FORMS UNDER THE CENTRAL SALES TAX ACT

To carry out the purposes of the Central Sales Tax Act, 1956, three types of rules have been framed under such Act. In the name of the Central Sales Tax (Registration & Turnover) Rules, 1957, rules have been framed by the Central Government, second type of rules have been framed by respective States. They have given then their own name. Common name is “The Central Sales Tax (Name of State) Rules, 1957”. For example, the Uttar Pradesh State Government has framed “The Central Sales Tax (Uttar Pradesh) Rules, 1957”, State Government of Punjab has framed rules in the name of ”The Central Sales Tax (Punjab) Rules,1957”, etc. Third types of rules, in the name of “The Central Sales Tax (Union Territories) Rules, 1957”, have been framed by the Central Government for Union Territories.

Certain forms have been prescribed in each type of rules. Forms prescribed in the Central Sales Tax (Registration & Turnover) Rules, 1957 are applicable in all States and Union Territories. Forms prescribed in the rules framed by States are applicable in the respective States and Forms prescribed in the rules “The Central Sales Tax (Union Territories) Rules, 1957” are applicable in all Union Territories.

In the State Rules and the Union Territory Rules, the most important form is Form of Return. Other forms relate to list of registered dealers and format of certain registers. The Central Sales Tax (Registration & Turnover) Rules, 1957, prescribe following Forms:

FORM A This form is format of application for obtaining registration certificate under the Central Sales Tax Act, 1956. This is stationery form usually supplied free of cost by the Sales Tax / VAT / Commercial Tax Departments of the States.

FORM B Form B is the format of the registration certificate. In this format Registration Certificate is issued to a dealer by the State Sales Tax / VAT / Commercial Tax Department.

FORM C Form C is security printed form and is issued by the State Sales Tax / VAT / Commercial Tax Department to a registered dealer who makes inter-state purchase of goods mentioned in his registration certificate. This form is divided in three portions marked Original, Duplicate and Counter Foil. Purchasing dealer, after making relevant entries and after putting his signatures issues portions marked Original and Duplicate to the selling dealer of the goods, the details of which have been given on the form.

The selling dealer presents Original Copy before its assessing authority for claiming exemption from or reduction in rate of tax, as the law may provide. Irrespective of rate of tax applicable to sale of certain goods within a State, where such rate of tax on sale of such goods within the State is higher than 2%, the purchasing dealer, making inter-state purchase, can, on the basis of Form C, purchase such goods after paying tax to the seller only @2%. In absence of Form-C, purchasing dealer would have been liable for payment of tax at the same rate which is applicable to sale of such goods within the State of selling dealer.

Single Form C can cover transactions of sales made in between same two dealers during the period of one quarter of a financial year.

FORM D This form has been omitted.

FORM E1 / FORM E2 Clause (b) of section 3 of the Central Sales Tax Act, 1957 defines an inter-state sale or purchase which is effected by transfer of document of title to the goods during their movement from one State to another. Such sale is also referred to as sale in transit. In case of such a sale, selling dealer endorses document of title to goods in favour of purchasing dealer. The purchasing dealer either may take delivery of goods from the common carrier on the basis of document of title to goods or he may also effect sale to another person by further transfer of such documents of title to the goods. Before delivery of goods is taken in the State of delivery, several inter-state sales can be effected by way of transfer of documents of title to goods. For single journey of goods from the State of sale to the State of delivery, first inter-state sale is taxed in the State from which journey of goods commences. Where first selling dealer is liable to pay tax on first sale, all other sales, effected by transfer of document of title to goods, are exempt from levy of tax if the selling dealer-

(i) obtains Form-C from the purchasing dealer; and

(ii) Form-E1 from the selling dealer where it is the second inter-state sale and Form-E2 where it is any inter-state sale subsequent to second inter-state sale.

