

Dated: **18.06. 2009**

CIRCULAR

- SUB:** Central Sales Tax Act, 1956 - Amendment to Rule 12(1) and (7) of the Central Sales Tax(Registration and Turnover) Rules1957-
Furnishing of Declaration Form in C in respect of delivery of goods which take place in a quarter between the same two parties - Time limit of three months prescribed for filing-abolition of Form D-certain instructions issued.
- REF**
1. Notification No.GSR. 588(E) dated 16.09.2005 issued by the Govt. of India.
 2. Notification No.1/2007-CST-F.No.34/135/2005-ST issued by the Govt. of India.
 3. Clarification issued in VAT Cell /34539/2007 (VCC-1262) dated 18.9.2007.

In the notification first cited, Form C is required to be filed within 3 months from the end of the quarter to which they relates with effect from 01.10.2005. It has been brought to the notice of the Department that in spite of the reasonable time and opportunity given , certain dealers in Tamil Nadu are not able to produce the Forms in due time. In the VAT regime if the Forms are not filed within the stipulated period the levy of tax at local VAT rates may be considered including reversal of Input Tax Credit on the corresponding local purchases under Section 19(5) (c) of the TNVAT Act, 2006. This aspect has also been clarified in the clarification third cited in reference. All the Assessing Officers are therefore instructed to collect the declaration forms in C in due time from the dealers under acknowledgement to the dealers as provided under the law in force and to verify the same in the TINXSYS for their genuiness and to maintain in their custody and pass orders at the time of final assessment. If any undue delay is noticed in this context the same will be viewed very seriously.

In the notification second cited the Government of India has withdrawn the Form-D concession with effect from 1.04.2007 which was extended to the Government Departments located in other States. From 01.04.2007 onwards no interstate sales can be made or assessed against form D and all the interstate sales made to Government Departments are to be levied or assessed at local VAT rate of tax based on the commodity sold. Further as the concession of Form D was withdrawn Input Tax Credit on the corresponding local purchases is also to be reversed as per Section 19(5) (c) of the TNVAT Act, 2006.

All the Assessing Officers are also instructed to get the details of C forms usage details from the dealers to whom it was issued and to enter the same in the TINXSYS then and there without any delay and without giving room for any complaints. As per Rule 10(5-A)(i) of the Central Sales Tax (Tamil Nadu) Rules, 1957 every registered dealer shall submit an extract of the Form-8 register relating to interstate purchases against Form C declarations including issuance of Form C on or before 25th of April of each year showing the particulars of purchases made during the preceding financial year. As per Rule 10(5-A)(ii) of the Central Sales Tax (Tamil Nadu) Rules, 1957 every registered dealer who discontinues his business shall file the extract of form-8 register within 30 days from the date of closure of business. All the Assessing Officers are instructed to get the relevant details for the Form C declarations already issued and also to encourage the dealers to use the facility available to file the details through on-line and enter the same in the TINXSYS immediately. They are also instructed to watch whether those dealers who are obtaining C forms are filing monthly returns regularly and paying tax appropriately.

Sd/-T.Jacob

Principal Secretary/Commissioner of Commercial Taxes

To.

All the Joint Commissioners (CT) (Territorial & Enforcement including ISIC).

All the Deputy Commissioners (Territorial & Enforcement)

All the Heads of the Assessment Circles.

The Director, CTSTI, Chennai -6

The Joint Commissioner (CT) Computer Systems, Chennai -6 (for publishing in the Website)

All the Deputy Commissioners (CT) (Territorial & Enforcement in).

All the Officers in the Office of the Principal Secretary/ Commissioner of Commercial Taxes, Chepauk, Chennai -5

File / Stock file