



# **GOVERNMENT OF MEGHALAYA**

## **LAW (A) DEPARTMENT**

# **THE CENTRAL SALES TAX (MEGHALAYA AMENDMENT) RULES, 1973**

## THE CENTRAL SALES-TAX (MEGHALAYA) AMENDMENT RULES, 1973

In exercise of the powers conferred by sub-sections (3) and (4) of Section 13 of the Central Sales Tax, 1956 (Act 74 of 1956), the Governor of Meghalaya is pleased to make the following amendments to the Central Sales Tax (Accounts and Procedure) Rules, 1957 issued *vide* Assam Government Notification No. FTX/757/44, date the 5<sup>th</sup> June, 1957 (hereinafter referred to as the principal Rules).

### COMMENTS

*Preamble.- These Rules have been framed under sub-sections (3) and (4) of Section 13 of the Central Sales Tax Act. Under Section 13, sub-section (3) of the Central Sales Tax Act, the State Government is empowered to make rules, not inconsistent with the provisions of this Act to carry out the purposes of the said Act. Sub-section (4) of Section 13 empowers the State Government to make rules for all or any of the purposes specified therein.*

*The State of Meghalaya became an autonomous State by virtue of the Assam Re-organisation (Meghalaya) Act, 1969 with effect from 2<sup>nd</sup> April, 1970. By virtue of the North-Eastern Areas (Re-organisation) Act, 1971 the State of Meghalaya attained full State-hood from 21<sup>st</sup> January, 1972.*

*The Central Sales Tax (Accounts and Procedure) Rules, 1957 was enacted in exercise of the powers conferred by sub-section (1) of Section 13 of the Central Sales Tax Act, 1956 and the Government of Meghalaya has amended the respective provisions of this Act by virtue of these Rules (Meghalaya Rules).*

**1. Short title and commencement.-** (1) These rules may be called the Central Sales Tax (Meghalaya) (Amendment) Rules, 1973.

(2) They shall be deemed to have come into force on the 1<sup>st</sup> day of April, 1973.

**2. General amendment.-** In the Central Sales Tax (Accounts and Procedure) Rules, 1957, for the brackets and the words "(Accounts and procedure)" occurring in the long title short title and wherever they occur, the brackets and the word "(Meghalaya)" shall be substituted.

**3. Amendment of Rule 2.-** In the principal Rules hereinafter referred to as the said Rules, in Rule 2 -

(i) After clause (a) the following clause shall be inserted, namely:-

(aa) 'appellate authority' in relation to any person appealing under sub-section (3-H) of Section 7 of the Act against an order passed by any officer, means the authority to whom an appeal against any order of such officer under the Act lies;

(aaa) 'assessing authority' in relation to a dealer, means the authority for the time being, competent to assess the tax payable by the dealer under the Act;

(aaaa) 'Central Rules' means the Central Sales Tax (Registration and Turnover)

(ii) After Clause (g), the following clause shall be inserted namely:

(h) 'registered dealer' means a dealer registered under the Act."

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1. Published in the Gazette of Meghalaya, Part V-A, dated 14.7.1973, *vide* Notification No. ERT (T), 15/72/93, dated 3.7.1973.

**4. Submission of Rule 3.** - For Rule 3 of the principal Rules the following shall be substituted namely:-

“3. (1) Security or admitted security required to be furnished under Section 7 of the Act may be furnished by a dealer in any of the following manners, namely:

- (a) by paying the entire amount of such security or additional security direct into the Government Treasury by means of claims; or
- (b) by depositing with the authority who has required the furnishing of security or additional security, Government securities for the amount fixed by the said authority; or
- (c) by depositing with such authority National Saving Certificates issued by the Government of India the face value of which is not less than the amount of security or additional security required duly endorsed in favour of such authority; or
- (d) by furnishing to such authority guarantee from a bank, approved in this behalf by the said authority, agreeing to pay the State Government, on demand the amount of security fixed by the said authority; or
- (e) by depositing such amount in the Post Office Savings Bank and pledging the Pass Book to and depositing it with the said authority; or
- (f) by furnishing a surety acceptable to the said authority by executing a surety bond.

(2) The deficiency referred to in sub-section (3-E) of Section 7 of the Act shall be made up by the dealer by furnishing security to the extent of the deficiency in the manner stated in sub-rule (1) of the value of goods, sold by him in the course of inter-State trade or commerce. He shall also maintain a correct and true account showing the day-to-day purchase, sales, deliveries and stocks of each kind of goods.

