

Annexure to Order No. F.T.12/57 of 1958 dated 26th April 1958.

NOTIFICATION

In exercise of the powers conferred by sub-sections (3), (4) and (5) of section 13 of the Central Sales Tax Act, 1956 (No. 74 of 1956) the State Government here-by make the following rules, namely:--

1. These rules may be called the Central Sales Tax (Jammu and Kashmir) Rules, 1958.

2. In these rules, unless there is anything repugnant in the subject or context—

(a) 'Act' means the Central Sales Tax Act, 1956;

(b) 'Form' means a Form appended to these rules;

(c) 'Section' means a section of the Act.

3. The Commissioner of Sales Tax shall publish in the Government Gazette not later than the 30th day of April, every year a list of dealers registered under section 7 of the Act in Form I. Amendments made to the said list from time to time and additions to the lists shall also be published by him in the Govt. Gazette within 15 days after the close of the quarter to which such amendments or additions relate.

4. (a) Every registered dealer shall keep and maintain a true and correct account in Form II, of all goods sold by him in the course of inter-state trade or commerce.

(b) If any dealer or person registered under the Act does not maintain an account in accordance with sub-rule (a), the assessing authority may direct him to prepare and maintain a true and correct account in the form prescribed.

(c) Every registered dealer shall maintain a correct account of the stocks of goods held by him in respect of all goods sold by him in the course of inter state trade or commerce, he shall issue a bill or a cash memorandum to the purchaser, signed and dated by him or his servant, manager or agent showing therein the address of the purchaser, quantity and amount of goods sold to him etc., and shall keep the counterfoil or duplicate of such bill or cash memorandum duly signed and dated.

5. (a) Any officer authorised by the State Government in this behalf may, for the purpose of the Act, require any dealer carrying on business in any kind of goods to produce before him any account or other documents required to be kept under the Act, and to furnish any information relating to the stocks of goods of purchases, sales and deliveries of goods by any dealer or any other information relating to his business as may be necessary for the purposes of the Act and the dealer shall comply with the said requisition.

(b) All accounts, documents and registers maintained by dealers in the ordinary course of their business, shall be open to inspection at all reasonable times by any officer so authorised.

(c) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax 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.

(d) For the purpose of sub-rule (b) or sub-rule (c) any officer authorised in this behalf, may enter and search any office, shop, godown or any premises in which business is conducted.

6. (a) 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 dealer's certificate of registration, shall obtain from the assessing authority in whose jurisdiction the principal place of business is situated, a blank Declaration Form prescribed under rule 12 of the Central Sales Tax (Registration and Turnover) rules, 1957, 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 this behalf, shall fill in all required particulars in the Form, and shall also affix his usual 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 selling dealer:

Provided that no single Declaration shall cover more than one transaction of sale, except in cases where the total amount covered by one declaration is equal to or less than Rs. 10,000 or such other amount as the Government may, by a general order, notify in the Government Gazette.

(aa) Blank Declaration Form "C" referred to in sub-rule (a) shall be obtained by a registered dealer to the extent required by him from the Assessing Authority on payment of an amount of ¹[Rs 200/- per 100 from] and such amount shall be paid in the form of court fee stamps. The court fee stamp shall be affixed on the top of the application.

(b) 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 be filled in Form IV 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".

(c) 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 assessing authority concerned and not declared obsolete and invalid by the Government under the provisions of sub-rule (J).

(d) Every declaration form obtained from the assessing 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.

¹ Rs 200/- for 100 forms vide SRO 121 dated 23-06-94.

(e) Every registered dealer to whom any declaration form is issued by the assessing authority shall maintain, in a register in Form V, a true and complete account of every such Form received from the Assessing Authority. If any such Form is lost, destroyed or stolen the dealer shall report the fact to the said assessing authority immediately, shall make appropriate entries in the remarks column thereto and take such other steps to issue public notice of the loss, destruction or theft as the assessing authority may direct.

(ee) Where a blank or duly completed declaration form is lost, whether such loss occurs, while it is in the custody of the purchasing dealer or in transit before it is received by the selling dealer, the purchasing dealer shall furnish in respect of every such form so lost an indemnity bond to the 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.

