

The Sales Tax Act, 1990

Provisions of the Sales Tax Act, 1990, relating to POS Integration of Tier-1 Retailers

Section 2: Definitions:

¹[(43A) ²["Tier-1 retailer" means a retailer falling in any one or more of the following categories, namely:,-]

- (a) a retailer operating as a unit of a national or international chain of stores;
- (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;
- (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds Rupees ³[twelve] hundred thousand; ⁴[]
- (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers";] ⁵[**]
- ⁶[(e) a retailer, whose shop measures one thousand square feet in area or more; and]
- ⁷[(f) any other person or class of persons as prescribed by the Board.]

Section 3 : Sub-sections pertaining to Tier-1 and Tier-2:

⁸[(9) Notwithstanding anything contained in subsection (1), tax shall be charged from retailers⁹[, other than those falling in Tier-1,] through their monthly electricity bills, at the rate of five percent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid

¹ Clause (43A) inserted through Finance Act, 2017

² Substituted for "Tier-1 retailer means-" vide Tax Laws (Second Amendment) Ordinance, 2019.

³ Substituted for "six" vide Tax Laws (Second Amendment) Ordinance, 2019.

⁴ The word "and" omitted vide Finance Act, 2019.

⁵ The word "and" omitted vide Tax Laws (Second Amendment) Ordinance, 2019.

⁶ Clause (e) inserted vide Finance Act, 2019.

⁷ Clause (f) added vide Tax Laws (Second Amendment) Ordinance, 2019.

⁸ Sub-section 9 inserted by Finance Act, 2014.

⁹ Commas and words inserted by Finance Act, 2019.

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amount, ¹[and the electricity supplier shall deposit the amount so collected directly without adjusting against his input tax]:

Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub section (1), (1A) and (5)²[;]

³[Provided further that the Commissioner of Inland Revenue having jurisdiction shall issue order to the electricity supplier regarding exclusion of a person who is either a Tier-1 retailer, or not a retailer.”; and]

⁴[(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate as applicable to the goods sold under relevant provisions of this Act or a notification issued there under:

Provided that the customers of a Tier-1 retailer shall be entitled to receive a cash back of up to five percent of the tax involved, from such date in the manner and to the extent, as may be prescribed by the Board;

Provided further that from such date, and in such mode and manner, as prescribed by the Board, all Tier-1 retailers shall integrate their retail outlets with Board’s computerized system for real-time reporting of sales.]

Impact of Non-integration:

⁵[**8B. Adjustable input tax.**—

⁶[(6) In case a Tier-1 retailer does not integrate his retail outlet in the manner as prescribed under sub-section (9A) of section 3, during a tax period or part thereof, the adjustable input tax for whole of that tax period shall be reduced by 15%.]

⁷[**33. Offences and penalties.**—

Penalties for Non-integration:

¹ [24. Any person, who is	Such person shall pay a penalty of	Sub-section (9A)
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¹ The expression substituted for the words “subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007” through Finance Act, 2019.

² For the full stop a “colon” is substituted through Finance Act, 2019.

³ The second proviso added vide Finance Act, 2019.

⁴ Sub-section (9A) substituted through Finance Act, 2019.

⁵ Section 8B inserted by Finance Act, 2007.

⁶ New sub-section (6) added vide Finance Act, 2019.

⁷ Section 33 substituted by Finance Act, 2005.

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<p>integrated for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, conducts such transactions in a manner so as to avoid monitoring, tracking, reporting or recording of such transactions, or issues an invoice which does not carry the prescribed invoice number or barcode or bears duplicate invoice number or counterfeit barcode; or any person who abets commissioning of such offence.</p>	<p>five hundred thousand rupees or two hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to two years, or with additional fine which may extend to two million rupees, or with both.</p> <p>Any person who abets commissioning of such offence, shall be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to one year, or with additional fine which may extend to two hundred thousand rupees, or with both.</p>	<p>of section 3 and section 40C.</p>
<p>25. Any person, who is required to integrate his business for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under law.</p>	<p>Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after a period of six months after imposition of penalty as aforesaid, his business premises shall be sealed and an embargo shall be placed on his sales.</p>	<p>Sub-section (9A) of section 3 and section 40C]</p>

¹ S. Nos. 24 and 25 inserted vide Tax Laws (Second Amendment) Ordinance, 2019.

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¹[**40C. Monitoring or Tracking by Electronic or other means.**– (1) Subject to such conditions, restrictions, and procedures, as it may being fit to impose or specified, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any good or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed

(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, bandrole stickers, labels, ²[barcodes,] etc. in any such form, style and manner as may be prescribed by the Board in this behalf.]

³[(3) Such tax stamps, banderols, stickers, labels, barcodes *etc.*, shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board for the purpose, against price approved by the Board, which shall include the cost of equipment installed by such licensee in the premises of the said registered person.]

¹ Section 40C inserted by Finance Act, 2013.

² Word and comma inserted by Finance Act, 2015

³ Sub-section (3) added by Finance Act, 2015.