

4. STRUCTURE OF SALES TAXES IN TAMIL NADU

Introduction

The existing structure of sales taxes in the State is governed mainly by the Tamil Nadu General Sales Tax Act, 1959 (TNGST). Initially, this Act provided for a multi-point levy only. But it has undergone several changes over the years, and as of today, a large number of commodities are subjected to a single-point tax, most of these are taxed at the first-point and a few select at the last-point. Only the residuary category of goods (i.e., the commodities not elsewhere classified) are taxed at all the points.

The declining importance of the multi-point goods in the sales tax structure of the State is reflected in the trend of yield from them (Table 4.1). It is clear from the table that the share of revenue from the multi-point goods has declined from about 60 per cent in 1959-60 to 24 per cent in 1972-73 and to a small proportion - 12 per cent only - by 1979-80.

In addition to the General Sales Tax (GST), the existing structure provides also for the levy of an Additional Sales Tax (AST) under the Tamil Nadu Additional Sales Tax Act, 1970. The AST is levied at varying rates on taxable turnover of Rs 3 lakh and above computed under TNGST Act, 1959. The rates of the AST are 0.4 per cent where the taxable turnover exceeds Rs 3 lakh but does not exceed Rs 5 lakh; 0.5 per cent where the taxable turnover exceeds Rs 5 lakh but does not exceed Rs 7 lakh; 0.6 per cent where the taxable turnover exceeds Rs 7 lakh but does not exceed Rs 10 lakh; and 0.7 per cent where the

TABLE 4.1

Revenue Significance of Single-Point
Commodities in Tamil Nadu

(Rs crore)			
Year	Sales tax revenue from the single- point tax	Total sales tax revenue under TNGST excluding the AST and the surcharge	Col. (1) as per cent of Col. (2)
	(1)	(2)	(3)
1959-60	5.07	12.66	40.04
1960-61	5.98	14.18	42.17
1961-62	6.56	15.49	42.34
1962-63	7.48	18.59	40.23
1963-64	9.41	18.89	49.81
1964-65	11.76	25.69	45.77
1972-73	52.41	81.01	64.69
1973-74	66.35	92.69	71.58
1974-75	97.54	130.09	74.97
1975-76	106.12	142.73	74.35
1976-77	117.98	146.66	80.44
1977-78	130.38	157.11	82.98
1979-80	181.68	206.82	87.84
		207.91	

- Sources: 1. For the total sales tax revenue Budget Documents of the State Government.
2. Yield from single-point goods for the year 1959-60 to 1964-65, Lokanathan, P.S. (1965). Sales Tax Systems in Madras, NCAER: New Delhi.
3. The revenue from single-point tax for the year 1972-73 to 1979-80 is taken from the Commercial Taxes Department, Tamil Nadu.

taxable turnover exceeds Rs 10 lakh. In respect of the declared goods, the rate of the AST is reduced to such an extent that the sales tax and the AST together does not exceed 4 per cent of the sale or purchase price. It is important to note here that the AST is levied on the dealers, but they are not permitted to "shift" it on to the consumers.

In addition to the AST, a surcharge has been levied with effect from June 1, 1971, under the Tamil Nadu Sales Tax (Surcharge) Act, 1971. It is levied at the rate of 10 per cent of the tax payable on all sales effected in Madras city and its sub-urban areas, and at 5 per cent of the tax in Madurai, Salem, Coimbatore and Tiruchirappalli.

An analysis of the trend of revenue from the AST and the surcharge, as presented in Table 4.2, shows that the yield from the latter has increased in almost the same proportion as the GST; it has maintained its share in the GST at around 3 per cent. The share of the AST has, however, substantially increased over the years. Whereas this share was 3.9 per cent only in 1972-73, it increased to 10.15 per cent by the year 1979-80.

The data on commodity-wise composition have been collected and maintained by the Department of Commercial Taxes, Tamil Nadu since 1972-73. The changes in the commodity-wise composition are shown in Annexures IV.1 and 2. It is seen that ten commodities yielded about half the revenue from TNGST to the exchequer in 1972-73. These are motor vehicles (12.63 per cent), general

TABLE 4.2

Yield from the Additional Sales Tax and the
Surcharge

Year	<u>Additional sales tax</u>		<u>Surcharge</u>	
	Yield (Rs crore)	As per cent of TNGST revenue	Yield (Rs crore)	As per cent of TNGST revenue
1972-73	2.71	3.15	2.19	2.55
1973-74	2.83	2.89	2.56	2.61
1974-75	6.77	4.82	3.58	2.55
1975-76	9.25	5.93	3.96	2.54
1976-77	14.25	8.63	4.15	2.52
1977-78	15.32	8.67	4.37	2.47
1978-79	17.76	8.12	5.46	2.51
1979-80	19.85	8.48	7.45	3.18

Sources: 1. Tamil Nadu Commercial Taxes Department, Madras.

2. Budget Documents of the State Government for the total sales tax revenue.

goods (8.14 per cent), other goods (5.11 per cent), electrical goods (4.95 per cent), oil cakes (3.20 per cent), sugarcane (3.15 per cent), cotton yarn (3.06 per cent), drugs and medicines (2.88 per cent), jaggery and gur (2.75 per cent), and kerosene (2.55 per cent). In 1979-80 first five commodities yielded more than one-fourth of the total revenue. These are motor vehicles (9.35 per cent), lubricating oil (5.43 per cent), iron and steel (4.26 per cent), cotton yarn (3.81 per cent) and sugarcane (3.71 per cent). Another group of ten commodities yielded roughly the same amount of tax. These are kerosene, chemical fertilisers, drugs and medicines, cement, dyes and chemicals, machinery, mineral oils, vegetable oils, paper and paper board and general goods. Commodity-wise yield data are not available for any later year.

Rate Structure

Along with the gradual switching over to a single-point tax, progression was introduced in the sales tax system of Tamil Nadu through variations in rates; instead of a single rate, different rates were adopted for necessities and luxuries. Thus, like other States, Tamil Nadu too taxes luxuries at a higher rate than those applied to necessities and common food articles. Thus, goods generally bought by the affluent sections are taxed at higher rates. Of course, there is a special treatment of declared goods; they are taxed at one point at a rate not exceeding 4 per cent.

The rates of tax on different commodities are shown in Annexure IV.3. It is seen that, in general, cereals are exempted but cereal products like Atta, Maida, and Suji are taxed at the rate of 2 per cent.

Pulses are taxed at the rate of 4 per cent. Other food items such as fruits and vegetables, meat, fish and eggs, which are perishable, are exempted. Also, some necessities like salt are exempted. Other food items such as pulses, edible oil, vanaspati ghee, tea leaf and coffee powder are taxed at rates ranging between 4 and 8 per cent, single-point (or 3 and 5 per cent, multi-point).

A large number of consumer goods ranging from stationery goods, kerosene, cooking gas, toilet articles, medicines and footwear are taxed at 6-8 per cent, single-point (or 5 per cent, multi-point). Also, taxed at these rates are several consumer durables such as articles made of gold, silver, or ivory, vanity purses, suitcases, stoves, incandescent lamps and lanterns, vacuum flasks, plastic goods, locks and musical instruments.

A few consumer durables are taxed at a very low rate for a special reason: the market forces do not permit a higher rate of tax. The commodities falling in this category are cycle and its accessories (3 per cent), and motor cars (7 per cent).

