

CHAPTER IV

GOODS OF SPECIAL IMPORTANCE IN INTER-STATE TRADE OR COMMERCE

10. Certain goods to be of special importance in inter-State trade or commerce.—

It is hereby declared that the following goods are of special importance in inter-State trade or commerce:—

⁵[(i) cereals, that is to say,—

- (i) paddy (*Oryza sativa* L.);
- (ii) rice (*Oryza sativa* L.);
- (iii) wheat (*Triticum vulgare*, *T. compactum*, *T. sphaerococcum*, *T. durum*, *T. aestivum* L. *T. dicoccum*);
- (iv) jowar or milo (*Sorghum vulgare* Pers);
- (v) bajra (*Pennisetum typhoideum* L.);
- (vi) maize (*Zea mays* D.);
- (vii) ragi (*eleusine coracana* Gaertn.);
- (viii) kodon (*paspalum scrobiulatum* L.);
- (ix) kutki (*Panicum miliare* L.);
- (x) barley (*Hordeum vulgare* L.);]

⁶[(ia) coal, including coke in all its forms, but excluding charcoal:

Provided that during the period commencing on the 23rd day of February, 1967 and ending with the date of commencement of section 11 of the Central Sales Tax (Amendment) Act, 1972 (61 of 1972) this clause shall have effect subject to the modification that the words "but excluding charcoal" shall be omitted;]

(ii) cotton, that is to say all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned or unginned, baled, pressed or otherwise, but not including cotton waste;

¹[(iia) cotton fabrics covered under heading Nos. 52.05, 52.06, 52.07, 52.08, 52.09, 52.10, 52.11, 52.12, 58.01, 58.02, 58.03, 58.04, 58.05, ²[58.06,] 59.01, 59.03, 59.05, 59.06, and 60.01 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);]

³[(iib) cotton yarn, but not including cotton yam waste;]

⁴[(iic) crude oil, that is to say, crude petroleum oils and crude oils obtained from bituminous minerals (such as shale, calcareous rock, sand), whatever their composition, whether obtained from normal or condensation oil-deposits or by the destructive distillation of bituminous minerals and whether or not subjected to all or any of the following processes:—

- (1) decantation;

- (2) de-salting;
- (3) dehydration;
- (4) stabilisation in order to normalise the vapour pressure;
- (5) elimination of very light fractions with a view to returning them to the oil-deposits in order to improve the drainage and maintain the pressure;
- (6) the addition of only those hydrocarbonS previously recovered by physical methods during the course of the above mentioned processes;
- (7) any other minor process (including addition of pour point depressants or flow improvers) which does not change the essential character of the substance;]

⁵[(iid) Aviation Turbine Fuel sold to an aircraft with a maximum take-off mass of less than forty thousand kilograms operated by scheduled airlines.

Explanation— For the purposes of this clause, “scheduled airlines” means the airlines which have been permitted by the Central Government to operate any Scheduled air transport service.]

(iii) hides and skins, whether in a raw or dressed state;

⁶[(iv) iron and steel, that is to say, —

- (i) ⁷[pig iron, sponge iron and] cast iron ⁸[including ingot moulds, bottom plates], iron scrap, cost iron scrap, runner scrap and iron skull scrap;
- (ii) steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes);
- (iii) skelp bars, tin bars, sheet bars, hoe-bar and sleeper bars;
- (iv) steel bars (rounds, rods, squares, flat, octagons and hexagons, plain and ribbed or twisted, in coil form as well as straight lengths;
- (v) steel structurals (angles, joists, channels, tees, sheet piling sections, Z-sections or any other rolled sections);
- (vi) sheets, hoops, strips and skelp, both black and galvanised, hot and cold rolled plain and corrugated, in all qualities, in straight lengths and in coil form, as rolled and in rivetted condition;
- (vii) Plates both plain and chequered in all qualities;
- (viii) discs, rings, forgings and steel castings;
- (ix) tools, alloy and special steels of any of the above categories;
- (x) steel melting scrap in all forms including steel skull, turnings and borings;
- (xi) steel tubes, both welded and seamless, of all diameters and lengths including tube fittings;
- (xii) tin-plates, both hot dipped and electrolytic and tinfree plates; (xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers—heavy arld light crane rails;
- (xiv) wheels, tyres, axles and wheels sets;

