

The Manipur (Sales of Motor Spirit and Lubricants) Taxation Act, 1962

(ACT NO. 55 OF 1962)

[*As on the* 15*th August*, 2026]

AMENDING ACT

The Repealing and Amending Act, 1964 (52 of 1964).

LIST OF ABBREVIATIONS USED

Cl., cls.	. . . . .	*for*	Clause, clauses.
Ins.	. . . . .	,,	Inserted.
Notifn.	. . . . .	,,	Notification.
S., ss.	. . . . .	,,	Section, sections.
Sch.	. . . . .	,,	Schedule.
Subs.	. . . . .	,,	Substituted.
w.e.f.	. . . . .	,,	with effect from.

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THE MANIPUR (SALES OF MOTOR SPIRIT AND LUBRICANTS) TAXATION ACT, 1962

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THE MANIPUR (SALES OF MOTOR SPIRIT AND LUBRICANTS) TAXATION ACT, 1962

ACT NO. 55 OF 1962

[13*th December,* 1962.]

An Act to consolidate and amend the law relating to the levy of a tax on sales of motor spirit and lubricants in the Union territory of Manipur.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(*1*) This Act may be called the Manipur (Sales of Motor Spirit and Lubricants) Taxation Act, 1962.

(*2*) It extends to the whole of the Union territory of Manipur.

(*3*) It shall come into force on such date as the Chief Commissioner may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "Chief Commissioner" means the Chief Commissioner of Manipur;

(*b*) "Commissioner" means the Commissioner appointed under section 4;

(*c*) "crude oil" means petroleum in its natural state;

(*d*) "dealer" means any person who sells taxable goods manufactured, made or processed by him in, or brought by him into, the Union territory from any place outside that territory for the purpose of sale in that territory.

Explanation.—The manager or agent of a dealer who resides outside the Union territory and sells taxable goods brought by him into that territory from any place outside that territory, shall, in respect of such business, be a dealer for the purposes of this Act;

(*e*) "lubricant" means any form of oil or other lubricating substance primarily used for lubricating the internal machinery or the external parts and fittings of motor vehicles, stationary internal combustion engines, steam turbines or engines, power pumps, refrigerators, dynamos and other machinery and shall include all forms of greases, mineral jellies, spindle oils, cutting oils and hydraulic brake fluids;

(*f*) "motor spirit" means any substance which by itself or in admixture with other substances is ordinarily used directly or indirectly to provide reasonably efficient fuel for automative or stationary internal combustion engines, and includes petrol, diesel oil and other internal combustion oils but does not include kerosene, furnace oil, coal or charcoal;

(*g*) "person" includes a Department of Government and a Hindu Joint Family;

(*h*) "petrol" means dangerous petroleum as defined in the Petroleum Act, 1934 (30 of 1934);

(*i*) "prescribed" means prescribed by rules made under this Act;

(*j*) "sale" with all its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another for cash or deferred payment or any other valuable consideration;

(*k*) "taxable goods" means such goods as are specified in sub-section (*1*) of section 3;

(*l*) "Union territory" means the Union territory of Manipur.

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3. Levy of tax.—(*1*) There shall be levied and collected from every dealer a tax on all sales effected by him of the following goods at such rates as may be fixed by the Central Government, from time to time, by notification in the Official Gazette, not exceeding the rates specified below:—

(*i*) motor spirit (except diesel oil and internal combustion oils other than petrol).	eight naye paise per litre.
(*ii*) lubricant.	nine naye paise per litre.
(*iii*) diesel oil and internal combustion oils other than petrol.	seven naye paise per litre.
(*iv*) crude oil.	one naya paisa per litre.

(*2*) Every notification under sub-section (*1*) shall also be published in the Manipur Gazette.

