

**CENTRAL SALES TAX  
(TAMIL NADU) RULES, 1957**

(G.O.P.NO.976, Revenue, dated the 27<sup>th</sup> February, 1957)  
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S.R.O. No. A-1385 of 1957

In exercise of the powers conferred by sub-section (3) and (4) of Section 13 of the Central Sales Tax Act, 1956 (Act 74 of 1956), the Government of Tamil Nadu makes the following Rules, namely:

1. These rules may be called the Central Sales Tax (Tamil Nadu) Rules, 1957.
- 1-A. These rules shall apply to the whole of the State of Tamil Nadu including the territories specified in Parts I to VIII in the Second Schedule to the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959 (Central Act 56 of 1959)
2. In these rules unless there is anything repugnant in the subject or context
  - (a) “**ACT**” means the Central Sales Tax Act, 1956 (Central Act 74 of 1956);
  - (b) “**FORM**” means a form appended to these Rules;
  - (c) “**GOVERNMENT TREASURY**” means a treasury or sub-treasury of the State Government;
  - (d) “**MONTH**” means a calendar month;
  - (e) “**SECTION**” means a Section of the Act;
  - (f) “**ASSESSING AUTHORITY**” means any person authorised by the State Government to make any assessment under the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959);
  - (g) “**REGISTERING AUTHORITY**” means an officer of the State Government specially empowered in this behalf
  - (h) “**ASSISTANT COMMERCIAL TAX OFFICER**” means any person appointed as such under the Tamil Nadu General Sales Tax Rules, 1959, as amended;
  - (i) “**DEPUTY COMMERCIAL TAX OFFICER**” means any person appointed as such under the Tamil Nadu General Sales Tax Rules, 1959, as amended;
  - (ii) *Omitted from 26<sup>th</sup> February, 1987.*
  - (j) “**COMMERCIAL TAX OFFICER**” means any person appointed to be a Commercial Tax Officer under Section 28 of the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959).
  - (k) “Deputy Commissioner” means any person appointed to be a Deputy Commissioner of Commercial Taxes under section 28 of the Tamil Nadu General Sales Tax Act 1959 (Tamil Nadu Act 1 of 1959).
3. Omitted from 16<sup>th</sup> June, 1960.

4. (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 any one of the languages mentioned in the Eighth Schedule to the Constitution of India or in 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 purchases, sales, deliveries and stocks of each kind of goods.
- (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 of the seller and 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 dispatch, and delivery of goods with appropriate details.
- (3) The voucher of each kind shall be serially numbered separately.
- (3-A) Every principal, who claims exemption on the sale 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 authorisation sent to the agent for sale of the goods.  
Note: Copies of these authorisations and descriptions 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) particulars, i.e., accounts rendered by the agents to the principals from time to time showing the gross amount of 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.

- (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 five years after the close of the year to which they relate.
- (5) Every registered dealer shall keep at the place of business specified in the certificate of registration books of account for the current year. If more than one place of business in the State is specified in the Certificate of Registration, the books of account relating to each place of business for the current year shall be kept in the place of business concerned. He shall also keep the books of account for the previous five years at such place or places as he may notify to the registering authority.

Provided that if the registered dealer decides to change the place or places so notified, he shall, before effecting such change, notify the same to be registering authority.

4-A. Omitted from 10<sup>th</sup> March, 1982.

4-B. (1) The security furnished under sub-section (2) or sub-section (3-A) or sub-section (3-C) of Section 7 shall be in the form of

(a) deposit of cash in a Government Treasury : or

(b) deposit in a Post Office Savings Bank; or

(c) Fixed deposit in the State Bank of India or any corresponding new Bank as defined in Clause (d) of Section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Central Act V of 1970); or

(d) Fixed deposit in the Tamil Nadu State Co-operative Bank or in the Co-operative Central Banks approved by the Registrar of Co-operative Societies in this behalf; or

(e) Government Promissory Notes; or

(f) Loan bonds or debentures issued by quasi-Government organizations or other institutions, the repayment of which is guaranteed by the Government:

Provided that the security shall not be deposited in Prize Bonds and National Defence Certificates.

(2) The security so deposited shall be pledged in the name of the registering authority. Where the deposit is made in a Post Office Savings Bank, the

dealer shall pledge the Post Office Savings Bank Pass Book in the name of the Commercial Tax Officer concerned and hand it over to the concerned registering authority.

