

# The Central Sales Tax Act, 1956

(Act No. 74 of 1956)

Received the assent of the President on 21st December, 1956

An act to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside a State or in the course of import into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-State trade or commerce and to declare certain goods to be of special importance in inter-State trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on the sale or purchase of such goods of special importance shall be subject.

Be it enacted by Parliament in the Seventh Year of the Republic of India as follows :

## CHAPTER I

### Preliminary

#### Sec. 1 : Short title, extent and commencement

(1) This Act may be called the Central Sales Tax Act, 1956.

(2) It extends to the whole of India <sup>1</sup>[.....].

(3) It shall come into force on such <sup>2</sup>date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

#### Sec. 2 : Definitions

In this Act, unless the context otherwise requires,-

(a) **appropriate State** means -

(i) in relation to a dealer who has one or more places of business situate in the same State, that State;

(ii) in relation to a dealer who has <sup>3</sup>[.....] places of business situate in different States, every such State with respect to the place or places of business situate within its territory;

<sup>4</sup>[.....]

<sup>5</sup>[(aa) **Business** includes-

(i) any trade, commerce or manufacture, or any adventure or concern in the nature of trade, commerce or manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive

<sup>1</sup> The words 'except the State of Jammu and Kashmir' deleted by CST (Amendment) Act, 1958.

<sup>2</sup> Except Sec. 15 the Act came into force w.e.f. 5.1.57. Sec. 15 came into force w.e.f. 1.7.57.

<sup>3</sup> The words 'one or more' omitted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>4</sup> Explanation omitted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>5</sup> Clause (aa) inserted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern; and

- (ii) any transaction in connection with, or incidental or ancillary to, such trade, commerce, manufacture, adventure or concern;

<sup>1</sup>(ab) **Crossing the customs frontiers of India** means crossing the limits of the area of a customs station in which imported goods or export goods are ordinarily kept before clearance by customs authorities.

**Explanation** - For the purposes of this clause, “customs station” and “customs authorities” shall have the same meanings as in the Customs Act, 1962 (52 of 1962);

<sup>2</sup>(b) **Dealer** means any person who carries on (whether regularly or otherwise) the business of buying, selling, supplying or distributing goods, directly or indirectly, for cash, or for deferred payment, or for commission, remuneration or other valuable consideration, and includes-

- (i) a local authority, a body corporate, a company, any co-operative society or other society, club, firm, Hindu undivided family or other association of persons which carries on such business;
- (ii) a factor, broker, commission agent, *del-credere* agent, or any other mercantile agent, by whatever name called, and whether of the same description as hereinbefore mentioned or not, who carries on the business of buying, selling, supplying or distributing goods belonging to any principal whether disclosed or not; and
- (iii) an auctioneer who carries on the business of selling or auctioning goods belonging to any principal, whether disclosed or not and whether the offer of the intending purchaser is accepted by him or by the principal or a nominee of the principal.

**Explanation 1** - Every person who acts as an agent, in any State, of a dealer residing outside that State and buys, sells, supplies or distributes, goods in the State or acts on behalf of such dealer as -

- (i) a mercantile agent as defined in the Sale of Goods Act, 1930 (3 of 1930), or
- (ii) an agent for handling of goods or documents of title relating to goods, or
- (iii) an agent for the collection or the payment of the sale price of goods or as a guarantor for such collection or payment,

and every local branch or office in a State of a firm registered outside that State or a company or other body corporate, the principal office or headquarters whereof is outside that State, shall be deemed to be a dealer for the purposes of this Act.

**Explanation 2** - A Government which, whether or not in the course of business, buys, sells, supplies or distributes goods, directly or otherwise, for cash or for deferred payment or for commission, remuneration or other valuable

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1 Clause (ab) inserted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

2 Clause (b) substituted w.e.f. 7.9.76 by *ibid*.

consideration, shall, except in relation to any sale, supply or distribution of surplus, unserviceable or old stores or materials or waste products or obsolete or discarded machinery or parts or accessories thereof, be deemed to be a dealer for the purposes of this Act;

(c) **Declared goods** means goods declared under Section 14 to be of special importance in inter-State trade or commerce;

(d) **Goods** includes all materials, articles, commodities and all other kinds of movable property, but does not include <sup>1</sup>[newspapers,] actionable claims, stocks, shares and securities;

<sup>2</sup>(dd) **Place of business** includes -

(i) in any case where a dealer carries on business through an agent (by whatever name called), the place of business of such agent;

(ii) a warehouse, godown or other place where a dealer stores his goods; and

(iii) a place where a dealer keeps his books of accounts;

(e) **Prescribed** means prescribed by rules made under this Act;

(f) **Registered dealer** means a dealer who is registered under Section 7;

<sup>3</sup>(g) **Sale**, with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another for cash or for deferred payment or for any other valuable consideration, and includes

(i) a transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration;

(ii) a transfer of property in goods (whether as goods or in some other form,) involved in the execution of a works contract;

(iii) a delivery of goods on hire purchase or any system of payment by instalments;

(iv) a transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration;

(v) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;

(vi) a supply, by way of or as part of any service or in any other manner whatsoever, of goods being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration;

but does not include a mortgage or hypothecation of or a charge or pledge on goods]

a transfer of goods on the hire-purchase or other system of payment by instalments, but does not include a mortgage or hypothecation of or a charge or pledge on goods;

(h) **Sale price** means the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed as cash discount according to the practice

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<sup>1</sup> Inserted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>2</sup> Clause (dd) inserted w.e.f. 1.10.58 by *ibid*.

<sup>3</sup> Subs. by Finance Act 2002 w.e.f 11-5-2002

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normally prevailing in the trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before the delivery thereof other than the cost of freight or delivery or the cost of installation in cases where such cost is separately charged;

- (i) **Sales tax law** means any law for the time being in force in any State or part thereof which provides for the levy of taxes on the sale or purchase of goods generally or on any specified goods expressly mentioned in that behalf, and “general sales tax law” means the law for the time being in force in any State or part thereof which provides for the levy of tax on the sale or purchase of goods generally;
- (j) **Turnover** used in relation to any dealer liable to tax under this Act means the aggregate of the sale prices received and receivable by him in respect of sales of any goods in the course of inter-State trade or commerce made during any prescribed period <sup>1</sup>[and determined in accordance with the provisions of this Act and the rules made thereunder];
- (k) **Year**, in relation to a dealer, means the year applicable in relation to him under the general sales tax law of the appropriate State, and where there is no such year applicable, the financial year.

## **CHAPTER II**

### **Formulation of principles for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside a State or in the course of import or export**

#### **Sec. 3 : When is a sale or purchase of goods said to take place in the course of inter-State trade or commerce**

A sale or purchase of goods shall be deemed to take place in the course of inter-State trade or commerce if the sale or purchase -

- (a) occasions the movement of goods from one State to another; or
- (b) is effected by a transfer of documents of title to the goods during their movement from one State to another.

**Explanation 1** - Where goods are delivered to a carrier or other bailee for transmission, the movement of the goods shall, for the purposes of clause (b), be deemed to commence at the time of such delivery and terminate at the time when delivery is taken from such carrier or bailee.

**Explanation 2** - Where the movement of goods commences and terminates in the same State it shall not be deemed to be a movement of goods from one State to another by reason merely of the fact that in the course of such movement the goods pass through the territory of any other State.

#### **Sec. 4 : When is a sale or purchase of goods said to take place outside a State**

(1) Subject to the provisions contained in Section 3, when a sale or purchase of goods is determined in accordance with sub-section (2) to take place inside a State, such sale or purchase shall be deemed to have taken place outside all other States.

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<sup>1</sup> Subs. by CST (Amendment) Act, 1969 w.e.f. 5.1.57.

(2) A sale or purchase of goods shall be deemed to take place inside a State if the goods are within the State -

- (a) in the case of specific or ascertained goods, at the time the contract of sale is made; and
- (b) in the case of unascertained or future goods, at the time of their appropriation to the contract of sale by the seller or by the buyer, whether assent of the other party is prior or subsequent to such appropriation.

**Explanation** - Where there is a single contract of sale or purchase of goods situated at more places than one, the provisions of this sub-section shall apply as if there were separate contracts in respect of the goods at each of such places.

**Sec. 5 : When is a sale or purchase of goods said to take place in the course of import or export**

(1) A sale or purchase of goods shall be deemed to take place in the course of the export of the goods out of the territory of India only if the sale or purchase either occasions such export or is effected by a transfer of documents of title to the goods after the goods have crossed the customs frontiers of India.

(2) A sale or purchase of goods shall be deemed to take place in the course of the import of the goods into the territory of India only if the sale or purchase either occasions such import or is effected by a transfer of documents of title to the goods before the goods have crossed the customs frontiers of India.

<sup>1</sup>(3) Notwithstanding anything contained in sub-section (1), the last sale or purchase of any goods preceding the sale or purchase occasioning the export of those goods out of the territory of India shall also be deemed to be in the course of such export, if such last sale or purchase took place after, and was for the purpose of complying with, the agreement or order for or in relation to such export.

## CHAPTER III

### Inter-State Sales Tax

**Sec. 6 : Liability to tax on inter-State sales**

(1) Subject to the other provisions contained in this Act, every dealer shall, with effect from such <sup>2</sup>date as the Central Government may, by notification in the Official Gazette, appoint, not being earlier than thirty days from the date of such notification, be liable to pay tax under this Act on all sales <sup>3</sup>[of goods other than electrical energy] effected by him in the course of inter-State trade or commerce during any year on and from the date so notified :

<sup>4</sup>Provided that a dealer shall not be liable to pay tax under this Act on any sale of goods which, in accordance with the provisions of sub-section (3) of Section 5, is a sale in the course of export of those goods out of the territory of India.

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1 Sub-section (3) inserted by CST (Amendment) Act, 1976, w.e.f. 1.4.76.

2 The date 1.7.57 notified by S.R.O. No. 940-A, dt. 26.3.57.

3 Inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

4 Proviso inserted by CST (Amendment) Act, 1976, w.e.f. 1.4.76.

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<sup>1</sup>**(1A)** A dealer shall be liable to pay tax under this Act on a sale of any goods effected by him in the course of inter-State trade or commerce notwithstanding that no tax would have been leviable (whether on the seller or the purchaser) under the sales tax law of the appropriate State if that sale had taken place inside that State.

<sup>2</sup>**(2)** Notwithstanding anything contained in sub-section (1) or sub-section (1A), where a sale of any goods in the course of inter-State trade or commerce has either occasioned the movement of such goods from one State to another or has been effected by a transfer of documents of title to such goods during their movement from one State to another, any subsequent sale during such movement effected by a transfer of documents of title to such goods,-

(A) to the Government, or

(B) to a registered dealer other than the Government, if the goods are of the description referred to in sub-section (3) of Section 8,

shall be exempt from tax under this Act :

Provided that no such subsequent sale shall be exempt from tax under this sub-section unless the dealer effecting the sale furnishes to the prescribed authority in the prescribed manner and within the prescribed time or within such further time as that authority may, for sufficient cause, permit,-

(a) a certificate duly filled and signed by the registered dealer from whom the goods were purchased containing the prescribed particulars in a prescribed form obtained from the prescribed authority; and

(b) if the subsequent sale is made-

(i) to a registered dealer, a declaration referred to in clause (a) of sub-section (4) of Section 8, or

(ii) to the Government, not being a registered dealer, a certificate referred to in clause (b) of sub-section (4) of Section 8 :

Provided further that it shall not be necessary to furnish the declaration or the certificate referred to in clause (b) of the preceding proviso in respect of a subsequent sale of goods if,-

(a) the sale or purchase of such goods is, under the sales tax law of the appropriate State, exempt from tax generally or is subject to tax generally at a rate which is lower than <sup>3</sup>[four per cent] (whether called a tax or fee or by any other name); and

(b) the dealer effecting such subsequent sale proves to the satisfaction of the authority referred to in the preceding proviso that such sale is of the nature referred to in clause (A) or clause (B) of this sub-section.

<sup>4</sup>**Sec. 6-A : Burden of proof, etc., in case of transfer of goods claimed otherwise than by way of sale**

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**1** Sub-section (1-A) inserted by CST (Amendment) Act, 1969 w.e.f. 5.1.57.

**2** Sub-section (2) substituted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

**3** Subs. for the words 'three per cent' by Finance Act, 1975, w.e.f. 1.7.75.

**4** Sec. 6-A has been inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73

(1) Where any dealer claims that he is not liable to pay tax under this Act, in respect of any goods, on the ground that the movement of such goods from one State to another was occasioned by reason of transfer of such goods by him to any other place of his business or to his agent or principal, as the case may be, and not by reason of sale, the burden of proving that the movement of those goods was so occasioned shall be on that dealer and for this purpose he may furnish to the assessing authority, within the prescribed time or within such further time as that authority may, for sufficient cause, permit, a declaration, duly filled and signed by the principal officer of the other place of business, or his agent or principal, as the case may be, containing the prescribed particulars in the prescribed form obtained from the prescribed authority, along with the evidence of despatch of such goods. <sup>1</sup>[and if the dealer fails to furnish such declaration, then, the movement of such goods shall be deemed for all purposes of this Act to have been occasioned as a result of sale]

(2) If the assessing authority is satisfied after making such inquiry as he may deem necessary that the particulars contained in the declaration furnished by a dealer under sub-section (1) are true, he may, at the time of, or at any time before, the assessment of the tax payable by the dealer under this Act, make an order to that effect and thereupon the movement of goods to which the declaration relates shall be deemed for the purposes of this Act to have been occasioned otherwise than as a result of sale.

**Explanation** - In this Section, “assessing authority”, in relation to a dealer, means the authority for the time being competent to assess the tax payable by the dealer under this Act.

#### **Sec. 7 : Registration of dealers**

(1) Every dealer liable to pay tax under this Act shall, within such time as may be prescribed for the purpose, make an application for registration under this Act to such authority in the appropriate State as the Central Government may, by general or special order, specify, and every such application shall contain such particulars as may be prescribed.

<sup>2</sup>(2) Any dealer liable to pay tax under the sales tax law of the appropriate State, or where there is no such law in force in the appropriate State or any part thereof, any dealer having a place of business in that State or part, as the case may be, may, notwithstanding that he is not liable to pay tax under this Act, apply for registration under this Act to the authority referred to in sub-section (1), and every such application shall contain such particulars as may be prescribed.

**Explanation** - For the purposes of this sub-section, a dealer shall be deemed to be liable to pay tax under the sales tax law of the appropriate State notwithstanding that under such law a sale or purchase made by him is exempt from tax or a refund or rebate of tax is admissible in respect thereof.

<sup>3</sup>(2A) Where it appears necessary to authority to whom an application is made under sub-section (1) or sub-section (2) so to do for the proper realisation of the tax payable

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<sup>1</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

<sup>2</sup> Sub-section (2) substituted by CST (Second Amendment) Act, 1958 w.e.f. 1.10.58.

<sup>3</sup> Sub-section (2A) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

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under this Act or for the proper custody and use of the forms referred to in clause (a) of the first proviso to sub-section (2) of Section 6 or sub-section (1) of Section 6A or clause (a) of sub-section (4) of Section 8, he may, by an order in writing and for reasons to be recorded therein, impose as a condition for the issue of a certificate of registration a requirement that the dealer shall furnish in the prescribed manner and within such time as may be specified in the order such security as may be so specified, for all or any of the aforesaid purposes.

**(3)** If the authority to whom an application under sub-section (1) or sub-section (2) is made is satisfied that the application is in conformity with the provisions of this Act and the rules made thereunder <sup>1</sup>[and the condition, if any, imposed under sub-section (2A), has been complied with], he shall register the applicant and grant to him a certificate of registration in the prescribed form which shall specify the class or classes of goods for the purposes of sub-section (1) of Section 8.

<sup>2</sup>**(3A)** Where it appears necessary to the authority granting a certificate of registration under this Section so to do for the proper realisation of tax payable under this act or for the proper custody and use of the forms referred to in sub-section (2A), he may, at any time while such certificate is in force, by an order in writing and for reasons to be recorded therein, require the dealer, to whom the certificate has been granted, to furnish within such time as may be specified in the order and in the prescribed manner such security, or, if the dealer has already furnished any security in pursuance of an order under this sub-section or sub-section (2A), such additional security, as may be specified in the order, for all or any of the aforesaid purposes.