(*3*) Nothing in sub-section (*1*) shall be deemed to render any dealer liable to tax on the sale of taxable goods where such sale takes place:—

(*i*) outside the Union territory;

(*ii*) in the course of the import into or export out of the territory of India; or

(*iii*) in the course of the inter-State trade or commerce as laid down in section 3 of the Central Sales Tax Act, 1956 (74 of 1956).

(*4*) For the purpose of sub-section (*1*), any shortage in excess of one per cent. of the quantities of each consignment of motor spirit received into stock by a dealer for sale shall, unless the contrary is proved, be presumed to be due to sale, and the tax shall be levied and collected from the dealer accordingly.

4. Taxing authorities.—(*1*) The Chief Commissioner may, for carrying out the purposes of this Act, appoint a Commissioner of Taxes, and such other persons to assist him as he thinks fit.

(*2*) Persons appointed under sub-section (*1*) shall exercise such powers as may be conferred, and perform such duties as may be required, by or under this Act.

5. Registration of dealers.—(*1*) Every dealer shall, within such time as may be prescribed for the purpose, make an application for registration under this Act to the Commissioner, and every such application shall contain such particulars and shall be accompanied by such fees as may be prescribed.

(*2*) Where a dealer has more than one place of business whether in the same town or village or in different towns or villages, he shall apply for registration and obtain a separate registration certificate in respect of each such place of business.

(*3*) If the Commissioner is satisfied that the application is in conformity with the provisions of this Act and the rules made thereunder, he shall register the applicant and grant him a certificate of registration in the prescribed form which shall specify the class or classes of goods in which the dealer carries on business, and such other particulars as may be prescribed for the purposes of sub-section (*1*) of section 3.

(*4*) A certificate of registration granted under this section may either on the application of the dealer to whom it has been granted, or, where no such application has been made, after due notice to the dealer, be amended by the Commissioner if he is satisfied that by reason of the dealer having changed the name, place or nature of his business or the class or classes of goods in which he carries on business or for any other reason, the certificate of registration granted to him requires to be amended.

(*5*) No dealer shall carry on business in taxable goods without, or otherwise than in accordance, with the terms of, a certificate of registration.

6. Cancellation of registration certificate.—(*1*) The Commissioner may cancel any certificate of registration granted to a dealer, if—

(*a*) he has ceased to carry on business; or

(*b*) any tax payable under section 3 is not duly paid by him; or

(*c*) there is any breach of any of the provisions of this Act, the rules made thereunder or the conditions subject to which the registration certificate has been granted; or

(*d*) he has been convicted under the provisions of this Act:

Provided, that no order shall be passed—

(*i*) under clause (*a*) unless the dealer was served with a notice, or

(*ii*) under clause (*b*), clause (*c*) or clause (*d*), unless the dealer was given a reasonable opportunity of being heard:

Provided further, that such cancellation shall not absolve the dealer from his liability to pay tax and other dues under this Act, nor bar other action as may be taken against him under this Act.

(*2*) The dealer shall not be entitled to any compensation for any loss or damage directly or indirectly suffered by him by reason of cancellation of the certificate under sub-section (*1*).

7. Returns.—Every person registered under this Act shall submit such return or returns at such intervals and to such authority as may be prescribed.

8. Assessment.—(*1*) If the Commissioner is satisfied that a return furnished under section 7 in respect of any period is correct and complete, he shall, by an order in writing, assess the tax payable by the dealer on the basis of such return.

(*2*) If the Commissioner is not so satisfied he shall serve on the dealer a notice requiring him on the date, and at the hour and place specified therein, either to attend in person or to produce or cause to be produced any evidence on which he may rely in support of his return.

(*3*) On the day specified in the notice under sub-section (*2*) or as soon thereafter as may be, the Commissioner, after hearing such evidence as he may require, shall, by an order in writing, assess the tax payable by the dealer.

