

GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)

No.KSA.GST.CR-54/2019-20

Office of the
Commissioner of Commercial Taxes,
(Karnataka) Vanijya Terige Karyalaya, Gandhinagar,
Bengaluru-560009, dated:23-06-2021.

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO. 01 /2021-22

Sub: Issuance and use of C-Form declaration under the Central Sales Tax Act, 1956 from 1st April 2021 onwards – reg

- Ref: 1. Amendment to the Central Sales Tax Act, 1956 vide The Finance Act, 2021 (No.13 of 2021) published in the Gazette of India on 28-03-2021.
2. The Taxation Laws (Amendment) Act, 2017 (Central Act No.18 of 2017) dated 4th May, 2017.
3. 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
4. Commissioner of Commercial Taxes Circular No.16/2017-18 Dated: 02-03-2018.

Considering the amended definition of “goods” vide Taxation Laws (Amendment) Act, 2017 (Central Act No.18 of 2017) dated 4th May, 2017 and the provisions under Section 8(3)(b) of Central Sales Tax Act, 1956, as it existed then, Circular instructions were issued vide Commissioner of Commercial Taxes Circular dated: 02-03-2018 under reference (4) above, regarding issuance of declarations in Form - C for inter-state purchase of High Speed Diesel for use in any of the following purposes with effect from 1st July 2017.

- a) resale of Petroleum crude, High speed diesel , Motor spirit (commonly known as Petrol), Natural gas, Aviation turbine fuel and Alcoholic liquor for human consumption;
- 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.

2. By the Finance Act, 2021 (No.13 of 2021), amendment to the Central Sales Tax Act, 1956 has been carried out by substituting clause (b) in sub-section (3) in section 8 and the same is reproduced hereunder:


“(b) are goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for re-sale by him or subject to any rules by the Central Government in this behalf, for use by him in the manufacture or processing for sale of goods specified under clause (d) of section 2;”.

3. The scope of C-Form facility for inter-state purchase of the above six goods is examined in the light of the amended provision of clause (b) in sub-section(3) of section 8 of CST Act, 1956 and it is found that the goods referred in section 8(3)(b) of the CST Act are the class or classes of goods specified in the certification of registration of the registered dealer purchasing the goods as being intended for the sale by him or for use by him in the manufacture or processing of goods for sale only. Inter-state purchase of goods for use in the telecommunication network or in mining or in the generation or distribution of electricity or any other form of power is not permissible with effect from 01-04-2021.

4. In view of the amended provision of clause (b) in section(3) of section 8 of CST Act 1956, the following instructions are issued:

- i) Form-C declarations to be issued for the period from 1st April 2021 onwards only in respect of inter-state purchase of goods namely, **Petroleum crude, High speed diesel, Motor spirit (commonly known as Petrol), Natural gas, Aviation turbine fuel and Alcoholic liquor for human consumption** for any of the following two purposes only :
 - a) resale of above six goods; and
 - b) use in the manufacture or processing of above six goods for sale
- ii) This Circular cannot be used for legal interpretation of the provision of law, as it is clarificatory in nature.

5. This Circular instructions shall be followed scrupulously for the period from 1st April, 2021 onwards.


(M S SRIKAR) 23.06.2021

Commissioner of Commercial Taxes,
(Karnataka), Bengaluru

Commissioner of Commercial Taxes
Karnataka, Bangalore.

To,

All the Departmental Officers in the State