

**APPENDIX – 14-I-I**

**Procedure to be followed for reimbursement of Central Sales Tax (CST) on supplies made to Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP).**

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Note: Please see paragraph PARA 6.11(c)(i) of the Chapter 6 of the Exim Policy.

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1. The procedure given hereunder shall be applicable for reimbursement of Central Sales Tax.
2. The Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP) will be entitled to full reimbursement of Central Sales Tax (CST) paid by them on purchases made from the Domestic Tariff Area (DTA), for production of goods and services as per EOU Scheme on the following terms and conditions:
  - (a) The supplies from DTA to EOU/EHTP/STP units must be utilised by them for production of goods meant for export and/or utilised for export production and may include raw material, components, consumables, packing materials, capital goods, spares, material handling equipment etc. on which CST has been actually paid by the EOU/EHTP/STP
  - (ii) While dealing with the application for reimbursement of CST, the Development Commissioner or the designated officer of EHTP/STP shall see, inter alia, that the purchases are essential for the production of goods meant for export and/or to be utilised for export production by the units.
3. The procedure to be followed in this regard is indicated hereinafter and shall be strictly adhered to:

**Procedure:**

- (i) The unit shall present its claim for reimbursement of CST in the prescribed form (Annexure - I) to the Development Commissioner of the SEZ concerned or the designated officer of the EHTP/STP.
- (ii) As soon as the goods are received by the EOU/EHTP/STP unit in its premises it will be entered in the material receipt register kept for the purpose. The register must show the details of goods, quantity, the source of purchase and the 'C' Form against which purchase is made, etc. which will be subject to periodical check by the authorised staff of the Zone/Customs administration. A Chartered Accountant's certificate regarding the verification of the materials receipt register relevant to the claim as at Annexure - II shall be submitted alongwith the claim.
- (iii) The reimbursement of CST shall be admissible only to those units who get themselves registered with the Sales Tax authorities in terms of Section 7 of the CST Act, 1956 read with (Registration and Turnover) Rules, 1957 and furnish a Photostat copy of the Registration Certificate issued by the Sales Tax authorities to the Zone office concerned for keeping it in the relevant file.
- iv) Claims shall be admissible only if payments are made through the bank accounts maintained by EOU/EHTP/STP unit or DD emanated from its accounts.
- (v) The claim shall be submitted along with the following documents:
  - a) Chartered Accountant's Certificate, from CA, meeting the following criteria, certifying receipt of the goods as shown in Annexure-II in the bonded premises, scrutiny of original invoice/bill of the supplier and proof of payment against each invoice/bill and its reconciliation with 'C' Form:-

**Eligibility criteria for C.A. firms:**

- (i) In case of units located in the States of J&K, Orissa, North-Eastern States, Andaman and Nicobar islands and Lakshadweep, the Chartered Accountant firm should be at least a Sole Proprietorship firm who should be an FCA and engaged full time with the firm.
- (ii) In case of partnership Chartered Accountant firms located in the regions indicated in (i) above, should have at least two full time partners, one of whom should be an FCA.
- (iii) In case of units located in other regions, the partnership Chartered Accountant firms should have at least one full time partner, who should be an FCA.
- (iv) For the regions indicated in (i) above, the Chartered Accountant firm be located in the area where the unit is situated otherwise qualification of (iii) shall apply.
- b) Photostat copy of C Form issued by the EOU/EHTP/STP to the supplier in the DTA with reference to the counterfoil produced by the unit. The counterfoil of C form will be returned to the unit after making suitable endorsement like 'cancelled/CST reimbursed' duly signed by the authorised officer of the Zone administration. While making the endorsement only, the items for which CST has been reimbursed should be indicated as cancelled and the Photostat copy will be retained by the officer for keeping in respective file. In the event of the same 'C' form being used again, the verification could be done at the time of scrutiny from the self-attested photocopies. The firm must indicate the file No. on which the original stands submitted.

(vi) The reimbursement will be limited to the payment of CST against C Form only.

(vii) The EOU/EHTP/STP shall also intimate the name of the person/persons who are authorised by them to sign the C Form and furnish three copies of his/their specimen signature(s) which will be kept in the relevant file of the unit.

(viii) The reimbursement will be made on quarterly basis. No claim for reimbursement will be normally entertained if not claimed within a period of six months from the completion of the quarter in which the claim has arisen. In case of procurement of goods against payment in installments, the CST reimbursement claim may be made in the quarter in which the full payment has been effected against the invoice/bill. In exceptional cases, the Development Commissioner may consider delayed applications when received after the expiry of the last date for submission of

such application but within six months from the last date with a late cut @ 10% on the entitlement after satisfying that the delay was due to genuine grounds.

- (ix) Only one consolidated claim for a quarter will be admitted for reimbursement of CST. No supplementary claim shall be entertained.
- (x) The claim for CST reimbursement for the amount below Rs. 100/- on any single invoice shall not be entertained.
- (xi) The disbursing authority for the claim of reimbursement of CST will be Development Commissioner/designated officer of EHTP/STP who will make payment to the units. All claims shall be subjected to post audit.
- (xii) The unit shall preserve for three years all the original documents viz. Original invoice/bill, money receipt/bank statement for random/sample checking and produce the same as and when called for by the office of the Development Commissioner. Random checking of 5% of the claims of a particular quarter should be done in the next quarter through generation of computer statements on the basis of serial numbers. The random list will be generated by the Development Commissioner personally.

