and his estate vested in the Official Assignee or Official Receiver such Assignee or Receiver, may, within sixty days from the date of such order, apply to the Tribunal for setting aside the abatement or dismissal and the Tribunal shall, on sufficient cause being shown to its satisfaction, set aside such abatement or dismissal and proceed with the appeal.

(b) Where an application under clause (a) has been filed after more than 60 days from the date of order, the Tribunal may condone the delay on a separate application when the delay is properly examined.

19. Order.— Every order of the Tribunal shall be in writing.

20. Unanimous or majority order.— Where the order is unanimous, it shall be signed and dated by all the members of the Tribunal. Where it is an order of the majority it shall be similarly signed and dated by the members forming the majority. The dissenting member shall also write his order and record his opinion on the point or points on which he dissents.

21. Communication of the order.— The Tribunal shall communicate the order to the party, the State Representative, the authority against whose order the appeal was preferred, the concerned Deputy Commissioner and the Commissioner of Commercial Taxes.

22. Return of exhibits.— (a) The parties or respondents, other than the State Representative, shall apply for the return of the documents filed by them within three months from the date of communication of the Tribunal's orders, failing which the Tribunal shall not be responsible for any loss or damage to the documents. The application shall contain an undertaking to the effect that such documents shall be produced before the Tribunal whenever required by it.

(b) The records of the case and such other documents as may be produced by the State Representative shall, after the disposal of the case, be returned to him along with the order on the case and acknowledgment obtained.

(c) **Unfiled documents.**— Other documents which have been produced by parties (as additional evidence before the Tribunal under Regulation 11) but have either not been tendered in evidence or having been tendered in evidence have been rejected shall be taken back immediately after the disposal of the case, by the party producing them after signing thereof, if they are not so taken, the Tribunal shall not be responsible for any loss of or damage to the said documents.

23. Appointment of temporary copyists.— It shall be competent to the Chairman to appoint without the previous sanction of the Government, one or more temporary copyists according to necessity for preparing the copies to be granted under regulation 24. Such temporary copyists shall be paid out of the contingent provision, a remuneration at one rupee for every 175 words or a fraction of 175 words copied by him or at such other rate as may be fixed by the Chairman.

CHAPTER - V MISCELLANEOUS

24. Copies of documents on payment of fees.— (1) Any party or respondent in an appeal before the Tribunal may apply to the Secretary for the inspection of any documents or for a certified copy of any document including the order in the appeal.

(2) Application for copies shall be in Form 'E' and shall set out the name and address of the applicant in full, the date and description of the document of which a copy is required and the purpose for which it is required. Any application which is not in the proper form shall be returned for amendment.

Note:— "A Court Fee label of the value of Rupees two shall be affixed to every such application".

(3) Application for copies shall be accompanied by copy stamp papers to cover the cost of preparing copies according to the following scale, namely:—

(a) For the first 200 words or less — Two Rupees.

(b) For every additional 100 words or fraction thereof — One Rupee.

(4) If the Secretary feels any doubt about the propriety of granting a copy of any such document, he shall place the application before the Chairman, and act in accordance with his orders.

SEARCH

25. Application for search.— Every person requiring a search to be made among the records of the Tribunal for the purpose either of inspecting a document or of obtaining copy thereof shall apply to the Secretary in Form F.

Note.— "A Court Fee label of the value of Rupees two shall be affixed to the application" and "A single application shall be sufficient for inspection any number of documents in a single appeal record".

26. Scale of search fees.— When the document applied for belong to a year, previous to the current calendar year, a search fee in court-fee stamps, shall be affixed to the application, according to the following scale :—

(a) Fee payable for the first document or entry applied for or, if only one document or entry is applied form, for that document or entry — Five Rupees.

(b) Fee payable for every document or entry other than the first included in the same application and connected with the same subject—Two Rupees.

27. Notice.— Forms 'A' to 'D' with suitable modifications wherever necessary shall be used for the purpose of the notice to be issued by the Tribunal.

28. Service of notice on Government.— (1) The notices required to be issued under the Act or the Rules or these Regulations, shall be served in the prescribed in rule 64 of the Andhra Pradesh Value Added Tax Rules, 2005. An acknowledgement containing the signature of the addressee undelivered or any member of his family or his pleader or his authorised agent or an endorsement by the Post Authorities to the effect that the notice was refused by the addressee shall unless contrary is proved, be deemed to be sufficient to hold that the notice was duly served.

