

APPENDIX-6H

PROCEDURE TO BE FOLLOWED FOR REIMBURSEMENT OF CENTRAL SALES TAX (CST) ON SUPPLIES MADE TO EXPORT ORIENTED UNITS (EOUS) AND UNITS IN ELECTRONIC HARDWARE TECHNOLOGY PARK (EHTP) AND SOFTWARE TECHNOLOGY PARK (STP)

(Please see Para 6.10 (c) (i) of FTP)

1. The procedure given hereunder shall be applicable for reimbursement of Central Sales Tax.
2. The Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP) will be entitled to full reimbursement of Central Sales Tax (CST) paid by them on purchases made from the Domestic Tariff Area (DTA) or Export Oriented Unit (EOU) or Special Economic Zone (SEZ) or EHTP or STP or BTP, for production of goods and services as per EOU Scheme on the following terms and conditions:
 - (a) The supplies from Domestic Tariff Area (DTA) or Export Oriented Unit (EOU) or Special Economic Zone (SEZ) or EHTP or STP or BTP, to EOU/EHTP/STP units must be utilized by them for production of goods/services and may include raw material, components, consumables, packing materials, capital goods, spares, material handling equipment etc. on which CST has been actually paid by the EOU/EHTP/STP.
 - (b) While dealing with the application for reimbursement of CST, the Development Commissioner or the designated officer of EHTP/STP shall see, inter alia, that the purchases are essential for the production of goods/services by the units.
 - (c) For payment of interest in accordance with para 6.10 (c) (i) of FTP, separate application for claiming interest is not required and a single cheque for main claim and interest can be issued to the claimant. However, separate account will be maintained by Development Commissioner of Special Economic Zones for the amount of interest disbursed by them.
3. The procedure to be followed in this regard is indicated hereinafter and shall be strictly adhered to:

PROCEDURE

- (i) The unit shall present its claim for reimbursement of CST in the prescribed form (**ANNEXURE-I**) to the Development Commissioner of the SEZ concerned or the designated officer of the EHTP/STP.
- (ii) As soon as the goods are received by the EOU/EHTP/STP unit in its premises it will be entered in the material receipt register kept for the purpose. The register must show the details of goods, quantity, the source of purchase and the 'C' Form against which purchase is made, etc. which will be subject to periodical check by the authorised staff of the Zone/Customs administration. A Chartered Accountant's certificate / Cost Accountant's certificate regarding the verification of the materials receipt register relevant to the claim as at **ANNEXURE-II** shall be submitted alongwith the claim.
- (iii) The reimbursement of CST shall be admissible only to those units who get themselves registered with the GST authorities in terms of Section 7 of the CST Act, 1956 read with (Registration and Turnover) Rules, 1957 and furnish a Photostat copy of the Registration Certificate issued by the GST authorities to the Zone office concerned for keeping it in the relevant file.
- (iv) Claims shall be admissible only if payments are made through the bank accounts maintained by EOU/EHTP/STP unit or DD emanated from its accounts.
- (v) The claim shall be submitted along with the following documents:
 - i. Chartered Accountant's Certificate / Cost Accountant's Certificate, meeting the following criteria, certifying receipt of the goods as shown in **ANNEXURE-II** in the premises **of the unit**, scrutiny of original invoice/bill of the supplier and proof of payment against each invoice/bill and its reconciliation with 'C' Form. In case of IT enabled services (ITES)/Business Process Outsourcing (BPO) units, reconciliation with 'C' form will not be necessary as they are not eligible for issue of 'C' form.