<sup>3</sup>**(3B)** No dealer shall be required to furnish any security under sub-section (2A) or any security or additional security under sub-section (3A) unless he has been given an opportunity of being heard.

<sup>4</sup>**(3BB)** The amount of security which a dealer may be required to furnish under sub-section (2A) or sub-section (3A) or the aggregate of the amount of such security and the amount of additional security which he may be required to furnish under sub-section (3A), by the authority referred to therein, shall not exceed-

- (a) in the case of a dealer other than a dealer who has made an application, or who has been registered in pursuance of an application, under sub-section (2), a sum equal to the tax payable under this Act, in accordance with the estimate of such authority, on the turnover of such dealer for the year in which such security or, as the case may be, additional security is required to be furnished; and
- (b) in the case of a dealer who has made an application or who has been registered in pursuance of an application under sub-section (2), a sum equal to the tax leviable under this Act, in accordance with the estimate of such authority on the sales to such dealer in the course of inter-State trade or

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**1** Inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

**2** Sub-section (3A) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

**3** Sub-section (3B) substituted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

**4** Sub-section (3BB) inserted w.e.f. 7.9.76 by *ibid*



commerce in the year in which such security or, as the case may be, additional security is required to be furnished, had such dealer been not registered under this Act.

<sup>1</sup>**(3C)** Where the security furnished by a dealer under sub-section (2A) or sub-section (3A) is in the form of a surety bond and the surety becomes insolvent or dies, the dealer shall, within thirty days of the occurrence of any of the aforesaid events, inform the authority granting the certificate of registration and shall within ninety days of such occurrence furnish a fresh surety bond or furnish in the prescribed manner other security for the amount of the bond.

**(3D)** The authority granting the certificate of registration may by order and for good and sufficient cause forfeit the whole or any part of the security furnished by a dealer,-

- (a) for realising any amount of tax or penalty payable by the dealer;
- (b) if the dealer is found to have misused any of the forms referred to in sub-section (2A) or to have failed to keep them in proper custody :

Provided that no order shall be passed under this sub-section without giving the dealer an opportunity of being heard.

**(3E)** Where by reason of an order under sub-section (3D), the security furnished by any dealer is rendered insufficient, he shall make up the deficiency in such manner and within such time as may be prescribed.

**(3F)** The authority issuing the forms referred to in sub-section (2A) may refuse to issue such forms to a dealer who has failed to comply with an order under that sub-section or sub-section (3A), or with the provisions of sub-section (3C) or sub-section (3E), until the dealer has complied with such order or such provisions, as the case may be.

**(3G)** The authority granting a certificate of registration may, on application by the dealer to whom it has been granted, order the refund of any amount or part thereof deposited by the dealer by way of security under this Section, if it is not required for the purposes of this Act.

**(3H)** Any person aggrieved by an order passed under sub-section (2A), sub-section (3A), sub-section (3D) or sub-section (3G) may, within thirty days of the service of the order on him, but after furnishing the security, prefer, in such form and manner as may be prescribed, an appeal against such order to such authority (hereafter in this Section referred to as the "appellate authority"), as may be prescribed :

Provided that the appellate authority may, for sufficient cause, permit such person to present the appeal,-

- (a) after the expiry of the said period of thirty days; or
- (b) without furnishing the whole or any part of such security.

**(3I)** The procedure to be followed in hearing any appeal under sub-section (3H), and the fees payable in respect of such appeals shall be such as may be prescribed.

**(3J)** The order passed by the appellate authority in any appeal under sub-section (3H)

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<sup>1</sup> Sub-section (3C) to (3J) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

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shall be final.

<sup>1</sup>(4) A certificate of registration granted under this Section may-

(a) 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 authority granting it if he is satisfied that by reason of the registered 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; or

(b) be cancelled by the authority granting it where he is satisfied, after due notice to the dealer to whom it has been granted, that he has ceased to carry on business <sup>2</sup>[or has ceased to exist or has failed without sufficient cause, to comply with an order under sub-section (3A) or with the provisions of sub-section (3C) or sub-section (3E) or has failed to pay any tax or penalty payable under this Act], or in the case of a dealer registered under sub-section (2) has ceased to be liable to pay tax under the sales tax law of the appropriate State or for any other sufficient reason.

(5) A registered dealer may apply in the prescribed manner not later than six months before the end of a year to the authority which granted his certificate of registration for the cancellation of such registration, and the authority shall, unless the dealer is liable to pay tax under this Act, cancel the registration accordingly, and where he does so, the cancellation shall take effect from the end of the year.

**Sec. 8 : Rates of tax on sales in the course of inter-State trade or commerce**

<sup>3</sup>(1) Every dealer, who in the course of inter-State trade or commerce-

(a) sells to the Government any goods; or

(b) sells to a registered dealer other than the Government goods of the description referred to in sub-section (3);

shall be liable to pay tax under this Act, which shall be <sup>4</sup>[**four per cent**] of his turnover <sup>5</sup>[ or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, whichever is lower]

(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or commerce not falling within sub-section (1)-

(a) in the case of declared goods, shall be calculated <sup>6</sup>[**at twice the rate**] applicable to the sale or purchase of such goods inside the appropriate State <sup>7</sup>[-----]

(b) in the case of goods other than declared goods, shall be calculated at the rate

<sup>1</sup> Sub-section (4) substituted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>2</sup> Subs. for 'or has ceased to exist' by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>3</sup> Sub-section (1) to (4) substituted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>4</sup> Subs. for 'three per cent.' by Finance Act, 1975, w.e.f. 1.7.75.

<sup>5</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

<sup>6</sup> Subs. for the words 'at the rate' w.e.f. 1.7.75 by *ibid.*

<sup>7</sup> the word "and " omitted by Finance Act 2002 w.e.f 11-5-2002

of <sup>1</sup>[ten per cent] or at the rate applicable to the sale or purchase of such goods inside the appropriate State, whichever is higher <sup>2</sup>[and]

<sup>3</sup>[(c) in case of goods, the sale or, as the case may be, the purchase of which, under the sales tax law of the appropriate State, exempt from tax generally shall be nil,

and for the purpose of making any such calculation under clause (a) or clause (b), any such dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.

**Explanation** - For the purposes of this sub-section a sale or purchase of any goods shall not be deemed to be exempt from tax generally under the sales tax law of the appropriate State if under that law the sale or purchase of such goods is exempt only in specified circumstances or under specified conditions or the tax is levied on the sale or purchase of such goods at specified stages or otherwise than with reference to the turnover of the goods.]

<sup>4</sup>[(2A) -----]

(3) The goods referred to in clause (b) of sub-section (1)-

<sup>5</sup>(a) [.....]

(b) <sup>6</sup>[.....] are goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for resale by him or subject to any rules made by the Central Government in this behalf, for use by him in the manufacture or processing of goods for sale <sup>7</sup>[or in the telecommunications network] or in mining or in the generation or distribution of electricity or any other form of power;

(c) are containers or other materials specified in the certificate of registration of the registered dealer purchasing the goods, being containers or materials intended for being used for the packing of goods for sale;

(d) are containers or other materials used for the packing of any goods or classes of goods specified in the certificate of registration referred to in <sup>8</sup>[.....] clause (b) or for the packing of any containers or other materials specified in the certificate of registration referred to in clause (c).

(4) The provisions of sub-section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the prescribed authority in the prescribed manner-

(a) a declaration duly filled and signed by the registered dealer to whom the

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**1** Subs. for the words 'seven per cent' by CST (Amendment) Act, 1963, w.e.f. 1.4.63.

**2** the word "and " omitted by Finance Act 2002 w.e.f 11-5-2002

**3** subs. by Finance Act 2002 w.e.f 11-5-2002

**4** omitted by Finance Act 2002 w.e.f 11-5-2002

**5** Clause (a) omitted CST (Amendment) Act, 1963, w.e.f. 1.4.63.

**6** The words 'in the case of goods other than declared goods' omitted w.e.f. 1.4.63 by *ibid.*

**7** Inserted by Finance Act 2002 w.e.f 11-5-2002

**8** The words 'clause (a) or' omitted by CST (Amendment) Act, 1963, w.e.f. 1.4.63.

goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority; or

- (b) if the goods are sold to the Government, not being a registered dealer, a certificate in the prescribed form duly filled and signed by a duly authorised officer of the Government.

<sup>1</sup>Provided that the declaration referred to in clause (a) is furnished within the prescribed time or within such further time as that authority may, for sufficient cause, permit.

<sup>2</sup>(5) Notwithstanding anything contained in this Section, the State Government may, <sup>3</sup>[on the fulfilment of the requirement laid down in sub-section (4) by the dealer,] if it is satisfied that it is necessary so to do in the public interest, by notification in the Official Gazette, and subject to such conditions as may be specified therein, direct,-

(a) that no tax under this Act shall be payable by any dealer having his place of business in the State in respect of the sales by him, in the course of inter-State trade or commerce, <sup>4</sup>[to a registered dealer or the Government] from any such place of business of any such goods or classes of goods as may be specified in the notification, or that the tax on such sales shall be calculated at such lower rates than those specified in sub-section (1) or sub-section (2) as may be mentioned in the notification;

(b) that in respect of all sales of goods or sales of such classes of goods as may be specified in the notification, which are made, in the course of inter-State trade or commerce, <sup>5</sup>[to a registered dealer or the Government] by any dealer having his place of business in the State or by any class of such dealers as may be specified in the notification to any person or to such class of persons as may be specified in the notification, no tax under this Act shall be payable or the tax on such sales shall be calculated at such lower rates than those specified in sub-section (1) or sub-section (2) as may be mentioned in the notification.

<sup>6</sup>[(6) Notwithstanding anything contained in this section, no tax under this Act shall be payable by any dealer in respect of sale of any goods made by such dealer, in the course of inter-State trade or commerce to a registered dealer for the purpose of manufacture, production, processing, assembling, repairing, reconditioning, re-engineering, packaging or for use as trading or packing material or packing accessories in an unite located in any special economic zone, if such registered dealer has been authorised to establish such unit by the authority specified by the Central Government in this behalf.

(7) The goods referred to in sub-section (6) shall be the goods of such clause or clauses of goods as specified in the certificate of registration of the registered dealer

<sup>1</sup> Proviso inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>2</sup> Sub-section (5) substituted w.e.f. 1.4.73 by *ibid.*

<sup>3</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

<sup>4</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

<sup>5</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

<sup>6</sup> Inserted by Finance Act 2002 w.e.f 11-5-2002

referred to in that sub-section.

**(8)** The provisions of sub-sections (6) and (7) shall not apply to any sale of goods made in the course of inter-State trade or commerce unless the dealer selling such goods furnished to the authority referred to in sub-section (6), a declaration in the prescribed manner in the prescribed form obtained from the authority referred to in sub-section (5), duly filled in and signed by the registered dealer to whom such goods are sold.

**Explanation** For the purposes of sub-section (6), the expression 'special economic zone' has the meaning assigned to it in clause (iii) to Explanation 2 to the proviso to section 3 of the Central Excise Act 1944]

#### **<sup>1</sup>Sec. 8-A : Determination of turnover**

**(1)** In determining the turnover of a dealer for the purposes of this Act, the following deductions shall be made from the aggregate of the sale prices, namely:

**(a)** the amount arrived at by applying the following formula :

$$\frac{\text{Rate of tax x aggregate of sale prices}}{100 \text{ plus rate of tax}}$$

Provided that no deduction on the basis of the above formula shall be made if the amount by way of tax collected by a registered dealer, in accordance with the provisions of this Act, has been otherwise deducted from the aggregate of sale prices.

**Explanation** - Where the turnover of a dealer is taxable at different rates, the aforesaid formula shall be applied separately in respect of each part of the turnover liable to a different rate of tax;

**(b)** the sale price of all goods returned to the dealer by the purchasers of such goods,-

- (i) within a period of three months from the date of delivery of the goods, in the case of goods returned before the 14th day of May, 1966;
- (ii) within a period of six months from the date of delivery of the goods, in the case of goods returned on or after the 14th day of May, 1966 :

Provided that satisfactory evidence of such return of goods and of refund or adjustment in accounts of the sale price thereof is produced before the authority competent to assess or, as the case may be, re-assess the tax payable by the dealer under this Act; and

**(c)** such other deductions as the Central Government may, having regard to the prevalent market conditions, facility of trade and interests of consumers, prescribe.

**(2)** Save as otherwise provided in sub-section (1), in determining the turnover of a dealer for the purposes of this Act, no deduction shall be made from the aggregate of the sale prices.

#### **<sup>2</sup>Sec. 9 : Levy and collection of tax and penalties**

**(1)** The tax payable by any dealer under this Act on sales of goods effected by him in the course of inter-State trade or commerce, whether such sales fall within clause (a) or clause (b) of Section 3, shall be levied by the Government of India and the tax so levied shall be collected by that Government in accordance with the provisions of

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**1** Section 8-A inserted by CST (Amendment) Act, 1969 w.e.f. 5.1.57.

**2** Section 9 substituted by CST (Amendment) Act, 1969 w.e.f. 5.1.57.

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sub-section (2), in the State from which the movement of the goods commenced :

<sup>1</sup>Provided that, in the case of a sale of goods during their movement from one State to another, being a sale subsequent to the first sale in respect of the same goods and being also a sale which does not fall within sub-section (2) of Section 6, the tax shall be levied and collected -

- (a) where such subsequent sale has been effected by a registered dealer, in the State from which the registered dealer obtained or, as the case may be, could have obtained, the form prescribed for the purposes of clause (a) of sub-section (4) of Section 8 in connection with the purchase of such goods, and
- (b) where such subsequent sale has been effected by an un-registered dealer, in the State from which such subsequent sale has been effected.

**(2)** Subject to the other provisions of this Act and the rules made thereunder, the authorities for the time being empowered to assess, reassess, collect and enforce payment of any tax under the general sales tax law of the appropriate State shall, on behalf of the Government of India, assess, reassess, collect and enforce payment of tax, including any <sup>2</sup>[interest or penalty], payable by a dealer under this Act as if the tax or [interest or penalty] payable by such a dealer under this Act is a tax or [interest or penalty] payable under the general sales tax law of the State; and for this purpose they may exercise all or any of the powers they have under the general sales tax law of the State; and the provisions of such law, including provisions relating to returns, provisional assessment, advance payment of tax, registration of the transferee of any business, imposition of the tax liability of a person carrying on business on the transferee of, or successor to, such business, transfer of liability of any firm or Hindu undivided family to pay tax in the event of the dissolution of such firm or partition of such family, recovery of tax from third parties, appeals, reviews, revisions, references, <sup>3</sup>[refunds, rebates, penalties,] <sup>4</sup>[charging or payment of interest,] compounding of offences and treatment of documents furnished by a dealer as confidential, shall apply accordingly :

Provided that if in any State or part thereof there is no general sales tax law in force, the Central Government may, by rules made in this behalf make necessary provision for all or any of the matters specified in this sub-section.

<sup>5</sup>**(2A)** All the <sup>6</sup>[provisions relating to offences, interest and penalties] (including provisions relating to penalties in lieu of prosecution for an offence or in addition to the penalties or punishment for an offence but excluding the provisions relating to matters provided for in Sections 10 and 10A) of the general sales tax law of each State shall, with necessary modifications, apply in relation to the assessment, re-assessment, collection and the enforcement of payment of any tax required to be

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**1** Proviso to sub-section (1) substituted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

**2** The word 'penalty' wherever occurred in sub-section (2) substituted by the words 'interest or penalty' by Finance Act, 2000.

**3** Subs. for 'refunds, penalties,' by CST (Amendment) Act, 1972., w.e.f. 1.4.73.

**4** Inserted by CST (Amendment) Act, 1976, w.e.f. 5.1.57.

**5** Sub-section (2A) inserted w.e.f. 7.9.76 by *ibid*.

**6** Subs. for the words 'provisions relating to offences and penalties' by Finance Act, 2000.

collected under this Act in such State or in relation to any process connected with such assessment, re-assessment, collection or enforcement of payment as if the tax under this Act were a tax under such sales tax law.