Luxury goods, in general, are taxed at rates ranging from 10 to 15 per cent. However, some of the items are taxed at lower rates for special treatment. These include high value articles such as gold and silver, and coins of gold and silver (5 per cent multi-point), bullion and specie (2 per cent), articles made of gold, silver or ivory (5 per cent multi-point). Also, goods that are widely consumed by the middle-income

group are taxed at a lower rates. These include sewing machines (5 per cent), vacuum flasks, lock and key and leather goods (8 per cent).

Raw materials and other inputs are taxed at fairly low rates. Machinery is taxed at 6 per cent. Lubricants and other aids in production excluding fuel items are taxed at 8 per cent. Among fuel items except for aviation spirit (7 per cent), motor spirit and crude oil (8 per cent), all other items including petrol are taxed at the rate of 11 per cent.

Comparative Rate Structure

Comparative rates of sales tax in Tamil Nadu and in some of the neighbouring States are given in Annexure IV.3. It is seen that the rates of sales tax on most commodities are comparable among the neighbouring States of Kerala, Karnataka, Andhra Pradesh and Orissa. However, the rates in the Union Territory of Pondicherry are relatively low. The Territory being very small, and having no industrial activity of any consequence, the effect of the low level of duties in that Territory on the trade and industry in Tamil Nadu cannot be very significant. Hence, unless otherwise necessary in special cases, we would compare the rates of tax in the neighbouring States leaving out the Union Territory of Pondicherry. Besides, this comparison is with reference to the statutory rates prevailing in these States; in making the comparison account is not taken of surcharges and the additional sales taxes levied in them (Annexure IV.4). Here, it is important to note that the rates of the AST are almost uniform in these States and the

surcharge cannot be estimated without reference to its base. The comparative picture of the statutory rates would thus remain valid even if the AST and the surcharge is not considered together.

It would be seen from the Annexure that as far as foodgrains are concerned, the rates prevailing in the neighbouring States are high as compared to the rates in Tamil Nadu. All cereals including paddy are exempt in Tamil Nadu and Atta, Maida, Suji, etc., are taxed at the rate of 2 per cent. In other States, the rates are in the neighbourhood of 4 per cent in most cases. The rates of other food articles are more or less comparable with those in Tamil Nadu. The rate of tax on edible oil (mustard oil, rape seed oil, groundnut oil) is 4 per cent in Tamil Nadu and Orissa and they are taxed at 3 per cent in Karnataka, 3 to 6.5 per cent in Andhra Pradesh and 8 per cent in Kerala. The rates of perishable food articles such as fish, meat, eggs, fresh fruits and vegetables, curd, lassi, and butter-milk are all similar to those in the neighbouring States. However, vanaspati ghee and pure ghee are taxed at higher rates but tea leaf and coffee-powder are taxed at relatively low rates. The tax rates on books, stationery articles and toilet articles are, in general, similar to those in the neighbouring States. However, domestic fuel items and match boxes are taxed at lower rates in Tamil Nadu but medicines are taxed at higher rates and footwear at a lower rate. From among consumer durables, cycles and accessories are exempted in Karnataka but taxed at 3 per cent in Tamil Nadu and 6 per cent in Kerala and Andhra Pradesh. The rates of tax on consumer durables

including gold and silver are normally similar to those prevailing in Karnataka but are higher than in Kerala and Andhra Pradesh. Items such as tabulating and calculating machines, heavy motor vehicles, binoculars, cinematographic equipment, sound transmitting equipment, wireless reception instruments and refrigerators, etc., are taxed at 15 per cent in Tamil Nadu, Karnataka and Kerala and at 12 per cent in Andhra Pradesh. Lifts are taxed at higher rates in Tamil Nadu and Karnataka (15 per cent) but at lower rates in Andhra Pradesh (12 per cent) and Kerala (10 per cent). Similarly, floor and wall tiles, sanitary goods and fittings are taxed at higher rates in Tamil Nadu and Kerala (15 per cent) followed by Karnataka (12 per cent) and Andhra Pradesh (4-6 per cent). Arms are, however, taxed at higher rate in Kerala (20 per cent) than in Tamil Nadu, Karnataka (15 per cent) and Andhra Pradesh (12 per cent).

Fuel items, normally referred to as the MST items, are taxed at low rates in Tamil Nadu (11 per cent) and Andhra Pradesh (10-12 per cent) as compared to Kerala (15-20 per cent), and Karnataka (12.5 per cent). However, the rates on all the other items in Tamil Nadu are on the higher side.

The comparative analysis of rates of sales tax in Tamil Nadu and the neighbouring States presented above shows that the rates of sales tax on most commodities are similar to those prevailing in the other States. However, the rates on foodgrains, domestic as well as other fuel items, and footwear are higher in the neighbouring States and the rates on medicines and

consumer durables are similar to those in Karnataka and Kerala but high as compared to those in Andhra Pradesh.

Taxation of Inputs

In Tamil Nadu, there is no concessional treatment for raw materials and other inputs in general. Only the components used by manufacturers are taxed at the concessional rate of 4 per cent. This concession is permitted [under section 3(3) of the TNGST] only if both the component parts and the manufactured products in which they are to be used, fall under the First Schedule of the TNGST, i.e., if both are goods taxable at the first-point. There is the further constraint that the components have to be physically identifiable parts of the manufactured goods; the inputs and raw materials which are not so identifiable are not exempted under this section (Annexure IV.5).

With a view to reducing the adverse effects of the tax on raw materials excepting components, the State government has, as a first measure, introduced with effect from September 5, 1980, a new section 3(4), empowering it to notify some commodities to be taxed at the concessional rate of 4 per cent (Annexure IV.5). However, only three commodities, viz., drugs and medicines, synthetic rubber and chemicals, have so far been notified by the Government. Again, the above commodities are also not fully covered. Drugs and medicines, for example, could be bought at a concessional rate for their use as raw materials only for the manufacture of drugs and medicines (i.e., drugs and medicines falling under item 95 of the First Schedule); synthetic rubber could be

purchased at 4 per cent for using it to produce only rubber products (falling under item 126 of the First Schedule) and chemicals (falling under item 138 of the First Schedule) for manufacturing only (i) drugs and medicines (item 95); (ii) gases (item 106); (iii) paints, etc., (item 110); (iv) synthetic rubber (item 125); (v) rubber products (item 126) and/or (vi) chemicals and drugs (item 138) (Annexure IV.6). Thus, the concession granted is narrow in its coverage and arbitrarily discriminates between different end-uses of the inputs supposed to be given special treatment.

Exemptions Under Sales Tax

As in other States, in Tamil Nadu too, exemptions are granted for a variety of reasons. First, certain food items are exempted, primarily on equity considerations. Such exemptions include common salt, khandsari sugar, paddy, rice, cholam, chambu, ragi, thinai, varagu, samai, kudiravali, rice products, millets and its products, water and milk. There are exemptions given for fresh fruits and vegetables, and meat, fish and eggs. Such exemptions are given partly because these are perishable food items and partly because there are insurmountable difficulties in the administration of any tax on these commodities.