(*4*) If a dealer fails to make a return as required by section 7 or having made the return fails to comply with any of the terms of the notice under sub-section (*2*), the Commissioner shall, by order in writing assess to the best of his judgment the tax payable by the dealer:

Provided that before making assessment the Commissioner may allow the dealer such further time as he thinks fit to make the return or comply with the terms of the notice issued under sub-section (*2*).

9. Cancellation of assessment.—Where a dealer, in the case of an assessment completed under sub-section (*4*) of section 8 satisfies the Commissioner, within one month from the date of service of a notice of demand as hereinafter provided, that he was prevented by sufficient cause from making the return required by section 7 or that he had not been served with the notice under sub-section (*2*) of section 8 or that he had not had a reasonable opportunity to comply, or was prevented by sufficient cause from complying with the terms of the notice, the Commissioner shall cancel the assessment and make a fresh assessment in accordance with the provisions of section 8.

10. Assessment and penalty in case of evasion by unregistered persons.—If on information or otherwise, the Commissioner is satisfied that any person while being liable to pay tax under this Act has failed to apply for registration and to pay the tax, he shall, after giving the person a reasonable opportunity of being heard, assess, to the best of his judgment, the amount of tax, if any, due from him and the Commissioner may also direct that, in addition to the amount so assessed, a sum not exceeding that amount shall be recovered from the defaulter by way of penalty.

11. Assessment and penalty in case of evasion by registered persons.—If on information or otherwise, the Commissioner is satisfied that any person registered under this Act has not paid the amount of tax due from him or a part thereof for any period, he may proceed against such person in the manner laid down in section 10.

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12. Power to grant exemption from tax.—(*1*) If the Chief Commissioner is satisfied that it is necessary in the public interest so to do, he may, by notification in the Official Gazette, exempt generally either absolutely or subject to such conditions as may be specified in the notification, any class of dealers from the payment of the whole or any part of tax, in respect of any taxable goods.

(*2*) If the Chief Commissioner is satisfied that it is necessary in the public interest so to do, he may, by special order in each case, exempt any dealer from the payment of tax under circumstances of exceptional nature to be stated in such order, in respect of any taxable goods.

13. Penalties.—(*1*) If the Commissioner, in the course of any proceedings under this Act, is satisfied that any dealer—

(*a*) has, without reasonable cause, failed to furnish the return which he was required to furnish under section 7 or has, without reasonable cause, failed to furnish it within the time allowed and in the manner required, or

(*b*) has, without reasonable cause, failed to comply with a notice under sub-section (*2*) of section 8, or

(*c*) has concealed the particulars of his sales or deliberately furnished incorrect particulars of such sales, or

(*d*) has evaded the liability to pay tax,

the Commissioner may direct that such dealer shall, in addition to any tax payable by him, pay, by way of penalty,—

(*i*) in a case referred to in clause (*a*) or clause (*b*), a sum not exceeding one and a half times the tax;

(*ii*) in a case referred to in clause (*c*), a sum not exceeding one and a half times the amount of the tax which would have been avoided if the particulars of his sales had been accepted as correct;

(*iii*) in a case referred to in clause (*d*), a sum not exceeding one and a half times the amount of the tax sought to be evaded by him.

(*2*) No order under sub-section (*1*) shall be made unless the dealer was given a reasonable opportunity of being heard.

14. Appeal.—(*1*) Any dealer objecting to an order of assessment or penalty passed under this Act, may within thirty days from the date on which the order was served on him, appeal to the prescribed authority against such assessment or penalty:

Provided that the authority may admit the appeal after the expiration of thirty days, if such authority is satisfied that for reasons beyond the control of the appellant or for any other sufficient cause, the appeal could not be filed within time.

(*2*) Any person desirous of appealing against an order of assessment or penalty passed under this Act shall, pending the appeal, deposit with the Commissioner the tax demanded or the penalty levied:

Provided that where in any particular case, the prescribed authority is of opinion that the deposit of tax demanded or penalty levied will cause undue hardship to the appellant, it may in its discretion dispense with such deposit either unconditionally or subject to such conditions as it may deem fit.