Provided that it shall not be necessary to give the dealer an opportunity of being heard before passing an order under this sub-rule;

**5. Amendment of Rule 4.-** In the principal Rules, for Rule 4, the following shall be substituted, namely:

“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 a true and correct account in Form No. I of the value of goods, sold by him in the course of inter-State trade or commerce. He shall also maintain a correct and true account showing the day-to-day purchases, sales, deliveries and stocks of each kind of goods.

(2) Every such dealer shall in respect of such transaction under the Act prepare in duplicate a voucher showing the date of transaction, the name of seller and purchaser, and the 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 machine- numbered separately.

(4) 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 agent to whom goods were consigned together with description of the goods so dispatched for sale on each occasion and their quantity and value;

**Note.-** Copies of these authorisation and description of goods dispatched for sale on each occasion with particulars of their quantity and value should be simultaneously furnished to the assessing authority;

- (b) the originals of authorisation sent to the agent for sale of the goods;
  - (c) the originals of the written contract, if any, entered into between the principals and the agent;
  - (d) copies of bills issued by the agents to the purchasers;
  - (e) 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 receipt or dispatch note under which the goods were so dispatched; and
  - (h) a register showing the date and mode of remittance of the amount to the principal.
- (5) Every dealer shall maintain all vouchers relating to stock, purchases, sales, and deliveries, relating to all transactions under the Act for period of eight years after the close of the year to which they relate.
- (6) Every registered dealer shall keep at the place of business specified in the certificate of registration current books of account. If more than one place of business in the State is specified in the certificate of registration, the current books of account relating to each place of business shall be kept in the place of business concerned. He shall also keep the books of accounts for the previous eight years at such place or places as he may notify to the assessing authority."

**6. Amendment of Rule 8.** - In the principal Rule, in Rule 8 -

- (i) in sub-rule (1) for the words "Rupees two and five naye paise" the words "rupees two and fifty naye paise shall be substituted;
- (ii) in sub-rule (2) for the words "shall" the word "may" shall be substituted; and
- (iii) sub-rule (12) shall be deleted.

**7. Amendment of Rule 8-A.-** In the principal Rule, in Rule 8-A, in sub-rule (2), for the words shall be inserted, namely :

**8. Insertion of new Rule 8-E.-** In the principal Rules, after Rule 8-D, the following rules shall be inserted, namely:

- "8-E. (1) A registered dealer, hereinafter in this rule referred to as the transferee who wishes to receive from his Head Office/Branch/Agent/Principal outside Meghalaya, hereinafter in this rule referred to as "the transferor", goods the movement of which to him by the transferor, is occasioned by reason of transfer and not by reason of sale in the course of inter-State trade or commerce shall obtain from the Superintendent of taxes who has registered him as the dealer under the Act, a blank declaration in Form F prescribed under Rule 12 of the Central Rules for furnishing the same to the transferor by whom the goods have been transferred. Before furnishing any declaration in Form F as aforesaid the transferee or 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 the purpose. Thereafter the counterfoil of the form shall be retained by the transferee and the other two persons marked as "Original"

and "Duplicate" shall be made over by him to the transferor by whom the goods were transferred:

Provided that a price of rupees two and fifty paise only shall be payable per book of twenty-five such forms and the price shall be paid into Government Treasury before any such form is supplied by a Superintendent of Taxes to any registered dealer.

- (2) Any transferor who claims that he is not liable to pay tax under the Act in respect of any goods on the ground that the movement of such goods outside Meghalaya was occasioned by reason of transfer to another place of his business, agent or principal and not by reason of sale in the course of inter-State trade or commerce shall, in respect of such claim, furnish to the assessing authority, within the time specified in Rule 12 of the Central Rules, the portion marked "Original" of the declaration received by him in Form F from the transferee. The assessing authority may in its discretion direct the transferor to produce for inspection the portion of the declaration marked Duplicate.
- (3) No transferee shall give any declaration under this rule except in a form which has been obtained by him in the manner specified in sub-rule (1) and has been declared obsolete and invalid by the Commissioner of Taxes under the provisions of sub-rule (12).
- (4) No transferor shall accept any declaration for the purpose of this rule except in a form obtained by the transferee from the appropriate authority in his State and not declared obsolete or invalid by appropriate authority in such State.
- (5) Every Declaration Form obtained from the Superintendent of Taxes 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.
- (6) Every registered dealer to whom any Declaration Form is issued by a Superintendent of Taxes shall maintain in a register in Form No.11-A, a true and complete account of every such Form received from the Superintendent of Taxes. If any such Form is lost, destroyed or stolen the dealer shall report the fact to the Superintendent of Taxes immediately and shall make appropriate entries in the remarks column of the register in Form No. II-A and take such other steps to issue public notice of the loss, destruction or theft as the Commissioner may direct.
- (7) Where a duplicate declaration is furnished under sub-rule (3) of Rule 12 of the Central Rules the particulars of the original Declaration Form shall be immediately reported to the Superintendent of Taxes from whom the declaration form had been obtained.
- (8) Any unused Declaration Form remaining in stock with a registered dealer shall be surrendered to the Superintendent of Taxes within 15 days of the closure of the dealer's business or cancellation of his certificate of registration under the Act.

