

Office of the
Commissioner of State Tax
8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai – 400 010.

TRADE CIRCULAR

No.CST/AMD-2017/1B/Adm-8
Trade Circular No. 47 T of 2017.

Mumbai, dated 17/11/2017

Sub: Clarification regarding the inter-State purchases against C Form for period starting from 1st July 2017.

Ref: (1) Taxation Laws (Amendment) Act, 2017 (18 of 2017) dated the 4th May 2017.
(2) Office Memorandum dated the 7th November 2017 issued by Ministry of Finance, Department of Revenue, State Tax Division, New Delhi.

Background:

The definition of “goods” in Central Sales Tax Act, 1956 in section 2(d) upto 30th June 2017 was as under:-

“(d) “goods” includes all materials, articles, commodities and all other kinds of movable property, but does not include newspapers, actionable claims, stocks, shares and securities.”

In view of the Constitution (One Hundred and First Amendment) Act, 2016 dated 8th September 2016, the Central Government has amended the Central Sales Tax Act vide Taxation Laws (Amendment) Act, 2017 (18 of 2017) dated the 4th May 2017.

By virtue of this amendment the aforesaid definition of “goods” has been amended. The amended definition is reproduced as under:-

(d) “goods” means-

- (i) petroleum crude;*
- (ii) high speed diesel;*
- (iii) motor spirit (commonly known as petrol);*
- (iv) natural gas;*
- (v) aviation turbine fuel; and*
- (vi) alcoholic liquor for human consumption.*

The Ministry of Finance, Department of Revenue, State Tax Division, New Delhi has issued Office Memorandum dated the 7th November 2017 to clarify the

inter-State purchases against C Form for period starting from 1st July 2017. The clarification is reproduced as under:-

"The undersigned is directed to say that opinion of Department of Legal Affairs, Ministry of Law was solicited on the issue "Whether the definition of "goods" the phrase "manufacture or processing of goods" in section 8(3)(b) of the Central Sales Tax Act would be as per the definition provided for under section 2(d) of the Central Sales Tax Act or that the word "goods" when it appears in the phrase " manufacture or processing of goods" means any goods i.e. "goods" which fall within GST as well as "goods" which do not come under ambit of GST.

Department of Legal Affairs, Ministry of Law has confirmed that the term "Goods" has been specifically defined under the Central Sales Tax Act, 1956 and prima facie the term "Goods" referred to in section 8(3)(b) of the Central Sales Tax Act, 1956 will have same meaning as defined and amended under Section 2(d) of the Central Sales Tax Act, 1956 vide Tax Laws Amendment Act, 2017. However, it does not affect the provisions of section 8(3)(b) of CST Act relating to telecommunication network or mining or generation or distribution of electricity or any other form of power."

In view of this clarification the following instructions are being issued:

- 1) The clarification is applicable for the declarations in Form 'C' to be issued for the period from 1st July onwards.
- 2) Form 'C' shall be used for the inter-State purchases of the following goods only subject to purposes enumerated in (3) below:-
 - (i) petroleum crude;
 - (ii) high speed diesel;
 - (iii) motor spirit (commonly known as petrol);
 - (iv) natural gas;
 - (v) aviation turbine fuel; and
 - (vi) alcoholic liquor for human consumption.
- 3) Declarations in Form 'C' for the periods starting from 1st July 2017 shall be issued only if such goods are purchased for the purposes enumerated in the Office Memorandum issued by Ministry of Finance, Department of Revenue, State Tax Division, New Delhi dated 7th November 2017 such as:-
 - (i) resale of above six goods;

(ii) manufacturing of above six goods;

(iii) use of above six commodities in the telecommunication network or mining or generation or distribution of electricity or any other form of power.

This circular cannot be made use of for legal interpretation of provisions of law, as it is clarificatory in nature. If any member of the trade has any doubt, he may refer the matter to this office for further clarification.

You are requested to bring the contents of this circular to the notice of all the members of your association.



(Rajiv Jalota)

Commissioner of State Tax,
Maharashtra State, Mumbai.

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Copy forwarded to: Joint Commissioner of Sales Tax (Mahavikas) with a request to upload this Trade Circular on the Departments web-site.



(D.M.Thorat)

Joint Commissioner of State Tax, (HQ) 1,
Maharashtra State, Mumbai.