

THE CENTRAL SALES TAX (KERALA) RULES, 1957

In exercise of the powers conferred by sub-section (3) and (4) of Section 13 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) the Government of Kerala hereby make the following rules, namely:-

1. These rules may be called the Central Sales Tax (Kerala) Rules, 1957.

2. In these rules unless the context otherwise requires,-

(a) "Act" means the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

(b) "Assessing Authority" means the assessing authority under the General Sales Tax Law for the time being in force in the State of Kerala;

(c) "Central Sales Tax Rules" means the rules passed by the Central Government under subsection (1) of Section 13 of the Act;

(d) "Form" means a form appended to these rules;

(e) "Registering authority" means the authority specified under sub-section (1) of Section 7 of the Act;

(f) "Sales Tax Rules" means the rules made by the State of Kerala under sub-section (3) and (4) of Section 13 of the Act;

(g) "Section" means a Section of the Act;

(h) "State" means the State of Kerala.

3. Omitted.

4. Omitted.

5. (1) Every dealer registered under Section 7 of the Act and every dealer liable to pay tax under the Act shall keep and maintain separately, a true and correct account in one of the following languages, Viz Malayalam, Tamil, Kannada, Gujarathi or English showing the goods sold and bought by him and the value thereof, in respect of the transactions under the Act. He shall maintain an account showing the day-to-day purchase, sales, deliveries and stocks of each kind of goods.

(1A) Every registered dealer making sales in the course of Inter-State trade or commerce shall maintain correct and complete accounts for all such transactions in Form IA.

(2) Every such dealer shall in respect of each transaction under the Act prepare in duplicate a voucher showing the date of transaction, the name, address, registration number, if any, and the State of Registration, of both the seller and the 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.

(3) The vouchers of each kind shall be serially numbered, separately.

(4) Every dealer shall maintain all vouchers relating to stocks, purchases, sales and deliveries relating to all transactions under the Act for a period of three years after the close of the year to which they relate.

(5) Every dealer shall keep current books of account at the place or places of business.

(6) Every dealer shall maintain separate accounts in respect of goods liable to different rates of tax under Section 8 of the Act

5A. Every principal, who claims exemption on the sales of goods on consignment account through agents outside the State shall maintain the following records namely:-

(a) A register showing the name and full address of the agent to whom goods were consigned together with description of the goods so. despatched for sale, on each occasion and their quantity and value;

(b) The originals of authorizations sent to the agent for the sale of the goods;

Note:- Copies of these authorizations and description of goods despatched for sale on each occasion with particulars of their quantity and value should be simultaneously furnished to the assessing officer concerned,

(c) the originals of the written contract, if any, entered into between the principal and the agent;

(d) Copies of bills issued by the agents to the purchasers;

(e) Pattials, namely, accounts rendered by the agents' to the principals from time to time showing the gross amount of the bill and deduction on account of commission and incidental charges;

(f) Extract of the ledger account of the principal maintained in the books of the agents duly signed by such agents;

(g) Copies of railway receipts or lorry receipts under which the goods were so despatched; and;

(h) A register showing the date and mode of remittance of the amount to the principal.

6. (1) Every dealer other than a dealer referred to in the proviso to rule 11 of the Central Sales Tax (Registration and Turnover) Rules, 1957, registered under Section 7 of the Act shall submit a return of his transactions in Form II together with the connected declaration forms in Form C and /or F and the certificates in Forms D, E I and E II prescribed under sub-rules (1) and (2) of rule 12 of the said rules so as to reach the assessing authority on or before 10th day of every month in respect of a special circle and on or before 15th day of every month in respect of other circles showing the turnover for the preceding month and the amount or amounts collected by way of tax together with proof for the payment of the tax due thereon under the Act.

(1-A) Every dealer liable to pay tax under the Act other than a dealer to whom sub-rule (1) applies shall submit, so as to reach the assessing authority on or before the 20th day of the month succeeding the quarters ending 30th June, 30th September, 31st December and 31st March as the case may be, a return of his transactions in form II together with the connected declaration forms in Form C and / or F and the certificates in Forms D, E I and E II showing the turnover for the preceding quarter and the amount or amounts collected by way of tax together with proof for the payment of tax due thereon under the Act.