<sup>1</sup>**(2B)** If the tax payable by any dealer under this Act is not paid in time, the dealer shall be liable to pay interest for delayed payment of such tax and all the provisions for delayed payment of such tax and all the provisions relating to due date for payment of tax, rate of interest for delayed payment of tax and assessment and collection of interest for delayed payment of tax, of the general sales tax law of each State, shall apply in relation to due date for payment of tax, rate of interest for delayed payment of tax, and assessment and collection of interest for delayed payment of tax under this Act in such States as if the tax and the interest payable under this Act were a tax and an interest under such sales tax law.

**(3)** The proceeds in any financial year of any tax, <sup>2</sup>[including any interest or penalty], levied and collected under this Act in any State (other than a Union territory) on behalf of the Government of India shall be assigned to that State and shall be retained by it; and the proceeds attributable to Union territories shall form part of the Consolidated Fund of India.

<sup>3</sup>**Sec. 9-A : Collection of tax to be only by registered dealers**

No person who is not a registered dealer shall collect in respect of any sale by him of goods in the course of inter-State trade or commerce any amount by way of tax under this Act, and no registered dealer shall make any such collection except in accordance with this Act and the rules made thereunder.

<sup>4</sup>**Sec. 9-B : Rounding off of tax, etc.**

The amount of tax, interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored :

Provided that nothing in this Section shall apply for the purpose of collection by a dealer of any amount by way of tax under this Act in respect of any sale by him of goods in the course of inter-State trade or commerce.

**Sec. 10 : Penalties**

If any person -

<sup>5</sup>**(a)** furnishes a certificate or declaration under sub-section (2) of Section 6 or sub-section (1) of Section 6A or sub-section (4) <sup>6</sup>[or sub-section (8)] of Section 8, which he knows, or has reason to believe, to be false; or

**(aa)** fails to get himself registered as required by Section 7, or fails to comply with an

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<sup>1</sup> Sub-section (2B) inserted by Finance Act, 2000.

<sup>2</sup> Subs. for the words 'including any penalty' by Finance Act, 2000.

<sup>3</sup> Section 9-A inserted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>4</sup> Section 9-B inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>5</sup> Clause (a) substituted and clause (aa) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>6</sup> Inserted by Finance Act 2002 w.e.f. 11-5-2002

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order under sub-section (3A) or with the requirements of sub-section (3C) or sub-section (3E), of that Section;

(b) being a registered dealer, falsely represents when purchasing any class of goods that goods of such class are covered by his certificate of registration; or

(c) not being a registered dealer, falsely represents when purchasing goods in the course of inter-State trade or commerce that he is a registered dealer; or

(d) after purchasing any goods for any of the purposes specified in <sup>1</sup>[clause (b) or clause (c) or clause (d)] of sub-section (3) <sup>2</sup>[or sub-section (6)] of Section 8 fails, without reasonable excuse, to make use of the goods for any such purpose;

(e) has in his possession any form prescribed for the purpose of sub-section (4) <sup>3</sup>[or sub-section (8)] of Section 8 which has not been obtained by him or by his principal or by his agent in accordance with the provisions of this Act or any rules made thereunder;

<sup>4</sup>(f) collects any amount by way of tax in contravention of the provisions contained in Section 9A;

he shall be punishable with simple imprisonment which may extend to six months, or with fine, or with both; and when the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

**<sup>5</sup>Sec. 10-A : Imposition of penalty in lieu of prosecution**

<sup>6</sup>(1) If any person purchasing goods is guilty of an offence under clause (b) or clause (c) or clause (d) of Section 10, the authority who granted to him or, as the case may be, is competent to grant to him a certificate of registration under this Act, may, after giving him a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one-and-a-half times <sup>7</sup>[the tax which would have been levied under sub-section (2) of Section 8 in respect of the sale to him of the goods, if the sale had been a sale falling within that sub-section]:

Provided that no prosecution for an offence under Section 10 shall be instituted in respect of the same facts on which a penalty has been imposed under this Section.

(2) The penalty imposed upon any dealer under sub-section (1) shall be collected by the Government of India in the manner provided in sub-section(2) of Section 9

(a) in the case of an offence falling under clause (b) or clause (d) of Section 10, in the State in which the person purchasing the goods obtained the form prescribed for the purposes of clause (a) of sub-section (4) of Section 8 in connection with the purchase of such goods;

(b) in the case of an offence falling under clause (c) of Section 10, in the State in

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<sup>1</sup> Subs. for the words 'clause (b)' w.e.f. 1.4.73 by *ibid.*

<sup>2</sup> Inserted by Finance Act 2002 w.e.f. 11-5-2002

<sup>3</sup> Inserted by Finance Act 2002 w.e.f. 11-5-2002

<sup>4</sup> Clause (f) inserted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>5</sup> Section 10-A was inserted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>6</sup> Section 10-A was re-numbered as sub-section (1) and sub-section (2) was inserted by CST (Amendment) Act, 1969, with retrospective effect from 1.10.58.

<sup>7</sup> Subs. by CST (Amendment) Act, 1972, w.e.f. 1.4.73.



which the person purchasing the goods should have registered himself if the offence had not been committed.

**Sec. 11 : Cognizance of offences**

(1) No court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the Government within the local limits of whose jurisdiction the offence has been committed or of such officer of that Government as it may, by general or special order, specify in this behalf, and no court inferior to that of a presidency magistrate or a magistrate of the first class shall try any such offence.

(2) All offences punishable under this Act shall be cognizable and bailable.

**Sec. 12 : Indemnity**

No suit, prosecution or other legal proceeding shall lie against any officer of Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

**Sec. 13 : Power to make rules**

(1) The Central Government may, by notification in the Official Gazette, make rules providing for-

(a) the manner in which applications for registration may be made under this Act, the particulars to be contained therein, the procedure for the grant of such registration, the circumstances in which registration may be refused and the form in which the certificate of registration may be given;

<sup>1</sup>[ (aa) the form and the manner for furnishing declaration under sub-section (8) of section 8]

(b) the period of turnover, the manner in which the turnover in relation to the sale of any goods under this Act shall be determined, and the deductions which may be made <sup>2</sup>[under clause (c) of sub-section (1) of Section 8A] in the process of such determination;

(c) the cases and circumstances in which, and the conditions subject to which, any registration granted under this Act may be cancelled;

<sup>3</sup>(d) the form in which and the particulars to be contained in any declaration or certificate to be given under this Act, <sup>4</sup>[the State of origin of such form or certificate and the time within which any such certificate or declaration shall be produced or furnished];

(e) the enumeration of goods or class of goods used in the manufacture or processing of goods for sale or in mining or in the generation or distribution of electricity or any other form of power;

(f) the matters in respect of which provision may be made under the proviso to

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<sup>1</sup> Inserted by Finance Act 2002 w.e.f. 11-5-2002

<sup>2</sup> Inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>3</sup> Clause (d) substituted and clauses (e), (f) & (g) inserted by CST (Second Amendment) Act, 1958 w.e.f. 1.10.58.

<sup>4</sup> Inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>1</sup>[sub-section (2)] of Section 9;

(g) the fees payable in respect of applications under this Act.

<sup>2</sup>[ (h) the proper functioning of the Authority constituted under section 19;

(i) the salaries and allowances payable to and the terms and conditions of service of the Chairman and Members under sub-section(3) of section 19;

(j) any other matters as may be prescribed.]

<sup>3</sup>(2) Every rule made by the Central Government under sub-section (1) 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 immediately following the session 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.

(3) The State Government may make rules, not inconsistent with the provisions of this Act and the rules made under sub-section (1), to carry out the purposes of this Act.

(4) In particular and without prejudice to the powers conferred by sub-section (3), the State Government may make rules for all or any of the following purposes, namely :

(a) the publication of lists of registered dealers, of the amendments made in such lists from time to time, and the particulars to be contained in such lists;

<sup>4</sup>(aa) the manner in which security may be furnished under sub-section (2A) or sub-section (3A) or sub-section (3C) of Section 7 and the manner in which and the time within which any deficiency may be made up under sub-section (3E) of that Section;

(b) the form and manner in which accounts relating to sales in the course of inter-State trade or commerce shall be kept by registered dealers;

(c) the furnishing of any information relating to the stocks of goods of, purchases, sales and deliveries of goods by, any dealer or any other information relating to his business as may be necessary for the purposes of this Act;

(d) the inspection of any books, accounts or documents required to be kept under this Act, the entry into any premises at all reasonable times for the purposes of searching for any such books, accounts or documents kept or suspected to be kept in such premises and the seizure of such books, accounts or documents;

<sup>5</sup>(e) the authority from whom, the conditions subject to which and the fees subject to payment of which any form of certificate prescribed under clause (a) of the

<sup>1</sup> Subs. for the words 'sub-section (3)' by CST (Amendment) Act, 1969, w.e.f. 5.1.57.

<sup>2</sup> In clause (h)(i)(j) inserted by CST (Amendment) Act, 2001

<sup>3</sup> Sub-section (2) substituted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>4</sup> Clause (aa) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>5</sup> Clause (e) substituted and clause (ee) inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

first proviso to sub-section (2) of Section 6 or of declaration prescribed under sub-section (1) of Section 6A or sub-section (4) of Section 8 may be obtained, the manner in which such forms shall be kept in custody and records relating thereto maintained and the manner in which any such form may be used and any such certificate or declaration may be furnished;

- (ee) the form and manner in which, and the authority to whom, an appeal may be preferred under sub-section (3H) of Section 7, the procedure to be followed in hearing such appeals and the fees payable in respect of such appeals;
- (f) in the case of an undivided Hindu family, association, club, society, firm or company or in the case of a person who carries on business as a guardian or trustee or otherwise on behalf of another person, the furnishing of a declaration stating the name of the person who shall be deemed to be the manager in relation to the business of the dealer in the State and the form in which such declaration may be given;
- (g) the time within which, the manner in which and <sup>1</sup>[the authorities to whom] any change in the ownership of any business or in <sup>2</sup>[the name, place or nature] of any business carried on by any dealer shall be furnished.

(5) In making any rule under this Section <sup>3</sup>[the Central Government or, as the case may be, the State Government] may direct that a breach thereof shall be punishable with fine which may extend to five hundred rupees and when the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

## CHAPTER IV

### Goods of special importance in inter-State trade or commerce

#### Sec. 14 : Certain goods to be of special importance in inter-State trade or commerce

It is hereby declared that the following goods are of special importance in inter-State trade or commerce :

<sup>4</sup>(i) Cereals, that is to say,-

- (i) Paddy (*Oryza sativa L.*);
- (ii) rice (*Oryza sativa L.*);
- (iii) wheat (*Triticum vulgare, T : compactum, T. sphaerococcum, T. durum, T. aestivum L., T. dicoccum*);
- (iv) jowar or milo (*Sorghum vulgare Pers.*);
- (v) bajra (*Pennisetum typhoideum L.*);
- (vi) maize (*Zea mays L.*);
- (vii) ragi (*Eleusine coracana Gaertn.*);
- (viii) kodon (*Paspalum scrobiculatum L.*);

<sup>1</sup> Subs. for 'the authorities to which' by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58

<sup>2</sup> Subs. for the words 'the nature' w.e.f. 1.10.58 by *ibid.*

<sup>3</sup> Subs. for the 'State Government' by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

<sup>4</sup> Original clause (i) renumbered as clause (i-a) and new clause (i) inserted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

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- (ix) kutki (*Panicum miliare L.*);
- (x) barley (*Hordeum vulgare L.*);

**(ia)** coal including coke in all its forms, but excluding charcoal :

Provided that during the period commencing on the 23rd day of February, 1967, and ending with the date of commencement of Section 11 of the Central Sales Tax (Amendment) Act, 1972 (61 of 1972), this clause shall have effect subject to the modification that the words “but excluding charcoal” shall be omitted;

**(ii)** cotton, that is to say, all kinds of cotton (indigenous or imported) in its un-manufactured state, whether ginned or unginned, baled, pressed or otherwise, but not including cotton waste;

<sup>1</sup>**(ii-a)** cotton fabrics covered under heading Nos. 52.05, 52.06, 52.07, 52.08, 52.09, 52.10, 52.11, 52.12, 58.01, 58.02, 58.03, 58.04, 58.05, <sup>2</sup>[58.06], 59.01, 59.03, 59.05, 59.06 and 60.01 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

**(ii-b)** cotton yarn, but not including cotton yarn waste;

<sup>3</sup>**(ii-c)** crude oil, that is to say, crude petroleum oils and crude oils obtained from bituminous minerals (such as shale, calcareous rock, sand), whatever their composition, whether obtained from normal or condensation oil-deposits or by the destructive distillation of bituminous minerals and whether or not subjected to all or any of the following processes :

- (1) decantation;
- (2) de-salting;
- (3) dehydration;
- (4) stabilisation in order to normalise the vapour pressure;
- (5) elimination of very light fractions with a view to returning them to the oil-deposits in order to improve the drainage and maintain the pressure;
- (6) the addition of only those hydrocarbons, previously recovered by physical methods during the course of the above-mentioned processes;
- (7) any other minor process (including addition of pour point depressants or flow improvers) which does not change the essential character of the substance;

<sup>4</sup>**(ii-d)** Aviation turbine fuel sold to a Turbo-Prop Aircraft

**Explanation** - For the purposes of this clause, “Turbo-Prop Aircraft” means an aircraft deriving thrust, mainly from propeller, which may be driven by either turbine engine or piston engine.

**(iii)** hides and skins, whether in a raw or dressed state;

<sup>5</sup>**(iv)** iron and steel, that is to say,-

- (i) <sup>6</sup>[pig iron, sponge iron and] cast iron including <sup>1</sup>[ingot moulds, bottom

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1 Clause (ii-a) substituted by the Finance Act, 1988, w.e.f. 1.4.88.

2 Inserted by Finance Act, 1989, w.e.f. 12.5.89.

3 Clause (ii-c) inserted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

4 **Clause (ii-d) inserted by Finance Act, 2001.**

5 Clause (iv) substituted by CST (Amendment) 1972, w.e.f. 1.4.73.

6 **Subs. for the words ‘pig iron and’ by Finance Act, 2001.**

- (ii) steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes);
- (iii) skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars;
- (iv) steel bars (rounds, rods, squares, flats, octagons and hexagons, plain and ribbed or twisted, in coil form as well as straight lengths);
- (v) steel structurals (angles, joists, channels, tees, sheet piling Sections, Z Sections or any other rolled Sections);
- (vi) sheets, hoops, strips and skelp, both black and galvanised, hot and cold rolled, plain and corrugated, in all qualities, in straight lengths and in coil form, as rolled and in rivetted condition;
- (vii) plates both plain and chequered in all qualities;
- (viii) discs, rings, forgings and steel castings;
- (ix) tool, alloy and special steels of any of the above categories;
- (x) steel melting scrap in all forms including steel skull, turnings and borings;
- (xi) steel tubes, both welded and seamless, of all diameters and lengths, including tube fittings;
- (xii) tin-plates, both hot dipped and electrolytic and tin-free plates;
- (xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails-heavy and light crane rails;
- (xiv) wheels, tyres, axles and wheel sets;
- (xv) wire rods and wires-rolled, drawn, galvanised, aluminised, tinned or coated such as by copper;
- (xvi) defectives, rejects, cuttings or end pieces of any of the above categories;

<sup>2</sup>(v) jute, that is to say, the fibre extracted from plants belonging to the species *Corchorus capsularis* and *Corchorus olitorius* and the fibre known as *mesta* or *bimli* extracted from plants of the species *Hibiscus cannabinus* and *Hibiscus subdariffa-varalattissima* and the fibre known as *Sunn* or *Sunn-hemp* extracted from plants of the species *Crotalaria juncea* whether baled or otherwise;

(vi) oilseeds, that is to say,-

- (i) groundnut or peanut (*Arachis hypogaea*);
- (ii) sesamum or Til (*Sesamum oriental*);
- (iii) cotton seed (*Gossypium Spp.*);
- (iv) soyabean (*Glycine seja*);
- (v) rapeseed and mustard
  - (1) toria (*Brassica campestris var toria*);
  - (2) rai (*Brassica Juncea*);
  - (3) jamba-taramira (*Eruca Satiya*);
  - (4) sarson, yellow and brown (*Brassica campestris var sarson*);
  - (5) banarsi Rai or True Mustard (*Brassica nigra*);

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1 Subs. for 'ingot moulds bottom plates' by the Repealing and Amending Act, 1978 w.e.f. 26.11.78.