Second, certain non-food items are exempted to encourage their consumption by the poor sections of society. Also, production of such items is encouraged through exemptions to achieve certain social objectives. The following exemptions fall under the category:

- (i) Reading books including text books
- (ii) Students' note books
- (iii) Writing pencils
- (iv) Slates and slate pencils
- (v) Educational films and film strips
- (vi) Electrical hearing aids
- (vii) Diagnostic X-ray photos
- (viii) Junnadi goods
- (ix) Honey and bee wax
- (x) Korai grass
- (xi) Coconuts and coconut husk
- (xii) Bangles (not by any metals)
- (xiii) Fire wood
- (xiv) Hay, green grass, rice bran, wheat bran, husk, dust of pulses and grams
- (xv) Jaggery and gur
- (xvi) Hurricane lights
- (xvii) Non-pressure kerosene stoves
- (xviii) Lawrel oil
- (xix) Bandage cloth and gauze
- (xx) Condoms

Third, the exemptions are granted on an institutional basis. This includes exemption to goods sold to, or by, particular social (and economic) institutions. These are intended to encourage certain types of activities (for example, hand-made matches) or certain organisations (for example, sale of the products of the basket-making industry). Exemptions of such kind granted in Tamil Nadu are shown in Annexure IV.7. In brief such exemptions are of the following kinds:

- (i) Sales by schools, colleges, and the department of the regimental canteens and hostels;
- (ii) Sales of drugs and scientific equipments in Government hospitals and public health centres;
- (iii) Goods produced by certain grama sevak sanghs and village handicrafts industries;
- (iv) Products of research and training centres;
- (v) Sales by co-operative societies;
- (vi) Articles sold at service and welfare institutions;
- (vii) Sales by rehabilitation industries and centres;
- (viii) Sales in between Corporations and Boards;
- (ix) Articles for Government use;
- (x) Stationery articles sold to educational institutions.

Fourth, there are exemptions granted in order to fulfil obligations arising from inter-State or international agreements. Such exemptions in Tamil Nadu are:

- (i) Sales made to the Deputy High Commissioner for the :

1. United Kingdom in India,

2. High Commissioner for Ceylon in Madras,

3. Assistant High Commissioner for
Malaysia in Madras;

(ii) Sales made to World Health Organisation
and the United Nations Offices and
agencies in India;

(iii) Medical stores and equipments for AIIMS,
New Delhi;

(iv) UNICEF greeting cards and calendars;

(v) Sales to the Royal family of Bhutan and
other government agencies and representatives
concerned.

Fifth, certain agricultural inputs including
producer goods used in agriculture are exempted. In this
category, Tamil Nadu grants exemption from sales tax to
the following goods:

(i) Sheep, goats, cows, bulls, bullocks, pigs
and such animals;

(ii) Primitive agricultural implements;

(iii) Sales of bacterial culture and bactericides
for agricultural purposes;

(iv) Coconut thatches, screwpine fibre and
broomstick.

Finally, exemptions are granted to the commodities
separately taxed under different statutes. These include
tobacco, sugar, cotton, fabrics, rayon or artificial
silk fabrics and woollen fabrics as defined in the
Additional Duties of Excise (Goods of Special Importance)
Act, 1957.

Summing Up

The sales tax system in Tamil Nadu has gradually but steadily gone in for a single-point sales tax: most of the revenue is derived from the first-point tax. The tax is collected from the dealers in the form of a general sales tax, an additional sales tax and a surcharge. The additional sales tax is not allowed to be shifted on to the consumers. The total of the three taxes makes up the sales tax system in the State.

The general level of rates of sales tax (excluding the AST and the surcharge) in the State is comparable to that of Karnataka but it is higher than in Kerala and Andhra Pradesh. Besides, there is a problem of multiplicity of rates. In all, there are 15 rate categories. The concessional treatment to raw materials is limited to a few notified items, but components in general are given such a treatment. Finally, there are a large number of notifications giving innumerable exemptions of a varied nature. There is a need to streamline the structure in all these aspects.

Commodity-wise Composition of Sales Tax Revenue
in Descending Order
(1958-59)

Sl. No.	Commodity	Tax revenue (Rs lakh)	Share to total TNGST revenue (per cent)
1.	Motor vehicles	76.35	10.95
2.	Provisions and kirana goods	57.25	8.21
3.	All electrical goods	33.25	4.77
4.	Pulses and grains	27.36	3.92
5.	Food grains	27.18	3.89
6.	Hardware	21.36	3.06
7.	Cotton	19.04	2.73
8.	Kerosene	18.27	2.62
9.	Machinery and parts	18.06	2.59
10.	Drugs and medicines	16.20	2.32
11.	Tea	14.77	2.11
12.	Hotels and restaurants	13.61	1.95
13.	Cotton yarn	13.46	1.93
14.	Oil seeds	10.36	1.48
15.	Iron and steel	9.45	1.35
16.	Wireless receivers	8.80	1.26
17.	Oil cakes	8.31	1.19
18.	Bicycle and parts	7.57	1.08
19.	Vegetable products	6.83	0.97
20.	Coffee	5.53	0.79

Sources: P.S. Lokanathan (1965),
Sales Tax System in
Madras, A review. NCAER,
New Delhi.

Annexure IV.1BCommodity-wise Composition of Sales TaxRevenue in Descending Order

(1963-64)

Sl. No.	Commodity	Tax revenue (Rs lakh)	Share to total TNGST revenue (per cent)
1.	Motor vehicles	258.08	13.66
2.	All electrical goods	121.17	6.41
3.	Provisions and kirana goods	93.25	4.94
4.	Food grains	76.06	4.03
5.	Cotton yarn	63.89	3.38
6.	Cement	57.83	3.06
7.	Pulses and grains	52.51	2.78
8.	Hardware	40.37	2.14
9.	Machinery and parts	39.70	2.10
10.	Vegetable products	39.16	2.07
11.	Coffee	37.33	1.98
12.	Tea	36.89	1.95
13.	Drugs and medicines	35.07	1.86
14.	Cotton	31.32	1.66
15.	Bicycle and parts	24.35	1.29
16.	All kinds of scraps	21.87	1.16
17.	Oil seeds	21.69	1.15
18.	Iron and steel	21.24	1.12
19.	Oil cakes	20.70	1.10
20.	Wireless receivers	20.08	1.06

Source: Dr. P.S. Lokanathan (1965)
Sales Tax System in
Madras, A Review.
 NCAER, New Delhi.

Commodity-wise Composition of Sales Tax
Revenue in Descending Order
 (1972-73)

Sl. No.	Commodity	Tax revenue (Rs lakh)	Share to total TNGST revenue (Per cent)
1.	Motor vehicles	865	12.63
2.	General goods*	558	8.14
3.	Others*	350	5.11
4.	Electrical goods	339	4.95
5.	Oil cakes	220	3.20
6.	Sugarcane	216	3.15
7.	Cotton yarn	210	3.06
8.	Drugs and medicines	197	2.88
9.	Jaggery and gur*	188	2.75
10.	Kerosene	175	2.55
11.	Mineral oils	166	2.43
12.	Chemical fertilisers	144	2.09
13.	Aristhams and asavas	138	2.01
14.	Iron and steel	129	1.88
15.	Articles of food and drink*	118	1.72
16.	Stationeries*	116	1.69
17.	Cement	112	1.63
18.	Groundnut	109	1.59
19.	Cotton	108	1.57
20.	Timber and bamboo	107	1.57

* Multi-point commodities

Source: Same as Table 4.3

Annexure IV.1D

Commodity-wise Composition of Sales Tax
Revenue in Descending Order
 (1978-79)

Sl. No.	Commodity	Tax revenue (Rs lakh)	Share to total TNGST revenue (per cent)
1.	Motor vehicles	1728	9.52
2.	Cotton yarn	762	4.20
3.	Iron and steel	685	3.77
4.	General goods*	601	3.30
5.	Others*	600	3.30
6.	Drugs and medicines	581	3.20
7.	Mineral oils	526	2.90
8.	Lubricating oil	525	2.89
9.	Cement	516	2.84
10.	Cotton	515	2.84
11.	Chemical fertilisers	473	2.61
12.	Dyes and chemicals	471	2.59
13.	Kerosene	456	2.51
14.	Sugarcane	416	2.29
15.	Electrical goods	386	2.12
16.	All machineries	350	1.93
17.	Vegetable oils	349	1.93
18.	Groundnut	300	1.65
19.	Tea	284	1.56
20.	Tinned, canned packed food	276	1.52

* Multi-point Commodities.