(2) Where the Tribunal is satisfied that the addressee is evading service or that it is not possible to serve the notice in the ordinary way, it may direct that a copy of the notice shall be fixed on its notice board and another copy on the outer door or some other conspicuous part addressee’s office or place of business or last known place of his residence.

29. Delegation of powers by Chairman.— The Chairman may in writing delegate his powers under these regulations to one of the other members during his absence on leave or otherwise.

FORM - A

[See Regulation 7(2)]

Before the Value Added Tax Appellate Tribunal,

Andhra Pradesh, Hyderabad.

APPEAL No.

OF

.. Appellant

Vs.

.. Respondent

To

The above named appellant.

You have filed an appeal against the Order of the Commercial Tax Officer/ Deputy Commissioner in his Appeal No.....dated..... it does not comply with provisions of the Andhra Pradesh Value Added Tax Act, 2005 and the rules and regulations made thereunder in the following aspects.

2. You are hereby required to remedy the defects within of the receipt of this notice by you.

Given under my hand and the seal of the Appellate Tribunal.

(By order)

Date: Secretary

Seal:

FORM - B

[See Regulation 7(3)]

Before the Value Added Tax Appellate Tribunal,

Andhra Pradesh, Hyderabad.

APPEAL No.

OF

..Appellant

Vs.

..Respondent

To

The above named appellant.

Please take notice that the appeal filed by you against the order of the Commercial Tax Officer / Deputy Commissioner..... in his Appeal No..... dated..... has been placed before the Appellate Tribunal for orders regarding its admission as it is defective as already intimated to you by notice, dated.

The Appellate Tribunal will hear the matter on If you want to be heard, you should be present at the time of the hearing in person or through your pleader or authorised agent. If you fail to do so, the Appellate Tribunal will pass orders in your absence.

Given under my hand and the seal of the Appellate Tribunal.

(By order)

Date: Secretary

Seal:

Copy to the State Representative.

FORM - C

[See Regulation 8 and 9(1)]

APPEAL No.

OF

..Appellant

Vs.

..Respondent

To

The above named appellant.

Your appeal before the Appellate Tribunal against the orders of the in his Appeal No.....dated..... stands posted for hearing on at 10.30 a.m. at the Office of the Tribunal at Hyderabad.

Please take notice that if you do not appear on the above date or any other day to which the hearing may be adjourned either in person or by pleader or by authorised agent in support of your appeal, it will be dismissed for default or disposed of on merits, ex-parte.

Given under my hand and the seal of the Appellate Tribunal.

(By order)

Date:

Secretary

Seal:

Copy to the State Representative with copies of Appeal Memorandum and the order appealed from.

Note :-

1. All accounts (Day book, ledger, railway receipts, Bill of lading, invoices, vouchers, connected correspondence, if any, statements, returns, agreements, contracts etc.), maintained for the assessment year(s) to which the appeal relates should be produced at the time of hearing.
2. If any person other than the appellant appears before the Appellate Tribunal, he should produce a letter of authority (duly stamped Vakalat or Power of Attorney, as the case may be).

FORM - D

[See Regulation 27]

APPEAL No.

OF

..Appellant

Vs.

..Respondent

To

The

Please take notice that

Given under my hand and the seal of the Appellate Tribunal.

(By order)

Date :

Secretary

Seal :

FORM - E

[See Regulation 24(2)]

Form of application for copy of public records

To

The Secretary,
Value Added Tax Appellate Tribunal,
Andhra Pradesh, Hyderabad.

(Rupees two Court-fee Stamp)

1. Name and address of the Applicant in full :
2. Description of records required (as far as possible)
3. Purpose for which copy is required.

Date :

Signature of Applicant

FORM - F

[See Regulation 25]

Form of application for search of public records

To

The Secretary,
Value Added Tax Appellate Tribunal,
Andhra Pradesh, Hyderabad.

(Rupees two Court-fee Stamp)

1. Name and address of the Applicant in full :
2. Description of records required (as far as possible)
3. Purpose for which inspection or copy is required.

Date :

Signature of Applicant

—————

Constitution of and appellate tribunal consisting of a chairman and two other members.

G.O.Ms.No. 1008, Revenue (CT-II), Department, dt. 26-05-2005.