- (9) No registered dealer, to whom a Declaration Form is issued by the Superintendent of Taxes under sub-rule (6) shall not be valid for the purpose of sub-rule (1).
- (10) A Declaration Form in respect of whom a report has been received by the Superintendent of Taxes under sub-rule (6) shall not be valid for the purpose of sub-rule (1).
- (11) The Commissioner shall, from time to time, publish in the Official Gazette the particular of the Declaration Form in respect of which report is received under sub-rule (6).
- (12) The Commissioner may by Notification in the Official Gazette and in the Official Gazettes of all other States, declare that Declaration Form in a particular series, design or colour shall be deemed to be obsolete and invalid with effect from such date as may be specified in the notification.
- (13) When notification declaring Forms of a particular series design or colour obsolete and invalid is published under sub-rule (12) all registered dealers shall, on or before the date with effect from which the Forms are so declared obsolete and invalid, surrender to the Superintendent of Taxes 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 forms lying with him and returned the balance, if any, in his hand to the Superintendent of Taxes."

**9. Amendment of Rule 13.-** In the principal Rules, for Rule 13 the following shall be substituted shall be substituted, namely :

- "13 (1) A memorandum of appeal, not being an appeal under sub-section (3-H) of Section 7 of the Act shall be in Form No. V.
- (2) An appeal under sub-section (3-H) of Section 7 of the Act shall -
    - (a) be in Form No. V-A;
    - (b) be filled in triplicate;
    - (c) be presented to the Appellate Authority by the appellant or by his agent or legal practitioner or be sent by registered post to the said authority;
    - (d) contain a clear statement of the relevant facts and State precisely the relief prayed for;
    - (e) be accompanied by -
      - (i) a certified copy of the order appealed against;
      - (ii) a fee of rupees ten only be paid by means of Court Fees stamps;
    - (f) be signed and verified in the manner provided in Form No. V-A.
  - (3) If a memorandum of appeal under sub-section (3-H) of Section 7 of the Act does not comply with all the requirements of sub-rule (2) the Appellate Authority may reject it summarily;  
 Provided that no such appeal shall be summarily rejected under this sub-rule unless the appellant has been given a reasonable opportunity to amend the memorandum so as to bring it into conformity with all the requirements of sub-rule (2).

- (4) An appeal under sub-section (3-H) of Section 7 of the Act may also be summarily rejected on other reasonable grounds after giving the appellant a reasonable opportunity of being heard.
- (5) Where an appeal under sub-section (3-H) of Section 7 of the Act is admitted for hearing on merit the Appellate Authority shall, after giving the appellant concerned a reasonable opportunity of being heard, fix a date for passing the final order on the appeal, if the order is not passed on the date of hearing."

**10. Amendment of Form No. VII.-** In the principal Rules, in Form No. VII between the words "Composition money" and the word "Miscellaneous" the following shall be inserted namely:

"Security"

**FORM II-A**  
[See Rule 8-E]  
**Register of F Forms**

A-RECEIPTS				B-UNUSED						
Date of receipt	Authority from whom received	Book No.	Serial No.	Date of Issue	Book No.	Serial No.	Name and address of the transferor to whom issued.	No. and date of challan/ invoice in respect of which issued	Description of the goods in respect of which issued.	Quantity of goods.
1	2	3	4	5	6	7	8	9	10	11

B-UNUSED					
Value of the goods	Name of Railway, Steamer or Ferry Station or Air Port or Road Transports Officer form where the goods were dispatched	No. and date of Railway receipt or goods receipt with trip-sheet of Lorry or any other document indicating the means of transport	Date on which transferee took delivery of the goods	Surrendered to the Sales Tax Authority	Remarks
12	13	14	15	16	17

FORM V-A  
[See Rule 13 (2)]  
**Form of Appeal**

To

The

The.....date of .....19.....