(1-B) Notwithstanding anything contained in Sub-rules (1) & (1 A), the selling dealer who has not obtained the declaration forms in form C and /or F and the certificate referred to in Sub- rules (1) and (1 A) from the purchasing dealer by the due date for the submission of the return may obtain such declaration forms in form C and /or F and the certificates relating to any assessment year and produce the same before the assessing authority at any time before the assessment for the year is made.

(2) Every such dealer who discontinues his business during the course of the year shall submit to the assessing authority concerned within 30 days of such discontinuance a return in Form II in the manner prescribed in sub-rule (1) or (1 A) for the month or quarter in which his business was discontinued.

(2A). If any dealer, having furnished return under sub-rules (1), (1-A), or (2) discovers any omission or wrong statement therein, he may furnish a revised return at any time before the assessment is made.

(3) The return in Form II so filed shall subject to the following sub-rule be provisionally accepted.

(4) If no return is submitted in respect of any month or quarter on or before the 10th day of every month in respect of a special circle and on or before the 15th day of every month in respect of other circle or the 20th day of the succeeding month of the quarter, as the case may be, or if the return is submitted without proof for the payment of the full amount of

the tax payable or if the return submitted appears to be incorrect or incomplete, the assessing authority shall, after making such enquiry as he considers necessary, and after giving the dealer an opportunity of proving the correctness and completeness of the return where the return has been submitted by the dealer, determine the turnover to the best of his judgment and provisionally assess the tax or taxes payable for the month or quarter, as the case may be, and shall serve upon the dealer a notice in Form III and the dealer shall thereupon pay the tax so assessed at the time and in the manner specified in the notice.

(5) After the close of the year the assessing authority shall after such scrutiny of the accounts and after such enquiry as he considers necessary satisfy himself that the return or returns filed are correct and complete and finally assess under a single order the tax or taxes payable under the Act for the preceding year or for the year to which the return submitted relates as the case may be provided that if no return or returns have been submitted by the dealer as required by sub-rules (1), (1-A) and (2) or if any return or returns submitted by him appear to the assessing authority to be incorrect or incomplete the assessing authority shall, after making such enquiry as he considers necessary and after giving the dealer an opportunity of proving the correctness and completeness of the return submitted by him, determine the turnover to the best of his Judgment and finally assess under a single order the tax or taxes payable under the Act for the preceding year or the year concerned. Such action may be taken in respect of a dealer who discontinues his business during the course of a year soon after such discontinuance.

(6) If, on final assessment made under sub-rule (5) any sum is still due from the dealer, a notice in Form IV shall be issued and, if any sum is due to the dealer, a notice in Form V shall be served upon the dealer.

(7) (i) If for any reason, the whole or any part of the turnover of business of a dealer has escaped assessment to tax in any year, the assessing authority may at any time within four years from the expiry of the year to which the tax relates proceed to determine to the best of

his judgment the turnover which has escaped assessment and assess the tax payable on such turnover after issuing a notice to the dealer and after making such enquiries as he considers necessary.

(ii) Where an assessment or re-assessment has been deferred on account of any stay order granted by the High Court or any competent authority in any case, or by reason of the fact that an appeal or other proceeding is pending before the High Court or the Supreme Court involving a question of law having a direct bearing on the assessment in question, the period during which the stay order was in force or such appeal or proceeding was pending shall be excluded in computing the period of four years specified in clause (i).

(iii) Where an assessment or re-assessment has been set aside by the Appellate Tribunal or the High Court or the Supreme Court for any reason, the period between the date of such assessment and the date on which it has been set aside shall be excluded in computing the period of four years specified in clause (i).

(8) If, for any reason, any tax has been assessed at too Iowa rate in any year, the assessing authority may within four years from the expiry of the year to which the tax relates, proceed to revise the assessment after issuing a notice to the dealer and after making such enquiry as he considers necessary.

(9) An assessing authority may, at any time within three years from the date of and order passed by him, rectify and mistake apparent from the record:

Provided no such rectification, which has the effect of enhancing the assessment, shall be made unless the assessing authority has given a notice to the dealer of the intention to do so and has allowed him a reasonable opportunity of being heard.

(10) The powers under sub-rules (7), (8) and (9) can be exercised by an assessing authority even though the original assessment, if any, passed in the matter has been the subject matter of an appeal or revision.