(eee) Where a duly completed form received by the selling dealer is lost, whether such loss occurs while it is in his custody or while it is in transit, until it reaches authority to whom the selling dealer is required to furnish his return in Form IV, the selling dealer shall furnish in respect of every such form so lost an Indemnity bond to the said authority for which sum as the said authority may, having regard to the circumstances of the case, fix and shall also obtain from the purchasing dealer in duplicate for every such Declaration Form so lost.

(eeee) The purchasing dealer who issues any duplicate form to the selling dealer, shall give the following declaration in red ink duly signed by him across the page of the three portions on the duplicate of the Declaration Form :-

“I hereby declare that this is the duplicate of the Declaration (Form C) No.....signed on..... and issued to... ..who is registered dealer of... ..(place) and whose registration certificate No. is.....”

(f) Any unused declaration Forms remaining in stock with a registered dealer on the cancellation of his registration, certificate shall be surrendered to the assessing authority concerned.

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

(h) A Declaration Form in respect of which a report has been received by the assessing authority under sub-rule (e) shall not be valid for the purpose of sub-rule (a).

(i) The assessing authority shall from time to time publish in the Government Gazette the particulars of the Declaration Form in which a report is received under sub-rule (e).

(j) The Government may, by notification declare that Declaration Forms of a particular series, design or colour shall be deemed as obsolete and invalid with effect from such date as may be specified in the notification:

(k) When a notification Declaring Forms of a particular series, design or colour obsolete and invalid is published under sub-rule (j) all registered dealers shall, on or before the date with effect from which the forms or so declared

obsolete and invalid, surrender to the assessing authority concerned all unused Forms of that series, design or colour which may be in their possession and obtain in exchange such new Forms as may be substituted for the Forms declared obsolete and invalid: -

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

(1) The Declaration Form shall be kept in the custody of the assessing authority and the monthly return regarding the Forms distributed to the dealers and the balance stock of Forms in his office shall be submitted to the Commissioner of Sales Tax before the 10th of succeeding month.

6-A. Use custody and maintenance etc. of records of certificates in Form 'D' (I).--An authorised officer of the Government (other than the Government registered as a dealer under the Act) who purchases goods on behalf of the Government from a dealer shall furnish a certificate in Form 'D' referred to in sub-rule (1) of Rule 12 of the Central Rules:

Provided that no single certificate shall cover more than one transaction of sale except in cases where the total amount covered by one certificate does not exceed rupees ten thousand.

(2) Before the furnishing such certificate, the authorised officer of the Government shall fill in all the required particulars in the certificate, affix his usual signature in the space provided in the certificate for this purpose, retain the counterfoil of the certificate and make over the other two portions in the certificate marked "original" and "duplicate" to the selling dealer.

(3) The counterfoil in the certificate in form 'D' shall be maintained by the authorised officer of the Government for a period of five years or such further period as may be specified by the Commissioner of Sales Tax.

(4) A registered dealer who claims to have made a sale to the Government (other than the Government registered as a dealer under the Act) shall in respect of such claim attach to his return in form IV the portion marked 'original' in the certificate received by him from the authorised officer of the Government.

(5) The assessing authority may in his discretion require the selling dealer to produce for inspection the portion marked 'duplicate' in the certificate in Form 'D'.

Explanation.-In this rule 'authorised officer of the Government' means an officer authorised under clause (b) of sub-section (4) of section 8 of the Act.

6-B. Use, custody, maintenance etc., of records of certificates in Form E-I and Form E-II.- (I) A registered dealer who claims exemption from tax in respect of any subsequent sales referred to in sub-section (2) of section 6 or the Act shall obtain from the registered dealer from whom he purchased the goods, a certificate in Form E-I or Form E-II referred to in sub-rule (2) of rule 12 of the Central Rules, for use in the manner specified in sub-rule (2) together with a declaration in Form 'C' or a certificate in Form 'D' prescribed under sub-rule (1) of

rule 12 of the Central Rules received from the registered dealer or the Government as the case may be, to whom the goods were sold:

Provided that no single certificate shall cover more than one transaction of sale except in cases where the total amount covered by one certificate does not exceed rupees ten thousand.

(2) Form E-I shall be used in respect of the sale for which the exemption is claimed where such sale follows immediately the first sale and Form E-II shall be used in respect of all other subsequent sales.

