

## **Procedure for reimbursement of CST**

The STP/ EHTP units are eligible for CST re-imbusement as per the Foreign trade Policy. The STP/ EHTP units are required to obtain Sales Tax Registration from the concerned office of Sales Tax who will issue a Sales Tax Registration number (CST/ST No.). This number is necessary for doing DTA sales as well as claiming reimbursement of CST paid on the goods procured within the country. Govt. of India has empowered Department of Electronics / STPI to reimburse the same to STP/ EHTP units.

Any local purchase within the country should be made against CForm available from the Sales Tax authorities.

For the purpose purchased against CForms units will have to maintain a 'Material Receipt Register' which must show the details of goods, quantity, the source of purchase and the C-Form against which purchase is made.

STP/EHTP units will be entitled to full reimbursement of Central Sales Tax paid by them from the funds of Market Development Assistance (MDA) on purchases made by them from the DTA, to be utilized for export production, on the following terms & conditions :

The Supplies from DTA to STP/EHTP units must be utilized by them for production of goods meant for export and /or utilized for export production and may include raw material, components, consumable, packing materials, capital goods, spares material handling equipment etc., on which CST has been actually paid by STP/EHTP units.

- As soon as the goods are received by the STP/EHTP units in its premises it will be entered in the material receipt 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., A Self attested copy of the register relevant to the claim shall be submitted along with the claim.
- The reimbursement of CST shall be admissible only to those units who get themselves registered with the Sales Tax 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 Sales Tax Authorities.
- The unit shall present its claim for reimbursement of Central Sales Tax in the prescribed form in supported with Chartered Accountant certificate ( format is at **Annexure XXVI**) to STPI for processing along with the following documents :
- Original Invoice/Bill along with AR-3 of the supplier showing details regarding the description of goods, quantity, value, amount of CST paid etc., and the CST registration number of both the buyer and supplier.

- Photostat copy of C form issued by the purchaser to the supplying unit which will be attested by the Gazetted Officer of the Zone 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 reimbursement' duly signed by the authorized officer of the zone administration and the Photostat copy will be retained by the officer for keeping in respective file;
- Original receipt (along with Photocopy) issued by the supplier in token of having received the amount of the bill, including the CST, which will be compared and attested by the concerned officer of Zone Administration with reference to the original produced by the unit. The original receipt will, however, be returned to the unit after making necessary endorsements thereon such as "Canceled and CST of RS. .... reimbursed" duly signed by the authorized officer of the zone and the Photostat copy will be retained in the concerned file. In case original receipts are not available and payment was made through bank, a certificate from Bank showing the payments specifically against the invoice shall be submitted. The amount paid and the invoice amount should tally.
- The reimbursement will be limited to the payment of CST against C form only.
- The unit shall also intimate the name of the persons who are authorized by the firm 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.
- The reimbursement will be made on quarterly basis. No claim for period of six months from completion of the quarter in which the claim has arisen. In exceptional cases, on application, The Director STPI may consider delayed application after satisfying that the delay was due to genuine grounds. Claims delayed beyond one year will be summarily rejected.
- The claim for CST reimbursement for the amount below Rs 100/- on any singly invoice will not be entertained.