(11) A dealer coming under the purview of sub-rule (II) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957, shall submit a declaration in Form I specified therein duly countersigned and certified by such authority as specified by the State Government / Assessing Authority under whose jurisdiction the unit in the Special Economic Zone is situated to the effect (Notified under Section 76A of the Customs Act 52 of 1962) that the sale is for the purpose of establishing a unit in such zone.

7. Any officer not below the rank of an assessing authority may require any dealer carrying on Inter-State sales or purchases, to produce before him, the accounts and other documents and to furnish any other information relating to such business.

8. All accounts and registers maintained by registered dealers the goods in their possession and their offices, shops, godowns, vessels or vehicles shall be open to inspection at all reasonable time by such officers who have been authorised to exercise similar powers under the General Sales Tax Law for the time being in force in the State of Kerala.

9. Any officer duly authorised under the Kerala General Sales Tax Law for the time being in force in the State of Kerala in this behalf shall have powers to enter at all reasonable times for the purpose of searching for any such books, accounts or documents kept or suspected to be kept in any office, shop, godown, vessel, vehicle or any other place in which business is done.

10. If any officer not below the rank of an assessing authority, has reason to suspect that any dealer is attempting to evade the payment of any tax or fee due from him under the Act, he may, for reasons to be recorded in writing seize such accounts, registers or documents of the dealer, as may be necessary and shall grant a receipt for the same. The officer who seizes such accounts, registers or documents shall return them within ten days from the date of seizure unless they are required for prosecution.

11. (1) 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 dealers certificate of registration shall obtain from the registering authority blank declaration forms prescribed under rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 on payment of a fee at the rate of rupees fifty per book of twenty five forms and rupees two hundred per book of one hundred forms 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 his behalf, shall fill in all required particulars in the form and shall also affix his 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.

(1 A) Purchasing dealer shall issue the declaration in form 'C' obtained from the registering authority as provided in sub-rule (1), only if the goods purchased are to be delivered to the dealer in this State and not to any other branch or other place of business of the dealer in any other State:

Provided that in a case where Head Officer of a dealer in this state is ordering goods for a factory situated in another State of the dealer does not hold a registration under Central Sales Tax Act, 1956 in the State in which the factory is situated, the declaration in the form C shall be supplied by the Head Office or the branch that places the order.

(2) A registered dealer who claims to have made a sale to another registered dealer shall, in respect of such claim, attach to his return to the assessing authority the portion marked 'Original' of the declaration received by him from the purchasing dealer. The assessing authority may, in its discretion; also direct the selling dealer to produce for inspection the portion of the declaration marked 'Duplicate'.

(3) No purchasing dealer shall give, nor shall a selling dealer accept, any declaration except in a Form obtained by the purchasing dealer, on application from the Registering Authority and not declared obsolete and invalid by the Board of Revenue, Kerala State under the provisions of sub-rule(10).

(4) Every declaration Form obtained from the Registering Authority by a registered dealer shall be kept by him in safe custody and he shall be personally responsible for the loss, destruction or theft of any such form or the loss of Government revenue, if any, resulting directly or indirectly from such theft or loss.

(5) (i) Every registered dealer to whom any Declaration Form is issued by a Registering Authority shall maintain, in a register in Form VI a true and complete account of every such Form received from the Registering Authority. If any such Form is lost, destroyed or stolen, the dealer shall report the fact to the Registering Authority immediately, shall make appropriate entries in the remarks column of the register in Form VI, and take such other steps to issue public notice of the loss, destruction or theft as the Registering Authority may direct.

(ii) If any declaration form which has been filled in and put to use, but subsequently lost in transit and in lieu of which a duplicate declaration form has been issued under sub-rule (3) of rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957, the dealer shall report the fact to the registering authority immediately.

(6) Any unused declaration forms remaining in stock with a registered dealer on the cancellation of his registration certificate shall be surrendered to the Registering Authority.

(7) No registered dealer to whom a Declaration Form is issued by the Registering Authority shall, either directly or through any other person, transfer the same to another person except for the lawful purpose of sub-rule (1).

(8) A Declaration Form in respect of which a report has been received by the Registering Authority under sub-rule (5) shall not be valid for the purpose of sub-rule (1).