2 Clause (v) & (vi) substituted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

- (vi) linseed (*Linum usitatissimum*);
- (vii) castor (*Ricinus communis*);
- (viii) coconut (*i.e.* Copra excluding tender coconuts) (*Cocos nucifera*);
- (ix) sunflower (*Helianthus annuus*);
- (x) nigar seed (*Guizotia abyssinica*);
- (xi) neem, vepa (*Azadirachta indica*);
- (xii) mahua, Illupai, Ippe (*Madhuca indica* M. *Latifolia*, *Bassia*, *Latifolia* and *Madhuca longifolia* syn *M Longifolia*);
- (xiii) karanja, Pongam, Honga (*Pongamia pinnata* syn. *P. Glabra*);
- (xiv) kusum (*Schleichera oleosa*, syn. *S. Trijuga*);
- (xv) punna, Undi (*Calophyllum inophyllum*);
- (xvi) kokum (*Carcinia indica*);
- (xvii) sal (*Shorea robusta*);
- (xviii) tung (*Aleurites fordii* and *A. montana*);
- (xix) red palm (*Elaeis guinensis*);
- (xx) safflower (*Carthamus tinctorius*);]

<sup>1</sup>(vi-a) pulses, that is to say,-

- (i) gram or gulab gram (*Cicerarietinum* L.);
- (ii) tur or arhar (*Cajanus cajan*);
- (iii) moong or green gram (*Phaseolus aureus*);
- (iv) masur or lentil (*Lens esculenta* Moench, *Lens culinaris* Medic);
- (v) urad or black gram (*Phaseolus mungo*);
- (vi) moth (*phaseolus aconitifolius* Jacq);
- (vii) lakh or khesari (*Lathyrus sativus* L):

<sup>2</sup>(vii) man-made fabrics covered under heading Nos. 54.08, 54.09, 54.10, 54.11, 54.12, 55.07, 55.08, 55.09, 55.10, 55.11, 55.12, 58.01, 58.02, 58.03, 58.04, 58.05, <sup>3</sup>[58.06], 59.01, 59.02, 59.03, 59.05, 59.06 and 60.01 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

(viii) sugar covered under sub-heading Nos. 1701.20, 1701.31, 1701.39 and 1702.11 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

(ix) unmanufactured tobacco and tobacco refuse covered under sub-heading No. 2401.00, cigars and cheroots of tobacco covered under heading No. 2402, cigarettes and cigarillos of tobacco covered under sub-heading Nos. 2403.11 and 2403.21 and other manufactured tobacco covered under sub-heading Nos. 2404.11, 2404.12, 2404.13, 2404.19, 2404.21, 2404.29, 2404.31, 2404.39, 2404.41, <sup>4</sup>[2404.50 and 2404.60] of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

(x) woven fabrics of wool covered under heading Nos. 51.06, 51.07, 58.01, 58.02, 58.03 and 58.05 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

<sup>5</sup>(xi) [Omitted w.e.f. 11.5.68]

1 Clause (vi-a) inserted by CST (Amendment) Act, 1976, w.e.f. 7.9.76.

2 Clause (vii), (viii), (ix) and (x) of substituted by the Finance Act, 1988, w.e.f. 1.4.88.

3 Inserted by Finance Act, 1989, w.e.f. 12.5.89.

4 Subs. for the words 'and 2404.50' by Finance Act, 1989, w.e.f. 12.5.89.

5 Clause (xi), which was relating to silk fabrics omitted by Finance Act, 1968, w.e.f. 11.5.68.

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**<sup>1</sup>Sec. 15 : Restrictions and conditions in regard to tax on sale or purchase of declared goods within a State**

Every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of declared goods, be subject to the following restrictions and conditions, namely :

(a) the tax payable under that law in respect of any sale or purchase of such goods inside the State shall not exceed <sup>2</sup>[**four per cent**] of the sale or purchase price thereof, <sup>3</sup>[-----]

(b) where a tax has been levied under that law in respect of the sale or purchase inside the State of any declared goods and such goods are sold in the course of inter-State trade or commerce, <sup>4</sup>[and tax has been paid under this Act in respect of the sale of such goods in the course of inter-State trade or commerce, the tax levied under such law] <sup>5</sup>[shall be reimbursed to the person making such sale in the course of inter-State trade or commerce in such manner and subject to such conditions as may be provided in any law in force in that State;]

<sup>6</sup>(c) where a tax has been levied under that law in respect of the sale or purchase inside the State of any paddy referred to in sub-clause (i) of clause (i) of Section 14, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy;

<sup>7</sup>(ca) where a tax on sale or purchase of paddy referred to in sub-clause (i) of clause (i) of Section 14 is leviable under that law and the rice procured out of such paddy is exported out of India, then, for the purposes of sub-section (3) of Section 5, the paddy and rice shall be treated as a single commodity;

(d) each of the pulses referred to in clause (via) of Section 14, whether whole or separated, and whether with or without husk, shall be treated as a single commodity for the purposes of levy of tax under that law.

## **<sup>8</sup>CHAPTER V**

### **Liability in special cases**

#### **Sec. 16 : Definitions**

In this Chapter -

(a) **Appropriate authority**, in relation to a company, means the authority competent to assess tax on the company;

(b) **Company** and **Private company** have the meanings respectively assigned to them by clauses (i) and (iii) of sub-section (1) of Section 3 of the Companies Act,

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<sup>1</sup> Section 15 substituted by CST (Second Amendment) Act, 1958, w.e.f. 1.10.58.

<sup>2</sup> Subs. for 'three per cent' by Finance Act, 1975, w.e.f. 1.7.75.

<sup>3</sup> omitted by Finance Act 2002 w.e.f. 11-5-2002

<sup>4</sup> Subs. for 'the tax so levied' by CST (Amendment) Act, 1972, w.e.f. 1.10.58.

<sup>5</sup> Subs. for 'shall be refunded to such person' by CST (Amendment) Act, 1972 w.e.f. 1.4.73.

<sup>6</sup> Clause (c) & (d) inserted by CST (Amendment) Act 1976, w.e.f. 7.9.76

<sup>7</sup> Clause (ca) inserted by Finance (No.2) Act, 1996, w.e.f. 28.9.96.

<sup>8</sup> Chapter - V inserted by CST (Amendment) Act, 1972, w.e.f. 1.4.73.

1956 (1 of 1956).

**Sec. 17 : Company in liquidation**

(1) Every person -

(a) who is the liquidator of any company which is being wound up, whether under the orders of a court or otherwise; or

(b) who has been appointed the receiver of any assets of a company, (hereinafter referred to as the liquidator) shall, within thirty days after he has become such liquidator, give notice of his appointment as such to the appropriate authority.

(2) The appropriate authority shall, after making such inquiry or calling for such information as it may deem fit, notify to the liquidator within three months from the date on which he receives notice of the appointment of the liquidator the amount which, in the opinion of the appropriate authority would be sufficient to provide for any tax which is then, or is likely thereafter to become, payable by the company.

(3) The liquidator shall not part with any of the assets of the company or the properties in his hands until he has been notified by the appropriate authority under sub-section (2) and on being so notified, shall set aside an amount equal to the amount notified and, until he so sets aside such amount, shall not part with any of the assets of the company or the properties in his hands :

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties in compliance with any order of a court or for the purpose of the payment of the tax payable by the company under this Act or for making any payment to secured creditors whose debts are entitled under law to priority of payment over debts due to Government on the date of liquidation or for meeting such costs and expenses of the winding up of the company as are in the opinion of the appropriate authority reasonable.

(4) If the liquidator fails to give the notice in accordance with sub-section (1) or fails to set aside the amount as required by, or parts with any of the assets of the company or the properties in his hands in contravention of the provisions of sub-section (3), he shall be personally liable for the payment of the tax which the company would be liable to pay :

Provided that if the amount of any tax payable by the company is notified under sub-section (2), the personal liability of the liquidator under this sub-section shall be to the extent of such amount.

(5) Where there are more liquidators than one, the obligations and liabilities attached to the liquidator under this Section shall attach to all the liquidators jointly and severally.

(6) The provisions of this Section shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

**Sec. 18 : Liability of directors of private company in liquidation**

Notwithstanding anything contained in the Companies Act, 1956 (1 of 1956), when any private company is wound up after the commencement of this Act, and any tax assessed on the company under this Act for any period, whether before or in the course of or after its liquidation, cannot be recovered, then, every person who was a director of the private company at any time during the period for which the tax is due shall be jointly and severally liable for the payment of such tax unless he proves that



the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

## <sup>1</sup>[CHAPTER VI

### Authority to settle disputes in course of inter-State trade or commerce

#### **Sec. 19 : Central Sales Tax Appellate Authority**

(1) The Central Government shall constitute, by notification in the Official Gazette, an authority to settle inter-State disputes falling under section 6-A or Section 9 of this Act, to be known as "the Central Sales Tax Appellate Authority" (hereinafter referred to as the Authority).

(2) The Authority shall consist of the following Members appointed by the Central Government, namely :

(a) a Chairman, who is retired Judge of the Supreme Court, or a retired Chief Justice of a High Court ;

(b) an officer of the Indian Legal Service who is, or is qualified to be, an Additional Secretary to the Government of India ; and

(c) an officer of a State Government not below the rank of Secretary or an officer of the Central Government not below the rank of Additional Secretary, who is an expert in sales tax matters.

(3) The salaries and allowances payable to, and the terms and conditions of service of, the Chairman and Members shall be such as may be prescribed.

(4) The Central Government shall provide the Authority with such officers and staff as may be necessary for the efficient exercise of the powers of the Authority under this Act.

#### **Sec. 20 : Appeals**

(1) The provisions of this Chapter shall apply to appeals filed by the aggrieved dealer against any order of the assessing authority made under Section 6-A or Section 9 of this Act.

(2) Notwithstanding anything contained in the general sales tax laws, the Authority shall adjudicate an appeal filed by a dealer aggrieved against any order of the assessing authority rejecting his claim under Section 6-A or Section 9 of this Act.

(3) An appeal against the order of the assessing authority rejecting the claim of the dealer under Section 6-A or Section 9 of this Act may be filed by the aggrieved dealer within forty-five days from the date on which the order is served on him :

provided that the authority may entertain any appeal after expiry of the said period of forty-five days, not later than sixty days, from the date aforesaid if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

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<sup>1</sup> Chapter VI and sections 19 to 26 inserted by CST (Amendment) Act 2001

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(4) The application shall be made in quadruplicate and be accompanied by a fee of five thousand rupees.

**Sec. 21 : Procedure on receipt of application**

(1) On receipt of an appeal, the Authority shall cause copy thereof to be forwarded to the assessing authority concerned and to call upon it to furnish the relevant records :

Provided that such records shall, as soon as possible, be returned to the assessing authority.

(2) The Authority shall adjudicate and decide upon the appeal filed against an order of the assessing authority.

(3) The Authority after examining the appeal and the records called for. by order, either allow or reject the appeal :

Provided that no appeal shall be rejected unless an opportunity has been given to the appellant of being heard in person or through a duly authorised representative :

Provided further that whether an appeal is rejected or accepted, reasons for such rejection of acceptance shall be given in the order.

(4) The Authority shall make an endeavour to pronounce its order in writing within six months of the receipt of the appeal ;

(5) A copy of every order made under sub-section (3) shall be sent to the appellant and to the assessing authority.

**Sec. 22 : Power of the Authority**

(1) The Authority shall have the same powers as are vested in a court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely :

(a) enforcing the attendance of any person, examining him on oath or affirmation;

(b) compelling the production of accounts and documents;

(c) issuing commission for the examination of witnesses ;

(d) the reception of evidence on affidavits ;

(e) any other matter which may be prescribed.

(2) Every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of Sections 193 and 228 of the Indian Penal Code and the Authority shall be deemed to be a civil court for the purposes of Section 195 and chapter XXVI of the code of Criminal Procedure, 1973.

**Sec. 23 : Procedure of Authority**

The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of power under this Act.

**Sec. 24 : Authority for advance rulings to function as Authority under this Act**

(1) Notwithstanding anything contained in any other law for the time being in force and in Section 19 of this Act, the Authority for Advance Rulings constituted under Section 245-O of the Income Tax Act, 1961 shall be notified by the Central Government in the Official Gazette, with such modifications as may be necessary, to

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make its composition in conformity with Section 19 of this Act, as the Authority under this Act till such time an Authority is constituted under that Section.

(2) On and from the date of the constitution of the Authority in accordance with the provisions of Section 19 of this Act, the proceedings pending with the Authority for Advance Ruling shall stand transferred to the Authority constituted under that Section from the stage at which such proceedings stood before the date of constitution of the said Authority.

**Sec. 25 : Transfer of pending proceedings**

On and from the date when the Authority is constituted under section 19, every appeal arising out of the provisions contained in this chapter,-

(i) which is pending immediately before the constitution of such Authority before the appeal authority constituted under the General Sales Tax Law of a State or of the Union Territory, as the case may be; or

(ii) which would have been required to be taken before such appellate authority, shall stand transferred to such authority on the date on which it is established.

**Sec. 26 : Applicability of order passed**

An order by the authority under this Chapter shall be binding on the assessing authorities and other authorities created by or under any law relating to general sales tax, in force for the time being in any State or Union territory.]

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## The Central Sales Tax (R & T) Rules, 1957

<sup>1</sup>S.R. No. 644

Dated 28-2-57

In exercise of the powers conferred by sub-section (1) of Section 13 of the Central Sales Tax Act, 1956 (74 of 1956), the Central Government hereby makes the following rules, namely :

**Rule 1** : These rules may be called the Central Sales Tax (Registration and Turnover) Rules, 1957.

**Rule 2** : In these rules, unless the context otherwise requires -

- (a) **Act** means the Central Sales Tax Act, 1956;
- <sup>2</sup>(aa) **Authorised officer** means an officer authorised by the Central Government under clause (b) of sub-section (4) of Section 8;
- <sup>3</sup>(aaa) **Company** means a company as defined in Section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of Section 591 of that Act;
- (b) **Form** means a form appended to these rules;
- (c) **Notified authority** means the authority specified under sub-section (1) of Section 7;
- <sup>4</sup>(cc) **Prescribed authority** means the authority empowered by the Central Government under <sup>5</sup>[sub-section (2) of Section 9], or the authority prescribed by a State Government under clause (e) of sub-section (4) of Section 13, as the case may be;
- (d) **Section** means a Section of the Act;
- <sup>6</sup>(dd) [.....]
- (e) **Warehouse** means any enclosure, building or vessel in which a dealer keeps a stock of goods for sale.

### CERTIFICATE OF REGISTRATION

**Rule 3 : (1)** An application for registration under Section 7 shall be made by a dealer to the notified authority in Form 'A' and shall be-

(a) signed by the proprietor of the business, or, in the case of a firm, by one of its partners, or, in the case of a Hindu undivided family, by the *karta* or manager of the family, or, in the case of a company <sup>7</sup>[.....], by a director, managing agent or

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<sup>1</sup> Published in the Gazette of India on 28.2.57.

<sup>2</sup> Clause (aa) inserted by GSR No. 896, dt. 23.9.58.

<sup>3</sup> Clause (aaa) inserted by the CST (Amendment) Rules, 1974 w.e.f. 1.2.74.

<sup>4</sup> Clause (cc) inserted by GSR No. 896, dt. 23.9.58.

<sup>5</sup> Subs. for 'sub-section (3) of section 9' by CST (Amendment) Rules, 1973, w.e.f. 1.4.73.

<sup>6</sup> Rule 2 (dd) omitted w.e.f. 1.4.73 by *ibid*.

