



**GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)**

No.KSA.GST.CR-16/2017-18

Office of the
Commissioner of Commercial Taxes,
(Karnataka) Vanijya Terige Karyalaya, Gandhinagar,
Bengaluru-560009, dated: 02 /03/2018.

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO.16/2017-18

Sub: Issuance and use of C-Form declaration under the Central Sales Tax Act, 1956 from 1st July, 2017 onwards – reg

- Ref: 1. The Taxation Laws (Amendment) Act, 2017
(Central Act No.18 of 2017) dated 4th May, 2017.
2. Office Memorandum dated 7th November, 2017 issued
by Ministry of Finance, Department of Revenue,
State Tax Division, New Delhi vide F No.28011/03/2014-ST-II

Representations have been received from different dealers regarding issuance of declarations in Form-C under the Central Sales Tax Act, for inter-state purchase of High Speed Diesel for use in Captive power generation, mining activity etc., in view of implementation of Goods and Services Tax with effect from 1st July 2017.

2. The matter is examined.

i) The definition of “goods” in Central Sales Tax Act, 1956 under 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’.

3. In view of implementation of GST with effect from 1st July 2017, definition of “goods” under clause (d) of Section 2 of CST Act, 1956 has been amended vide reference (1) above and the same is reproduced as under:

‘(d) “goods” means-

- (i) petroleum crude;
(ii) high speed diesel;*

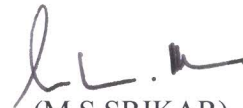
- (iii) *motor spirit (commonly known as petrol);*
- (iv) *natural gas;*
- (v) *aviation turbine fuel; and*
- (vi) *alcoholic liquor for human consumption’.*

4. The Ministry of Finance, Department of Revenue, State Tax Division, New Delhi has issued a clarification in Office Memorandum dated 7th November 2017 vide reference (2) above, clarifying “ ‘Goods’ referred to in section 8(3)(b) of the CST Act, 1956 will have the same meaning as defined and amended under section 2(d) of the said Act. However it does not affect the provisions of section 8(3)(b) of the CST Act relating to communication network or mining or generation or distribution of electricity or any other form of power”.

5. Further, the goods referred to in section 8(3)(b) of the CST Act are the class or classes of goods specified in the certificate of registration of the registered dealer purchasing the goods as being intended for resale by him or subject to any rules made by the Central Government in this behalf, for use by him in the manufacture or processing of goods for sale or in the telecommunication network or in mining or in the generation or distribution of electricity or any other form of power.

6. In view of the above clarification issued by the Government of India and the provisions of CST Act, the following instructions are issued:

- i) Form-C declarations are to be issued for the period from 1st July 2017 onwards only in respect of inter-state purchase of goods enumerated in para (3) above for any of the following purposes:
 - a) resale of above six goods;
 - b) use in the manufacture or processing of above six goods for sale;
 - c) use in the telecommunication network or in mining or in the generation or distribution of electricity or any other form of power.
- ii) This Circular cannot be made use of for legal interpretation of the provisions of law, as it is clarificatory in nature.


(M S SRIKAR) 2/3/18

Commissioner of Commercial Taxes,
(Karnataka), Bengaluru

SRIKAR. M.S., I.A.S.,
Commissioner of Commercial Taxes
(Karnataka), Bengaluru.

To,

All the Departmental Officers in the State