ELIGIBILITY CRITERIA FOR CA FIRMS

- (i) In case of units located in the States of J&K, Orissa, North-Eastern States, Andaman and Nicobar islands and Lakshadweep, the Chartered Accountant / Cost Accountant firm should be at least a Sole Proprietorship firm who should be an FCA / FCMA and engaged full time with the firm.
- (ii) In case of partnership Chartered Accountant / Cost Accountant firms located in the regions indicated in (i) above, should have at least two full time partners, one of whom should be an FCA / FCMA.
- (iii) In case of units located in other regions, the partnership Chartered Accountant firms should have at least one full time partner, who should be an FCA / FCMA.
- (iv) For the regions indicated in (i) above, the Chartered Accountant firm be located in the area where the unit is situated otherwise qualification of (iii) shall apply.
- (v) Photostate copy of C Form except in case of IT enabled Services (ITES)/Business Process Outsourcing (BPOs) Units, issued by the EOU/EHTP/STP to the supplier in the DTA / EOU / STP / EHTP / SEZ with reference to the counterfoil produced by the unit. The counterfoil of C form will be returned to the unit after making suitable endorsement like 'cancelled/CST reimbursed' duly signed by the authorised officer of the Zone administration. While making the endorsement only, the items for which CST has been reimbursed should be indicated as cancelled and the Photostate copy will be retained by the officer for keeping in respective file. In the event of the same 'C' form being used again, the verification could be done at the time of scrutiny from the self-attested photocopies. The firm must indicate the file No. on which the original stands submitted.
- (vi) The reimbursement will be limited to the payment of CST against C Form only except in case of IT enabled services (ITES)/Business Process Outsourcing (BPO) units.
- (vii) The EOU/EHTP/STP shall also intimate the name of the person/persons who are authorised by them to sign the C Form and furnish three copies of his/their specimen signature(s) which will be kept in the relevant file of the unit.
- (viii) Reimbursement of CST will be made on quarterly basis. The application for claiming reimbursement should be filed within a period of 6 months from the completion of the quarter in which the claim has arisen. In case of procurement of goods against payment in installments, the CST reimbursement claim may be made in the quarter in which the full payment has been effected against the invoice/bill. Whenever application is received after expiry of last date of submission of such application, provisions of **para 11.02** of the HBP would apply.
- (ix) Application for supplementary claim will be considered as per provisions of **para 11.03** of HBP.
- (x) The claim for CST reimbursement for the amount below Rs. 100/- on any single invoice shall not be entertained.
- (xi) The disbursing authority for the claim of reimbursement of CST will be Development Commissioner/designated officer of EHTP/STP who will make payment to the units. All claims shall be subjected to post audit.
- (xii) The unit shall preserve for three years all the original documents viz. Original invoice/bill, money receipt/bank statement for random/sample checking and produce the same as and when called for by the office of the Development Commissioner. Random checking of 5% of the claims of a particular quarter should be done in the next quarter through generation of computer statements on the basis of serial numbers. The random list will be generated by the Development Commissioner personally.
- (xiii) In case some glaring error or irregularity is detected against any unit in claiming CST reimbursement, action to recover the amount paid and levy penalty would be taken under FTDR Act against such unit.
- (xiv) Any dues of the Government viz. arrears of Lease rent, amount on account of a Court's decree or Income tax recovery note, etc. will also be deductible from the claim amount or it can be set off from the subsequent payment.

ANNEXURE I

Application for claiming reimbursement of Central Sales Tax against 'C' Form and in case of IT enabled Services (ITES)/Business Process Outsourcing (BPOs) Units without 'C' form for the goods brought into the bonded Premises of the EOU/EHTP/STP for the quarter ending on -----

| | |
|--|--|
| 1. Name of the applicant | |
| 2. Full postal address | |
| 3. (a) No. and date of letter of Approval issued under EOU/ EHTP/ STP Scheme (b) Whether the Letter of Approval is still valid on the date of this application. 4. Registration No: (With date of issue) issued by S.T. Authorities under CST Act 1956 | |
| 5. Details of the goods brought into units (a) Name and address of the supplier (including the name of the state where the supplier is located) (b) Whether goods are manufactured in India or imported (c) Description of Goods (d) Quantity (e) Value (f) Date of purchases of goods (g) Date of receipt of goods in the Customs Bonded Premises of the EOU unit (h) Total amount of CST paid against 'C' Form (i) Total amount of CST paid (Without 'C' form) by ITES/BPO Unit (j) Sales Tax Registration No. & date of the supplier under Section (k) of the Central Sales Tax Act, 1956. : | |
| 6. Amount of CST claimed | |

UNDERTAKING AND DECLARATION

I/We hereby solemnly undertake/declare that the particulars stated above are true and correct to the best of my/our knowledge and belief. No other application for claiming CST has been made or will be made in future against purchase covered by the application.