(*3*) Every appeal under sub-section (*1*) shall be presented in the prescribed form and shall be verified in the prescribed manner.

(*4*) The prescribed authority shall fix a day and place for hearing of the appeal, and may from time to time adjourn the hearing and make or cause to be made, such further inquiry as it may deem necessary.

(*5*) In disposing of an appeal under sub-section (*1*), the prescribed authority may:—

(*a*) confirm, reduce, enhance or annul the assessment, or

(*b*) set aside the assessment and direct a fresh assessment after such inquiry as may be ordered, or

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(*c*) confirm, reduce or annul the order imposing a penalty.

(*6*) Every order passed in appeal under this section shall, subject to the provisions of section 16, be final.

15. Powers of revision of Commissioner.—The Commissioner may, of his own motion or on application, call for and examine the records of any proceedings under this Act before any person appointed under section 4 to assist the Commissioner and revise after such inquiry as he may deem necessary any order passed in such proceedings:

Provided that no order prejudicial to a dealer shall be passed [1][under this section] without giving him a reasonable opportunity of being heard:

Provided further that the Commissioner shall not revise any order under this section in any case—

(*a*) where an appeal against the order lies to the prescribed authority, the time within which such appeal can be made has not expired or the dealer has not waived his right to appeal to the prescribed authority;

(*b*) where the order is the subject of an appeal before the prescribed authority;

(*c*) where the application is made by an aggrieved dealer for such revision unless the application is made within ninety days from the date on which the order was served on the applicant;

(*d*) where the order is sought to be revised by the Commissioner of his own motion, if such order was made more than two years previously.

16. Revision by the Chief Commissioner.—(*1*) The Chief Commissioner may, on the application of a dealer aggrieved by any order passed under section 14 or section 15, annul or modify such order:

Provided that no order enhancing any tax or penalty shall be passed under this section.

(*2*) An application under sub-section (*1*) shall be made within ninety days from the date on which the order was served on the applicant:

Provided that the Chief Commissioner may admit the application after the expiration of ninety days if he is satisfied that for reasons beyond the control of the applicant or for any other sufficient cause, the application could not be filed within time.

17. Payment of tax, etc.—(*1*) Any sum due under this Act shall be payable within thirty days of the date of service of the notice demanding the same.

(*2*) If any person fails to pay the sum due within the time specified in sub-section (*1*), the Commissioner may impose a penalty not exceeding fifty per cent. of the sum demanded from him.

18. Recoveries.—Any sum due under this Act shall be recoverable as an arrear of land revenue.

19. Refunds.—The Commissioner shall, in the prescribed manner, refund to a dealer any sum paid by such dealer in excess of the sum due from him under this Act, either by cash payment or at the discretion of the Commissioner by set off against any other sum due from him.

20. Maintenance of accounts.—Every registered dealer on whom a notice has been served to furnish return under the provisions of this Act, shall keep a true account of taxable goods produced, made or processed by him or brought by him into the Union territory from any place outside that territory for the purpose of sale in that territory, and of sales.

21. Powers to order production of accounts, etc.—Subject to such conditions and restrictions as may be prescribed, the Commissioner may, for the purposes of this Act, require any dealer to produce before him any accounts, registers, vouchers or other documents relating to the production, making, processing, purchase or sale of taxable goods or matters connected therewith.

1. Subs. by Act 52 of 1964, s. 2 and the First Schedule, for "under this sub-section" (w.e.f. 29-12-1964).

22. Power for entry, inspection, search and seizure.—The Commissioner may—

(*a*) inspect at all reasonable time all accounts and vouchers relating to the stock, purchases, sales and deliveries of taxable goods kept by manufacturers, and dealers and the stock of taxable goods with them;

(*b*) enter and search, at any time, by day or by night any building, vessel, vehicle or place in which he has reason to believe that any taxable goods liable to confiscation under this Act are kept or concealed;

(*c*) seize any taxable goods or any other article which he has reason to believe is liable to confiscation under this Act.