<sup>7</sup> The words 'incorporated under the Companies Act, 1956' omitted by CST (Amendment)

principal officer thereof, or, in case of a Government, by an officer duly authorised by that Government, or, in the case of any other association of individuals, by the principal officer managing the business; and

(b) verified in the manner provided in the said Form 'A'.

(2) Where a dealer has more than one place of business within a State, he shall make a single application in respect of all such places, name in such application one of such places as the principal place of business for the purposes of these rules and submit such application to the notified authority specified in respect of the principal place of business so named :

Provided that any place so named shall not in any case be different from the place, if any, declared by him to be the principal place of business, by whatever name called, under the general sales tax law of the State.

**Rule 4 : (1)** An application for registration under sub-section (1) of Section 7 shall be made not later than thirty days from the date on which the dealer becomes liable to pay tax under this Act.

(2) An application for registration under sub-section (2) of Section 7 may be made at any time after the commencement of the Act.

<sup>1</sup>(3) A fee of <sup>2</sup>[rupees twenty five] shall be payable in respect of every application for registration under sub-rule (1) or sub-rule (2); and such fee may be paid in the form of court fee stamps affixed to such application.

**Rule 5 : (1)** When the notified authority is satisfied, after making such enquiry as it thinks necessary, that the particulars contained in the application are correct and complete <sup>3</sup>[and the fee referred to in sub-rule (3) of rule 4 has been paid ], it shall register the dealer and grant him a certificate of registration in Form 'B' and also a copy of such certificate for every place of business within the State other than the principal place of business mentioned therein.

<sup>4</sup>(2) When the said authority is not satisfied that the particulars contained in the application are correct and complete, or where the fee referred to in sub-rule (3) of rule 4 has not been paid, he shall reject the application for reasons to be recorded in writing :

Provided that before the application is rejected the applicant shall be given an opportunity of being heard in the matter and, as the case may be, of correcting and completing the said particulars or complying with the requirements of sub-rule (3) of rule 4.

**Rule 6 :** The certificate of registration granted under sub-rule (1) of rule 5 shall be kept at the principal place of business mentioned in such certificate and a copy of such certificate granted under the said sub-rule shall be kept at every place of

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Rules, 1974 w.e.f. 1.2.74.

1 Sub-rule (3) inserted by GSR No. 896, dt. 23.9.58.

2 Subs. for the words 'rupees five' vide GSR No. 395 (E) dt. 14.4.87, w.e.f. 14.4.87.

3 Inserted by GSR No. 896, dt. 23.9.58.

4 Subs. by GSR No. 896, dt. 23.9.58.

business within the State other than the principal place of business, mentioned in such certificate.

**Rule 7 : (1)** Where a dealer desires the certificate of registration granted to him under these rules to be amended, he shall submit an application for this purpose to the notified authority setting out the specific matters in respect of which he desires such amendment and the reasons therefor, together with the certificate of registration and the copies thereof, if any, granted to him; and such authority may, if satisfied with the reasons given, make such amendments, as it thinks necessary, in the certificate of registration and the copies thereof, if any, granted to him.

(2) The provisions of rule 6 shall apply in relation to such amended certificate and copies thereof, as they apply in relation to the original certificate and copies thereof.

**<sup>1</sup>Rule 8 : (1)** Where the certificate of registration granted to a dealer is lost, destroyed, defaced or mutilated he may on application made in this behalf to the notified authority and on payment of a fee of <sup>2</sup>[**rupees five**] obtain a duplicate copy of such certificate.

(2) The fee payable under sub-rule (1) shall be paid in the form of court-fee stamps.

### **<sup>3</sup>AMENDMENT OR CANCELLATION OF CERTIFICATE OF REGISTRATION**

**Rule 9 : (1)** A notified authority shall, before amending or cancelling, as the case may be, the certificate of registration of a dealer under sub-section (4) of Section 7, give him an opportunity of being heard in the matter.

(2) If the certificate of registration is proposed to be amended, the dealer shall forthwith produce to the notified authority the certificate of registration and the copies thereof, if any, granted to him, for having them amended.

(3) If the certificate of registration is cancelled, the dealer shall forthwith surrender to the notified authority the certificate of registration and the copies thereof, if any, granted to him.

**Rule 10 :** If any dealer desires to apply under sub-section (5) of Section 7 for the cancellation of his registration, he shall submit within the time specified in that sub-section to the notified authority an application in that behalf together with the certificate of registration and copies thereof, if any, granted to him; and such application shall be dealt with in accordance with the provisions of that sub-section.

### **DETERMINATION OF TURNOVER**

**Rule 11 : <sup>4</sup>(1)** The period of turnover in relation to any dealer liable to pay tax under this Act shall be the same as the period in respect of which he is liable to submit returns under the general sales tax law of the appropriate State :

Provided that in relation to a dealer who is not liable to submit returns under the general sales tax law of the appropriate State, the period of turnover shall be a quarter

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<sup>1</sup> Subs. by S.R.O No. 3613, dt. 6.11.57.

<sup>2</sup> Subs. for the words 'two rupees' vide GSR No. 395 (E), dt. 14.4.87.

<sup>3</sup> The heading and Rule 9 substituted by GSR No. 896, dt. 23.9.58.

<sup>4</sup> Sub-rule (2) inserted by S.R.O. No. 3613, dt. 6.11.57

ending on the 30th June, 30th September, 31st December and 31st March, as the case may be, in a financial year.

<sup>1</sup>(2)[.....]

<sup>2</sup>**Rule 12 : (1)** The declaration and the certificate referred to in sub-section (4) of Section 8 shall be in Forms 'C' and 'D' respectively :

<sup>3</sup>Provided that Form 'C' in force before the commencement of the Central Sales Tax (Registration and Turnover) (Amendment) Rules, 1974, or before the commencement of the Central Sales Tax (Registration and Turnover) (Amendment) Rules, 1976, may also be used up to the 31st December, <sup>4</sup>[1980] with suitable modifications;

<sup>5</sup>Provided further that no single declaration or certificate shall cover more than one transaction of sale, except in cases where the total amount of sales made in a <sup>6</sup>[financial year], covered by one declaration or certificate, is equal to or less than <sup>7</sup>[Rupees one lakh] or such other amount as the Central Government may, by a general order, notify in the Official Gazette;

<sup>8</sup>Provided further that a single declaration may cover all transactions of sale which take place in one financial year between the same two dealers;

<sup>9</sup>Provided also that where, in the case of any transaction of sale, the delivery of goods is spread over to different financial years it shall be necessary to furnish a separate declaration or certificate in respect of goods so delivered in each financial year.

<sup>10</sup>(2) Where a blank or duly completed form of declaration is lost, whether such loss occurs while it is in the custody of the purchasing dealer or in transit to the selling dealer, the purchasing dealer shall furnish in respect of every such form so lost an indemnity bond <sup>11</sup>[in Form G] to the notified authority from whom the said form was obtained, for such sum as the said authority may, having regard to the circumstances of the case, fix. Such indemnity bond shall be furnished by the selling dealer to the notified authority of his State if a duly completed form of declaration received by him is lost, whether such loss occurs while it is in his custody or while it is in transit to the

<sup>1</sup> Rule 11 (2) omitted by GSR No. 1362, dt. 9.6.69.

<sup>2</sup> Subs. by GSR No. 896, dt. 23.9.58.

<sup>3</sup> Subs. by CST (Amendment) Rules, 1976.

<sup>4</sup> Subs. for '1979' by CST (Amendment) Rules, 1979.

<sup>5</sup> Inserted by Noti. No. 2017, dt. 4.11.68, w.e.f. 1.12.68.

<sup>6</sup> Subs. for 'year' by CST (Amendment) Rules, 1973, w.e.f. 1.4.73.

<sup>7</sup> Subs. for 'Rs. 25,000' by the CST (Amendment) Rules, 1993, w.e.f. 16.10.93.

<sup>8</sup> This proviso has been inserted by CST Amendment Rules, 1998, w.e.f. 7.8.98. As per Circular dt. 6.7.99 issued by the Ministry of Finance, Govt. of India, this amendment will be applicable w.e.f. 7.8.98 *i.e.* from the date of issue of the notification. Therefore, only the purchases made on or after 7.8.98 will be covered by this new provision.

<sup>9</sup> This proviso has been inserted by CST Amendment Rules, 1975, w.e.f. 30.12.75.

<sup>10</sup> The then existing sub-rule (2) was re-numbered as sub-rule (4) and before renumbered sub-rule (4), sub-rules (2) & (3) were inserted by GSR No. 2017, dt. 4.11.68, w.e.f. 1.12.68.

<sup>11</sup> Inserted by CST Amendment Rules, 1975, w.e.f. 30.12.75.

notified authority of his State :

<sup>1</sup>Provided that where more than one form of declaration is lost, the purchasing dealer or the selling dealer, as the case may be, may furnish one such indemnity bond to cover all the forms of declarations so lost.

**(3)** Where a declaration form furnished by the dealer purchasing the goods or the certificate furnished by the Government has been lost, the dealer selling the goods may demand from the dealer who purchased the goods or, as the case may be, from the Government, which purchased the goods, a duplicate of such form or certificate and the same shall be furnished with the following declaration recorded in red ink and signed by the dealer or authorised officer of the Government, as the case may be, on all the three portions of such form or certificate,-

*“I hereby declare that this is the duplicate of the declaration form/certificate No.....signed on.....and issued to.....who is a registered dealer of.....(State) and whose registration certificate number is.....”*

**(4)** The certificate referred to in sub-section (2) of Section 6 shall be in Form ‘E-I’, or Form ‘E-II’, as the case may be.

<sup>2</sup>**(5)** The declaration referred to in sub-section (1) of Section 6A shall be in Form “F” :

<sup>3</sup>[Provided that a single declaration may cover transfer of goods, by a dealer, to any other place of his business or to his agent or principal as the case may be, effected during a period of one calendar month :

Provided further that if the space provided in Form “F” is not sufficient for making the entries, the particulars specified in Form “F” may be given in separate annexures attached to that form so long as it is indicated in the form that the annexures form part thereof and every such annexure is also signed by the person signing the declaration in Form “F” :

Provided further that Form ‘F’ in force before the commencement of the Central Sales Tax (Registration and Turnover) (Second Amendment) Rules, 1973, may continue to be used up to 31st day of December, <sup>4</sup>[1980], with suitable modifications.]

**(6)** Form ‘C’ referred to in sub-rule (1), or as the case may be, Form ‘F’ referred to in sub-rule (5) shall be the one obtained by the purchasing dealer or, as the case may be, the transferee in the State in which the goods covered by such form are delivered.

<sup>5</sup>**Explanation** - Where, by reason of the purchasing dealer not being registered under Section 7 in the State in which the goods covered by Form ‘C’ referred to in sub-rule (1) are delivered, he is not able to obtain the said form in that State, Form ‘C’ may be the one obtained by him in the State in which he is registered under the said Section.

**(7)** The declaration in Form ‘C’ or Form ‘F’ or the certificate in Form ‘E-I’ or Form

<sup>1</sup> Proviso to sub-rule 12(2) inserted w.e.f. 30.12.75 by *ibid*.

<sup>2</sup> Sub-rules (5) to (9) were inserted by CST (Amendment) Rules, 1973, w.e.f. 1.4.73.

<sup>3</sup> Inserted by GSR No. 519 (E), dt. 13.12.73.

<sup>4</sup> Subs. for ‘1979’ by GSR No. 721(E), dt. 29.12.79.

<sup>5</sup> Explanation inserted by the CST (Amendment) Rules, 1974 w.e.f. 1.2.74.



'E-II' shall be furnished to the prescribed authority up to the time of assessment by the first assessing authority :

Provided that if the prescribed authority is satisfied that the person concerned was prevented by sufficient cause from furnishing such declaration or certificate within the aforesaid time, that authority may allow such declaration or certificate to be furnished within such further time as that authority may permit.

**(8)(a)** The person referred to in clause (a) of sub-rule (1) of rule 3 shall alone be competent to sign the declaration in Form 'C' or Form 'F' or the certificate in Form 'E-I' or Form 'E-II' :

<sup>1</sup>Provided that where such person is a proprietor of any business or a partner of a firm or a *karta* or manager of a Hindu undivided family, any other person authorised by him in writing may also sign such declaration or certificate :

<sup>2</sup>Provided further that in the case of <sup>3</sup>[a company, such declaration or certificate] can also be signed by any other officer of the company authorised under the Memorandum or Articles of Association of the company or under any other special or general resolution of the company or under a resolution passed by the Board of Directors of the company, to authenticate any document on behalf of such company.

**(b)** Such person shall signify on such declaration or certificate his status and shall make a verification in the manner provided in such declaration or certificate.

**(9)** <sup>4</sup>**(a)** The provisions of [.....] sub-rule (2) and sub-rule (3) shall, with necessary modifications, apply to declaration in Form 'F' or the certificate in Form 'E-I' or Form 'E-II'.

<sup>5</sup>**(b)** The provisions of the second and third provisos to sub-rule (1) shall, with necessary modifications, apply to certificates in Form 'E-I' or Form 'E-II'.

<sup>6</sup>**(10) (a)** A dealer may in support of his claim that he is not liable to pay tax under this Act in respect of any sale of goods on the ground that the sale of such goods is a sale in the course of export of those goods out of the territory of India within the meaning of sub-section (3) of Section 5, furnish to the prescribed authority a certificate in Form 'H' duly filled and signed by the exporter along with evidence of export of such goods.

**(b)** The provisions of the rules framed by the respective State Governments under sub-sections (3), (4) and (5) of Section 13 relating to the authority from whom and the conditions subject to which any form of certificate in Form 'H' may be obtained, the manner in which such form shall be kept in custody and records relating thereto maintained and the manner in which any such forms may be used and any such certificate may be furnished in so far as they apply to declaration in Form 'C'

**1** Subs. by CST (Amendment) Rules, 1974 w.e.f. 1.2.74.

**2** Inserted by GSR No. 519 (E), dt. 13.12.73.

**3** Inserted by the CST (Amendment) Rules, 1974 w.e.f. 1.2.74.

**4** Sub-rule (9) renumbered as clause (a), and in the renumbered clause (a) the words 'the second and the third proviso to sub-rule (1)' omitted by GSR No. 395 (E) dt. 14.4.87.

**5** Clause (b) inserted by GSR No. 395 (E), dt. 14.4.87, w.e.f. 14.4.87.

**6** Sub-rule (10) inserted by GSR No. 762 (E), dt. 17.12.77.

**8**

prescribed under these rules shall *mutatis mutandis* apply to certificate in Form 'H'.

**<sup>1</sup>PRESCRIPTION OF GOODS FOR CERTAIN PURPOSES**

**Rule 13 :** The goods referred to in clause (b) of sub-section (3) of Section 8 which a registered dealer may purchase, shall be goods intended for use by him as raw materials, processing materials, <sup>2</sup>[machinery, plant,] equipment, tools, stores, spare parts, accessories, fuel or lubricants, in the manufacture or processing of goods for sale or in mining, or in the generation or distribution of electricity or any other form of power.

**<sup>3</sup>Rule 14 :** If any person commits a breach of any of these rules, he shall be punishable with fine which may extend to five hundred rupees and when the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

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**1** The heading and rule 13 inserted by GSR No. 896, dt. 23.9.58.

**2** Subs. for 'machinery plant,' by GSR No. 1059, dt. 29.10.58.

**3** Rule 14 inserted by CST (Amendment) Rules, 1973, w.e.f. 1.4.73.

## The Madhya Pradesh Sales Tax (Central) Rules, 1957

<sup>1</sup>Notification No. 329-V-SR

Dated 22nd March, 1957

In exercise of the powers conferred by sub-section (3), (4) and (5) of Section 13 of the Central Sales Tax Act, 1956 (74 of 1956), the State Government are pleased to make the following Rules, namely :

### PART I

#### SHORT TITLE AND DEFINITIONS

##### **Rule 1 : Short title**

These rules may be called The Madhya Pradesh Sales Tax (Central) Rules, 1957.