(9) The Board of Revenue Kerala State 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 State Government may by notification to be published in the Official Gazette, declare that the declaration forms of the particular series, design or colour shall be

deemed as obsolete and invalid with effect from such date as may be specified in the notification. The State Government may also furnish information regarding such declaration forms to other State Government and to the Government of India for publication in their Gazettes.

(11) When a notification, declaring declaration forms 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 declaration forms are so declared obsolete and invalid, surrender to the Registering Authority all unused declaration forms of that series, design or colour which may be in their possession and obtain In exchange such new declaration forms as may be substituted for the declaration forms declared obsolete and invalid.

(12) Every registered dealer shall submit to the Assessing Authority a true copy of the register in Form VI maintained by him so as to reach the assessing authority on or before the 30th April succeeding the previous financial year.

11A. (1) An authorised Officer of the Central or the State Government to whom goods are sold in respect of which the rate of tax prescribed under sub-section (1) of Section 8 in applicable shall furnish a certificate provided for in clause (b) of sub-section (4) of Section 8 in the Form D prescribed under rule 12(1) of the Central Sales Tax (Registration and Turnover) Rules, 1957. Before furnishing the certificate to the selling dealer the purchasing officer shall fill in all the required particulars in the form and also affix his signature and office Seal in the space provided in the form for that purpose. The counterfoil of the form shall be retained by the purchasing officer and the other two portions marked "original" and "duplicate" shall be made over by him to the selling dealer.

(2) A registered dealer who claims to have made a sale to a Government, not being a registered dealer shall In respect of such claims attach to his return to the assessing authority the portion marked "original" of the certificate received by him from the purchasing officer. The assessing authority may in its discretion also direct the selling dealer to produce for inspection of the certificate marked "duplicate".

11B. (1) (a) In the case of a first sale referred to in sub-section (2) of Section 6] the selling dealer shall issue a certificate as provided for in the proviso to sub-section (2) of Section 6 of the Act In form E-I prescribed under Rule 12(2) of the Central Sales Tax (Registration and Turnover) Rules, 1957, to the registered dealer to whom the sale is effected. Before furnishing the certificate to such purchasing dealer he or any person authorised by him in this behalf shall fill in all the required particulars in the form and shall also affix his signature in the space provided in the form for that purpose. Thereafter the counterfoil of the form shall be retained by the selling dealer, and the portions marked 'original' and 'duplicate' shall be made over to the registered dealer who effects the purchase.

(b) The selling registered dealer shall pay the tax due under the Act to the State from which the movement of his goods commenced.

(c) The purchasing registered dealer who claims to have made a further subsequent sale by transfer of documents of title to the goods shall in respect of such claims under sub-section (2) of Section 6 furnish to the prescribed authority the portion marked 'original' of the Form E-I received by him from the selling dealer along with the original of declaration in Form 'C' received from the registered dealer to whom the sale is effected.

(2) (a) A registered dealer who effects a second or subsequent sale referred to in sub-section (2) of Section 6] shall issue a certificate in Form E-II prescribed under Rule 12 (2) of the Central Sales Tax (Registration and Turnover) Rules, 1957. Before furnishing the certificate the selling dealer shall fill in all the required particulars in the form and shall also affix his signature in the space provided in the form for that purpose. Thereafter the counterfoil of the forms shall be retained by the selling dealer and the portions marked "original" and "duplicate" shall be made over by him to the purchasing dealer to whom the subsequent sale is effected.

(b) The purchasing registered dealer at this link in the chain of sales who claims to have made a subsequent sale to another

registered dealer by transfer of documents of title to the goods, in respect of such claim under sub-section (2) of Section 6 shall furnish to the assessing authority the portion marked "original" of the Form E-II along with the original of the portion marked "original" of the Form E-I along with the original of the declaration in Form "C" received from the registered dealer to whom the sale is effected.

(c) The purchasing registered dealer who claims to have made a second or subsequent sale by transfer of documents of title to the goods shall, in respect of such claim furnish to the assessing authority a photocopy of the consignee copy of the Lorry Receipt, Railway Receipt, Bill of lading bearing endorsement made by such dealer or cash receipt in favour of the purchaser taking delivery of goods.

(3) The procedure prescribed in sub-rule (2) shall be followed in respect of all other subsequent sales by transfer of documents of title to the goods during the movement of such goods from one State to another effected by a registered dealer to another registered dealer and a certificate in Form E-II shall be used in respect of such sales.