Source: Same as Table 4.3

Annexure IV.2Break-up of the TNGST Revenue by Commodities
(1979-80)

Sl. No.	Item	Commodity code	Revenue derived (Rs lakh)	Percentage share to total TNGST
	(1)	(2)	(3)	(4)
0	MOTOR SPIRIT		2820	41.94
1.	Motor vehicles	103	1944	8.23
2.	Lubricating oils	140	1129	4.75
3.	Iron and steel	404	885	3.75
4.	Cotton yarn	403	791	3.35
5.	Sugarcane	150	770	3.26
6.	Kerosene	129	697	2.95
7.	Chemical fertilisers	123	623	2.64
8.	Drugs and medicines	183	621	2.63
9.	Cement	128	543	2.30
10.	Dyes and chemicals	230	499	2.11
11.	Machinery	169	488	2.07
12.	Mineral oils	141	472	2.00
13.	Vegetable oils	165	463	1.96
14.	Paper and boards	206	386	1.63
15.	General goods	628*	383	1.62
16.	Art silk yarn and staple yarn	121	355	1.50
17.	Electrical goods	134	350	1.53
18.	Tea	130	279	1.18
19.	Pulses and grains	413	275	1.16
20.	Electrical instruments	135	269	1.14

Cont'd....

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Annexure IV.2 (Contd.)

(1)	(2)	(3)	(4)
21. Others	699*	266	1.28
22. Paints	199	264	1.27
23. Soaps	131	350	1.68
24. Foods	192	345	1.18
25. Cotton	402	234	1.12
26. Radio, T.V. Sets	108	228	1.10
27. Timber and bamboo	172	214	1.03
28. Groundnut	407	200	0.96
29. Bicycles	132	182	0.88
30. Jewellery	634*	182	0.88
31. Cinema equipments	109	179	0.86
32. Hardware	630*	178	0.86
33. Oil seeds	406	177	0.85
34. Coffee	127	176	0.85
35. Oil engines	200	175	0.84
36. Jaggery	667*	131	0.63
37. Metals, minerals	639*	120	0.58
38. Printed matters	645*	116	0.56
39. Packing materials	620*	106	0.51
40. Plastic and its products	642*	97	0.47
41. Chillies	617*	85	0.41
42. Engineering goods	624*	85	0.41
43. Domestic utensils	621*	81	0.39
44. Gunnies cloth	629*	80	0.39
45. Footwear	625*	68	0.33
46. Tapioca products	657*	65	0.31

Cont'd.....

Annexure IV.3Comparative Rates of Sales Tax in Tamil Nadu and
the Neighbouring States

(As in 1981-82)

(Per cent)

Items	Tamil Nadu	Andhra Pradesh	Kar- nata- ka	Ker- ala	Orissa	Pondi- cherry
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. Cereals and Pulses						
1. Cereals and pulses in all its forms	1 ^{a/}	2 ^{a/}	4	1 ^{a/}	4LS ^{a1/}	E ^{a2/}
2. Paddy	E	4FP	4	1	4	E
3. Atta, maida and suji	2	4-5	4	4	4	E
II. Other Food Articles						
1. Edible oil						
a) Mustard oil	4	3	3	8	4	2
b) Rape oil	4	3	3	8	4	2
c) Groundnut oil	4	6.5	3	8 ^{v/}	4	2
2. Vanaspati ghee	8	6.5	6	8	8LS	4FP
3. Ghee (pure)	8 ^{b/}	4LP	6	10	8LS	3MP
4. Potato & onion	E	E	E	E	E	E
5. Fresh fruits	E	E	E	E	E	E
6. Meat and fish when cooked, canned, preserved or dehydrated	10 ^{b/}	4MP	8	10	8LS	3MP
7. Meat and fish when sold in containers	5MP	6MP	E	10	8LS	3MP

Cont'd....

Annexure IV.2 (Contd.)

(1)	(2)	(3)	(4)
47. Stationery products	654*	56	0.27
48. Tamarind	656*	47	0.22
49. Turmeric	659*	46	0.21
50. Building materials	611*	38	0.19
51. Handmade soaps	631*	38	0.18
52. Readymade garments	647*	30	0.14
53. Polyester fabric	644*	29	0.14
54. Poultry feed	643*	28	0.14

* Indicate multi-point commodities

Source: Computer output
of the Commercial Taxes
Department,
Tamil Nadu.

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8. Eggs	E	E	E	E	E	E
9. Sugar	E	E	E	E	E	E
10. Khandsari sugar	E	E	E	E	E	E
11. Salt (when sold in sealed container)	E	E	E	E	8LS	E
12. Gur (Jaggery)	3MP	6MP	2MP	E	4LS	E
13. Tea leaf	6	6	8	5	8LS	3
14. Coffee powder	6	6	10	6	8	3
15. Pepper	5MP	4	4	6LP	8LS	3
16. Other spices	5MP	4MP	4	8	8LS	3MP
17. Curd, Lassi and buttermilk	E	E	E	10	4LS	E
18. Cooked food including sweets	5MP	4	4MP	10	4LS	3MP
19. Milk food and powder	4	4	8	10	8	1
20. Kirana goods	5MP	4MP	5MP	DR	-	3MP
<u>III. Books and Stationery Articles</u>						
1. Students' exercise books	E	E	E	8	E	E
2. Writing and other papers	8	5	7	8	3LS	3MP
3. Other stationery articles	5MP	4MP	5MP	8	8LS	3MP
4. Instrument boxes and maps	5MP	4MP	5MP	8	8LS	E
<u>IV. Domestic Fuel Items</u>						
1. Fire-wood	E	3	4 ^{a3/}	4MP	E	E
2. Coal and coke in all its forms	3	4	4	4	4	3

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
3. Kerosene	4	4	4	4	8LS	-
i) Superior						
ii) Inferior						
4. Cooking gas	10	5	8	15	4	3MP
5. Charcoal	5	3	5MP	4MP	4LS	3
6. Furnace oil	8	4	8	5	8LS	4
7. Candle	5MP	4MP	5MP	4	8LS	3MP
V. <u>Match Boxes</u>	4 ^c /	4MP	5MP	3	8	E
VI. <u>Toilet Articles</u>						
1. Tooth paste/powder	8	8	12	8	8	4
2. Washing soap	6 ^d /	5	6 ^{a4} /	5	8	2
3. Toilet soap	6 ^d /	5	6	5	8	2
4. Hair oil	12MP	8	12	10	8LS	5
5. Razor and/or razor blades	8	6	6	7	8LS	3
6. Other shaving articles	8	5	12	8	7-13	3MP
7. Cosmetics	12	8	12	10	16	5
8. Boot-polish	8	4MP	10	7	12	5
9. Tooth brush	8	8	12	8	8LS	4
VII. <u>Medicines</u>	8	4	8	6	8	3MP
VIII. <u>Garments and Footwear</u>						
1. Cotton hosiery products	5	4	5MP	3	4LS	3MP
2. Ready-made garments	3MP	4	5	6	8LS	3MP
3. Footwear	5MP	6 ^r /	6 ^{a5} /	7	10	3MP
IX. <u>Cycle and its Accessories</u>	3	6	E	6	7	E