- (xv) wire rods and wires—rolled, drawn, galvanised, aluminised, tinned or coated such as by copper;
- (xvi) defectives, rejects, cuttings, or end pieces of any of the above categories;]

¹[(v) jute, that is to say, the fibre extracted from plants belonging to the species *Corchorus capsularis* and *Corchorus olitorius* and the fibre known as mesta or bimli extracted from plants of the species *Hibiscus cannabinus* and *Hibiscus sabdariffa*— *Varaltissima* and the fibre known as Sunn or Sunn-hemp extracted from plants of the species *Crotalaria juncea* whether baled or otherwise;]

²[(va) liquified petroleum gas for domestic use;]

³[(vi) oilseeds, that is to say,—

- (i) groundnut or peanut (*Arachis hypogaea*);
- (ii) sesamum or til (*Sesamum orientale*);
- (iii) cotton seed (*Gossypium Spp*);
- (iv) soyabean (*Glycine seja*);
- (v) rapeseed and mustard—
 - (1) torta (*Brassica campestris* var *toria*);
 - (2) rai (*Brassica juncea*);
 - (3) jamba—taramira (*Eruca Satiya*);
 - (4) sarson, yellow and brown (*Brassica campestris* var *sarson*);
 - (5) banarasi rai or true mustard (*Brassica nigra*);
- (vi) linseed (*Linum usitatissimum*);
- (vii) castor (*Ricinus communis*);
- (viii) coconut (i.e., Copra excluding tender coconuts) (*cocosnucifera*);
- (ix) sunflower (*Helianthus annus*);
- (x) nigar seed (*Guizotia abyssinica*); (xi) neem, vepa (*Azadirachta indica*);
- (xii) mahua, illupai, ippe (*Madhuca indica* M. *Latifolia*, *Bassia*, *Latifolia* and *Madhuca longifolia* syn. *M. Longifolia*);
- (xiii) karanja, pongam, hongam (*Pongamia pinnata* syn. *P. Glabra*);
- (xiv) kusum (*Schleichera oleosa*, syn. *S. Trijuga*);
- (xv) punna, Undi (*Calophyllum inophyllum*);
- (xvi) kokum (*Carcinia indica*);
- (xvii) sal (*Shorea robusta*);
- (xviii) tung (*Aleurites fordii* and *A. montana*);
- (xix) red palm (*Elaeis guinensis*);

safflower (*Carthamus tinctorius*);]

⁴[(via) pulses, that is to say,—

- (i) gram or gulab gram (*Cicerarietinum* L.);
- (ii) fur or arhar (*Cajanus cajan*);
- (iii) moong or green gram (*Phaseolus aureus*);
- (iv) masur or lentil (*Lens esculenta* Moench, *Lens culinarie* Medic.);
- (v) urad or black gram (*Phaseolus mungo*);
- (vi) moth (*Phaseolus aconitifolius* Jacq);
- (vii) lakh or khesari (*Lathyrus sativus* L.);]

¹[(vii) man-made fabrics covered under heading Nps. 54.08,54.09,54.10, 54.11, 54.12, 55.07, 55.08, 55.09, 55.10, 55.11, 55.12, 58.01, 58.02, 58.03, 58.04, 58.05, ²[58.06,] 59.01, 59.02, 59.03, 59.05, '59.06, and 60.01 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

- (viii) sugar covered under sub-heading Nos. 1701.20, 1701.31, 1701.39, and 1702.11 of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);
- (ix) unmanufactured tobacco and tobacco refuse covered under subheading No. 2401.00, cigars and cheroots of tobacco covered under heading No. 24.02, cigarettes and cigarillos of tobacco covered under sub-heading Nos. 2403.11, and 2403.21 and other manufactured tobacco covered under sub-heading Nos. 2404.11, 2404.12, 2404.13, 2404.19, 2404.21, 2404.29, 2404.31, 2404.39, 2404.41, ³[2404.50 and 2404.60] of the Schedule to the Central Excise Tariff Act" 1985 (5 of 1986);
- (x) ⁴[***]
- (xi) ⁵[***]