(Xiii) In case some glaring error or irregularity is detected against any unit in claiming CST reimbursement, action to recover the amount paid and levy penalty would be taken under FTDR Act against such unit.

(Xiv) Any dues of the Government viz. arrears of Lease rent, amount on account of a Court's decree or Income tax recovery note, etc. will also be deductible from the claim amount or it can be set off from the subsequent payment.

ANNEXURE 1

Application for claiming reimbursement of Central Sales Tax against 'C' Form for the goods brought into the bonded Premises of the EOU/EHTP/STP for the quarter ending on -----

1. Name of the applicant :
2. Full postal address :
3. (a) No. and date of letter of Approval issued under EOU/ EHTP/ STP Scheme :
- (b) Whether the Letter of Approval is still valid on the date of this application. :
4. Registration No: :
- (With date of issue) issued by S.T. Authorities under CST Act 1956
5. Details of the goods brought into units :
- (b) Name and address of the supplier (including the name of the state where the supplier is located)
- (c) Description of Goods
- (d) Quantity
- (e) Value
- (f) Date of purchases of goods
- (g) Date of receipt of goods in the Customs Bonded Premises of the EOU unit
- (h) Total amount of CST paid against 'C' Form
- (i) Sales Tax Registration No. & date of the supplier under Section (7) of the Central Sales Tax Act, 1956.
6. Amount of CST claimed :

Undertaking and Declaration

I/We hereby solemnly undertake/declare that the particulars stated above are true and correct to the best of my/our knowledge and belief.

No other application for claiming CST has been made or will be made in future against purchase covered by the application.

- (a) The goods for which the claim has been made are meant for production of goods for export and/or for export production of the EOU/EHTP/STP unit and will be utilised only in our factory and we shall not divert or dispose off the material procured without obtaining prior permission of the concerned Development Commissioner.
- (b) The goods for which the claim has been made have been entered into the stock register maintained by the unit.
- (c) Any information, if found to be incorrect, wrong or misleading, will render/us liable to rejection of our claim without prejudice to any other action that may be taken against us in this behalf.

If as a result of scrutiny any excess payment is found to have been made to me/us, the same may be adjusted against any of the subsequent claims to be made by my/our firm or in the event no claim is preferred, the amount overpaid will be refunded by me/us to the extent of the excess amount paid.

Signature :

Name in Block Letters :

Designation :

Name of the Applicant :

Firm :

ANNEXURE - II

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed material receipt registers, books of account and the bank statement in respect of the goods mentioned in the table appended, and each entry of the application of M/s \_\_\_\_\_ for the period----- and hereby certify that:

- (i) The following documents/records have been furnished by the applicant and have been examined and verified by me/us, namely material handling registers certified by the zone administration/Bonding Officer, original invoice/bill, books of accounts and I Bank statement,
- (ii) Relevant registers have been authenticated under my/our seal, signatures. It has been ensured that the information furnished is true and correct in all respects, no part is false or misleading and no relevant information has been concealed or withheld.
- (iii) The Payment has been made by the said M/s. \_\_\_\_\_ to the DTA suppliers in respect of goods received against the original invoice bill(s) as indicated in the table annexed hereto.
- (iv) The payments have been made through normal banking channel and have been credited to the accounts of the DTA suppliers.
- (v) Such payment includes the amount of CST indicated in the respective invoices.
- (vi) All the items shown in the table are admissible for reimbursement of CST under provisions of EOU Scheme

Neither I/We nor any of our partners is a partner/Director or an employee of the above named entity or its associated concerns.

I fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory \_\_\_\_\_  
Name \_\_\_\_\_  
Membership No. \_\_\_\_\_  
Full address \_\_\_\_\_

Name and address of the Institution where registered.  
Date:  
Place:

TABLE

DETAILS OF GOODS BROUGHT INTO UNIT AND CENTRAL SALES TAX PAID DURING THE QUARTER\_\_\_\_\_

- (i) S.No.
- (ii) Name and address of the supplier
- (iii) Nature and description of goods
- (iv) Quantity received and accepted
- (v) Invoice value accepted
- (vi) Invoice/Bill No. and date:
- (vii) Date of Receipt of the goods and S.No. of entry in material receipt register.
- (viii) CST Amount paid
- (ix) 'C 'Form No.
- (x) Cheque/DD No. date and amount
- (xi) Name of Bank and Branch
- (xii) CST Registration No. of the supplier:

Note: Table shall show supplier-wise sub-total and grand total of column (v), (vii) and (x) Cheque/DD amount.

Signature & Stamp/seal of the Signatory\_\_\_\_\_  
Name\_\_\_\_\_  
Membership No.\_\_\_\_\_  
Full address\_\_\_\_\_

Name and address of the Institution where registered.

Date:  
Place: