

CENTRAL SALES TAX (REGISTRATION & TURNOVER) RULES, 1957

(as on 5th March 2014)

- 1 These Rules may be called the Central Sales Tax (Registration and Turnover) Rules, 1957.
- 2 In these rules unless the context otherwise requires—
- (a) ‘**Act**’ means the Central Sales Tax Act, 1956;
- ¹[(aa) ‘**authorised officer**’ means an officer authorised by the Central Government under clause (b) of sub-section (4) of section 8;]
- ²[(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 ;
- ³[(cc) ‘**prescribed authority**’ means the authority empowered by the Central Government under ⁴[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 ;
- (dd) ⁵[Omitted];
- (e) ‘**warehouse**’ means any enclosure, building, or vessel in which a dealer keeps a stock of goods for sale.

Certificate of registration

- 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 ⁶[***] by a director, managing agent or

¹ Inserted by SRO 896 dated 23.9.1958.

² Inserted by notification no. F.28/53/73-ST dated 1.2.1974.

³ Inserted by SRO 896 dated 23.9.1958.

⁴ Substituted for the words ‘sub-section (3)’ by notification no. GSR 56(E) dated 9.2.1973.

⁵ Inserted by SRO 896 dated 23.9.1958 and omitted by GSR 56(E) dated 9.2.1973; earlier read as: “transferor means any person who effects a sale in the mode referred to in clause (b) of section.”

⁶ The words “incorporated under the Companies Act, 1956” were omitted by GSR 26(E) dated 1.2.1974.

principal officer thereof, or, in the 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.

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 the 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.

(3) A fee of ¹[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.

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, 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.

²(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)]

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 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.

¹ Substitutes for "Rs. 5" by notification no. G.S.R. 395(E) dated 14.4.1987.

² Substituted by SRO 896 dated 23.9.1958 for the words:

"When the said authority is not satisfied that the particulars contained in the application are correct and complete, it shall reject the application for reasons to be recorded in writing: PROVIDED that such rejection shall not be made before giving the applicant any opportunity of being heard in the matter;"

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.

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 ¹[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.

Amendment or cancellation of Certificate of registration

²9 (1) A notified authority shall, before amending or canceling, 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.]

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

11 (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:

¹ Substituted for "two rupees" by notification no. G.S.R. 395(E) dated 14.4.1987.

² Substituted by SRO 896 dated 23.9.1958 for the words "A notified authority shall, before canceling the registration of a dealer under sub-section (4) of section 7, give him an opportunity of being heard in the matter, wherever practicable; and if the 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."

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.

(2) ¹[Omitted]

12 (1) The declaration and the certificate referred to in sub-section (4) of section 8 shall be in Forms 'C' and 'D' respectively:

²[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 upto the 31st December, 1980, with suitable modifications:]

³[Omitted]

¹ Omitted by notification no. GSR 1362 dated 9.6.1969. Earlier read as :-

"In determining the turnover of a dealer for the purposes of section 8, there shall be deducted the following amounts from the aggregate of the sale prices, namely:-

(a) the amount arrived at by applying the following, formula-

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

100 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 section 9-A, 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 portion 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 within a period of three months from the date of delivery of the goods:

PROVIDED that satisfactory evidence of such return of goods and such payment of the amount by way of refund in cash or adjustment in accounts is produced before the prescribed authority competent."

² Substituted by notification no. GSR No.962(E) dated 30.12.1976.

³ Omitted by notification no. GSR 695(E) dated 20.11.1998 w.e.f. 20.11.1998. Earlier inserted by notification no. SRO 2817 dated 4.11.1968 and before omission read as "PROVIDED FURTHER that no single declaration of 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 lakh or such other amount as the Central Government may, by a general order, notify in the Official Gazette". The monetary limit of form C has been enhanced from time to time. Limit of Rs.5,000/- was stipulated w.e.f 1st December 1968 which was enhanced to Rs.10,000/- by the Central Sales Tax (Registration & Turnover) (Amendment) Rules 1979 w.e.f. 23.4.1979 vide GSR 640 (E) dated 23.4.1979. This was further revised to Rs.25,000/- w.e.f. 1.4.1984 by the Central Sales Tax (Registration & Turnover) (Amendment) Rules 1984 vide GSR 264 (E) dated 1.4.1984. The same was further increased to Rs. 1,00,000/- by notification no. GSR 504, dated 30.9.1993 w.e.f. 16.10.1993.

Rule 12 Central Sales Tax (Registration & Turnover) Rules, 1957

¹[PROVIDED FURTHER that a single declaration may cover all transactions of sale, which take place in a quarter of a financial year between the same two dealers.

PROVIDED ALSO that where, in the case of any transaction of sale, the delivery of goods is spread over to different quarters in a financial year or of different financial years, it shall be necessary to furnish a separate declaration or certificate in respect of goods delivered in each quarter of a financial year.]

(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 ²[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:

³[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.