(3) For the purpose of sub-rule (i) a registered dealer shall obtain from the Taxation Officer Form E-I or, Form E-II as the case may be, to the extent required by him and shall maintain in a register in Form VI a true and complete account of every such certificate received from the said officer.

(4) Before furnishing the certificate referred to in sub-rule (1) to the registered purchasing dealer, the registered selling dealer or any person authorised by him in this behalf shall fill in all the required particulars in the certificate, affix his usual signature in the space provided in the certificates for this purpose, retain the counterfoil of the certificate and make over the other two portions in the certificate marked 'original' and 'duplicate' to the registered purchasing dealers.

(5) The counterfoil of such certificate shall be maintained by the registered selling dealer for a period of five years or such further period as may be specified by the Commissioner of Sales Tax.

(6) A registered dealer who claims that his subsequent sale to another registered dealer is not taxable under sub-section (2) of section 6 of the Act shall, in respect of such claim attach to his return in Form IV the portion marked 'original' in the certificate in Form E-I or Form E-II, as the case may be, and received by him from the registered dealer from whom he made the purchase alongwith the declaration Form 'C' or a certificate in Form 'D' received by him from the registered dealer or the Government to whom he has made the subsequent sale.

(7) The assessing authority may, in his discretion require the registered selling dealer to produce for inspection the portion marked 'duplicate' in the certificate in Form E-II.

(8) No registered dealer shall give nor shall a registered dealer accept, any certificate in Form E-I or Form E-II except in a form obtained on application from the Taxation Officer and not declared obsolete and invalid by the Commissioner of Sales Tax.

(9) The provisions of sub-rules (d) to (eee) of rule 6 in relation to Declaration Form 'C' referred to therein shall apply with such changes as circumstances require also to certificates in Form E-I and- E-II.

6-C. (i) 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 his business or to his agent or principal, as the case may be, and not by reason of sale, in the course of inter-State trade or commerce shall obtain a

declaration in Form 'F' in duplicate duly filled and signed by the principal officer of the other place of business or his agent or principal, as the case may be, and shall attach to his return in Form IV to the Assessing Authority in the portion thereof marked 'original'. The Assessing Authority may in its discretion, also direct the dealer to produce for inspection the portion of the declaration marked 'duplicate'.

(ii) When goods are received on transfer, and not by reason of sale or purchase in the course of inter-State trade and commerce, from a head office, branch, agent or principal in another State by a branch, head office, principal, or agent within the State the person empowered under sub-section (1) of section 6-A or clause (a) of sub-rule (8) 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 Assessing 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.

(iii) The blank declaration in Form 'F' shall be issued by the Assessing Authority only to dealers registered under the Act on payment of a fee of eight rupees (Rs. 8.00) per twenty five forms and such fee shall be paid in the form of Court Fee Stamps.

(iv) No registered dealer shall give nor shall a dealer accept any declaration in Form 'F' except in a form obtained by the registered dealer on application from the Assessing Authority concerned and not declared obsolete and invalid under the provisions of sub-rule (1) of rule 6 read with sub-rule (vi) of this rule.

(v). No registered dealer to whom a declaration form in Form 'F' is issued by the Assessing Authority shall either directly or through any other person transfer the same to any other person except for the lawful purpose of sub-rule (ii).

(vi) The provisions governing the supply, use, custody and maintenance of declaration forms, prescribed under sub-rules (d), (e), (f), (i), (j), (k) and (1) of rule 6 shall mutatis-mutandis, apply to the supply, use custody and maintenance of declaration forms in Form 'F'.

(vii) A declaration form in Form 'F' in respect of which a report has been received by the Assessing Authority under sub-rule (e) of rule 6 shall not be valid for the purpose of sub-rule (ii) of this rule.

(viii) Every registered dealer transferring goods outside the State shall maintain a register of declaration in Form VI.

(ix) The Assessing Authority for its satisfaction that the particulars contained in the declaration in Form 'F' furnished by the dealer under sub-section (1) of section 6-A of the Act are true, may make such enquiry as it deems necessary and for this purpose it may require the dealer to furnish a copy of the authorisation sent to the principal officer of his other place of business, agent or principal for the sale of such goods, the account of sales rendered by the agent and such other documents and information as it considers necessary.