23. Offences and penalties.—Whoever—

(*a*) carries on business as a dealer and acts in contravention of any of the provisions of this Act; or

(*b*) fails, without reasonable cause, to submit in due time any return as required by or under the provisions of this Act, or submits false return; or

(*c*) fails, when required by or under the provisions of this Act, to keep accounts or records of sales; or

(*d*) fails, when required by or under the provisions of this Act, to produce any accounts, evidence or documents or to furnish any information; or

(*e*) fails or neglects to comply with any requirement under the provisions of this Act; or

(*f*) knowingly produces false accounts, registers or documents, or knowingly furnishes incorrect information; or

(*g*) fraudulently or wilfully evades the payment of any tax due under this Act, or conceals his liability to such tax; or

(*h*) fails to pay within the time allowed any tax or penalty due from him; or

(*i*) prevents or obstructs inspection or entry by any officer acting under the provisions of this Act; or

(*j*) demands or charges from any purchaser sales-tax as such at a rate higher than that payable under this Act;

shall be punishable with imprisonment which may extend to six months or with fine not exceeding one thousand rupees or with both and when the offence is a continuing one, with a daily fine not exceeding fifty rupees during the period of the continuance of the offence.

24. False statement in declaration.—Whoever makes a statement in a verification or declaration in connection with any proceedings under this Act which is false and which he either knows or believes to be false or does not believe to be true, shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both.

25. Search and seizure how made.—The provisions of the Code of Criminal Procedure, 1898 (5 of 1898), shall apply to any search or seizure made under this Act.

26. Power of investigation.—(*1*) Every officer, not below such rank as may be prescribed, shall within the area for which he is appointed, have power to investigate all offences punishable under this Act.

(*2*) Every such officer shall in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1898 (5 of 1898), upon an officer in charge of a police station for the investigation of a cognizable offence.

27. Punishment for vexatious search, etc.—Any officer or person exercising powers under this Act, who—

(*a*) without reasonable ground of suspicion, enters or searches, or causes to be entered or searched, any building, vessel, vehicle or place; or

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(*b*) vexatiously or unnecessarily seizes the property of any person on the pretence of seizing or searching for anything liable to confiscation under this Act; or

(*c*) vexatiously and unnecessarily detains or searches any person;

shall be punishable with fine which may extend to five hundred rupees.

28. Things liable to confiscation.—Whenever an offence punishable under this Act is committed, the taxable goods or any other article in respect of which the offence has been committed shall be liable to confiscation.

29. Power to compound offences.—(*1*) Subject to such conditions as may be prescribed, the Commissioner may, either before or after the institution of criminal proceedings under this Act, accept from the person who has committed or is reasonably suspected of having committed an offence under this Act or the rules made thereunder, by way of composition of such offence—

(*a*) where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so recoverable, a sum of money not exceeding one thousand rupees or double the amount of the tax recoverable, whichever is greater, and

(*b*) in any other case a sum of money not exceeding one thousand rupees in addition to the tax recoverable,

(*2*) On the payment of such sum of money and the tax, if any, payable under section 3 to the Commissioner, such person shall be discharged, the property seized, if any, shall be released and no further proceedings shall be taken against such person or property in respect of such offence.

30. Cognizance of offence.—No court shall take cognizance of any offence under this Act, or under the rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Magistrate of the first class shall try any such offence.

31. Protection of persons acting in good faith and limitation of suits and proceedings.—(*1*) No suit, prosecution or other legal proceedings shall be instituted against any officer of the Government for anything done or intended to be done in good faith under this Act or the rules made thereunder.

(*2*) No suit shall be instituted against the Government and no suit, prosecution or other proceeding shall be instituted against any officer of the Government in respect of anything done or intended to be done, under this Act unless the suit, prosecution or other proceeding is instituted within four months from the date of the act complained of.