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>X. Refreshment and Addict-</u>						
<u>ion Articles</u>						
1. Bread	5MP ^{g/}	6	1.5MP	E	E	E
2. Cakes and pastries	5MP	6	3	5	8LS	3MP
3. Toffees and chocolates	10 ^{f/}	6	8	10	8LS	4
4. Aerated water	5MP ^{g/}	6	6	5	8	3MP
5. Country liquor	6	10	8	E	E	7
6. Foreign liquor	50	25	30	50	E	20
7. Indian made foreign liquor	50	25	30	50	E ⁹	20
8. Bhang	5MP	12	25	-	E	3MP
9. Ganja	5MP	12	25	4MP	E	3MP
10. Opium	5	12	25	4MP	E	3MP
11. Ice	5	6	6	5	8	3MP
12. Handmade biscuits	5 ^{h/}	6	8	5	8	4MP
13. Other biscuits	5 ^{h/}	6	8	10 ^{x/}	8	4MP
<u>XI. Consumer Durables</u>						
<u>including Gold and</u>						
<u>Silver</u>						
1. Gold and silver and their coins	5MP	1	1	2	E	93MP
2. Bullion and specie	2	1	2	2	E	0.5
3. Articles made of gold and silver	5MP	1	5MP	2	4LS	3MP
4. Articles made of ivory	5MP	8	6	4MP	13LP	3MP
5. Marbles and articles made of marbles	5MP	8	12	15	13LP	3MP

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
6. Synthetic gems and stones	E	7	5MP ^{a6/}	5	8LP	3MP
7. All kinds of gots, gcta kinari salma sitara (gold and embroidery work)	E	4	4	-	12LS	3MP
8. Articles and wares made of stainless steel	10	6	10	7	13LP	3
9. Ladies handbags and vanity purses	5MP	6	6	10 ^{y/}	13LP	3MP
10. All kinds of leather goods excluding footwear and items at (9) mentioned above	8	6	6	7	8LS	3MP
11. Suitcase, attache cases and despatch cases	5MP	6	6 ^{a7/}	10 ^{y/}	8LS	3MP
12. All kinds of stoves	8	6	8	8	8LS	3MP
13. Incandescent lanterns and lamps	8	6	8	8	8LS	3MP
14. Domestic electrical appliances including electric fans and parts thereof excluding dry cell batteries, electric motors, air circulators, exhaust fans and electric heaters of all varieties	10 ^{i/}	8	10	10	12	4
15. Clocks, timepieces, watches and parts thereof	15	12	15	12	13	12

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
16. Refrigerators and air-conditioners	15	12	15	15	16	12
17. Furniture						
a) Wooden furniture	8	4MP	8	7	12LS	3MP
b) Steel safes and almirahs	15	12	15	12	16LS	12
c) Other steel furniture	10	4MP	15	12	16LS	4
d) Aluminium furniture	10	4MP	15	8	-	-
18. Wireless reception instruments and apparatus including radios, gramophones, amplifiers and loudspeakers, spare parts and accessories excluding television sets	15	12	15	15	16	12
19. Sound transmitting equipment	15	12	15	15	16	12
20. Cinematograph equipment including cameras, projectors and sound recording and reproducing equipment and accessories required for use thereof	15	12	15	15	16LS	12
21. Motor cycles and motor cycle combinations, motor scooters, motor-ettes, tyres and tubes	15	12	15 ^{a8/}	15	12	7

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
22. Heavy motor vehicles of all kinds (excluding motor car, chassis of motor vehicles, tyre and tubes of buses and trucks)	15	12	15	15	16	9
23. Motor cars	7	8	15	6	8	5
24. Lifts whether operated by electricity or hydraulic power	15	12	15	10	8LS	4
25. Tyres and tubes of buses and trucks	10	9	10	9	12	9
26. Aluminium wares	4	4MP	E	8	8LS	3MP
27. E.P.N.S. goods	-	4MP	5MP	8	8LS	3MP
28. Motor parts	15	12	12	15	16LS	9
29. Furs and articles made of fur	5MP	10	15	4MP	16LS	3MP
30. Tabulating, calculating, cash registering, indexing, card punching, franking and addressing machines and typewriters	15	12	15	15	16	12
31. Binoculars, telescopes, opera glasses and spare parts thereof	15	12	15	15	16	12
32. Sewing machines	5	6	10	6	8	3MP
33. Vacuum flasks	8	6	8	10	16LS	3
34. Playing cards	9	12	12	8	12LS	3MP
35. Crockery and cutlery	5MP	6	8	10-8	12LS	3

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
36. Floor and wall tiles, sanitary goods and fittings	15 ^{j/}	6 ^{8/9}	12 ^{a9/}	15-8	12LS	6
37. Arms including rifles, revolvers, etc.	15	12	15	20	16LS	12
38. Fireworks	8	8	8	12	12LS	3MP
39. Cigarette cases and lighters	15	12	15	15	16	12
40. Sheets, cushions, pillows, mattresses	9	12	12	15	16	3
41. Other rubber products	9	6	8	10	8LS	3MP
42. Pile carpets	15	10	5	4MP	16LS	6
43. Precious stones	9	7	12	5	16LS	3
44. Dry fruits	5MP	6	8	4MP	8LS	3MP
45. Dry cell batteries	15	4	15	7	8	3
46. Glass bangles	E	E	E	E	6	E
47. Lock and key	8	4MP	5MP	8	8LS	3MP
48. Bedding stuff with cotton	4MP	4MP	5MP	4MP	8LS	3MP
49. Musical instruments	5MP	6	4	4MP	12LS	3MP
50. Plastic goods	5MP	6	8	8	12LS	3
51. Synthetic mica products such as sunmica, etc., including decorative laminates and laminated sheets	10	10	10	15	16LS	3MP

Contd.....

Annexure IV.3 (Contd.)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
52. Air circulators, exhaust fans and electric heaters of all varieties		10-12	8	10	10	16	4
XII. 1. Mica		5MP	3LP	8LP	4MP	12LS	3MP
2. Maganese		8	3LP	8LP	4MP	12LS	3MP
3. Hides and skins		3LP ^{k/}	4LS	2LP	4LP	4	2LP
4. Coal including coke in all its forms (as defined under section 14 of CST)		3	4	4	4	4	3
5. Oil seeds (as defined under Section 14 of CST)		3	4FP	3	4	4	2
6. Jute (as defined under section 14 of CST)		3	4LP	4	4	4	2
7. Cotton yarn							
a) as defined under section 14 of CST		3	2LP	3	3	E	2
b) Cotton yarn waste		4	0.5LS	6	4MP	8LS	1
8. Iron and steel							
a) Iron and steel (as defined under Section 14 of CST)		4	4	4	4	4LP	3
9. Copper wire		9	8MP	10	10	8LS	4
10. Sugarcane							
a) sold by the cane growers societies to the occupiers or sugar factories for manufacture of sugar		12FP	E	Rs 16/- (LP)	per tonne 5LP	E	10LP

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
b) when sold otherwise	12FP	E	Rs.5.9	5LP	E	10LP
11. Goat hair	2	1	5MP	4MP	8LS	3MP
12. Raw wool, wool tops and yarn	2	1	4LP	4MP	12LS	3MP
13. Woollen knitting yarn	5MP	E	5MP	4MP	12LS	3
14. Staple yarn of all descriptions	4	3	3	2	8LS	3MP
15. Non-ferrous metal sheets, rods, bars, blocks, ingots, circle scrap, etc.	5MP	4MP	4MP	8	8LS	3MP
16. Cotton	3LP	4LP	3LP	3	4LP	2
17. Sewing thread and thread balls	3	3	3	3	4LP	3MP
18. Lac and shellac	5MP	E	10	4MP	8LS	3MP
19. Flowers and their plants	E ^{1/}	E	E	E	8LS	E
20. Cement and items made of cement	12 ^{m/}	6 ^{t/}	11	8	8	4
21. Manure (organic)	5MP	-	4MP	4MP	8LS	3MP
22. Chemical fertili- zers	3.5	3	3.8P	2	4	1
23. Pesticides inclu- ding fungicides	3.5	4	4	4	8	E
24. Bamboo	5	4	10	4MP	10	3MP
25. Timber	5	4	8	4MP	8LS	3MP
26. Betel leaves	E	E	E	E	E	E
27. Kendu leaves	5MP ^{n/}	4MP	6	5	12LS	3MP

Contd.....