Date of order appealed against.....

Name and designation of the officer who passed the order.....

The petition.....of.....P.O..... of District..... showeth as follows:

1. Your petitioner had applied to the Superintendent of Taxes.....on .....for registration under Section 7 of the Central Sales Tax Act, 1956 and the said authority under sub-section (2-A) of Section 7 of the said Act, by means of an order dated.....demanded from the petitioner, a security to the extent of Rs.....before issue of a certificate of registration.

Your petitioner is registered under Section 7 of the Central Sales Tax Act, 1956, with the Superintendent of Taxes..... and holds registration certificate No.....dated..... issued by the said authority who has now demanded under sub-section (3-A) of Section 7 of the said Act, security/additional security to the extent of Rs.....by means of an order, dated.....(Your petitioner had earlier furnished security to the extent of Rs..... by means of .....)

Your petitioner had in pursuance of an order, dated.....passed by the Superintendent of Taxes.....under sub-section (3-B) of Section 7 of the Central Sales Tax Act, 1956 furnished security to the extent of Rs.....by means of .....

The said authority, by means of an order, dated.....has under sub-section (3-D) of Section 7 of the said Act forfeited the entire amount of the said security/part of the said security to the extent of Rs.....

Your petitioner had applied to the said authority.....for refund under sub-section (3-E) of Section 7 of the said Act, of the entire amount of security /part of the security to the extent of Rs. .... as the same is not required for the purposes of the said Act on the following grounds:

(Enter here the grounds on which the security is not required for the purposes of the Act).

The said authority has by means of an order, dated .....under sub-section (3-E) of Section 7 of the said Act, refuse to refund the entire amount of security/part of the security to the extent of Rs.....

2. Your petitioner's turnover according to the provisions of the Central Sales Tax Act, 1956 for the year.....were as under:

**Turnover of goods taxable at the rate of .....**

Paise in  
the Rupee

Paise in  
the Rupee

Paise in  
the Rupee



Sold to registered dealers  
or Government Departments  
Sold to others

3. Such turnover was the whole turnover of your petitioner during the period.....  
Your petitioner had no other turnover taxable under the Central Sales Tax Act, 1956 during  
the said period.

4. The amount of tax payable by your petitioner under the Central Sales Tax Act,  
1956, on the basis of the information furnished in paragraphs 3 and 4 above, in respect of the  
year.....was Rs...../is estimated at Rs.....

5. The order dated.....passed by the Superintendent of Taxes.....dated.....  
under sub-section (3-A) of Section 7 is not justified for reasons stated below:

*(Enter here the grounds of the appeal)*

6. Your petitioner, therefore, prays that the said order may be and aside /annulled  
/remanded and that no security/additional security be demanded from the petitioner/ the  
security paid may not be forfeited/refund of the security paid may be allowed to the extent  
of Rs.....

7. The security/additional security demanded by means of the order, dated.....  
mentioned in paragraph 1 above, has been furnished by means of.....

8. A certificate copy of the order appealed against is attached hereto.

I..... the petitioner named above, do hereby declare that what is stated herein  
is true to the best of my information and belief.

*Signature of the petitioner*

*Note.- (a) Strike out whichever is not applicable.*

*(b) The appeal/petition should be signed by the person as prescribed in Rule 3  
(1) (a) of the Central Sales Tax (Registration and Turnover) Rules, 1957.*

FORM No. X

[See Rule 3]

**Surety Bond**

Know all men by these presents that I.....(full name).....( full address),  
am held and firmly bound unto the Government of Meghalaya, exercising the executive  
power of the Government of the State of Meghalaya (hereinafter referred to as the  
Government, which expression shall, unless excluded by or repugnant to the context,  
include his successors-in-office and assigns including any authority appointed under Section  
8 of the Meghalaya Sales Tax Act) in the sum of Rupees..... (amount in figures and  
followed by amount in words) (hereinafter referred to as the said sum) to be paid to the  
Government on demand, for which payment will and truly be made, I bind myself, my heirs  
executors administrators and legal representatives by these presents.

Whereas the above bounden has made an application under Section 7 of the Central  
Sales Tax Act, 1956 (hereinafter referred to as the Act) for registration under the Act;

Whereas the above bounden has been registered under Section 7 of the Act, with the  
Superintendent of Taxes..... and holds a certificate of registration bearing the No.....  
under the Act, the said certificate being still in force;

Whereas the above bounden is required by Sections 6/6-A and 8 of the Act to obtain from the Superintendent of Taxes.....certain forms (hereinafter referred to as the said forms) for use for the purpose of certain concession with regard to tax payable under the Act.