32. Delegation of Commissioner's powers.—Subject to such restrictions and conditions as may be prescribed, the Commissioner may, by notification in the Official Gazette, delegate any of his powers under this Act to any person appointed under section 4 to assist him.

33. Computation of the period of limitation.—In computing the period of limitation prescribed for an appeal or revision, the day on which the order complained of was served and the time requisite for obtaining a certified copy of such order, shall be excluded.

34. Information to be furnished regarding change of business.—If any dealer—

(*a*) sells or otherwise disposes of his business or any part of his business or any place of business or effects or comes to know of any other change in the ownership of the business, or

(*b*) discontinues his business or changes his place of business or opens a new place of business, or

(*c*) changes the name or nature of his business,

he shall within the prescribed time inform the Commissioner accordingly, and if any such dealer dies, his legal representative shall in like manner inform the Commissioner.

35. Services of order, notices, etc.—Any order passed or notice issued under this Act, shall be served—

(*a*) by tendering the order or notice or sending it by registered post to the dealer for whom it is intended or to his agent; or

(*b*) if the order or notice cannot be served in the manner provided in clause (*a*), by affixing it on the outer door or some other conspicuous part of the last known premises of the dealer.

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36. Power to make rules.—(*1*) The Chief Commissioner may, subject to the condition of previous publication, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the recovery of the tax leviable under this Act;

(*c*) the circumstances and the manner in and the conditions under which refunds may be made and for the cancellation of erroneous refunds;

(*d*) the maintenance of records and books and the submission of returns and the form of such records, books and returns;

(*e*) the authority to which appeals against any order under this Act may be preferred and the fees to be charged in connection therewith;

(*f*) applications for revisions under this Act and the fees to be charged in connection therewith;

(*g*) the issue of notices under this Act;

(*h*) the fees, if any, for certificates granted under this Act.

(*3*) Rules made under this Act may provide that a breach of any of them shall be punishable with fine not exceeding one thousand rupees or with imprisonment not exceeding three months or with both, and when the offence is a continuing offence, with a daily fine which may extend to one hundred rupees for every day during which the offence continues.

(*4*) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

37. Repeal of Assam Act 4 of 1939 as extended to Manipur.—The Assam Sales of Motor Spirit and Lubricants Taxation Act, 1939, as extended to Manipur shall stand repealed:

Provided that such repeal shall not affect—

(*a*) the previous operation of the said Act or anything duly done or suffered thereunder; or

(*b*) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act; or

(*c*) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or

(*d*) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid:

Provided further that anything done or any action taken (including any appointment or delegation made, notification, instruction or direction issued, certificate of registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

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STATEMENT OF OBJECTS AND REASONS

In the Union territory of Manipur, tax on sales of motor spirit and lubricants is levied under the Assam Sales of Motor Spirit and Lubricants Taxation Act, 1939 which was extended to Manipur by a resolution of the former Manipur Durbar. In Assam the 1939 Act has since been replaced by the Assam (Sales of Petroleum and Petroleum products including Motor Spirit and Lubricants) Taxation Act, 1955, which provides for higher rates of taxation in terms of metric measures and decimal coinage.

The existing level of taxation is low in Manipur, and it is considered necessary to raise it suitably. It is also considered that having regard to the under-developed state of transport system in Manipur, the rotes should be raised in stages. The draft Bill, which is based on the Assam (Sales of Petroleum and Petroleum products including Motor Spirit and Lubricants) Taxation Act, 1955, therefore, specifies the maximum rates of taxation and confers on the Central Government power to fix the actual rates subject to those maxima. Opportunity has also been taken to express the rates in terms of metric measures and decimal coinage.

The Bill also provides for the repeal of the Act now in force in Manipur.

NEW DELHI;
The 15*th November*, 1962.

JAGJIVAN RAM.

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