- (3) Where by reason of an order under sub-section (3-D) of Section 7, the security furnished by any dealer is rendered insufficient, the dealer shall furnish an additional security in the same manner as provided in sub-rule
- (1) within thirty days of the date of the receipt of the said order by him.
- (4) (a) An appeal under sub-section (3-H) of Section 7 shall be **In Form 11** and shall be preferred to the Deputy Commissioner having jurisdiction (hereinafter in this Rule referred to as the “appellate authority”). It shall be in triplicate and shall be accompanied by the order appealed against in original or by a certified copy thereof unless the omission to produce such order or copy is explained to the satisfaction of the appellate authority.
- (b) Omitted from 12<sup>th</sup> February, 1975.
- (c) It may be sent to the appellate authority by post or may be presented to that authority or to such officer as the appellate authority may authorise in this behalf, by the appellant or by any person authorised to represent him under Section 52 of the Tamil Nadu General Sales Tax Act, 1959.
- (d) The appellate authority shall, before passing orders in an appeal give the appellant a reasonable opportunity of being heard.
5. (1) Save as otherwise expressly provided for in these Rules or in the Central Sales Tax (Registration and Turnover) Rules, 1957, the provisions of the Tamil Nadu General Sales Tax Act, 1959 and the rules made thereunder shall apply, *mutatis mutandis* for the purpose of submission of returns of turnover by a dealer registered under Section 7 of the Act showing his transactions in the course of inter-State trade or commerce or in the course of export of the goods out of the territory of India; or in the course of import of goods into the territory of India, making provisional assessment; best of judgement assessment; final assessment; re-assessment and payment of tax including advance payment under the Act.
- (2) Every dealer liable to pay tax under the proviso to sub-rule (1) of Rule 11 of the Central Sales Tax (Registration and Turnover) Rules, 1957, shall submit, so as to reach the assessing authority on or before the 20<sup>th</sup> day of the month succeeding the quarter ending on the 30<sup>th</sup> June, the 30<sup>th</sup> September, the 31<sup>st</sup> December and the 31<sup>st</sup>

March, as the case may be, a return of turnover showing his transactions in the course of inter-State trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India in the return prescribed.

(3) Notwithstanding anything contained in sub-rule (2) above, the period of turnover in relation to any dealer who is liable to pay tax under the Central Act shall be fixed on the basis of the period in respect of which he is liable to submit his returns under the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959).

(4) (i) The monthly / quarterly / annual return of turnover under the Act shall be in **Form 1**.

(ii) The return of estimated turnover under the Act shall be in **Form 1-A**.

(iii) The notice of provisional assessment and demand for payment of tax or taxes shall be in **Form 2**.

(iv) The notice of provisional / monthly / quarterly / annual assessment and demand for payment of tax or taxes shall be in **Form 2-A**.

(v) The notice of final annual assessment and demand for payment of tax or taxes shall be in **Form 3**.

(vi) The notice of final assessment and refund order of tax or taxes shall be in **Form 4**.

(5) A dealer who opts to pay tax under sub-rule (1) of the rule shall, in addition to the returns prescribed therein, submit to the assessing authority on or before the first day of May in every year, a consolidated return in **Form 1** showing the actual total and taxable turnover in the preceding year and the amount by way of tax or taxes actually collected during that year.

(6) The return referred to in sub-rules (1), (2) and (5) of this rule shall be submitted in duplicate.

5-A. Omitted in SRO A 24/92 of 24<sup>th</sup> Feb 1992.

6. **Omitted in SRO A. 21/1975 of 29<sup>th</sup> Oct 1975.**

7. (1) Any officer not lower in rank than an Assistant Commercial Tax

Officer may for the purpose of the Act, require any dealer carrying on business in any kind of goods to produce before him the accounts and other documents and to furnish any other information relating to such business.

- (2) All books, accounts or documents required to be kept under the Act shall be open to inspection at all reasonable times by an officer not lower in rank than an Assistant Commercial Tax Officer.
  - (3) Any officer not lower in rank than an Assistant Commercial Tax Officer may enter any premises at all reasonable times for the purpose of searching for any books, accounts or documents referred to in sub-rule (2) above and kept or suspected to be kept in such premises and seize such books of accounts or documents, as may be necessary. The officer seizing the books, accounts or documents shall grant a receipt for the same and shall retain the same until and for so long as may be necessary for the purpose of the Act.
- 8.
- (1) If a dealer enters into partnership in regard to his business, he shall report the fact to the assessing authority within 30 days of his entering into such partnership in **Form 6**. The dealer and the partner shall jointly and severally be responsible for the payment of the tax leviable under the Act.
  - (2) If a partnership is dissolved, every person who was a partner shall send a report of the dissolution to the assessing authority in **Form 7** within 30 days of such dissolution.
  - (3) If, at any time, a dealer (a) discontinues or sells 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 place of business or (c) opens a new place of business or (d) changes the name of any business carried on by him, he shall notify the fact to the assessing authority concerned within thirty days thereafter.
  - (4) When the ownership of the business of a dealer liable to pay the tax under the Act is entirely transferred, any tax payable in respect of such business and remaining unpaid at the time of the transfer shall be recoverable from the transferor or transferee as if they were the dealers liable to pay such tax, provided that the recovery from the transferee of the arrears of taxes due prior to the date of the transfer shall be only to the extent of the value of the business he obtained by transfer. The transferee will also be liable to pay tax under the Act on the sales of goods effected by him with effect from the date of such transfer and shall within thirty days of the

transfer apply for registration unless he already holds a Certificate of Registration.