In exercise of the powers conferred under sub-section (1) of section 3 of the Andhra Pradesh Value Added Tax Act, 2005, and in supersession of Sales Tax Appellate Tribunal constituted earlier, the Government of Andhra Pradesh hereby appoints Appellate Tribunal consisting of the Chairman and following members to exercise the functions conferred on the Appellate Tribunal by or under the said Act :—

- | | | | |
|-----|------------------------------|---|----------|
| (1) | Sri. P. Swaroop Reddy | - | Chairman |
| (2) | Sri. T. Vijaya Bhasker Reddy | - | Member |
| (3) | Sri. P. S. Somayajulu | - | Member |

The notification shall be come into force with effect from the date of publication in Andhra Pradesh Gazette.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 351,
dt. 27-05-2005]

□ □ □ □

INCENTIVES FOR NEW INDUSTRIES

1. Industries and Commerce Department – Incentives for setting up of New Industries in Andhra Pradesh – Industrial Investment Promotion Policy for 2005-2010 – Orders – Issued.

*G.O.Ms.No. 178, Industries and Commerce (IP) Department,
dt. 21-06-2005.*

Read the following :—

1. G.O.Ms.No. 108, Industries and Commerce (IP) Department, dt. 20-05-1996.
2. G.O.Ms.No. 241, Industries and Commerce (IP) Department, dt. 15-07-1998.
3. G.O.Ms.No. 9, Industries and Commerce (IP) Department, dt. 05-01-2001.
4. G.O.Ms.No. 141, Industries and Commerce (IP) Department, dt. 03-07-2004.

ORDER

1. Government is extending various Incentives for encouraging establishment of new industrial units in the State since 1961. In the reference 3rd read above, Government have issued new Industrial Policy 2000-2005, which was concluded by 31-03-2005.

2. After detailed examination and after discussions with various industrial Organisations such as CII, FAPSIA, FICCI and taking into consideration of recommendations of Industrial Associations, a policy of various States viz., Karnataka, Maharashtra, Gujarat, West Bengal and to make a policy with emphasis on Creation of Quality Infrastructure, Incentivising Investments, Building Industrial Competency in Women, Quality Competitiveness, Export Promotion, Environmental Friendly Climate, Attracting Mega Investments, Attracting Foreign Direct Investment, Access to Market, Intellectual Property Rights, Fostering Industrial Clusters, Prevention of Industrial Sickness, Preventing Migration, Permitting Industries to Exit, towards better Regulation, Policy Measures, Thrust Sectors, the Government approved a new “Industrial Investment Promotion Policy 2005-2010” as appended at Annexure-I.

3. Under the new “Industrial Investment Promotion Policy 2002-2010”, the Government approved the following fiscal benefits covering the

categories of :

- (a) SSI / Tiny units
- (b) SC / ST Entrepreneurs
- (c) Women Entrepreneurs
- (d) Units other than SSI / Tiny (Large and Medium Scale Industries) and
- (e) Mega Projects :

3.1.0. SSI/Tiny units

Small Scale Industry (SSI) means a Unit having the investment on plant and machinery (Productive only) up to limit as defined by the Government of India from time to time.

Tiny Industry means an industry in which Investment plant and machinery (Productive only) up to limit as defined by the Government of India from time to time.

- 3.1.1. 100% reimbursement of Stamp Duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 3.1.2. 100% reimbursement of Stamp Duty for Lease of Land / Shed / Buildings.
- 3.1.3. 100% reimbursement of Stamp Duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.1.4. 25% rebate on land cost in IEs/IDA's limited to Rs. 5.00 lakhs.
- 3.1.5. Power cost will be reimbursed @ Rs. 0.75 per unit during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis, keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level.
- 3.1.6. 15% investment subsidy on fixed capital investment will be given subject to a maximum of Rs. 15.00 lakhs.
- 3.1.7. An additional investment subsidy of 5% on fixed capital investment limited to Rs. 5.00 Lakhs for SC/ST entrepreneurs.
- 3.1.8. 25% of the tax paid during one financial year will be ploughed back as a grant by the Government towards the payment of tax

during next year. Benefit will be available for 5 years from the date of commencement of production i.e., upto 6th year.

- 3.1.9. 3% interest subsidy on Prime Lending Rate (PLR) will be given on the term loan taken by new Tiny / SSI industrial units subject to a maximum of Rs. 5.00 lakh per for a period of 5 years.
- 3.1.10. 5% of project cost will be provided as seed capital assistance to SSI / Tiny Units started by SC/ST Entrepreneurs as a grant for industries, which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme limited to Rs. 5.00 Lakh.
- 3.1.11. 8% subsidy on capital equipment for technology up-gradation.
- 3.1.12. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.1.13. 25% subsidy on specific cleaner production measures limited to Rs. 5.00 Lakhs.
- 3.1.14. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.