##### **Rule 2 : Definitions**

In these rules, unless there is anything repugnant in the subject or context,-

- (a) **The Act** means the Central Sales Tax Act, 1956;
- (b) **Appropriate <sup>2</sup>[Commercial Tax Officer]** in relation to a dealer means the [Commercial Tax Officer] of the circle or district, as the case may be, appointed under the General Sales Tax Law in force in the State of Madhya Pradesh or part thereof, in which the dealer's place of business is situated, or if a dealer has more than one place of business in the State of Madhya Pradesh, the [Commercial Tax Officer] of the Circle or the district as the case may be, in which his principal place of business is situated;
- (c) **Commissioner** means the <sup>3</sup>[Commissioner of Commercial Tax] appointed under the General Sales Tax Law in force in the State of Madhya Pradesh or part thereof;
- (d) **Form** means a form appended to these Rules;
- (e) **Notified Authority** means any authority specified by the Central Government as such under sub-section (1) of Section 7 read with rule 2(d) of the Central Sales Tax (Registration and Turnover) Rules, 1957;
- (f) **Official Gazette** means the Official Gazette of the State Government;
- <sup>4</sup>(g) [.....]
- (h) **Section** means a Section of the Act;
- (i) **Warehouse** means any enclosure, building or vessel in which a dealer keeps his stock of goods for sale;

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<sup>1</sup> Published in M.P. Gazette dt. 10.5.57.

<sup>2</sup> Subs. for 'Sales Tax Officer' wherever occurred in clause (b) by Noti. No.13, dt. 6.4.96.

<sup>3</sup> Subs. for the words 'Commissioner of Sales Tax' by *ibid*.

<sup>4</sup> Deleted by Noti. No. 320, dt. 5.2.58.

- <sup>1</sup>(j) All other words and expressions used but not defined in these rules or the Act or the Central Sales Tax (Registration and Turnover) Rules, 1957 shall have the meanings assigned to them in the General Sales Tax Law of the State in so far as they are not inconsistent with the provisions of the Act and the rules made thereunder.

## **PART II**

### **PUBLICATION OF LISTS OF REGISTERED DEALERS**

<sup>2</sup>Rule 3, 4, 5 and 5-A [.....]

### <sup>3</sup> PART II-A

#### **Rule 5-B : Furnishing of Security under sub-sections (2-A), (3-A), (3-C), and (3-E) of Section 7**

(1) The security under sub-sections (2-A), (3-A), (3-C) and (3-E) of Section 7 shall be furnished by a dealer in the form of cash or bank guarantee within fifteen days from the date of order or within such further time as the registering authority may for sufficient cause permit.

(2) Where due to the forfeiture of security under sub-section (3-D) of Section 7 a dealer is required to furnish further security to make good the deficiency, such security shall be furnished within fifteen days from the date of order or within such further time as the registering authority may for sufficient cause permit.

#### **Rule 5-C : Appeal against orders demanding security under sub-sections (2-A), (3-A), (3-D) and (3-G) of Section 7**

(1) Any dealer aggrieved by an order passed under sub-sections (2-A), (3-A), (3-D) or (3-G) of Section 7 may appeal to :

(a) The Deputy Commissioner -

(i) Against an order passed under sub-section (2-A) or sub-section (3-A) of Section 7, where the amount of security required to be furnished does not exceed twenty five thousand rupees; and

(ii) against an order passed under sub-section (3-D) of Section 7; and

(b) the Commissioner in other cases.

(2) The appeal shall as far as possible be in Form III-A.

(3) After such further enquiry as it may deem fit the appellate authority may confirm, reduce or enhance the amount of security or dispense with the security or modify the nature of security.

(4) No appeal against an order demanding security under sub-section (2-A) (3-A) or (3-D) of Section 7 shall be admitted by the appellate authority unless cash security or bank guarantee equal to one half of the amount of cash security or bank guarantee in respect of which the appeal has been preferred has been furnished.

<sup>1</sup> Clause (j) substituted by Noti. No. 515, dt. 26.2.62

<sup>2</sup> Rules 3, 4, 5 and 5-A deleted by Noti. No. 881, dt. 25.4.60

<sup>3</sup> Part II-A inserted by Noti. No. 5, dt. 31.3.73

(5) Subject to the provisions of these rules, the procedure for hearing appeals under the <sup>1</sup>[Madhya Pradesh Commercial Tax Act, 1994] as laid down in <sup>2</sup>[Rule 79 of the Madhya Pradesh Commercial Tax Rules, 1995] shall apply *mutatis mutandis* to the disposal of appeal under sub-section (3-H) of Section 7.

(6) The fee payable on the memorandum of appeal shall be as follows :

- (a) to the Deputy Commissioner.....Rupees Four.
- (b) to the Commissioner.....Rupees Ten.

### PART III

#### Maintenance and inspection of accounts by a registered dealer, furnishing of information relating to his business and seizure and production of documents

##### <sup>3</sup>Rule 6 : Maintenance of Accounts

Every registered dealer and every dealer liable to pay tax under the Act shall -

- (i) Keep and maintain separately a true and correct account showing the goods sold and bought by him and the value thereof in respect of the transaction under the Act;
- (ii) maintain an account showing the day-to-day purchases, sales, deliveries and stocks of each kind of goods;
- (iii) in respect of each transaction under the Act, prepare in duplicate a voucher showing the date of transaction, the name of the seller and purchaser, the sale price, quantity and description of goods, and issue the original thereof to the buyer. The voucher shall also specify the mode of despatch and delivery of goods with appropriate details;
- (iv) serially number the vouchers of each kind separately;
- (v) maintain all vouchers relating to stocks, purchases, sales and deliveries relating to all transactions under the Act for a period of five years after the close of the year to which they relate;
- (vi) maintain separate accounts in respect of goods liable to different rates of tax under Section 8.

##### Rule 7 : Production and inspection of accounts and documents & search of premises

(1) Any officer of the <sup>4</sup>[Commercial Tax Department] not below the rank of a <sup>5</sup>[Commercial Tax Officer] or any other officer authorised by a [Commercial Tax Officer] in this behalf may, by serving a notice in Form IV require any dealer to produce before him any books, accounts or documents or to furnish any information, relating to the stocks of goods, or purchases, sales and deliveries of goods, by the dealer or any other information relating to his business as may be necessary for the purposes of the Act.

<sup>1</sup> Subs. for 'Madhya Pradesh General Sales Tax Act, 1958' by Noti. No. 13, dt. 6.4.96.

<sup>2</sup> Subs. for the words 'Rule 59 of the Madhya Pradesh General Sales Tax Rules, 1959' by *ibid*.

<sup>3</sup> Rule 6 substituted by Noti. No. 1902, dt. 7.9.59.

<sup>4</sup> Subs. for the words 'Sales Tax Department' by Noti. No. 13, dt. 6.4.96.

<sup>5</sup> Subs. for the words 'Sales Tax Officer' by *ibid*.

(2) All books, accounts and documents relating to the stocks of goods of, or purchases, sales and deliveries of goods by, any dealer and all goods kept in any place of business or warehouse of any dealer shall at all reasonable times be open to inspection by such officer and such officer may take or cause to be taken such copies or extracts therefrom as may appear to him necessary for the purposes of the Act :

Provided that unless such officer deems it necessary to make a surprise visit, he shall give reasonable notice in writing to the dealer of his intention to inspect the accounts, registers, documents or stocks of goods of such dealer and in fixing the date, time and place for the purpose, shall, as far as possible, have due regard to the convenience of the dealer.

(3) If such officer has reason to suspect that any dealer is attempting to evade the payment of any tax due from him, he may, for reasons to be recorded in writing, seize such books, accounts or documents of the dealer as he may consider necessary, and shall grant a receipt for the same, and shall retain the same only for so long as may be necessary for examination thereof or for a prosecution. The books, accounts or documents seized by him for the above purposes, shall not be retained by him for more than 90 days without recording his reasons in writing for doing so.

(4) For the purposes of sub-rules (2) and (3), such officer may enter and search any place of business or warehouse of any dealer or any other place where such officer has reason to believe that the dealer keeps or is for the time being keeping any books, accounts or documents of his business or stocks of goods relating to his business.

**<sup>1</sup>Rule 7-A : Submission of returns**

(1) Every registered dealer liable to pay tax under the Act shall furnish a return in Form 'V' <sup>2</sup>[.....] in respect of each period for which his turnover is required to be determined under rule 11 of the Central Sales Tax (Registration and Turnover) Rules, 1957 to the assessing authority, in the manner and by the date prescribed in respect of returns under the General Sales Tax Laws, in force, in the State of Madhya Pradesh, and the rules framed thereunder and to each such return he shall attach one copy of the receipted challan in Form X in respect of tax due according to the return.

(2) Every registered dealer referred to in sub-rule (1) shall along with the return in Form V, furnish a list showing the total sales made to each registered dealer of different States separately during the period covered by the return which shall be duly signed and verified by him. The list shall be in Form VI dealerwise as far as possible.

<sup>3</sup>(3) Every registered dealer required to pay tax every month in accordance with the provisions of <sup>4</sup>[sub-rule (2) of rule 37 of the Madhya Pradesh Commercial Tax Rules, 1995] read with provisions of sub-section (2) of Section 9 of the Act, shall furnish along with the return in Form V required to be furnished under sub-rule (1), a statement in Form V-A.

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1 Rule 7-A inserted by Noti. No. 1883, dt. 1.9.58.

2 The words ' in duplicate' omitted by Noti. No. 68 dt. 8.8.90, w.e.f. 10.8.90.

3 Sub-rule (3) inserted by *ibid*.

4 Subs. for the words 'sub-rule (2) of rule 27 of the Madhya Pradesh General Sales Tax Rules, 1959' by Noti. No. 13, dt. 6.4.96.

**<sup>1</sup>Rule 7-B : Adjustment of set off due <sup>2</sup>[under Section 13 of the Madhya Pradesh Commercial Tax Act, 1994]**

Where any set off [under Section 13 of the Madhya Pradesh Commercial Tax Act, 1994 (No. 5 of 1995)] is due to a dealer in accordance with any return required to be furnished by a registered dealer <sup>3</sup>[under Section 26] of the said Act, such dealer shall adjust the amount of such set off towards any tax payable by him in accordance with any return required to be furnished by him under Rule 7-A.

**PART IV****Authority from which Declaration Forms may be obtained, use, custody and maintenance of records of such Forms and matters incidental thereto****Rule 8 : Authority from which Declaration Forms may be obtained, use, custody and maintenance of records of such Forms and matters incidental thereto**

(1) <sup>4</sup>(a) A registered dealer, who wishes to purchase goods from another such dealer on payment of tax at the rate applicable under the Act to sales of goods by one registered dealer to another, for the purpose specified in the purchasing dealer's certificate of registration, shall obtain from the appropriate <sup>5</sup>[Commercial Tax Officer] or any other officer as may be authorised by the Commissioner in this behalf <sup>6</sup>[blank declaration in Form 'C' as prescribed under sub-rule (1) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957] for furnishing it to the selling dealer. Before furnishing the declaration to the selling dealer, the purchasing dealer, or any responsible person authorised by him in this behalf shall fill in all required particulars in the Form, and shall also affix his usual signature in the space provided in the Form for this purpose. Thereafter, the counterfoil of the Form shall be retained by the purchasing dealer and the other two portions marked "Original" and "duplicate" shall be made over by him to the selling dealer :

<sup>7</sup>[.....]

<sup>8</sup>(aa) Where a registered dealer has received any goods from any other place of his business or his agent or his principal outside the State, and the movement of such goods has been occasioned by reason of transfer of such goods from one State to another and not by reason of sale or purchase in the course of inter-State trade or commerce, he shall obtain from the appropriate [Commercial Tax Officer] or any other Officer authorised by the Commissioner in this behalf a blank declaration in Form "F" as prescribed under sub-rule (5) of rule 12 of the Central Sales Tax

<sup>1</sup> Rule 7-B inserted by Noti. No. 28, dt. 21.7.81, w.e.f. 22.7.81.

<sup>2</sup> Subs. for the words 'under Section 8 of the Madhya Pradesh General Sales Tax Act, 1958' by Noti. No. 13, dt. 6.4.96.

<sup>3</sup> Subs. for the words 'under section 17' by Noti. No. 13, dt. 6.4.96.

<sup>4</sup> Sub-rule (1) renumbered as clause (a) by Noti. No. 1006, dt. 5.5.59.

<sup>5</sup> Subs. for 'Sales Tax Officer' wherever occurred in Rule 8 by Noti. No. 13, dt. 6.4.96.

<sup>6</sup> Subs. by Noti. No. 1006, dt. 5.5.59.

<sup>7</sup> Proviso deleted by Noti. No. 4170, dt. 4.12.68.

<sup>8</sup> Clause (aa) inserted by Noti. No. 5, dt. 31.3.73.

(Registration and Turnover) Rules, 1957 for furnishing to the principal officer of his other place of business or his agent or his principal, as the case may be, from whom he has received the goods. Before furnishing the declaration to the principal officer of the other place of business or his agent or his principal, as the case may be, the person referred to in clause (a) of sub-rule (1) of rule 3 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall fill in all the required particulars in the form and shall also affix his usual signature in the space provided in the form for this purpose. Thereafter the counterfoil of the form shall be retained by such person and the other two portions marked "Original" and "duplicate" shall be made over by him to the person from whom the goods were received on transfer.

<sup>1</sup>(b) The counterfoil of the declaration forms retained under clause (a) or (aa) shall be maintained by the purchasing dealer or the registered dealer receiving the goods on transfer from the principal officer of his other place of business or his agent or his principal, as the case may be, outside the State, for a period of five years or such other period as may be specified by the Commissioner.

<sup>2</sup>(1A) <sup>3</sup>(a) The blank declaration forms referred to in clause (a) and clause (aa) of sub-rule (1) shall be available in book form, each book containing 100 or 25 of such forms and may be obtained from the authority mentioned in sub-rule (1) on payment of fee of **rupees forty** per book of 100 forms or **rupees twelve** per book of 25 forms or **forty eight paise** per form;

(b) For obtaining the declaration forms referred to in clause (a) of sub-rule (1) every registered dealer shall apply in writing in Form IV-A to the appropriate [Commercial Tax Officer] stating his requirement of such forms and shall furnish such other particulars, statements and information and produce such other documents as the [Commercial Tax Officer] may require for the purpose of satisfying himself about his *bona fide* use of such forms issued to the applicant on previous occasions and the *bona fide* nature of his requirement of such forms on the present occasion.

(c) The application in Form IV-A shall be accompanied by a copy of the treasury receipted challan in Form X in respect of the fee payable therefor under clause (a) :

Provided that where the fee payable does not exceed <sup>4</sup>[**rupees twenty**] at any one time, the payment may be made in cash in the office of the appropriate [Commercial Tax Officer];

(d) On receipt of the application under clause (b) the [Commercial Tax Officer] shall with due regard to the requirements of the dealer supply the declaration forms to the dealer on furnishing an acknowledgment thereof;

(e) If for reasons to be recorded in writing the [Commercial Tax Officer] is not satisfied that the applicant has made *bona fide* use of the declaration forms previously issued to him or that the requirements of the declaration forms applied for are not *bona fide*, he shall reject the application;

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1 Clause (b) substituted by Noti. No. 5, dt. 31.3.73.

2 Clause (1-A) substituted by Noti. No. 2641, dt. 9.8.72.

3 Sub-clause (a) substituted by Noti. No. 7, dt. 19.3.83, w.e.f. 15.4.83.

4 Subs. for 'Rs. Ten' by Noti. No. 27, dt. 17.8.83, w.e.f. 18.8.83.



<sup>1</sup>(f) If the [Commercial Tax Officer] is satisfied that the applicant at the time of making application has defaulted in furnishing the return under the Act or under the <sup>2</sup>[Madhya Pradesh Commercial Tax Act, 1994 (No.5 of 1995)], for any quarter of the year during which such application is made or is in arrears of tax under the Act or under the [Madhya Pradesh Commercial Tax Act, 1994 (No.5 of 1995)] in respect of any period for which he has been assessed to tax he may withhold the issue of the declaration forms to the applicant till such time as the applicant pays the tax and furnishes the return for the relevant quarter or pays the arrears for the relevant period :

Provided that where the applicant has been permitted to pay the arrears of tax for any period in instalments, the [Commercial Tax Officer] may instead of withholding the declaration forms, issue to him such forms in such numbers and subject to such conditions and restrictions as he may deem fit to impose after charging a fee of <sup>3</sup>[forty-eight paise] per form;

<sup>4</sup>(g) If for reasons to be recorded in writing the [Commercial Tax Officer] is not satisfied that the applicant requires the books of declaration forms in such numbers as he has applied for, he may issue such forms <sup>5</sup>[in such lesser number] as, in his opinion, would satisfy the reasonable requirements of the applicant.

