

**EXCISE AND TAXATION DEPARTMENT
NOTIFICATION**

Shimla-2, the 23rd July, 1999

No. EXN-F(9)2/99.-Whereas, the Governor of Himachal Pradesh is satisfied that it is necessary in the public interest so to do.

2. Now, therefore, in exercise of the powers conferred by clause (b) of sub-section (5) of section 8 of the Central Sales Tax Act, 1956 (Central Act No.74 of 1956), the Governor of Himachal Pradesh is pleased to direct that in respect of the sale in the course of Inter-State trade or commerce of the goods (other than those manufactured by the breweries, distilleries, non-fruit/vegetable based wineries and bottling plants (both of country liquor and Indian made foreign liquor and Indian made foreign liquor) manufactured by the dealers running any existing industrial unit or new industrial units (other than those new industrial units which are located in the tax free industrial zone) in the State of Himachal Pradesh , and are registered as dealer with Excise and Taxation Department, Himachal Pradesh, the tax levied under sub-section (1) of section 8 of the said Act shall be calculated and payable at the rate of 1% of the taxable turnover of such goods with immediate effect for the period ending 31.03.2009.

3. The Governor is further pleased to direct that in respect of the sale in the course of inter-State trade or commerce of the goods other than those manufactured by breweries, distilleries, non-fruit/vegetable based wineries and bottling plants (both for country liquor and Indian made foreign liquor) manufactured by the dealers running any new industrial units located in the tax free industrial zone, which are registered as dealer with the Excise and Taxation Department, Himachal Pradesh, no tax shall be levied under sub-section (1) of section 8 of the Central Sales Tax Act, 1956, on the turnover of such goods for the period ending 31-3.2009.

4. The Governor of Himachal Pradesh is further pleased to direct that the concessional rate of central sales tax specified in para 2 and 3 of this notification shall be levied only if the existing industrial unit or new industrial unit, as the case may be,-

- (i) has been registered as a dealer under the Himachal Pradesh General Sales Tax Act, 1968, and the Central Sales Tax Act, 1956, for manufacture of goods for sale;
- (ii) complies with the provisions of (a) Himachal Pradesh General Sales Tax Act, 1968, (b) the Central Sales Tax Act, 1956, and (c) the rules, including the Scheme, if any made the notifications, and orders issued under these Act;
- (iii) being located in industrially developing areas, employees atleast 65 percent of its total manpower employment from amongst the bonafide Himachalis or if it, being located in industrially backward areas, employs 80 percent of its total manpower employment from the *bonafide* Himachalis;
- (iv) being a "village industry", tiny industry', 'small service business establishment Industry' and 'small scale industry' is registered under the registration Scheme of the Government of India or being a 'medium' or 'large' scale industry is registered/ acknowledged by the Director of Industries;
- (v) has obtained a certificate in Form I prescribed by the Himachal Pradesh Government, Excise and Taxation Department, notification No. EXN-F (9)2/99-IV dated 23rd July, 99 from the General Manager, District Industries Centre of the Department of Industries of the Government of Himachal Pradesh where the industrial unit is registered or in other case from the Director of Industries, Himachal Pradesh or his nominee duly authorized, in writing, in this behalf, and has furnished the same certificate to the prescribed authority.

Explanation.-For the purposes of paras 2,3 and 5 of this notification,-

- (i) 'existing industrial unit' means an industrial unit which commenced production before the 1st day of April, 1999;
- (ii) 'industrially backward area' means an area other than an industrially developing area and 'tax free industrial zone';
- (iii) 'industrially developing area' means an area falling in Paonta Sahib and Nahan development blocks of Sirmour District and Nalagarh, Dharampur and Solan development blocks of Solan district but excluding 'Backward panchayats' as notified by the Department of Planning, Government of Himachal Pradesh from time to time;
- (iv) 'new industrial unit' means an industrial unit located in Himachal Pradesh which commenced/commences commercial production on or after the 1st day of April, 1999 mere change of ownership, change in the constitution, re-structuring or revival of an existing industrial unit;
- (v) 'small service business establishment industry' 'small scale industry', 'tiny industry' medium or 'large scale industry' means an existing industrial unit or a new industrial unit falling within the definitions of such units as given by the Government of India, registered as such with the Department of Industries, Himachal Pradesh and further registered as dealer under the Himachal Pradesh General Sales Tax Act, 1968, and Central Sales Tax Act, 1956;
- (vi) 'tax free industrial zone' means the tribal areas of the State of Himachal Pradesh;
- (vii) 'village industry' means an existing industrial unit or a new industrial unit set up in rural areas with the financial assistance of the Commission constituted under the Khadi and Village Industry Commission Act, 1956 or the Board constituted under the Khadi and Village Industries Board Act, 1956; and
- (viii) the employment condition specified in clause (iii) of para 4 shall not be applicable to new industrial units which are self-employed ventures where the owner is running the units without any manpower.

5. The Governor is further pleased to direct that the following notifications issued by the Government in this behalf shall stand superseded:-

- (i) Notification No. 1-7/73-E&T dated 26-4-78 published in R.H.P. (Extra-Ordinary) on 28-4-78.
- (ii) Notification No. 1-12/73-E&T-III dated 11-4-91 published in R.H.P. (Extra-Ordinary) on 12-4-91.

By order,

Sd/-

Commissioner-cum-Secretary