3.2.0. Women Entrepreneurs

Women entrepreneurs mean those units established as sole proprietress or invariably having 51% share in Partnership / Private Limited Companies.

- 3.2.1. 100% reimbursement of Stamp Duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 3.2.2. 100% reimbursement of Stamp Duty for Lease of Land / Shed / Buildings.
- 3.2.3. 100% reimbursement for Stamp Duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.2.4. 25% rebate in land cost in IEs/IDA's limited to Rs. 5.00 Lakhs.
- 3.2.5. Power cost will be reimbursement @ Rs. 0.75 per unit during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level.

- 3.2.6. 15% investment subsidy on fixed capital investment will be given to SSI / Tiny Units subject to a maximum of Rs. 15.00 lakhs.
- 3.2.7. 5% Additional Investment subsidy on fixed capital investment limited to Rs. 5.00 Lakhs.
- 3.2.8. Another 5% investment subsidy on fixed capital investment limited to Rs. 5.00 Lakhs for women belongs to SC / ST Community.
- 3.2.9. Upto 25% of the tax paid during one financial year will be ploughed back to industries as a grant by the Government towards the payment of tax during next year. However, such grant shall not remit in net cash outflow to Government. Benefit will be available for 5 years from the date of commencement of production i.e., upto 6th year.
- 3.2.10. 5% of project cost will be provided as seed capital to SSI/Tiny Units as a grant for industries, which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme Limited to Rs. 5.00 Lakhs.
- 3.2.11. 5% interest subsidy on Prime Lending Rate (PLR) will be given on the term loan taken by new Tiny / SSI Industrial units subject to a maximum of Rs. 5.00 lakh per year for a period of 5 years.
- 3.2.12. 8% subsidy on capital equipment for technology up-gradation.
- 3.2.13. 50% on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.2.14. 25% subsidy on cleaner production measures limited to Rs. 5.00 Lakhs.
- 3.2.15. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.
- 3.3.0. Units other than SSI/Tiny units (Large and Medium Scale Industries)

Other than SSI/Tiny units (Large and Medium Scale Industries) means an industry in which the investment on plant and machinery (Productive only) less than Rs. 100 crores except SSI Units.
- 3.3.1. 100% reimbursement of Stamp Duty and transfer duty paid by the industry on purchase of land meant for industrial use.

- 3.3.2. 100% reimbursement of Stamp Duty for Lease of Land / Shed / Buildings.
- 3.3.3. 100% reimbursement of Stamp Duty and Transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.3.4. 25% rebate in land cost in IEs/IDA's limited to Rs. 5.00 Lakhs.
- 3.3.5. Power cost will be reimbursement @ Rs. 0.75 per unit during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level.
- 3.3.6. 25% of the tax paid during one financial year will be ploughed back to the units as a grant by the Government towards the payment of tax during next year. Benefit will be available for 5 years from the date of commencement of production i.e. upto 6th year.
- 3.3.7. Infrastructure like roads, power and water will be provided at doorstep of the industry for stand alone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs. 1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates / IDA's having vacant land / shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
- 3.3.8. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.3.9. 25% subsidy on cleaner production measures limited to Rs. 5 Lakhs.
- 3.3.10. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5 Lakhs.
- 3.4.0. Mega Projects

Mega Project means the Industrial unit, which sets up with a capital investment of Rs. 100 Crores or above.
- 3.4.1. Mega projects i.e. projects with an investment of Rs. 100 Crores and above are eligible for all the incentives available for Large and Medium Scale Industries.

- 3.4.2. Further, the Government will also extend tailor-made benefits to suit to particular investments requirements on case to case basis.
- 3.5.0. Existing Tiny/SSI/Large and Medium Scale Industries other than Mega projects.
 - 3.5.1. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
 - 3.5.2. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.
- 3.6.0. Existing Large Industries and Mega projects
 - 3.6.1. In order to address the specific problems of existing large industries, Government may offer special package of fiscal benefits on case-to-case basis. Exact fiscal benefits would be decided by SIPB from time to time depending on the nature of the project, investment, location, employment etc. An Industrial Promotion fund with adequate provision will be created for the purpose. Guidelines and Modalities for operating the fund will be decided by the SIPB.
- 3.7.0. Other benefits (to all categories)
 - 3.7.1. Land conversion from Agriculture use to industrial use will continue to be automatic on payment – required fee as per the rules in vogue.
 - 3.7.2. All industrial units continue to be exempted from payment of NALA tax.
 - 3.7.3. Government will ensure stable prices of Municipal water for 3 years for industrial use.
 - 3.7.4. Reservation of 10% of water for industrial use from the existing projects as well as future projects will continue.