(4) The procedure for the supply, use, custody, maintenance and submission of declaration forms prescribed in Rule 11 shall apply mutatis mutandis to the supply, use, custody, maintenance and submission of the certificates in Forms E-I and E-II.

Provided further that no fee shall be charged for the supply of forms of Certificate E-I and E-II:

Provided that new declaration forms shall not be issued to a dealer until he has rendered account of the old declaration forms lying with him and returned the balance, if any, in his hand to the Registering Authority.

11 C. (1) A dealer who claims that he is not liable to pay tax 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 business. or his agent or principal as the case may be, and not by reason of sale in the course of inter-state trade of commerce shall obtain a declaration in form 'F' in duplicate duly filled and signed by the principal officer of the other place of

business of his agent or principal, as the case may be, and shall attach to his return to the assessing authority the portion marked 'Original'. The assessing authority may in its discretion; also direct the dealer to produce for inspection the portion of the declaration marked 'Duplicate'.

(2) When goods are received on transfer and not by reason of sale or purchase in the course of interstate trade or commerce, from a Head Office, branch, agent or principal in another State by the branch, head office, principal or agent within the State, the person empowered under sub-section (1) of Section 6A or clause (a) or sub-rule (7) of Rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957, as the case may be, shall issue a declaration in form 'F' obtained from the registering authority and duly filled and signed by him to the head office, branch, agent, or principal, as the case may be, in the other State.

(3) The blank declaration Form 'F' shall be issued by the registering authority, only to dealers registered under the Act on payment of a fee at the rate of rupees fifty per book of twenty five forms and rupees two hundred per book of one hundred forms.

(4) No registered dealer shall give nor shall a dealer accept any declaration in Form 'F' except in a Form obtained by the registering authority and not declared obsolete and invalid by the Government of Kerala under the provisions of sub-rule (10) of rule 11 read with sub-rule (5) of this rule.

(5) The procedure for the supply use custody, maintenance and validity of declaration forms prescribed in sub-rule (4) to (11) of rule 11 shall apply mutates mutandis, to the supply use, custody, maintenance and validity of declaration forms in form 'F'.

11 D. (1) The blank certificate in Form 'H' prescribed by the Central Sales Tax (Registration and Turnover) Rules. 1957 shall be issued by the registering authority only to dealers registered under the Central Sales Tax Act, 1956 or under the Kerala General Sales Tax Act, 1963 on payment of a fee at the rate of rupees fifty per book of twenty five forms and rupees two hundred per Book of one hundred forms.

(2) The provisions regarding the supply, use, custody, maintenance of account and validity of declaration forms in sub-rules (4) to (11) of rule 11 shall apply, mutatis mutandis, to the supply, use, custody, maintenance of account and validity of Form H.

12. Every dealer liable to registration under the Act and who is an undivided Hindu Family, an Association or Club, Society, Firm or Company or who carries on business as a guardian or trustee or otherwise on behalf of another person shall along with the application for registration send to the Registering Authority a declaration in Form VII stating the name of the person who shall be deemed to be the Manager of such dealer's business for the purpose of the Act. All statements and returns submitted by such manager shall be binding on the dealer. Such declaration may be revised from time to time.

12A. (1) The security or additional security referred to in subsection (2A), (3A), (3C) and (3E) of Section 7 shall be furnished in, any of the following modes as may be specified by the registering authority in the order passed by him, Viz

(a) by depositing as 'security in the Government treasury the amount fixed by the said authority; or

(b) by depositing with the said authority Government securities for the amount fixed by the said authority; or

(c) by depositing security amount in the Post Office Savings Bank and pledging the Pass Book to the said authority; or

(d) by furnishing to the said authority a guarantee from a Bank, approved in this behalf by the said authority, agreeing to pay to the State Government, on demand, the amount of security fixed by the said authority; or

(e) by furnishing two sureties, acceptable to the said authority executing a security bond for such amount; or

(f) by furnishing security of immovable property to the satisfaction of the said authority.

(2) Where an order of forfeiture of the whole or any part of the security is passed under subsection (3D) of Section 7, the dealer shall within 30 days of the service of such order on him, make up the deficiency by furnishing additional security in