(h) If the fee paid for the declaration forms is more than the fee payable for the number of forms issued, the balance shall be credited to the account of the dealer to be adjusted against any future issue or may be refunded to him on making an application by him.

<sup>6</sup>(1-B) (a) Any department of the State or Central Government, <sup>7</sup>[not being a registered dealer or being a registered dealer under the Act, purchases goods, not specified in the certificate of registration and/or for the purposes other than those specified in such certificate, who wishes to purchase goods from a registered dealer in the course of inter-State trade or commerce] shall furnish the portion marked 'original' and 'duplicate' of the certificate in Form 'D' prescribed under sub-rule (1) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 duly filled in to the selling dealer and retain the counterfoil. Such certificate shall be signed by an officer of the department concerned who has been specified as the authorised officer under clause (b) of sub-section (4) of Section 8 of the Act and such officer shall also affix his official seal below his signature.

<sup>8</sup>[.....]

(b) The counterfoils of the certificates in Form 'D' retained under clause (a) shall

<sup>1</sup> Clause (f) substituted by Noti. No. 2092, dt. 21.6.74.

<sup>2</sup> Subs. for the words 'Madhya Pradesh General Sales Tax Act, 1958 (No.2 of 1959)' wherever occurred by Noti. No. 13, dt. 6.4.96.

<sup>3</sup> Subs. for 'thirty-two paise' by Noti. No. 7, dt. 19.3.83, w.e.f. 15.4.83.

<sup>4</sup> Clause (g) substituted by Noti. No. 2641, dt. 9.8.72.

<sup>5</sup> Subs. by Noti. No. 6828, dt. 11.12.75.

<sup>6</sup> Sub-rule (1-B) inserted by Noti. No. 1006, dt. 5.5.59.

<sup>7</sup> Subs. by Noti. No. 2153, dt. 23.9.60.

<sup>8</sup> Proviso omitted by Noti. No. 4170, dt. 4.12.68.

be maintained by the authorised officer for a period of five years or such further period as may be specified by the Commissioner.

<sup>1</sup>(c) Departments of the State or Central Government registered as dealers under the Act shall, while making purchases from a registered dealer in the course of inter-State trade or commerce, furnish declaration in accordance with the provisions of sub-rule (1) in respect of goods specified in their certificate of registration and for purposes so specified in that certificate.

<sup>2</sup>(2) A registered dealer who claims to have made a sale to another registered dealer or to the Government shall, in respect of such claim, at any time before the assessment, furnish to the assessing authority to whom he has furnished a return in Form V, the portion marked 'original' of the declaration or certificate received by him from the purchasing dealer or the Government, as the case may be. He shall also maintain a register in Forms VI-A and VI-B for declarations and certificates respectively, showing serially and chronologically the receipt of the declarations and certificates from the purchasing dealer, or a Government. These registers shall be open for inspection by any officer of the <sup>3</sup>[Commercial Tax Department] not below the rank of the [Commercial Tax Officer] or any other officer authorised by a [Commercial Tax Officer] in this behalf and he may also verify the declaration forms and certificates kept in custody of the selling dealer. The assessing authority may, in its discretion, also direct the selling dealer to produce for inspection, the portion of the declaration or certificate marked 'duplicate'.

<sup>4</sup>(2-A) A registered dealer who claims to have despatched any goods to any other place of his business or his agent or his principal outside the State, shall, in respect of such claim furnish to the assessing authority the portion marked 'original' of the declaration in Form 'F' received by him from the principal officer of his other place of business or his agent or his principal outside the State. He shall also maintain a register in Form VI-C showing serially and chronologically the receipt of the declarations in Form 'F' from his principal officer, agent or principal. The register shall be open for inspection by any officer of the [Commercial Tax Department] not below the rank of a [Commercial Tax Officer] or any officer authorised by the [Commercial Tax Officer] in this behalf and he may also verify the declaration forms kept in the custody of the dealer despatching the goods in the aforesaid manner. The assessing authority may, in its discretion, also direct such dealer to produce for inspection the portion of the declaration marked 'duplicate'.

(2-B) The assessing authority for its satisfaction that the particulars contained in the declaration in Form 'F' furnished by the dealer under sub-section (1) of Section 6-A are true, may make such enquiry as it deems necessary and for this purpose it may require him to furnish a copy of the authorisation sent to the principal officer of his

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1 Clause (c) substituted by Noti. No. 2153, dt. 23.9.60.

2 Sub-rule (2) substituted by Noti. No. 1006, dt. 5.5.59.

3 Subs. for 'Sales Tax Department' wherever occurred in Rule 8 by Noti. No. 13 dt. 6.4.96.

4 Existing sub-rule (2-A) renumbered as (2-C) and new sub-rules (2-A) & (2-B) inserted by Noti. No. 5, dt. 31.3.73.

other place of business, agent or principal for the sale of such goods, the account sales rendered by the agent and such other documents and information as it considers necessary.

<sup>1</sup>**(2-C)** Any declaration or certificate required to be filed under the Act, shall not be rejected as invalid on the ground that it lacks in certain material particulars or is defective until the dealer is given a reasonable opportunity to supply the omissions or to remove the defects occurring in such declaration or certificate.

<sup>2</sup>**(3)(i)** No purchasing dealer or a dealer receiving goods on transfer shall give any declaration except in a form obtained by him, on application, from the authority mentioned in sub-rule (1) and not declared obsolete and invalid by the Commissioner under the proviso of sub-rule (10).

**(ii)** No selling dealer or a dealer despatching goods by way of transfer shall accept any declaration except in a form obtained by the purchasing dealer or dealer receiving goods on transfer on application, from the prescribed authority in his State and not declared obsolete and invalid by the prescribed authority or the Government of that State.

**(3-A)** Every registered dealer despatching goods on transfer outside the State or making sales in the course of inter-State trade or commerce and every dealer who has obtained declaration under sub-section (1) of Section 6-A or sub-section (4) of Section 8 shall keep and maintain a true and correct account in Form XV-A or XVI, as the case may be, of all despatches effected by him on transfer outside the State or of all sales effected by him in the course of inter-State trade or commerce.

<sup>3</sup>**(4)**.....

<sup>4</sup>**(5)** Every registered dealer to whom any declaration in Form C/Form F is issued by the said authority shall maintain in a register in Form VII/VII-B, a true and correct account of every such form received from the said authority. If any such form is lost, destroyed or stolen the dealer shall report the fact to the said authority immediately, shall make appropriate entries in the remarks column of the register in Form VII/VII-B, and take such other steps to issue public notice of the loss, destruction or theft as the said authority may direct.

<sup>5</sup>**(5-A)** <sup>6</sup>**(i)** Where a declaration form either blank or duly completed and signed by the dealer receiving the goods on transfer or the purchasing dealer, is lost while it is in his custody before despatch or lost in transit after it has been despatched to the dealer despatching the goods on transfer to the selling dealer, as the case may be, the dealer receiving the goods on transfer or the purchasing dealer shall, besides taking action prescribed under sub-rule (5), furnish to the said authority, from whom the said form

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**1** Inserted by Noti. No. 2641, dt. 9.8.72 & subsequently renumbered as sub-rule (2-C) by Noti. No. 5, dt. 31.3.73.  
**2** Sub-rule (3) & (3-A) substituted by Noti. No. 5, dt. 31.3.73.  
**3** Sub-rule (4) omitted by Noti. No. 5, dt. 31.3.73.  
**4** Sub-rule (5) substituted by Noti. No. 5, dt. 31.3.73.  
**5** Sub-section (5-A) inserted by Noti. No. 1006 dt. 5.5.59.  
**6** Clause (i) of sub-rule (5-A) substituted by Noti. No. 5, dt. 31.3.73.

was obtained, a reasonable security by way of an indemnity bond, separately for each form so lost, against any possible misuse of the said form.

**(ii)** Where a form of certificate duly completed and signed by the authorised officer is lost, the authorised officer shall inform the nearest [Commercial Tax Officer] about the contents of the certificate. The [Commercial Tax Officer] receiving such a report shall arrange to publish in the Official Gazette the particulars of the certificate in respect of which the report is received.

<sup>1</sup>**(iii)** Where a blank or duly completed and signed declaration form furnished by the dealer receiving the goods on transfer or by the purchasing dealer, is lost from the custody of the dealer despatching the goods on transfer or the selling dealer, the latter shall, in the manner specified in clause (i) furnish a security by way of an indemnity bond in respect of the declaration form to the authority to whom he is required to furnish his return in Form V.

**(iv)** Where a duly completed and signed declaration form or the form of certificate is lost in transit or from the custody of the dealer despatching goods on transfer or the selling dealer, he shall obtain a duplicate form from the dealer receiving goods on transfer or the purchasing dealer or department of any State or the Central Government, as the case may be, whom he despatched on transfer or sold the goods and in case of his failure to do so his transfer or sale in question shall not be treated as falling under sub-section (2) of Section 6-A or under sub-section (1) of Section 8 of the Act.

<sup>2</sup>**(v)**.....

<sup>3</sup>**(6)** Any unused declaration forms remaining in stock with a registered dealer on the date of closure of business or on the date of making an application for cancellation of his registration certificate under sub-section (5) of Section 7 as the case may be, shall be surrendered to the issuing authority by such dealer within seven days of such date.

**(7)** No registered dealer to whom a declaration form is issued by the said authority shall, either directly or through any other person, transfer the same to another person except for the lawful purpose of sub-rule (1).

<sup>4</sup>**(8)** A declaration form in respect of which a report is received by the said authority under sub-rule (5) or a certificate in respect of which a report is received by the nearest [Commercial Tax Officer] under clause (ii) of sub-rule (5-A) shall not be valid for the purpose of sub-rule (1) and (1-B) respectively.

**(9)** The said authority shall, from time to time, publish in the Official Gazette the particulars of the declaration form in respect of which a report is received under sub-rule (5).

**(10)** The Commissioner of Commercial Tax may, by notification, declare that declaration forms of a particular series, design or colour shall be deemed as obsolete

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<sup>1</sup> Clause (iii) & (iv) of sub-rule (5-A) substituted by *ibid*.

<sup>2</sup> Clause (v) omitted by Noti. No. 4170, dt. 4.12.68.

<sup>3</sup> Sub-rule (6) substituted by Noti. No. 23, dt. 29.5.90, w.e.f. 30.5.90.

<sup>4</sup> Sub-rule (8) substituted by Noti. No. 1006, dt. 5.5.59.

and invalid with effect from such date as may be specified in the notification. <sup>1</sup>[A copy of <sup>2</sup>{such notification may be sent} to other State Governments for the publication in their Official Gazette.]

(11) When a notification declaring a form of a particular series, design or colour obsolete and invalid is published under sub-rule (10) all registered dealers shall, on or before the date with effect from which the forms are so declared obsolete and invalid, surrender to the appropriate [Commercial Tax Officer] all unused forms of that series, design or colour which may be in their possession and obtain in exchange such new forms as may be substituted for the forms declared obsolete and invalid :

Provided that new forms shall not be issued to a dealer until he has rendered account of the old forms lying with him and returned the balance, if any, in his hand to the appropriate [Commercial Tax Officer].

(12) The officer to whom the declaration forms are supplied for distribution to the registered dealers shall keep them in safe custody and maintain a proper account thereof in a register in Form VIII.

### <sup>3</sup>PART IV-A FORMS E-I AND E-II

#### **Rule 8-A : Forms E-I & E-II from whom to be obtained and how to be submitted**

(a) <sup>4</sup>[A registered dealer who desires to sell goods of the description referred to in sub-section (3) of Section 8 to another registered dealer], shall obtain free of charge from the appropriate <sup>5</sup>[Commercial Tax Officer] or any other officer as may be authorised by the Commissioner blank forms of certificates in Form E-I or E-II, as the case may be, prescribed under sub-rule (2) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 for furnishing it to the purchasing dealer. Before furnishing the certificate to the purchasing dealer the selling dealer or any responsible person authorised by him in this behalf shall fill in all required particulars in the form and shall also affix his usual signature in the space provided for in the form for this purpose. Thereafter the 'counterfoil' of the form shall be retained by the selling dealer and the other two portions marked 'original' and 'duplicate' shall be made over by him to the registered dealer, to whom he has sold goods.

(b) The counterfoils retained under clause (a) shall be maintained by the selling dealer for a period of five years or such further period as may be specified by the Commissioner :

<sup>6</sup>[.....]

#### **Rule 8-B : <sup>1</sup>[Furnishing of information in Form E-I to the purchasing dealer]**

<sup>1</sup> Inserted by Noti. No. 2203, dt. 13.12.57.

<sup>2</sup> Subs. by Noti. No. 930, dt. 29.4.58.

<sup>3</sup> Part IV-A (Rules 8-A to 8-F) inserted by Noti. No.1006, dt. 5.5.59.

<sup>4</sup> Subs. by Noti. No. 5 dt. 31.3.73.

<sup>5</sup> Subs. for the words 'Sales Tax Officer' by Noti. No. 13, dt. 6.4.96.

<sup>6</sup> Proviso omitted by Noti. No. 4170, dt. 4.12.68.

## 8

Certificate in Form E-I shall be furnished by the selling dealer effecting first sale either in the manner referred to in clause (a) of sub-section (2) of Section 6 of the Act or by transfer of documents of title to the goods under clause (b) of sub-section (2) of Section 6 of the Act.

### **Rule 8-C : <sup>2</sup>[Furnishing of information in Form E-II to the purchasing dealer]**

Certificate in Form E-II shall be furnished by the dealer effecting first or subsequent sale by transfer of documents of title to the goods in a series of sales referred to in clause (a) of sub-section (2) of Section 6 of the Act or the second or subsequent sale by transfer of document of title to the goods in a series of sales referred to in clause (b) of sub-section (2) of the said Section.

### **<sup>3</sup>Rule 8-D : Claiming of exemption under Section 6(2) of the Act**

A registered dealer claiming exemption from tax in respect of any subsequent sale under sub-section (2) of Section 6 of the Act shall furnish to the assessing authority a declaration in Form 'C' or a certificate in Form 'D' prescribed under rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957, marked 'original' received from the registered dealer or the Government to whom he sold the goods together with the portion marked 'original' of the certificate in Form E-I or E-II, as the case may be.

### **Rule 8-E : Account of Forms E-I and E-II**

(1) Every registered dealer to whom forms of the certificate E-I and E-II have been issued by the authority mentioned in rule 8-A shall maintain, in register in Form VIII-A, a true and complete account of every such form received from the said authority.

(2) Every officer to whom Forms E-I and E-II are supplied for distribution to the registered dealers shall keep them in safe custody and maintain a proper account thereof in register in Form VIII-B.

### **Rule 8-F : Certain provisions of Rule 8 to apply**

The provisions of sub-rules (2), (3), (4), (5), clause (v) of sub-rule (5-A) as also sub-rules (6), (7), (8), (9), (10) and (11) of rule 8 shall *mutatis mutandis* apply to the supply, use, custody of Forms E-I and E-II prescribed under sub-rule (2) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 and any other matter incidental thereto.

## **PART V**

### **INFORMATION REGARDING CHANGES OF BUSINESS**

#### **Rule 9 : Information to be furnished regarding changes of business**

(1) If any dealer to whom the provisions of the Act apply,-

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

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<sup>1</sup> Subs. by Noti. No. 4171, dt. 29.12.69.

<sup>2</sup> Subs. by *ibid.*

<sup>3</sup> Rule 8-D substituted by Noti. No. 5, dt. 31.3.73.