- (5) 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 incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same extent as it would be leviable upon and recoverable from any such minor or other incapacitated person if he were of full age or sound mind and if he were conducting the business himself. All the provisions of the Act and the Rule made thereunder shall apply accordingly.
  - (6) In the case of business owned by a dealer whose estate or any portion of whose estate is under the control of the Court of Wards, the Administrator-General, the Official Trustee or any Receiver or Manager (including any person whatever his designation who in fact manages the business on behalf of the dealer) appointed by, or under any order of a Court, the tax shall be levied upon and recoverable from such Court of Wards, Administrator-General, Official Trustee, Receiver or Manager, in like manner and on the same terms as it would be leviable upon and recoverable from the dealer if he were conducting the business himself. All the provisions of the Act and the rules made thereunder shall apply accordingly.
9. Every dealer who is an undivided Hindu family, an association or a club, society, firm or company who carries on business as a guardian, or trustee or otherwise on behalf of another person, shall within thirty days from the date of coming into force of this rule send to the registering authority a declaration in **Form 5** stating the name of the person who should be deemed to be the manager of such dealer's business for the purposes of the Act.
- 9-A. (1) Every authorised officer who wishes to buy goods from a registered dealer in the course of inter-State trade or commerce shall, if the department of the Government for which the purchase is to be made is one to which a Certificate of Registration as dealer does not apply or the said department is one to which the certificate applies but the goods to be purchased are not of the description referred to in Section 8, sub-section (3), duly fill in, and sign a Certificate in **Form D** affix his seal thereto, retain the counterfoil and furnish the original and duplicate thereof to the selling dealer.
- (2) Omitted from 4<sup>th</sup> January, 1969.

- (3) On receipt of the Certificate in **Form D** as aforesaid, the selling dealer shall attach the original of the Certificate to the return in **Form 1** for the month in which he sold the goods and keep the duplicate in his custody. The assessing authority may in his discretion, also direct the selling dealer to produce the duplicate for inspection.
- 9-B. (1) Where in relation to a movement of any goods from one State to another there takes place two or more sales in the course of inter-State trade or commerce by one registered dealer to another whether under clauses (a) and (b) or under clause (b) of Section 3, the dealer making the first of the sales in the series shall issue a Certificate in **Form E-I** to the registered dealer making the purchase. Before the certificate is issued, it shall be filled in, and signed in the space provided in the form for the purpose, by him in this behalf. The counterfoil shall be retained by him and the original and duplicate issued to the purchasing dealer.
- (2) The purchasing registered dealer who receives the Certificate in **Form E-I** as aforesaid shall, if he sells the goods to a registered dealer by transfer of documents of title to the goods, furnish to the assessing authority the original of the **Form E-I** received by him from the dealer from whom he purchases the goods.
- (3) The registered dealer making the second or other subsequent sales in the series shall issue to the registered dealer making the purchase a Certificate in **Form E-II**. Before issuing the Certificate, the selling dealer or any person authorised by him in this behalf shall fill in the form and affix his signature in the space provided for the purpose. He shall retain the counterfoil and issue the original and duplicate to the registered dealer to whom he effects the second or other subsequent sale.
- (4) The purchasing registered dealer receiving the Certificate in Form E-II as aforesaid shall, if he sells the goods to a registered dealer by transfer of documents of title to the goods, furnish to the assessing authority the original of the **Form E-II**.
- (5) Omitted from 23<sup>rd</sup> October, 1968.
- (6) Omitted from 26<sup>th</sup> June, 1976.
- 9-C. For the purpose of rule 9-B, forms of Certificate printed under the authority of Government only shall be used.



- 9-D. The Provisions of rule 10 shall apply in relation to the supply, use, custody, maintenance, submission, etc. of the Certificate in **Forms E-I** and **E-II** and the declaration in **Form F** as they do in relation to the supply, use, custody, maintenance, submission, etc., of **Form C**.

[Provisos omitted from 27<sup>th</sup> January, 1982].

10. (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 dealer's Certificate of Registration, shall obtain from the assessing authority in the city of Madras, and the registering authority at other places 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 shall fill in all the 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 the selling dealer.

[Proviso omitted from 4<sup>th</sup> January, 1969]

- (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 in **Form 1** the portion marked '**Original**' of the declaration received by him from the purchasing dealer; or duplicate of such declaration / Certificate where the original has been lost. The assessing authority may in his discretion also direct the selling dealer to produce for inspection the portion of the declaration / Certificate marked '**Duplicate**'.