Annexure IV.3(Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
XIII. <u>Fuel Items</u>						
1. Motor spirits	8	10	15	20	13	4
2. Light diesel oil	11	10	15	20	13	4
3. High-speed diesel oil	11	10	15	20	13	4
4. Aviation spirits	7	12	12.5	12 ^z / ₁	16	4
5. Crude oil	8	4	4	4	4	4
6. Petrol	11	11	12.5	15	10	4
XIV. <u>Lubricants and Other Aids in Production Process</u>						
1. Dyes, paints, lacquers	8 ^c / ₁	6	4	7	12LS	3
2. Lubricants	8	6	8	7	12	4
3. Caustic soda and soda ash	8	5	8	8	8LS	3MP
4. Potash and explosives	8	4MP	6	8	12LS	3MP
5. Other chemicals	8	4MP	8	8	8LS	3MP
6. Starches	5MP	4MP	5MP	4MP	8LS	3MP
XV. <u>Machinery of all Kinds</u>	6	4	10	DR	12	3MP
XVI. <u>Packing Materials</u>						
1. Empty tins and empty barrels	5MP	4	4	8-6	8LS	3MP
2. Wooden boxes and tin boxes	5MP	4	4	4MP	8LS	3MP
3. Empty bottles and corks	10 ^p / ₁	4	6	10	8LS	3MP
4. Polythene and alkalene	5MP	4MP	8	4MP	12LS	3

Contd.....

Annexure IV.3 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
5. Bituminous packing materials	5MP	4	8	4MP	8LS	3MP
6. Cartons	5MP	4	4	8	8LS	3MP
7. Cane goods	E	4	5MP ^{b1} /	7	8LS	3MP

XVII. General RateXVIII. Special Features

1. Surcharge	5 ^g /	10 ^u /	10 ^u /	10 ^u /	-	-
2. Additional tax	Refer Annexure IV.1					

Notations: FP = First Purchase
 LS = Last Sale
 E = Exempted
 LP = Last Purchase
 MP = Multi-point
 DR = Different Rates
 - = Not Available

E.P.N.S. goods = Electroplated nickel or silver goods.

Notes to Annexure IV.3

- a/ All forms of pulsed are at 4 per cent rate.
- b/ If not registered under Trade and Merchandise Marks Act (TMM Act), the rate is 5 per cent MP.
- c/ In the case of handmade matches if the total turnover exceeds Rs 25,000, the rate is 2 per cent, in other cases it is free of tax.
- d/ Handmade 2 per cent MP.
- e/ If registered under TMM Act the tax is 10 per cent.
- f/ If not registered under TMM Act the tax is 15.5 MP.
- g/ If registered under TMM Act the tax is 8 per cent
- h/ If registered under TMM Act the rate of tax is 10 per cent.
- i/ Electric heaters 12 per cent first sale.
- j/ Sanitary fittings 8 per cent first sale.
- k/ Tanned one 2 per cent first sale.
- l/ Plants are taxed at 5 MP.
- m/ Articles made of cement 5 per cent MP.
- n/ Green kendu leaves is exempted from tax.
- o/ Other than dyes 10 per cent.
- p/ Corks at 5 MP.
- q/ On the tax due on the transactions effected in the notified areas.
- r/ Costing less than Rs 15/-, 4 per cent.
- s/ Tiles 4 per cent.
- t/ Articles made of cement 6 per cent.

- u/ Of the tax
- v/ Coconut at 5 per cent
- w/ Cooked food served in hotel is exempted.
- x/ Patented with brand name.
- y/ Sold at Rs 50/- and above.
- z/ Turbine fuel at 78 per cent.
- a1/ Grams are first-point taxable goods.
- a2/ Pulses one per cent.
- a3/ For domestic use exempted from tax.
- a4/ Handmade 43 per cent.
- a5/ Less than Rs 30 - cost - tax free.
- a6/ Stones precious 12 per cent first-sale.
- a7/ Not of leather 5 MP.
- a8/ Tyres and tubes 10 per cent.
- a9/ Sanitary fittings 10 per cent.
- b1/ Canegoods as furniture 10 per cent first-sale.

Annexure IV.4

Structure of Additional Sales Tax in Tamil Nadu
and the Neighbouring States

Tamil Nadu

Additional sales tax is leviable on the transactions effected by dealers, whose T.T.O. exceed Rs 3 lakh as shown below:

3 lakh to 5 lakh	-	0.4 per cent
5 lakh to 7 lakh	-	0.5 per cent
7 lakh to 10 lakh	-	0.6 per cent
above 10 lakh	-	0.7 per cent

Kerala

Additional sales tax is leviable on the transactions effected by dealers whose T.T.O. exceed Rs 1 lakh as shown below:

1 lakh to 10 lakh	-	5 per cent
10 lakh and above	-	8 per cent

Andhra Pradesh

If total turnover of the dealers in an year is Rs 3 lakh or more, the additional sales tax is 0.5 per cent of the turnover.

Orissa

Additional sales tax is 0.5 per cent.

Karnataka

Additional sales tax is 0.5 per cent.

Annexure IV.5

Provisions Relating to Taxation of Raw Materials

Section 3(3): Notwithstanding anything contained in sub-section (1) or sub-section (2), the tax payable by a dealer in respect of any sale of goods mentioned in the First Schedule by such dealer to another for use by the latter as component part of any other goods mentioned in that Schedule, which he intends to manufacture inside the State for sale, shall be at the rate of only four per cent on the turnover relating to such sale:

Provided that the provisions of this sub-section shall not apply to any sale unless the dealer selling the goods furnishes to the assessing authority in the prescribed manner a declaration duly filled in and signed by the dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority.

Explanation: For the purpose of this sub-section, 'component part' means an article which forms an identifiable constituent of the finished product, which along with others goes to make up the finished product and which is identifiable visually or by mechanical process and not by chemical process.

Section 3(4): Notwithstanding anything contained in sub-sections (1), (2) or (3), the tax payable by a dealer in respect of any sale of goods -

- (i) mentioned in the First Schedule, and
- (ii) specified in a scheme published by Government, by notification, -

by such dealer to another for use by the latter as raw material of any other goods mentioned in that schedule and specified in the said scheme, which he intends to manufacture inside the State for sale shall be at the rate of four per cent on the turnover relating to such sale:

Provided that the provisions of this sub-section shall not apply to any sale unless the dealer selling the goods furnished to the assessing authority in the prescribed manner within the prescribed period a declaration duly filled in and signed by the dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority:

Provided further that any dealer who after purchasing the goods in respect of which he had furnished any declaration proves to the satisfaction of the assessing authority that he was unable to make use of the goods so purchased for the purpose specified on the declaration, shall pay the difference of tax payable on the turnover relating to the sale of such goods at the rate prescribed in the First Schedule and four per cent:

Provided also that the dealer purchasing the goods maintains a separate stock account for each of the goods purchased by him under the scheme mentioned in this sub-section showing such particulars as may be prescribed.

