

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

¹ 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 (IX (Registration & Turnover) Rules, 1957.

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

(a) Act means Central Sales Tax Act. 1956:

²(aa) Authorized officers means an officer authorized by the Central Government under Clause (b) of sub-section (4) of Section 8:

³(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:

⁴(cc) Prescribed authority means the authority empowered by the Central Government under ⁵[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;

6(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 7[], by a director, managing agent or 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.

1 Published in the Gazette of India on 28.2.57.

2 Clause (aa) inserted by GSR No. 896, dt. 23.9.58.

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

4 Clause (cc) inserted by GSR No. 896, dt. 23.9.58

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

6 Rule 2 (dd) omitted w.e.f 1.4.73 by *ibid*.

7 The words 'incorporated under the Companies Act, 1956' omitted by CST (Amendment) Rules, 1974 w.e.f. 1.2.74.

⁸(3) A fee of ⁹[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 ¹⁰[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.

¹¹(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 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 therefore, 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.

¹²**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 ¹³[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.

¹⁴AMENDMENT 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.

8 Sub-rule (3) inserted by GSR No. 896, dated 23.9.58

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

10 Inserted by GSR No. 896 dated 23.9.58

11 Subs. by GSR No. 896 dated 23.9.58

12 Subs. by S.R.O. No.3613. dt. 6.11.57.

13 Subs. for the words 'two rupees, vide GSR No.395 (E). dt. 14.4.87

14 The heading and Rule 9 substituted by GSR No.896. dt. 23.9.58.

DETERMINATION OF TURNOVER

Rule 11: ¹⁵(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 ending on the 30th June, 30th September, 31st December and 31st March, as the case may be, in a financial year.

¹⁶(2) [-----]

¹⁷**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:

¹⁸provided 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, ¹⁹[1980] with suitable modifications;

²⁰[-----]

²¹provided further that a single declaration may cover all transactions of sale which take place in one financial year between the same two dealers;

²²Provided 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.

²³(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 ²⁴[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 notified authority of his State :

²⁵Provided that where more than one forms 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.

15 Sub-rule (2) inserted by S.R.O. No.3613. dt. 6.11.57

16 Rule II (2) omitted by GSR No.1362. dt. 9.6.69.

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

18 Subs. by CST (Amendment) Rules, 1976.

19 Subs. for '1979, by CST (Amendment) Rules, 1979.

20 Omitted by the Central Sales Tax (Registration and Turnover (Amendment) Rules, 1998 w.e.f. 20.11.1998. Prior to its omission, it was inserted by GSR 2017, dated 04.11.1968 (w.e.f. 01.12.1968), amended by GSR 56(E), dated 09.02.1973 (w.e.f. 01.04.1973), by Central Sales Tax (Registration and Turnover) (Amendment) Rules 1993, w.e.f. 24.10.1993 and read as under:

"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 * [financial year] , covered by one declaration or certificate, Is equal to or less than [Rupees one lac] or such other amount as the Central Government may, by a general order, notify in the Official Gazette:"

* Subs. for 'year' by CST (Amendment) Rules, 1973, w.e.f. 1.4.73.

** Subs. for 'Rs. 25,000' by the CST (Amendment) Rules, 1993, w.e.f. 16.10.93.

21 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.

22 This proviso has been inserted by CST Amendment Rules, 1975. w.{'f. 30.12.75.

23 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.

24 Inserted by CST Amendment Rules, 1975, w.e.f. 30.12.75.

25 Proviso to sub-rule 12(2) inserted w.e.f. 30.12.75 by ibid.

(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 towho is a registered dealer of..... (State) and whose registration certificate number is.....”

(4) The certificate referred to in sub-section (~) of Section 6 shall be in Form 'E-I', or Fom 'E-II', as the case may be.

²⁶(5) The declaration referred to in sub-section (1) of Section 6A shall be in Form "F":²⁷[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 annexure attached to that form so long as it is indicated in the form that the annexure form part thereof and every such annexure is also signed by the person singing 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, 28(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.

²⁹**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 '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' :

³⁰Provided that where such person is a proprietor or 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:

³¹Provided further that in the case of ³²[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 tile Board of Directors of the company, to authenticate any document on behalf of such company.

26 Sub-rules (5) to (9) were inserted by CST (Amendment) Rules. 1973, w.e.f. 1.4.73
 27 Inserted by GSR No.519 (E), dt. 13.12.73.
 28 Subs. for '1979' by GSR No. n(E), dt. 29.12.79.
 29 Explanation inserted by the CST (Amendment) Rules. 1974 w.e.f. 1.2.74.
 30 Subs. by CST (Amendment) Rules, 1974 w.e.f. 1.2.74.
 31 Inserted by GSR No.519 (E). dt. 13.12.73.
 32 Inserted by the CST (Amendment) Rules, 1974 w.e.f. 1.2.74.

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

(9) ³³(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',

³⁴(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',

³⁵(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' prescribed under these rules shall *mutatis mutandis* apply to certificate in Form 'H',

³⁶**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, ³⁷[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 .

³⁸**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.

33 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.

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

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

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

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

38 Rule 14 inserted by CST (Amendment) Rules. 1973. w.e.f. 1.4.73.