4. To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives / benefits to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Viskhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 01-04-2005 but before 31-03-2010. Project involving substantial Expansion / Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible industries / activities as per G.O.Ms.No. 9, Industries and Commerce (IP)

Department, dt. 05-01-2001 read with G.O.Ms.No. 141, Industries and Commerce (IP) Department, dt. 03-07-2004 is appended to as, Annexure II, till further modifications of the list.

5. Necessary amendments / Orders will be issued by the concerned Departments. Detailed guidelines will be issued by the Commissioner of Industries separately.

6. This order issues with the concurrence of Finance (Exp. I and C) Department, vide their U.O.No. 12970/447/Exp. I and C/05, dt. 19-05-2005.

2. Industries and Commerce Department – Incentives for setting up of New Industries in Andhra Pradesh – Industrial Investment Promotion Policy, 2005 – 2010 – to make the ineligible list Annexed to the G.O.Ms.No. 178, Industries and Commerce (IP) Department dt. 21-06-2005 as to be made eligible in case of SC/ST Entrepreneurs – Amendments – Issued.

G.O.Ms.No. 327, Industries and Commerce (IP) Department, dt. 13-12-2005.

1. G.O.Ms.No. 178, Industries and Commerce (IP) Department, dt. 21-06-2005.
2. From the Commissioner of Industries, Lr.No. 10 / 03 / 05 / OPG / 0099, dt. 19-08-2005.

ORDER

The following amendment is issued to para 4 of the G.O.Ms.No. 178, Industries and Commerce (IP) Department dt. 21-06-2005 :

AMENDMENT

FOR	READ
To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State	To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State

FOR	READ
<p>except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 01-04-2005 but before 31-03-2010. Projects involving substantial Expansion/Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible Industries and Commerce (IP) Department, dt. 05-01-2001 read with G.O.Ms.No. 141, Industries Commerce (IP) Department, dt. 03-07-2004 is appended to, as Annexure II, till for the modifications of the list.</p>	<p>except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 01-04-2005 but before 31-03-2010. Project involving substantial Expansion / Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible Industries/activities as per G.O.Ms.No. 9 Industries and Commerce (IP) Department, dt. 5-1-2001 read with G.O.Ms. No. 141, Industries Commerce (IP) Department, dt. 03-07-2004 is appended to, as Annexure II, till for the modifications of the list. In respect of SC/ST Entrepreneurs the ineligible list Annexed to the G.O. is made as eligible for all incentives under above scheme for any unit set up by them.</p>

This orders issues with the concurrence of Fin. (Exp. I and C) Department vide their U.O.No. 10194/877/Exp. I and C / 2005, dt. 18-10-2005.

3. Industries and Commerce Department – Incentives for setting up of New Industries in Andhra Pradesh – Industrial Investment Promotion Policy 2005 – 2010 – Operational Guidelines for implementing the scheme – Approved – Orders – Issued.

G.O.Ms.No. 328, Industries and Commerce (IP) Department, dt. 13-12-2005.

1. G.O.Ms.No. 178, Industries and Commerce (IP) Department, dt. 21-06-2005.

2. From the Commissioner of Industries, Lr.No. 10/3/05/OPG/0099, dt. 19-08-2005.
3. G.O.Ms.No. 327, Industries and Commerce (IP) Department, dt. 13-12-2005.

ORDER

In the G.O. first read above, the State Government announced New Industrial Investment Promotion Policy 2005-2010 duly extending the various incentives/concessions to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and Commence Commercial Production on or after 01-04-2005 but before 31-03-2010. Projects involving substantial Expansion / Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy covering the categories of :

- (a) SSI / Tiny units
- (b) SC/ST Entrepreneurs
- (c) Women Entrepreneurs
- (d) Units other than SSI / Tiny (Large and Medium Scale Industries) and
- (e) Mega Projects.

The Commissioner of Industries in the reference 2nd read above, has submitted proposals for approval of the operational guidelines for implementation of Industrial Investment Promotion Policy 2005-2010.