Annexure IV.6

Scheme Under Tamil Nadu General Sales Tax Act for the Purpose of Concessional Levy of Tax on Raw Materials*

In exercise of the powers conferred by sub-section (4) of section 3 of the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959), the Governor of Tamil Nadu hereby publishes the following scheme:

(1) This scheme shall apply to the sale of the goods or class of goods specified in column (2) of the table below by any dealer registered under the said Act who is liable to pay tax on the sale of such goods under sub-section (2) of section 3 of the said Act to any other dealer registered under the said Act for use by latter as raw material of the goods in column (2) of the table below which he intends to manufacture inside the State for sale.

(2) The sale of such goods by the selling dealer and the purchase thereof by the buying dealer shall be subject to the provisions of sub-section (4) of section 3 of the said Act and of Rule 22-A of the Tamil Nadu General Sales Tax Rules, 1959.

* G.O. Ms. No. 447, Commercial Taxes and Religious Endowments, 29th April, 1981 as amended by G.O. Ms. No. 923, Commercial Taxes and Religious Endowments, 19th August, 1981.

Annexure IV.7

Exemptions Under Tamil Nadu Sales Tax Act
Granted on Institutional Basis

1. Sales of foods and drinks by hostels attached to educational institutions and run by them and which provide meals exclusively to the boarders or inmates on payments.
2. Sales of medicines by hospitals, nursing homes and dispensaries run by the Government or by medical practitioners themselves or by paid medical practitioners and which are dispensing medicines to their patients only, whether consultation fee is charged or not.
3. Sales by the Government of copies of electoral rolls prepared and printed under the Constitution.
4. Sales by hospitals, nursing homes and dispensaries run by Government or by medical practitioners themselves or by paid medical practitioners to their patients of X-ray films taken by them in the course of X-ray thereby and electric treatment made by them.
5. All sales of canteen stores to troops provided that the stores are obtained from the canteen stores department and sold at Government prices.

6. All sales by defence service installations which are managed by the units themselves or by contraction in the State, provided that the goods are sold at Government fixed prices.
7. Charkas and spinning implements made to the Tamil Nadu Government by any institution.
8. Sales by Central Leather Research Institute, Madras of hides and skins canned in the Institute.
9. Sales of spinning and other craft equipments and parts by Sarva Seva Sangh, or its authorised agencies.
10. Sales of spinning and other craft equipments by the Tamil Nadu Sarvodaya Sangh.
11. Sales of seeds by the Agricultural depots and Agricultural Research Stations.
12. Sales of spinning and other craft equipment manufactured in the institutions under the control of the Industries and Commerce Departments.
13. Sales by the training-cum-production centre, run by Gandhiniketan Ashram, Madurai.
14. Materials supplied to contractors for Government departmental works.
15. Sales of foods to in-patients by hospital themselves.

16. Students messes and canteens attached to the Agricultural College Hostel, Coimbatore.
17. Sales of quinine and its products by the Government Cinchona Department.
18. Sales of the product of country-made oil chekkus and presses by Co-operative societies.
19. Sales by the canteen run by the Young Women's Christian Association at the Christian Medical College and Hospital, Vellore.
20. Sales of artificial dentures fitted by Dental Surgeons on patients in hospitals and dispensaries run by the Government.
21. Products produced by Y.M.C.A. Boys Town, Madras.
22. Sales of manufactured goods by Madras Seva Sadan.
23. Sales by Kannappa Nayanar Kazhagam, Rayapuram, Madras of ready-made goods - made by it - provided that the profits of the business is devoted to the maintenance of the school run by the Kazhagam.
24. Sales by the Industrial Institute, Katpadi of articles manufactured by it.
25. Sales by the Thakkan Bapa Vidyalaya, Thyagarayanagar, Madras of furniture manufactured by it.

26. Sales by the hostel and the shop attached to the Y.M.C.A. Boys division, Tiruppathur, North Arcot.
27. Sales by the Madas State Discharged Prisoners Aid Society, Madras of furniture manufactured by it.
28. Sales by the hostel, stores, dairy, etc., attached to Shri Ramakrishna Tapovanam.
29. Sales by co-operative wholesale stores in the State of Tamil Nadu to primary co-operative stores which are members of such co-operative wholesale stores.
30. Sales by district co-operative supply and marketing societies to primary co-operative stores and other societies affiliated to such district societies.
31. Sales of appalam produced by the Departmental Appalam Production Centres at Triplicane in Madras.
32. Articles produced by Government School for the Blind, Poonamallee, Madras.
33. Articles produced by the Salvation Army Women and Children's Home at No. 7, Hunters Road, Madras.
34. Sales of Charkas and spinning implements by the Government Khadi Department.
35. Purchase of cotton by the various institutions in the State through the South Zonal Office of the Khadi and Villages Industries Commission for supply to the institutions in other States in the Indian Union.

36. Sales of blood and blood plasma by hospitals to patients for blood transfusion.
37. Sales by the Kanya Gurukulam, Madras of articles produced by it.
38. Sales of milk by Co-operative Milk Supply Societies except the sales to actual consumers.
39. Purchase of cotton made by Tamil Nadu Sarvodaya Sangh, for distribution to the spinners in Madras and institutions in the other States in the Indian Union.
40. Goods manufactured by Salvation Army Industries, Nagarcoil.
41. Cotton purchased by Gandhi Ashram, Tiruchengode for distribution to spinners in Madras State.
42. Sale of midday meals by contractors in all schools and harijan hostels.
43. Sale of medicines by private medical practitioner to his patients.
44. Milk made by dealer to State government.
45. Milk produced by pinjrapoles in the State.
46. Purchase of cotton by the Khadi Department of Madras for distribution and supply to the Education Department.

47. Products of Madras State Khadi and Village Industries Board.
48. Sales of the products of hand oil presses, chekkus of co-operative societies of oil producers by Gramodyog sales department.
49. Sales by all canteens run by an employee or by an employee on co-operative basis on behalf of the employer without profit motive.
50. Sales of dairy products produced by the Gandhigram Rural Institute, Madras.
51. Sales of weaving and spinning implements including spare parts thereof by the Gandhi Ashram, Tiruchengode.
52. Sales of goods to canteen stores department.
53. Sales of garments produced by all the Women Welfare Associations certified by the Panchayat Union Commissioners.
54. Sales of artificial limbs fitted by hospitals, nursing homes by government.
55. Sales of the products of Khadi Gramodyog Bhawan.
56. Sales of goods by the Swedish Red Cross Rehabilitation Industries.
57. Sales of documentary films, visual materials and visual communications novelties to government or government bodies.

58. Pictures of Netaji Subhash Chandra Bose by New India National Education Trust.
59. Sales of transistor sets to Jawans by Red Cross Society, Madras.
60. Goods purchased by 'CARE', Madras.
61. Sales of the goods from Industrial Co-operative Society whose total turnover does not exceed Rs 30,000 per annum.
62. Sales by the Central Leather Research Institute, Madras of its products.
63. Chemicals, used for microcellular rubber and special food used by Schieffelis Leprosy Research Sanatorium, Karigiri, North Arcot.
64. Electrical goods sold to Government and Indian Railways.
65. Foodstuffs and drinks by the canteens run by Central Electro-Chemical Research Institute.
66. Hosiery goods produced by Unique Hosiery Cottage Industries.
67. Readymade garments made by Sivananda Saraswathi Sevashram.
68. Compost manure manufactured by agriculturists and agricultural co-operative societies.
69. Sales effected by the centres and shop run by Central Leprosy Teaching and Research Institute, Chinglepet.