¶[15. Restrictions and conditions in regard to tax on sale or purchase of declared goods within a State.—

Every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of declared goods, be subject to the following restrictions and conditions, namely:—

- (a) the tax payable under that law in respect of any sale or purchase of such goods inside the State shall not exceed ⁷[four per cent.] of the sale or purchase price thereof ⁸[***];
- (b) where a tax has been levied under that law in respect of the sale or purchase inside the State of any declared goods and such goods are sold in the course of inter-State trade or commerce, ⁹[and tax has been paid under this Act in respect of the sale of such goods in the course of inter-State trade or commerce, the tax levied under such law] ¹⁰[shall be reimbursed to the person making such sale in the course of inter-State trade or commerce] in such manner and subject to such conditions as may be provided in any law in force in that State;]

¹¹[(c) where a tax has been levied under that law in respect of the sale or purchase inside the State of any paddy referred to in sub-clause (i) of clause (i) of section 14, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy;

¹²[(ca) where a tax on sale or purchase of paddy referred to in sub-clause (i) of clause (i) of section 14 is leviable under the law and the rice procured out of such paddy is exported out of India, then, for the purposes of sub-section (3) of section 5, the paddy and rice shall be treated as a single commodity;]

(d) each of the pulses referred to in clause (via) of section 14, whether whole or separated, and whether with or without husk, shall be treated as a single commodity for the purposes of levy of tax under that law.]

PROCEDURE:

Every dealer who effects inter-state sale is required to register with State sales tax authorities who are empowered to grant registration under CST Act. Application should be in form 'A'. Security has to be furnished. Certificate of registration will be in form 'B'.

PROCEDURE FOR REGISTRATION

1. The dealer must make an application to the concerned authority in the appropriate state, in Form A within 30 days of the day when he becomes liable to pay tax. The form contains the following details. (i) Name of the manager of business (ii) Name and addresses of proprietor or partner of the business. (iii) Date of establishment of business. (iv) Date on which first inter-state sale was made. (v) Name of the Principal place and other places of business in the appropriate state. (vi) Particulars of any license held by the dealer.

2. Single Place of business – If a dealer has single place of business in the appropriate State and he is registered in that state, he shall apply to the sales tax authority of that state only for obtaining registration under central sales tax Act

3. More than one place of business in the same state – If a dealer has more than one place of business in the same state, he shall select one of these places as the principal place of business and, get only one certificate of registration.

4. More than one place of business in different states. If a dealer has more than one place of Business in different states, he will get a separate certificate of registration with respect to each state.

5. Fees for Registration is Rupees twenty five to be paid in cash or court fee stamp.

6. The application has to be signed by, in case of – • Sole proprietorship , the proprietor • Partnership firm, any one the partner • HUF, the karta • Company, the director • Government, authorized officer

Grant of Certificate of Registration sec 7 (3)

If the application is in order and assessing officer is fully satisfied with the facts contained therein, he will register the dealer under this Act and issue a certificate of Registration in Form B. If a dealer has more than one place of business then additional copies of certificate will be issued. All items of purchase and sale must be included in CST Registration Certificate. Otherwise, these are not eligible for purchase at concessional rate.

The Central Sales Tax (CST) is a levy of tax on sales, which are effected in the course of inter-State trade or commerce. According to the Constitution of India, no State can levy sales tax on any sales or purchase of goods that takes place in the course of interstate trade or commerce.

CST Transaction Forms:

All dealers need to follow certain guidelines and give declarations in prescribed forms to the buyer. Sales Tax authorities print and supply different forms for various purposes, each form being listed below.

Form C

This form allows the purchasing dealer to get goods at concessional rates from the seller.

Form D

This is issued by the government department which purchases the goods.

Form E1

This is issued by the dealer who initiates the inter-state movement of goods.

Form E2

This is issued by the subsequent seller when the goods move from one state to the other.

Form F

This is issued when the goods are sent on consignment or on branch transfer to a different state.

Form H

This is issued by an exporter for the purchase of goods.

Form I

This is issued by dealers in Special Economic Zones.