7. (a) The form of declaration shall be signed by the proprietor of the business, or, in the case of firm by one of its partners, or in the case of a Hindu

undivided family, by the Karta or the manager of the family or in the case of company incorporated under the Companies Act, 1956 or the Jammu and Kashmir Companies Act of 1977 by the Director, Managing Agent or 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 Officers managing the business.

(b) In the case of any guardian, trustee or agent of any minor or other incapacitated person carrying on a business on behalf of and for the benefit of such minor or other in capacitated person, the Form of declaration shall be signed by such guardian, trustee or agent, as the case may be and the provisions of the Act and the rules made thereunder shall apply to them accordingly.

8. If at any time a dealer,--

- (a) discontinues or sells or otherwise disposes of the whole or any part of any business carried on by him; or
- (b) changes his place of business or any of his places of his business; or
- (c) opens a new place of business; or
- (d) changes the name of any business carried on by him; or
- (e) effects any change in the ownership of any business carried on by him;

he shall, within thirty days of effecting the said change, notify the fact to the assessing authority concerned.

9. Whoever commits a breach of any of the rules, shall on conviction by a Magistrate of the First Class, be punishable with the fine which may extend to five hundred rupees and if the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

10. The provision of the Jammu and Kashmir General Sales Tax Act, 1962 (XX of 1962) and the rules as amended from time to time, shall, in so far as they are not inconsistent with the Act, or the rules made thereunder apply to the dealers liable to assessment under the Act.

11. Furnishing of security.—(1) The security or additional security referred to in sub-section (2A), (3A), (3B) and (3E) of Section 7 of the Act shall be furnished in any of the following modes as may be specified by the Assessing Authority in the order passed by him, namely:-

- (a) by depositing the amount in cash in a Government Treasury the amount fixed by the said authority;
- (b) by depositing the amount in a post office or a bank and pledged to the said authority; or
- (c) by furnishing to the said authority, a guarantee from a bank, agreeing to pay to the State Government, on demand, an amount fixed by the said authority.

(2) Where by reason of an order under sub-section (3B) of section 7 the whole or any part of the security has been forfeited, the dealer shall in order to make up the deficiency furnish further security within fifteen days of the service of the order or within such further time as the Assessing Authority may for sufficient cause permit.

12. Appeals against orders demanding security.- (i) The appeal under sub-section (3H) of section 7 shall be preferred to the Dy. Sales Tax Commissioner having jurisdiction of the Area concerned. The appeal shall be in Form VII and shall be verified in the manner specified therein.

(ii) After such enquiry as it may deem necessary to make the appellate authority may confirm, reduce or enhance the amount of security or dispense with the security or modify the nature of security.

(iii) Subject to the provisions of the Act and these rules, the procedure for disposal of the appeals under the Jammu and Kashmir General Sales Tax Act, 1962 (XX of 1962) and the rules made thereunder, shall, mutatis-mutandis, apply to the disposal of the appeals under sub-section (3H) of section 7.

FORM I

List of dealers registered under section 7 of the Central Sales Tax Act, 1956, in Jammu and Kashmir State as on

S.No.	Name and address of the dealer	Principal place of business and branches, if any	Office in which the dealer is registered	Nature of business
1	2	3	4	5

FORM III

Form of Register to be maintained by a Registered dealer regarding the Forms of declaration received and used by him.

No. of forms received and their No.	Assessing Authority from whom the forms are received.	No. of forms used		Date	Balance of forms in hand.
		S.No. of the forms	Name and address of the selling dealer to whom the form is sent.		
1	2	3	4	5	6

FORM IV

Form of Return under Rule 6(b) of Central
Sales Tax (J&K) Rules, 1956.

Return for the periodto

Registration Mark and No.....

Name of the dealer.....

Status.....

(Whether individual, Hindu undivided family, association, firm, company, guardian or trustee).