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 or effects any change in the classes of goods sold by him;

he shall within 30 days of the occurrence of any of the events mentioned in clause (a), (b) or (c) send the information in writing together with his certificate of registration to the appropriate <sup>1</sup> [Commercial Tax Officer].

(2) When any such dealer dies, his legal representative shall, within 30 days of his death, inform the appropriate [Commercial Tax Officer] in writing about the date of the dealer's death and names and addresses of his legal heirs.

## **PART VI**

### **MISCELLANEOUS**

#### **Rule 10 : Declaration stating the name of the person who shall be deemed to be the manager, etc.**

(1) If a dealer liable to pay tax under the Act is - (i) an undivided Hindu family, (ii) association, (iii) club, (iv) society, (v) firm, (vi) company, or (vii) a person who carries on business as a guardian or trustee or otherwise on behalf of another, he shall, within thirty days from the date of coming into force of these rules, furnish to the notified authority concerned a declaration stating the name of the person who shall be deemed to be the Manager in relation to his business in the State.

(2) Such declaration shall be in Form IX and may be revised from time to time. All statements and returns submitted by the Manager so declared shall be binding on the dealer.

#### **<sup>2</sup>Rule 10-A : Forms**

(a) The notice summoning a dealer for assessment or reassessment under the Act <sup>3</sup>[shall, as far as may be, be in Form XI.]

<sup>4</sup>(aa) The notice under Section 10-A shall be in Form XI-A.

(b) The Order of assessment under the Act shall be in Form XII.

(c) The final notice of assessment under the Act shall be in Form XIII.

(d) An appeal against an order of assessment shall as far as possible be in accordance with Form XIV.

(e) An application for revision against any order passed shall as far as possible be in Form XV.

#### **<sup>1</sup>Rule 10-B : Application of the <sup>2</sup>[Madhya Pradesh Commercial Tax Act, 1994] and the Rules made thereunder**

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<sup>1</sup> Subs. for the words 'Sales Tax Officer' by Noti. No. 13, dt. 6.4.96.

<sup>2</sup> Rule 10-A inserted by Noti. No. 2089, dt. 26.9.59.

<sup>3</sup> Subs. by Noti. No. 4171, dt. 29.12.69.

<sup>4</sup> Clause (aa) inserted by *ibid*.

Subject to the provisions of the Act, these rules and the Central Sales Tax (Registration and Turnover) Rules, 1957, the provisions of the [Madhya Pradesh Commercial Tax Act, 1994 (No. 5 of 1995)] and the rules made thereunder shall apply *mutatis mutandis* to all proceedings or other matters incidental to the carrying out of the purposes of the Act.

**PART VII  
METHOD OF PAYMENT OF TAX**

**<sup>3</sup>Rule 11 : Method of payment**

Every dealer shall pay, by challan in Form X, the tax or penalty due or imposed upon him.

**PART VIII  
PENALTY**

**Rule 12 : Penalty**

Any person committing a breach of any of the provisions of these rules shall be punishable with fine which may extend to five hundred rupees and when the offence is a continuing one, with a fine which may extend to fifty rupees for every day during which the offence continues.

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**FORM III - A**

[See rule 5C(2)]

**Form of appeal against an order demanding security under sub-sections (2A), (3A), (3D) and (3G) of Section 7 of the Central Sales Tax Act, 1956**

To,  
The.....  
Name of the dealer.....  
Address.....  
Date of order appealed against.....  
Date of communication of the order appealed against.....  
Name and designation of the officer who passed the order.....

The appellant whose only/principal place of business is situated at.....in.....circle has applied for registration under Section 7(1)/(2) of the Central Sales Tax Act, 1956. His turnover during the period from.....to...../ annual turnover on account of inter-State sales was Rs..... He expects that he will be liable to pay tax under the Madhya Pradesh General Sales Tax Act, 1958/the Central Sales Tax Act, 1956. His estimated annual purchases in the course of inter-State trade or commerce and/or estimated receipts of goods on transfer for sale in this State are expected to be of Rs.....

OR

The appellant(s) hold(s) a registration certificate No.....granted to him/ them under Section

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1 Rule 10-B inserted by Noti. No. 515, dt. 26.2.62.  
2 Subs. for 'Madhya Pradesh General Sales Tax Act, 1958' by Noti. No. 13, dt. 6.4.96.  
3 Rule 11 substituted by Noti. No. 2857, dt. 30.7.76.



7(1)/(2) of the Central Sales Tax Act, 1956 on.....

2. The registering authority has demanded security by way of cash/bank guarantee for Rs.....under sub-section (2A), (3A), (3D) or (3G) of Section 7 of the Central Sales Tax Act, 1956.

3. The appellant has furnished the whole/one-half of the security demanded from him.

4. The appellant requests that this appeal be heard on one-half of the security demanded from him :  
.....(here give the reasons for the request).

5. The appeal has been filed on the following grounds :  
.....(here enter the grounds on which this appeal has been preferred).

6. The appellant prays that the security demanded be reduced/the nature of security be modified to the extent indicated below :  
.....

The appellant whose name has been given above hereby declare that what is stated herein is true to the best of his information and belief.

.....  
To be signed by the appellant or by an agent duly authorised in writing by the appellant in this behalf.

**FORM IV - A**

**Application for obtaining books of Declaration Forms**

[See rule 8(1-A)]

To,  
The Sales Tax Officer

Sir,  
\*I/We.....\*am/are carrying on business under the name and style of.....situated at..... \*(city/town/village).....Tahsil.....District and holding Registration Certificate No.....\*My/Our principal place of business situated at.....is under your jurisdiction and \*I/We have got the following additional places of business :  
.....

AND/OR

- 1. \*I/We have received the goods from \*my/our other place of \*business/agent/principal outside the State of Madhya Pradesh on transfer.
- 2. \*I/We request that.....books of declaration Form 'C'/'F' each containing 25 forms be supplied to \*me/us, the fee for which \*I/We have paid into the treasury and in support of which \*I/We enclose a treasury receipted Challan in Form X bearing No.....
- 3. \*I/We declare that \*my/our Registration Certificate mentioned above is in force and has not been cancelled by this date.
- 4. \*I/We further declare that I/We am/are not in arrears of any tax and/or penalty for any period under the Act.

OR

I/We am/are in arrears of tax and/or penalty under the Act, the particulars of which are given below:

Period	Amount of tax/ penalty
1.....	.....
2.....	.....
3.....	.....
4.....	.....

.....

\*Signature of the Proprietor/Manager/ Secretary of the Company/Partner of the firm.

Received.....books containing form No. form.....to.....

Signature of the dealer or his authorised representative.

\*Strike out whichever is not required.

**FORM - IX**

**Declaration under rule 10 of the Madhya Pradesh Sales Tax (Central) Rules, 1957, made under the Central Sales Tax Act, 1956**

[See rule 10]

I/We.....of.....carrying on the business(es) known as.....at.....and other places in the State of Madhya Pradesh \*as..... and liable to pay tax under the Central Sales Tax Act, 1956 do hereby declare that I, Shri.....(here give name and address).....whose signature is appended below and who am/is (mention here the status or designation).....of the said concern shall be deemed to be the Manager of the said business(es).....for all places within the State of Madhya Pradesh for the purpose of the said Act; and shall, at all times, comply with the provisions of the said Act and the rules made thereunder :-

Place.....

Signature.....

Date.....

#Status.....

\*Enter here one of the following, as may be applicable :

- (a) The guardian/trustee.....on behalf of.....
- (b) an undivided Hindu family knows as.....
- (c) an association/club/society known as.....
- (d) a firm known as.....
- (e) a private limited company known as.....
- (f) a public limited company/co-operative society knows as.....

#The declaration shall be signed in the case of-

- (i) an undivided Hindu family By its Manager or Karta.
- (ii) an association/club By its President or Chairman and the Secretary;
- (iii) a firm By the partners having a total share of not less than 50 per cent.
- (iv) a private limited company By all its Directors or where there are no Directors, by the authorised representative of the company nominated by the Chairman.
- (v) a public limited company or co-operative society. By the Managing Agents or where there are no Managing Agents, by the Managing Directors or the Chairman of Board of Directors and the Secretary.

**FORM XIV**

**Form of appeal against an order of assessment or penalty or refund under the Central Sales Tax Act, 1956**

[See Rule 10-A]

(Space for Court-fee Stamp)

To,

The.....

The.....day of.....19.....

Date of order appealed against.....

Date of communication of the order appealed against.....

Name and Designation of the officer who passed the order.....

Period of assessment - from.....to.....

Amount of tax assessed under Sec.....of the.....Act, read with Sec. 9(2) of the Central Sales Tax Act, 1956 Rs.....

Amount of penalty imposed under Sec.....of the.....Act, read with Sec. 9(2) of the Central Sales Tax Act, 1956 Rs.....

Amount of penalty imposed under section 10-A of the Central Sales Tax Act, 1956 Rs.....

Amount paid against tax Rs.....

Amount paid against penalty Rs.....

Balance payable against tax Rs.....

Balance payable against penalty Rs.....

The petition of.....carrying on business known as.....bearing Central Sales Tax Registration No..... whose only/principal place of business in the circle.....is situated at.....Post Office.....showeth as follows :

- 1. Under the Central Sales Tax Act, 1956, your petitioner has been assessed on a total amount of Rs.....for the period from.....to.....to tax, and penalty imposed under section.....of the.....Act read with section 9(2) of the Central Sales Tax Act, 1956.
- 2. The notice of demand is attached hereto.
- 3. A certified copy of the order appealed against is attached.
- 4. Your petitioner has paid all taxes assessed and/or penalty imposed under the order appealed against by Treasury challan No.....dated.....

OR

Your petitioner has paid one-third of the amount of the tax with penalty in respect of which this appeal has been preferred by Treasury challan No.....dated..... and prays that his appeal may be entertained on payment of this small amount and that the recovery of the balance of the amount may be stayed pending final decision in this appeal on the following grounds, namely :

- 5. Your petitioner's turnover and the taxable turnover of sales in the course of inter-State trade or commerce under the provisions of the Central Sales Tax Act of the business for the period from.....to.....amount to Rs.....and Rs.....respectively.
- 6. Such turnover of inter-State sales was the whole turnover of inter-State sales of the petitioner during the period. The petitioner had no other turnover of inter-State sales either taxable or otherwise during the said period.
- 7. Your petitioner has made a return of his turnover to the office of the.....under the said Act, and has complied with all the terms of the notice served on him by the.....under the said Act.
- 8. Enter here the grounds on which you rely for the purpose of this appeal.

9. Your petitioner, therefore, prays that he may be assessed accordingly or that he may be declared not to be chargeable under the Act or a refund of Rs.....may be granted or that the assessment may be cancelled and/or the case remanded for reassessment or that the order of the.....imposing a penalty of Rs.....upon your petitioner may be set aside.

Your petitioner..... named above does hereby declare that what is stated herein is true to the best of his information and belief.

.....  
 To be signed by the appellant or by an agent duly authorised  
 in writing in this behalf by the appellant

Note : Strike out whichever is not required.

**FORM XV**  
**Form of application for revision under the Central Sales Tax Act, 1956**  
 [See Rule 10-A]

Space for Court-fee Stamp

To

The.....

Date of order against which the application for revision is submitted.....

Date of communication of the order.....

Name and designation of the officer who passed the order.....

Period under assessment from.....to.....

Amount of tax assessed under Sec.....of the.....Act, read with Sec. 9(2) of Rs.....  
 the Central Sales Tax Act, 1956

Amount of penalty imposed under Sec.....of the.....Act, read with Sec. 9(2) of Rs.....  
 the Central Sales Tax Act, 1956

Amount of penalty imposed under section 10-A of the Central Sales Tax Act. 1956 Rs.....

Amount paid against tax Rs.....

Amount paid against penalty Rs.....

Balance payable against tax Rs.....

Balance payable against penalty Rs.....

The application of.....carrying on the business known as.....Registration Certificate No.....whose  
 only/principal place of business in circle..... is situated at..... post office..... showeth as follows :

1. Under the Central Sales Tax Act, 1956, your applicant has been assessed on a total taxable turnover of Rs.....for the period from.....to..... to tax and penalty imposed.
2. The notice of demand is attached hereto.
3. A certified copy of the order against which the application for revision is submitted is attached.
4. Your applicant has paid all the tax assessed and the penalty imposed under the order sought to be revised by Treasury challan No.....dated.....19.....

OR

Your applicant has paid an amount of Rs.....against tax assessed and an amount of Rs.....against the penalty imposed.

5. Your applicant's turnover and taxable turnover of sales in the course of inter-State trade or commerce according to the provisions of the Central Sales Tax Act, 1956, of the business for the period from.....to.....amount to Rs..... and Rs..... respectively.

6. Such turnover of inter-State sales was the whole turnover of inter-State sales of the applicant during the period. The applicant had no other turnover of inter-State sales either taxable or otherwise during the said period.

7. Your applicant has made returns of his turnover in the office of the.....under the said Act, and has complied with all the terms of the notice served on him by the.....under the said Act.

8. Enter here the grounds on which you rely for the purpose of the revision.

.....  
 9. Your applicant, therefore, prays that he may be assessed accordingly or that he may be declared not to be chargeable under the Act or a refund of Rs.....may be granted or that the assessment may be cancelled and/or remanded to.....for reassessment or that the order of the.....

imposing a penalty of Rs.....upon your applicant be set aside.

Your applicant.....named above does hereby declare that what is stated herein is true to the best of his information and belief.

.....  
To be signed by the applicant or by an agent duly authorised  
in writing in this behalf by the applicant

Note- Strike out whichever is not applicable.



Amendments in Section 9 of the CST Act. by clause 120 of the Finance Act, 2000 are as under :

**120. Validation : (1)** The provision of Section 9 of the Central Sales Tax Act, 1956 (hereafter in this Section referred to as the Central Sales Tax Act), shall have effect, and shall be deemed always to have had effect, as if that Section also provided :

**(a)** that all the provisions relating to interest of the general sales tax law of each State shall, with necessary modifications, apply in relation to :

(i) the assessment, re-assessment, collection and enforcement of payment of any tax required to be collected under the Central Sales Tax Act, in such State; and

(ii) any process connected with such assessment, re-assessment, collection or enforcement of payment; and

**(b)** that for the purposes of the application of the provisions of such law, the tax under the Central Sales Tax Act shall be deemed to be tax under such law.

**(2)** Notwithstanding anything contained in any judgement, decree or order of any court, tribunal or other authority, general sales tax law of any State imposing or purporting to have been imposed in pursuance of the provisions of Section 9 of the Central Sales Tax Act, and all proceedings, acts or things taken or done for the purposes of, or in relation to, the imposition or collection of such interest, before the commencement of this Section, shall, for all purposes, be deemed to be and to have always been imposed, taken or done as validly and effectively as if the provisions of sub-section (1) had been in force when such interest was imposed or proceedings or acts or things were taken or done and, accordingly,-

**(a)** no suit or other proceedings shall be maintained or continued in, or before, any court, tribunal or other authority for the refund of any amount received or realised by way of such interest;

**(b)** no court, tribunal or other authority shall enforce any decree or order directing the refund of any amount received or realised by way of such interest;

**(c)** where any amount which had been received or realised by way of such interest is refunded before the date on which the Finance Act, 2000 receives the assent of the President and such refund would not have been allowed if the provisions of sub-section (1) had been in force on the date on which the order for such refund was passed, the amount so refunded may be recovered as an arrear of tax under the Central Sales Tax Act;

**(d)** any proceeding, act or thing which could have been validly taken, continued or done for the imposition or collection of such interest at any time before the commencement of this Section if the provisions of sub-section (1) had then been in force but which had not been taken, continued or done, may, after such commencement, be taken, continued or done.

**8**

**(3)** Nothing in sub-section (2) shall be construed as preventing any person :

**(a)** from questioning the imposition or collection of any interest or any proceedings, act or thing in connection therewith; or

**(b)** from claiming any refund,

in accordance with the provisions of the Central Sales Tax Act, read with sub-section (1).

**Explanation** - For the purposes of this Section, 'general sales tax law' shall have the same meaning assigned to it in the Central Sales Tax Act.