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असाधारण  
EXTRAORDINARY

Daman 17<sup>th</sup> October, 2001, 25 Asvina 1923 (Saka)

सं. : 12  
No.

**सरकारी राजपत्र**  
OFFICIAL GAZETTE



सत्यमेव जयते  
Government of India



**संघ प्रदेश दमण एवं दीव प्रशासन**

U.T. ADMINISTRATION OF DAMAN & DIU

प्रधिकरण द्वारा प्रकाशित  
PUBLISHED BY AUTHORITY

U.T. ADMINISTRATION OF DAMAN AND DIU  
ADMINISTRATOR'S SECRETARIAT  
MOTI DAMAN - 396 220.

No.DMN/CST/2001-02/01

Dated: October 17, 2001.

**NOTIFICATION**

In exercise of the powers conferred by Section 10A of the Daman and Diu Sales Tax Act, 1964 (Act 4 of 1964) (hereinafter called the said Act), and clause (xi) of Notification No.DMN/ST/4-1/99/2 dated 31.12.1999, the Administrator of the Union Territory of Daman & Diu having considered necessary so to do in the public interest hereby proclaims the following guidelines in respect of industries/dealers availing sales tax exemption.

1) **Change in Constitution / ownership of Industry :**

Any small scale industry which has obtained/applied for provisional registration from DIC, Directorate of Industries, UT Administration of Daman & Diu on or before 31.12.1999 but did not obtain permanent registration on or before 31.12.1999 shall not effect change in constitution, ownership and share holding pattern upto 31.12.2002 or till the industry obtains registration under Section 11 of the Act, failing which the industry shall not be eligible for exemption under Section 10A of the Act.

Any medium or large scale industry which has obtained acknowledgement for Industrial Entrepreneurs Memorandum (IEM) or Letter of Intent on or before 31/12/1999 from the Ministry of Industry, Govt. of India but did not effect first sale and obtain registration under Section 11 of the Act on or before 31/12/1999, shall not effect change in constitution, ownership and shareholding pattern upto 31/12/2002 or till the industry obtains registration under Section 11 of the Act, failing which the industry shall not be eligible for exemption under Section 10A of the Act.

The following instances shall be considered change in constitution/ownership/ share holding pattern.

- (i) An industry owned by a proprietary firm converting itself into a partnership firm or a limited company.
- (ii) Change in proprietorship.
- (iii) Addition of partners by an industry owned by a partnership firm.
- (iv) Conversion of a partnership firm into a private limited company with share holders other than the original partners.
- (v) Conversion of private limited company into a public limited company with corresponding changes in shareholding pattern/addition of Directors.
- (vi) Change in constitution of Directors with corresponding changes in share holding pattern in case of an industry owned by a public limited or a private limited company.

The following instances will not be considered change ownership/change in constitution or the purpose of these guidelines.

- (i) Change in constitution of proprietary firm amongst family members.  
The term "family members" for the purpose of this clause shall mean spouse, parents, brothers, sisters and children.
- (ii) Change in constitution of proprietary firm in the case of inheritance / will.
- (iii) Change in constitution of partnership firm by way of retirement or death or insolvency of partners.

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- (iv) Change in constitution of partnership firm where only the percentage of profit sharing ratio is changed amongst the existing partners.
- (v) Change in constitution of a private limited company by way of retirement/ death / insolvency of any Directors or any share holders.
- (vi) Change in constitution of a private limited company by way of change in share holding pattern amongst existing Directors or share holders.
- (vii) Change in constitution of a private limited company or a limited company by way of transmission of shares as defined in Section 109B of the Companies Act, 1956 (Act No.1 of 1956).
- (viii) Change in constitution of a public limited company in case of retirement / death / insolvency of the existing Directors or share holders.
- (ix) Change in constitution of a public limited company by way of change in share holding pattern amongst existing share holders.

2) **Change in classes of Goods or product line :**

An industry registered under the Act availing Sales Tax exemption shall not effect changes in class of goods being manufactured as stated in Certificate of Registration (Form No. S.T. IV or S.T. V issued under Rule 5 of the Daman & Diu Sales Tax Rules, 1964) after April 30, 2000. In case an industry effects any changes in classes of goods being manufactured for sale, then sale of such additional goods or classes of goods shall not be eligible for exemption and shall be taxed at applicable rates under the Act.

By order and in the name of the  
Administrator of Daman & Diu

Sd/-  
**(C. Arvind)**  
Deputy Secretary (Finance)

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U.T. ADMINISTRATION OF DAMAN AND DIU  
ADMINISTRATOR'S SECRETARIAT  
MOTI DAMAN - 396 220.

No.DMN/CST/2001-02/02

Dated: October 17, 2001.

NOTIFICATION

In exercise of the powers conferred by Sub Section (5) of Section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) (hereinafter called the said Act), and clause (xi) of Notification No.DMN/CST/4-1/99/4 dated 31.12.1999, the Administrator of the Union Territory of Daman & Diu having considered necessary so to do in the public interest hereby proclaims the following guidelines in respect of industries/dealers availing sales tax exemption.

**1) Change in Constitution / ownership of Industry :**

Any small scale industry which has obtained/applied for provisional registration from DIC, Directorate of Industries, UT Administration of Daman & Diu on or before 31.12.1999 but did not obtain permanent registration on or before 31.12.1999 shall not effect change in constitution, ownership and share holding pattern upto 31.12.2002 or till the industry obtains registration under Section 7 (1) of the Act, failing which the industry shall not be eligible for exemption under Section 8 (5) of the Act.

Any medium or large scale industry which has obtained acknowledgement for Industrial Entrepreneurs Memorandum (IEM) or Letter of Intent on or before 31/12/1999 from the Ministry of Industry, Govt. of India but did not effect first sale and obtain registration under Section 7 (1) of the Act on or before 31/12/1999, shall not effect change in constitution, ownership and shareholding pattern upto 31/12/2002 or till the industry obtains registration under Section 7 (1) of the Act, failing which the industry shall not be eligible for exemption under Section 8 (5) of the Act.

The following instances shall be considered change in constitution/ownership/ share holding pattern.

- (i) An industry owned by a proprietary firm converting itself into a partnership firm or a limited company.