Style of the business

1.	Gross amount received or receivable by the dealer during the period in respect of sales of goods.	Rs.	P.
	(i) Sales of goods outside the State (as defined in section 4 of the Act.)	.....
	(ii) Sales of goods in course of export outside India (as defined in sec. 5 of the Act).	.....
	(ii-a) Turnover of goods-transferred outside the State as defined in section 6-A(i) of the Act.	.....
	(iii) Deductions allowed under sub-rule (2) of rule 11 *(vide Notification dated 6 th Nov. 1957 reproduced below)	.....
2	Balance turnover on inter-State sales and sales within the State Deduct turnover on sales within the State	.....
3	Balance turnover on inter-State sales. Deduct cost of freight, delivery or installation when such cost is separately charged	.....
4	Balance total turnover on inter-State sales	.....
5	Goods-wise breakup of above	.....
	A. Declared Goods :-- (i) sold to registered dealers on prescribed declaration (vide declaration attached)	.....
	(ii) sold otherwise	.....

* Of Central Sales Tax (Registration and Turnover) Rules sanctioned by Government of India.

	B. Other Goods:-	.....
	(i) sold to registered dealers on prescribed declarations (vide declarations attached)	.....
	(ii) sold otherwise	.....
	Total	.....

6. (i) Taxable at % Rs on which tax amounts to
(ii) -do- -do- -do- Rs
(iii) -do- -do- -do- Rs
(iv) -do- -do- -do- Rs
(v) -do - -do- -do- Rs

7. Total tax payable on Rs..... amounts to Rs.....

8. Tax paid, if any, by means of Treasury Challan/M. O. No..... dated

9. Balance due/excess paid, if any, Rsp.....

I enclose with this return the original copy of each of the declaration received by me in respect of sales made to registered dealers and transfer of goods outside the State together with a signed list of such declarations.

I declare that the particulars furnished in and with this return are true and complete.

Place

Signature.....

Date

Status.....

Sub-rule (2) of Rule 11 *(2) In determining the turnover of a dealer for the purposes of section 8, there shall be deducted the following amounts from the aggregate of sale price, namely:--

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

rate of tax X aggregate of sale price

100 + rate of tax.

* Of Central Sales Tax (Registration and Turn over) Rules sanctioned by the Government of India)

Explanation.—Where the turnover of a dealer is taxable at different rates, this formula shall be applied separately in respect of each portion of the turnover liable to a different rate of tax.

(b) the amount repaid to a purchaser, whether by way of refund in cash or adjustment in accounts, in respect of goods returned by the purchaser to the seller within a period of three months from the date of delivery of the goods:

Provided that satisfactory evidence of such repayment is produced before the notified authority.

Acknowledgement

Received from a dealer possessing Registration Certificate No. a return of sales tax payable by him for the period from to with enclosure mentioned therein.

Place.....

Date

Receiving Officer.

FORM V

Register of Declaration Form C maintained under rule 6(e) of the Central Sales Tax (Jammu and Kashmir) Rules, 1958.

Register of Declaration Form C maintained under rule 6(e) of the Central Sales Tax (Jammu and Kashmir) Rules, 1958.													
Receipts							Issues						
Date of receipt	Authority from whom received	Book No.	Serial No..... to	Date of issue	Book No.	Serial NO.	Name and address of the seller to whom issued	No. and date of order in respect of which issued.	Description of goods in respect of which issued.	VALUE of the goods	Seller's cash memo/challan No. in reference to which issued.	No. and date of railway receipt or other carrier's challan for the goods.	Surrender to Sales Tax Authority
1	2	3	4	5	6	7	8	9	10	11	12	13	14

FORM VI

[(See rule 6-C (VIII)]

S.No.	S.No. of the declaration form	Name of the issuing State.	Name address and registration certificate No. of the non-resident dealer.	Particulars of goods transferred.	Value of goods transferred.	Particulars/of Railway receipt/postal receipt/goods receipt along with the address of transport Co., if any.
1	2	3	4	5	6	7

FORM VII
[See rule 12(i)]

To

The Deputy Sales Tax Commissioner,
Jammu/Srinagar.

1. Name of the appellant(s).
2. Year.
3. Authority passing the original order appealed against.
4. Date on which the order was communicated.
5. Address to which notice may be sent to the appellant (s).
6. Whether security demanded has been deposited.
7. Relief claimed in appeal.
8. Grounds of appeal etc.

Signed

Dated _____

Appellant/Authorised
Representative (if any)

Verification

I/Wethe appellant(s) named in the above
appeal do hereby declare that what is stated therein is true to the best of my/our
knowledge and belief.

Verified today theday of19.....

Signed
Appellant/Authorised
Representative (if any)