Government, after careful examination of the proposal of the Commissioner of Industries, hereby approves the guidelines under Industrial Investment Promotion Policy 2005-2010 as appended to these orders. The Government have also decided to consider the time of 6 months period for filing claim applications from the date of issue of operational guidelines for existing units, which have already commenced commercial production w.e.f. 01-04-2005. In case of all other units commencing production after issue of operational guidelines claim applications can be submitted as per the time limit prescribed in the operational guidelines.

4. Memo No. 46460/CT-II (2)/2005-02, dt. 21-01-2006.

Sub : Industrial Incentives – Sales Tax Holiday on Cashew Nuts
– Certain clarification – Issued – Regarding.

Ref. : 1. CCT's Ref. No. A II (2)/800/04, dt. 21-09-2005.
2. CCT's Ref. No. A II (2)/800/04, dt. 06-12-2005.

The units, availing industrial incentives should pay purchase tax, wherever applicable and sales tax alone is covered by industrial incentives, that the generic term sales tax was given a specific meaning that it is a tax on sales but not on purchases and it was resulted in certain units like Cashew processing units deriving virtually no benefit, because they were forced to pay tax on purchase of nuts and were able to avail benefits only on the marginal value addition at the stage of sales, which remained after set-off of purchase tax, that the units of the above category had been agitating that the industrial incentives, granted are as good as no incentives and requested for exemption of purchase tax inter alia on the ground that they did not pass on the burden of any tax to the customers.

2. Keeping in view the report furnished by the Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad, that M/s Srinivasa Cashew Process, Vetapalem, Prakasam district and M/s. Sri Venkateswara Cashew Manufacturers, Vetapalem, Prakasam district did not pass the tax burden to their customers, the Government considered his proposal and hereby order for extending the benefit of tax holiday to the purchase tax payable on cashew nuts, to the above two firms subject to condition that it should be applied for the period during which they have not passed on the tax element to their purchasers.

3. The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad, is therefore, requested to take necessary action accordingly.

□ □ □ □

APGST NOTIFICATION AFTER VAT ACT, 2005

1. CCT's Ref. L-IV (4)/994/05, dt. 12-01-2006

Sub : APGST Act, 1957 – Tax on packing material – Gunnies, though tax suffered earlier in the State – Regarding.

Ref : CCT Circular dt. 12-12-2005 in Ref. L-IV(4)/994/05.

The attention of all the assessing authorities and revisional authorities is invited to the circular cited wherein the gist of the Hon'ble High Court Judgment in TRC 153/04 and batch dt. 05-10-2005 upholding the levy of tax on the sales of gunnies along with rice to FCI under section 6 (C) of the APGST Act, 1957 was provided.

For the benefit of the assessing and revisional authorities, full text of the above judgment of the Hon'ble Court is also made available on EBZ website, 04 SCL 189. The very purpose of putting this Judgment on the website is to ensure that the assessing authorities expedite the assessment or revisions wherever gunnies were exempted from tax earlier as second sales, without waiting for receipt of High Court Judgment, by the concerned authority.

All the assessing and revisional authorities are instructed to inform the progress of the assessment/reassessments/revisions and also additional revenue realized on account of the above judgment, from time to time, to the undersigned, without fail.

2. Memo No. 28956/CT-II(1)/2005, dt. 03-01-2006

Sub : APGST Act, 1957 – Levy of sales tax on un-serviceable vehicles of APSRTC – Exemption from payment of such tax – Request – Regarding.

Ref : 1. From M/s. Reborn Motors, Bhavanipuram, Vijayawada, addressed to Minister for C.T.

2. From the CCT, Lr. No. AI(1)/594/2005, dt. 27-07-2005.

The attention the Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad is invited to the reference 2nd cited. He is informed that after due consideration of the request of M/s. Reborn Motors, Vijayawada, it is noticed that the matter is sub judice before the Hon'ble High Court of Andhra Pradesh about the claim of M/s. APSRTC that the sale of un-serviceable buses was 2nd sale, in having purchased them within the State and that it was not a sale

of scrap. If the sale of buses is treated as sale of scrap, it would be mostly iron and steel scrap as represented by M/s. Reborn Motors, and in such a case, the Iron and Steel Scrap, it is liable to tax @ 4%, under Schedule – III of APGST Act, 1957.

2. The Commissioner of Commercial Taxes, is therefore, requested to issue necessary instructions to the assessing authorities to levy tax on iron and steel scrap, accordingly.

□ □ □ □ □