Form-C is always received by the selling dealer form its purchasing dealer. Form-E1 is issued (on demand) to the first purchasing dealer and in all other cases, Form E2 is issued by selling dealer to their purchasing dealer, if such purchasing dealer require such form for the purpose of claiming exemption on inter-state sale effected by transfer of documents of title to goods. Blank Form E1 and Form E2 are issued to registered dealers by the Sales Tax / VAT / Commercial Tax Department of the selling dealer.

FORM F Goods may also be moved from one State to another State and may be delivered in other State without a sale. A principal may transfer his goods to his agent, head office or manufacturing unit in one State may transfer its goods to its branches or depots in other States, a purchasing agent may dispatch goods to its principal in other State. In all such cases, there is no inter-state sale. Also no sale is effected during their movement of goods from one State to another. For claiming that goods have moved from one State to another other than by reason of sale, the consignor of the goods is required to produce Form F, duly filled and signed by the consignee of the goods.

Blank Forms F are issued by the Sales Tax / VAT / Commercial Tax Department of the State, in which goods are delivered, to the consignee dealer. For this, consignee should be registered in the State in which goods are to be delivered. Recently, in case of M/s Ambika Steels, the Hon'ble Supreme Court has also upheld the liability of furnishing of Form-F in cases in which goods are sent for job work or goods returned are received back.

Form-F is issued by transferee of goods to transferor of goods and one single form may cover consignments of goods transferred during one calendar month.

FORM G It is the format of Indemnity Bond. Where, Indemnity Bond is required to be furnished under any provision of the Central Sales Tax Act. 1957, it is to be submitted in the format prescribed in Form G.

FORM H Where an exporter (direct exporter) receives an export order and for fulfilling such order, makes purchase of the goods, under the export order, then such purchase of such goods by the exporter and the sale of such goods made by selling dealer to exporter, are also deemed to be in the course of export of the goods out of the territory of India subject to the condition that exporter issues certificate in Form H to the selling dealer.

For such sale to exporter, the exporter issues Form H to the selling dealer and in such Form H, he certifies that –

(i) goods were purchased after, and for the purpose of complying with, the agreement or order no………. dt……….. for or in relation to such export.

(ii) goods purchased have been sold in the course of export out of the territory of India; and

(iii) if goods are re-imported into India purchasing dealer will informed to the assessing authority of selling dealer.

Provisions of furnishing of Form H do not apply where an exporter makes random purchases of goods and whenever he gets an export order; he supplies goods out of his stocks. Also they do not apply where purchased and exported goods are different.

FORM I Inter-state sale, made to a Special Economic Zone (SEZ) dealer registered under the Central Sales Tax Act, 1956 for use by him in authorized operations in the unit in SEZ, is exempt from payment of the Central Sales Tax if the selling dealer furnishes Form I to its assessing authority after obtaining it from the SEZ dealer. Blank Forms I are obtained by SEZ dealer from office of the Development Commissioner of SEZ in which his unit is located.

FORM J Sub-section (3) of section 6 of the Central Sales Tax Act, 1956 provides for granting exemption from tax on inter-state sales of any goods made to any official, personnel, consular or diplomatic agent of-

(i) any foreign diplomatic mission or consulate in India; or

(ii) the United Nations or any other similar international body,

entitled to enjoy privileges under any convention or agreement to which India is a party or under any law for the time being in force, if such official, personnel, consular or diplomatic agent, as the case may be, has purchased such goods for himself or for the purpose of such mission, consulate, United Nations or other body.

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Exemption to selling dealer will be available only if he furnishes certificate in Form-I, obtained from the person purchasing goods.

Duty filled Form C, Form E1, Form E2 and Form F are to be submitted by the selling dealer to its assessing authority of Sales Tax / VAT / Commercial Tax Department within a period of 3 months, starting immediate after expiry of the period to which transactions entered on the form relate. All other forms, prescribed in the Central Sales Tax Rule, 1957 can be presented before the assessing authority till the assessment by first assessing authority.