70. Edible groundnut cake, flower, tapioca flower selling to Food Corporation of India for making blended Atta for supply to Bihar.
71. Sales of all products of village industries specified in the schedule of Khadi and Village Industries Commission.
72. Sales by Bharat Sevak Samaj, Madras of "hold-all" manufactured by the hold-all unit of the Samaj.
73. Sales by Shri Ranga Vilas Ginning and Oil Mills, Perianaickenpalayam, Coimbatore of edible groundnut, cake flour.
74. Sales by any dealer of edible groundnut cakes, edible groundnut cake flour, vitamins and minerals to the Food Corporation of India, Madras for the manufacture of Bal-Ahar for supply to Bihar State.
75. Sales by the Madras State Housing Board of building materials to the allottees of house sites by the said board.
76. Sales of registration ink by the Registration Department of the Government of Madras.
77. Sales to the Balavihar, Kilpauk, Madras, by Thiru Sundaram Industries Pvt. Ltd., Madurai of the bus body constructed on Fargo Chassis 165, W.B. Wilk No. PAB 62647, T Engine.
78. Sales by the Daya Sadan, 45 Koonnur High Road, Ottery, Madras-12 of all articles made by the inmates of the said Daya Sadan.

79. (a) Sales of scientific equipment and drugs to any tuberculosis sanatorium or tuberculosis hospital in this State, (b) sales of diagnostic X-ray photos, scientific equipment and drugs by any tuberculosis sanatorium or tuberculosis hospital to its patients.
80. Sales by the Tamil Nadu Gandhi Samarak Nidhi, Madurai of pictures of Gandhiji.
81. Purchase of cotton by South India Textile Research Association, Coimbatore for research work and on the sale of yarn produced during such research work.
82. Sales of cotton yarn by mills to the registered exporters.
83. Sales by the services canteens of canteen stores to ex-servicemen.
84. Sale by the Pilot Demonstration Rehabilitation Centre for Blind and Optical and Evaluation Unit.
85. Sales by the Mobile Foods and Nutrition Extension Units of the Government of India of peanut butter.
86. Sales of raffle tickets by Government of Tamil Nadu or any other State governments.
87. Sales by the Infant Jesus Orphanage at Mulagumeeedu of embroidery lace and models made out of coconut fibre.
88. Sales by Gabriel Rehabilitation Centre, Manappakkam, Madras of all items made by the said centre.

89. Sales by the Bakery Production Unit of the Guild of Service, Madras of its products.
90. Sales by the Central Electro-Chemical Research Institute, Karaikudi of its products.
91. Sales by all Guest Houses maintained by the Government of their caterings.
92. Sales of raw-materials for the manufacture of matches by the small-scale match producers service industrial co-operative societies.
93. Sales of the product of Navjeevan Nilayam and Audio-visual Unit by Vellore Medical College and Hospital.
94. Sales by the St. Thomas Convent, Mylapore of goods manufactured by it.
95. Sales of stone jelly made by the workers of co-operative societies.
96. Palm leaf articles produced by Government Palm Leaf Production Training Centres.
97. Sales of Four Wheeler van to the Society for the Prevention of Cruelty to Animals, Madras.
98. Sales by India Tourism Development Corporation Ltd., of articles sold at the duty free shop at the Madras airport.
99. Sales by all educational institutions of notebooks, articles of stationery and uniform dresses to the students.

100. Sales by Lucy Penny Noble Institute of its products.
101. Sales of scientific equipment and drugs to Public Health Centres.
102. Sales by the Co-ordinating Council for Social Concerns, Kodaikanal
103. Sales by Sathya Bakery Unit, Thanjavur.
104. Sales of All-India road maps to tourists by the Director, Government of India Tourist Office.
105. Sales of medicine and other goods to Lions Club of South Madras, for use of its medical aid.
106. Sales of Tamil Nadu Khadi and Village Industries Board.
107. Sales by the St. Joseph's Industrial School, Tindivanam, of its products.
108. Sales by the Agriculture Department, Madras of transistor radio sets to Farmers Discussion Groups.
109. Sales by the participants of the Exhibition Train organised by the Indian Rail Exhibition, Bombay.
110. Sales by the Vivekananda Rock Memorial Committee of Swami Vivekananda pictures and post cards.
111. Sale of service books by the Government to its servants.
112. Sales by the Christian Mission Service Industry and Training Institute of its products.

113. Sales by the Industrial Therapy Centre of articles manufactured at the said centre.
114. Sales of goods by the dealers who are repatriates from Burma and Ceylon.
115. Sales of any goods by the certified institutions which function under the control of Khadi and Village Industries Commission, Bombay.
116. Sale to the Voluntary Health Service, Madras by the Union Motors, Madras of Standard Twenty Truck chassis.
117. Sales by the B.C.G. vaccine laboratory, Guindy, Madras of B.C.C. vaccine to the Government of States.
118. Sales of Independence Jayanthi Badges by the Government.
119. Sales of medicine, linen, furniture, hospital goods and tools needed for the treatment and rehabilitation training of leprosy patients to voluntary leprosy institutions.
120. Sales by the Christian Medical College and Hospital, Vellore on the sales to research centres and government agencies of chemicals and triological agents.
121. Sales by St. John's Technical School, Manjampatti, Tiruchirappalli of products manufactured by the said school.

122. Sales by Tamil Nadu Small Industries Corporation Limited of cycle rickshaws under the C.M.'s rehabilitation scheme.
123. Products of Bishop Deihri Rehabilitation Home.
124. Products of Seva Samajam Boy's Home, Saligram.
125. Sales to Tamil Nadu Dairy Development Corporation Limited, Madras by Dairy Development Corporation.
126. Articles sold by Poompuhar, Tamil Nadu Handicraft Development Corporation at the airport, Madras.
127. Sale of Premier Road Master chassis by Sundaram Motors and the body built by Sundaram Industries, Madurai to the Madras School of Social Work, Madras.
128. Products of Cheshire Home.
129. Allotment of paper made by Tamil Nadu Text Book Society.
130. Products of the approved handicapped institutions.
131. Sales of Standard 20 ambulance van for social service programme.
132. Sales by Government canteens.
133. Sales of prasadams by any Devasthanam.
134. Curry leaves by tribal co-operative societies.
135. Photos, pictures and lockets of Shri Ramakrishna and his disciples sold by the concerned society.

136. Sales of earth gravel, laterite, metals, sand and jelly in the execution of quarrying contracts for the supply of these goods.
137. Products of country (primitive) oil chekku (T.T.O. of the producer does not exceed Rs 25,000).
138. Products of palm gar industry.
139. Cotton seed (sales by the agriculturists).
140. Readymade Khadi cotton goods.
141. Handmade paper and paper boards.
142. Coir and coir products.
143. Thanjavur art plates.
144. Toddy.
145. Jacquard box (an accessory to handloom).
146. Handmade embroidery products.
147. Handmade matches (the dealer's total turnover does not exceed Rs 50,000).
148. Poultry.
149. Sales by Mineral Trading Corporation of India, Madras of copper and tin to Shri Ramakrishna Advaita Ashramam, Kerala.
150. Sales of ambar charka and its parts.
151. Indigenous raw silk.

152. Sales of the products of the basket-making and mat-weaving industries.
153. Materials used in hand dyeing and printing of cloth and yarn.
154. Purchase of groundnut or the kernel for production of oil.