Notwithstanding anything contained in the foregoing paragraph and in **Rule 5**, the selling dealer may, instead of attaching the Form of declaration / Certificate to the return in **Form 1** keep it in his custody subject to the condition that he submits all the forms of declaration / Certificate relating to the year at any time before the final assessment of the accounts of that year.

(2-A) Omitted from 30<sup>th</sup> August, 1976.

- (3) (i) No purchasing dealer shall give any declaration except in a

form obtained by him, on application, from the assessing authority and not declared obsolete or invalid by the State Government under the provisions of sub-rule (10).

(ii) No selling dealer shall accept any declaration except in a form obtained by the purchasing dealer, on application, from the prescribed authority in his State, and not declared obsolete or invalid by the Government of that State.

- (3-A) Every registered dealer making sales in the course of inter-State trade or commerce and every dealer who has obtained declarations or Certificate under Section 8(4) shall keep and maintain a true and correct account in **Form 10** of all sales effected by him in the course of inter-State trade or commerce.

Note: This rule shall not apply to inter-state sales of the goods exempted under section 8 of the Tamil Nadu General Sales Tax Act 1959 (Tamilnadu Act 1 of 1959) and included in the 'Third Schedule to the said Act)

- (4) 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.
- (5)(i) Every registered dealer shall maintain a register in **Form 8A**. Every registered dealer to whom any declaration form is issued by an assessing authority shall maintain, in a register in **Form 8**, a true and complete account of every such form received, from the assessing authority. If any such declaration form is lost, destroyed or stolen, the dealer shall report the fact to the assessing authority immediately, shall make appropriate entries in the remarks column of the register in **Form 8** and take such other steps to issue public notice of the loss, destruction or theft as the assessing 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 assessing authority immediately.
- (5-A) (i) Every registered dealer shall submit an extract of columns 5 to 11 of the register in **Form 8** or an extract of all columns of the register

in **Form 8A** maintained by him, as the case may be, so as to reach the assessing authority on or before the 25<sup>th</sup> April of each year showing the particulars of purchases effected during the preceding financial year.

- (ii) Every such dealer who discontinues his business during the course of the year shall submit to the assessing authority concerned within thirty days of such discontinuance an extract of columns 5 to 11 of the register in Form 8 and an extract of all columns of the register in Form 8A.
- (5-B) Every registered dealer shall maintain a register in **Form 12A**. Every registered dealer to whom any declaration in **Form F** is issued by an assessing authority shall maintain in a register in **Form 12**, a true and complete account of every such form received from the assessing authority. If any such declaration in **Form F** is lost, destroyed or stolen, the dealer shall report the fact to the assessing authority immediately, shall make appropriate entries in the remarks column of the register in **Form 12** and take such other steps to issue public notice of the loss, destruction or theft as the assessing authority may direct.
- (5-C) Every registered dealer dispatching goods to place outside the State otherwise than by way of sale shall maintain a true and correct account in **Form 13**, of all despatches effected by him and of all the declarations received by him under Section 6-A of the Act.
- (6) Any unused declaration forms remaining in stock with a registered dealer on the cancellation of his registration certificate or on the stoppage of his business shall, within seven days from the date of receipt of the order of cancellation or the date of stoppage of business, be surrendered to the registering authority.
- (7) 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 (1)
- (8) A declaration form in respect of which a report has been received by the assessing authority under sub-rule (5) shall not be valid for the purpose of sub-rule (1).
- (9) The Commercial Tax Officer shall from time to time publish in the *Tamil Nadu Government 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 *Tamil Nadu Government Gazette* declare that the following categories of declaration forms shall be deemed as obsolete and invalid with effect from such date as may be specified in the notification.

- (i) declaration forms of a particular State series, design or colour ;
- (ii) declaration forms, which have not been surrendered as required under sub-rule (6) ; and
- (iii) any other declaration forms for any specified reason.

The State Government may also furnish information regarding such declaration forms to other State Governments for publication in their Gazettes.

(11) When a notification declaring 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 forms are so declared obsolete and invalid, surrender to the assessing authority 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.

10-A. A registered dealer may apply to the registering authority for the supply of **Form C, Form F and Form H**. The application shall be accompanied by the proof of payment of the cost of the forms at rates notified from time to time. An application which is not accompanied by the proof of payment shall be rejected.

11. Whoever commits a breach of the following rules, namely 4,5,8,9 and 10 and whoever in contravention of rule 7 prevents or obstructs, inspection or entry, search or seizure of any books or documents by any officers specified in the rule, shall, on conviction, be punishable with fine which may extend to five hundred rupees and where the offence is a continuing one with a daily fine which may extend to fifty rupees for every day during which the offence continues.

12. The assessing authority may accept from any person who had committed or is reasonably suspected of having committed an offence against the rules by way of composition, a sum of money not exceeding Rs.500/-.