(a) The goods for which the claim has been made are meant for utilization/production of goods/services of the EOU/EHTP/STP unit and will be utilised only in our factory and we shall not divert or dispose off the material procured without obtaining prior permission of the concerned Development Commissioner.

(b) The goods for which the claim has been made have been entered into the stock register maintained by the unit.

(c) Any information, if found to be incorrect, wrong or misleading, will render/us liable to rejection of our claim without prejudice to any other action that may be taken against us in this behalf. If as a result of scrutiny any excess payment is found to have been made to me/us, the same may be adjusted against any of the subsequent claims to be made by my/our firm or in the event no claim is preferred, the amount overpaid will be refunded by me/us to the extent of the excess amount paid.

Signature :
Name in Block Letters :
Designation :

Name of the Applicant :
Firm :

ANNEXURE-II

CHARTERED ACCOUNTANT CERTIFICATE / COST ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed material receipt registers, books of account and the bank statement in respect of the goods mentioned in the table appended, and each entry of the application of M/s _____ for the period _____ and hereby certify that:

(i) The following documents/records have been furnished by the applicant and have been examined and verified by me/us, namely material handling registers certified by the zone administration/Bonding Officer, original invoice/bill, books of accounts and the bank statement,

(ii) Relevant registers have been authenticated under my/our seal, signatures. It has been ensured that the information furnished is true and correct in all respects, no part is false or misleading and no relevant information has been concealed or withheld.

(iii) The Payment has been made by the said M/s. _____ to the "DTA/EOU/SEZ/EHTP/STP" supplier(s) in respect of goods received against the original invoice bill(s) as indicated in the table annexed hereto.

(iv) The payments have been made through normal banking channel and have been credited to the accounts of the DTA/EOU/SEZ/EHTP/STP" supplier(s).

(v) Such payment includes the amount of CST indicated in the respective invoices.

(vi) All the items shown in the table are admissible for reimbursement of CST **for goods manufactured in India** under provisions of EOU Scheme. Neither I/We nor any of our partners is a partner/Director or an employee of the above named entity or its associated concerns.

I fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory _____
Name _____
Membership No. _____
Full address _____

Name and address of the Institution where registered.

Date:

Place:

TABLE

DETAILS OF GOODS BROUGHT INTO UNIT AND CENTRAL SALES TAX PAID DURING THE QUARTER

- (i) S. No
- (ii) Name and address of the supplier
- (iii) Nature and description of goods

- (iv) Quantity received and accepted
- (v) Invoice value accepted
- (vi) Invoice/Bill No. and date
- (vii) Date of Receipt of the goods and S. No. of entry in material receipt Register
- (viii) CST Amount paid
- (ix) 'C' Form No.
- (x) Cheque/DD No. date and amount
- (xi) Name of Bank and Branch
- (xii) CST Registration No. of the supplier:

Note: Table shall show supplier-wise sub-total and grand total of column (v), (vii) and (x) Cheque/DD amount.

Signature & Stamp/seal of the Signatory Name

Membership No. Full address

Name and address of the Institution where registered.

Date:

Place:

ANNEXURE III

MINISTRY OF COMMERCE & INDUSTRY
(O/o DEVELOPMENT COMMISSIONER, SEZ)

File No.....

Dated

To

.....

.....

(Name & Address of the firm)

Subject: Application for payment of CST/Intimation letter (Approval Letter) for admitted claims (Ripe cases).

Sir,

I am to refer to your application dated..... for payment of Central Sales Tax in respect of supplies made to EOUs.

2. Your application has been processed after removal of deficiencies and the case has been admitted for payment of Rs..... on (Date of approval) during the month of for refund of CST (strike out the Scheme not

applicable). The case is ripe for payment and cheque will be issued towards settlement of the claim upon receipt of funds from the Department of Commerce, Govt. of India.

Yours faithfully,

Assistant Development Commissioner
For Development Commissioner