¹ Second and third provisos, which were earlier inserted by notification no. GSR 483 (E) dated 7.8.1998 w.e.f. 7.8.1998 and GSR No.597 (E) dated 30.12.1975 respectively, now substituted by G.S.R. 588(E), dated 16.9.2005 w.e.f. 1.10.2005. These provisos read as under:

“PROVIDED FURTHER that a single declaration may cover all transactions of sale which take place in one financial year between the same two dealers:

PROVIDED ALSO that where, in the case of any transaction of sale the delivery of goods is spread over to different financial year it shall be necessary to furnish a separate declaration or certificate in respect of goods so delivered in each financial year.”

² Inserted by GSR No.597 (E) dated 30.12.1975.

³ Inserted by GSR No.597 (E) dated 30.12.1975.

¹[(5) The declaration referred to in sub-section (1) of section 6-A shall be in Form 'F':

²[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 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 ³[31st day of December, 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.

⁴[*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.]

⁵[(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 within three months after the end of the period to which the declaration or the certificate relates:

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, the 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':

¹ Sub rule (5) to (9) inserted by GSR No.56(E) dated 1.4.1973.

² Inserted by GSR No.519 (E) dated 13.12.1973.

³ Substituted from time to time between 1974 and 1980.

⁴ Inserted by Notification No.F.28/53/73 dated 1.2.1974.

⁵ Substituted by G.S.R. 588(E), dated 16.9.2005 w.e.f. 1.10.2005. Earlier read as, "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."

Rule 12 Central Sales Tax (Registration & Turnover) Rules, 1957

¹[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 :]

²[PROVIDED FURTHER that in the case of 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) (a) The provisions of ³[***] sub-rule (2) and sub-rule (3) shall, with necessary modifications, apply to the declaration in Form 'F' or the certificate in Form 'E-I' or Form 'E-II'.

⁴[(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'.]

⁵[(10)(a) the declaration referred to in sub-section (4) of section 5 shall be in Form H and shall be furnished to the prescribed authority upto the time of assessment by the first assessing authority.]

⁶[Omitted]

⁷(b) The provisions of the rules framed by the respective State Government 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

¹ Substituted by notification no.F.28/53/73 dated 1.2.1974.

² Substituted by notification no.F.28/53/73 dated 1.2.1974; earlier inserted on 13.12.1973.

³ Rule 9 renumbered as rule 9(a); the words "the second and third proviso to sub-rule (1)" were earlier inserted by GSR 640 dated 23.4.1979 w.e.f. 28.4.1979 and again omitted by Notification No. GSR 395 (E), dated 14.4.1987.

⁴ Inserted by Notification No. GSR 395 (E) dated 14.4.1987.

⁵ Substituted by notification no. GSR 469(E), dated 14.7.2005. Earlier read as "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 the evidence of export of such goods." which was inserted by Notification GSR 762(E) dated 17.12.1977.

⁶ Omitted by G.S.R. 431(E), No. 24/2003-STF-No. 31/72/2002-ST dated 23.5.2003. Earlier inserted by notification no. GSR.36 (E) dt. 16.1.2003 w.e.f. 16.1.2003 and read as: "PROVIDED that where the claim of the dealer relates to sub-section (8) of section 8, the dealer shall get form H duly counter-signed and certified by the authority specified by the Central Government authorising the establishment of the unit in the Special Economic Zone [notified under section 76A of the Customs Act, 1962 (52 of 1962)], that the sale of goods is for the purpose of establishing a unit in such zone, and the declaration in form 'H' prescribed under this rule shall, *mutatis mutandis* apply to the declaration of the dealer and certificate to be obtained from the said authority notified under section 76A of the Customs Act, 1962."

⁷ Inserted by Notification GSR 762(E) dated 17.12.1977.

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'.]

¹[(11) The declaration referred to in sub-section (8) of section 8 of the Act, shall be in Form I.]

²[(11A) The certificate referred to in sub-section (4) of section 6 shall be in Form J and shall be furnished to the prescribed authority upto the time of assessment by the first assessing authority.]

Prescription of goods for certain purposes

³[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, machinery, plant, equipment, tools, stores, spare parts, accessories, fuel or lubricants, in the manufacture or processing of goods for sale, or ⁴[in the telecommunications network or] in mining, or in the generation or distribution of electricity or any other form of power.]

⁵[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.]

¹ Substituted by notification no. GSR 374(E), dated 7.6.2005. Earlier read as, "The dealer, selling goods in the course of inter-State trade or commerce to a registered dealer under sub-section (6) or under sub-section (8) of section 8 or under sub-section (1) of section 5 of the Central Sales Tax Act, 1956 read with section 76A of the Customs Act, 1962 (52 of 1962), shall furnish a declaration for the purposes of sub-section (8) of the said section 8 in "Form I" duly countersigned and certified by the Authority specified by the Central Government authorising the establishment of the unit in the Special Economic Zone (notified under section 76A of the Customs Act, 1962 (52 of 1962) that the sale of goods is for the purpose of establishing a unit in such Zone.", which was inserted by G.S.R. 431(E), No. 24/2003-STF-No. 31/72/2002-ST dated 23.5.2003.

² Inserted by notification no. GSR 469(E), dated 14.7.2005.

³ Rule 13 inserted by SRO 896 dated 23.9.1958.

⁴ Inserted vide notification No. GSR 83(E), dated 11.3.2010.

⁵ Rule 14 inserted by GSR No.55 (E) dated 9.2.1973 w.e.f. 1.4.1973.