And whereas the above bounder has been required by the Superintendent of Taxes..... to furnish security for the said sum for the purpose of security the proper realisation of the tax payable under the Act, the proper custody and use of the said forms and indemnifying the Government against all loss, costs or expenses, which the Government may, in any way, suffer, sustain or pay by reason of the omission default or failure of the above bounden or any person or persons acting under or for him to pay such in the manner and by the time provided by or prescribed under the Act, to keep in proper custody and make proper use of the said forms;

Now the condition of the above written bond is such that if the above bounden, his heirs, executors, administrators and legal representatives or any person acting under or for him pays the full amount of tax payable by him under the Act in the manner and by the time provided by or prescribed under the Act on demand by any authority prescribed in or under the Act, such demand to be in writing and to be served upon the above bounden his heirs, executors, administrators and legal representatives or any person acting under or for him in the manner provided by or prescribed under the Act and shall also at all times indemnify and save harmless the Government from all and every loss, cost or expenses which has been or shall or may at anytime or times hereafter during the period in which the above bounden is held liable to pay tax under the Act, until such time as the above bounden renders to the Superintendent of Taxes.....a satisfactory account of the use or, as the case may be, of the surrender, of the said forms in accordance with the provisions of the Act and the rules thereunder, be caused by reasons of any act, omission, default, failure or insolvency of the above bounden or of any person or persons acting under or for him then this obligation shall be void and of no effect, otherwise the same shall be and remain in full force;

And it is hereby further agreed that in the event of the death/partition/disruption/dissolution/winding-up or the final cessation of the liability under the Act or the rules prescribed thereunder, the establishment of the intended business so established under the said Act of the above bounden, this bond shall remain with the Superintendent of Taxes.....or any officer duly authorised by him in this behalf for twelve years from the occurring of any of the events aforesaid for recovering any tax that may be payable by the above bounden or any loss, cost or expenses that may have sustained, incurred or paid by the Government owing to the act, omission, default, failure or insolvency of above bounden or any person or persons acting under or for him or the above bounden's heirs, executors, administrators and legal representatives and which may not have been discovered until after the above bounden's death / partition / disruption / dissolution / winding-up or final cessation of his liability under the Act or the Rules prescribed thereunder, the establishment of the intended business and registration thereof under the said Act:

Provided always that without prejudice to any other right or remedy for recovering the tax loss or damage as aforesaid it shall be open to the Government to recover the amount payable under this bond as an arrear of land revenue.

In witness whereof the said.....(full name) has hereunto set his hand this..... day of.....

Signed and delivered by the above named in the presence of -

1. .... Signature
2. .... Statue

I,.....hereby declare myself surety for the above bounden and guarantee that he shall do and perform all that he has above undertaken to do and perform, and in case of his omission, default or failure therein, I hereby bind myself to forfeit to the Governor of the State of Meghalaya exercising the executive power of the Government of the State of Meghalaya (hereinafter referred to as the Government which expression shall, unless excluded by or repugnant to the context, include his successors-in-office and assigns including any authority appointed under Section 8 of the Meghalaya Sales Tax Act) the sum of Rupees.. (amount in figures followed by amount in words) hereinafter referred to as "the said sum") in which the above bounden has bound himself or such lesser sum as shall be deemed to be sufficient by the Superintendent of Taxes..... to recover any amount of tax payable by the above bounden and remaining unpaid and also to recover any loss, damage, cost or expenses which the Government may sustain, incur or pay by reason of such omission, default or failure.

And I agree that the Government may, without prejudice to any other rights or remedies of the Government recover the said sum from me as an arrear of land revenue:

And I also agree that I shall not be at liberty to terminate this surety ship except upon giving to the Superintendent of Taxes.....six calendar months notice in writing of my intention so to do, and my liability under this bond shall continue in respect of all acts, omissions, defaults, failure and insolvencies on the part of the above bounden until the expiration of the said period of six months.

Signature of Surety

In the presence of -

1. ....  
Date.....
2. ....  
Date.....

Signature.....  
Date.....  
Permanent address:  
Date.....

\* This shall be signed by the proprietor of the business,if any individual; by the karta, if an undivided family, by an authorised partner in the case of a firm; by a Managing Director, Managing Agent or Principal Executive Officer in the case of a Company or Corporation; by a Principal Executive Officer of Officer-in-charge in the case of a society, cloud, association local authority.

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