

GOVERNMENT OF JAMMU & KASHMIR
STATE TAXES DEPARTMENT

Excise and Taxation Complex
Solina Srinagar/Panama chowk Jammu

Circular

Sub: Issuance and use of C-Form declaration under the Central Sales Tax Act, 1956 from 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 dealers regarding registration and subsequent issuance of declarations in Form-C under the Central Sales Tax Act, for inter-state purchase of alcoholic liquor for human consumption, in view of implementation of Goods and Services Tax with effect from July 2017.

2. The matter is examined as under:

i) The definition of “**goods**” in Central Sales Tax Act, 1956 under Section 2(d) up to 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 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;

30/11/2022

- (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.

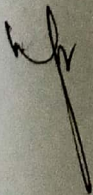
5. Further, the goods referred to in section 8(3)(b) of the CST Act are the class or classes of goods specified in the certificate of registration of the registered dealer purchasing the goods as being intended for resale by him or subject to any rules made by the Central Government in this behalf, for 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. That the Hon'ble Supreme Court in the matter **State of Haryana Vs Capro Power Ltd.** has upheld the decision of the Punjab and Haryana High Court that Form 'C' should be made available to an assessee even after implementation of the goods and services tax (GST). The Hon'ble Court held that the sale tax law as defined in Section 2(i) of CST Act will mean the law for the time being in force in any state for levy of taxes on sale and purchase of goods. It further ruled that the definition is inclusive, and not restrictive. Form C is issued by a purchasing dealer to a selling dealer to avail of the benefit of the concessional rate of CST.

7. That section 9 of the JKGST Act, 2017, levies tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption as such the exclusion with respect to supplies in case of alcoholic liquor are clear and explicit and do not require registration under JKGST, Act 2017.

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

- i) That in case of non GST supplies (six items) the registration under section 7(2) of the Central Sales Tax can be granted subject to the conditions as provided in the act.
- ii) That the registration under Central Sales Tax is to be issued manually by the Jurisdictional officer by assigning a Unique ID.



0917/2022
iii) Form-C declarations are to be issued/received with effect from 1st July 2017 only in respect of inter-state purchase/sale of goods viz 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 purposes as per section 8(3) of the Central Sales Tax Act, 1956.

iv) This Circular cannot be made use of for legal interpretation of the provisions of law, as it is clarificatory in nature.

R Singh

(Dr. Rashmi Singh) IAS

Commissioner, State Taxes, J&K

Dated: 03/07/2023

No: CST/Notifi/568-768/cst

Copy to the:

1. Administrative Secretary, Finance Department, Civil Secretariat, J&K.
2. Additional Commissioner, State Taxes (Administration and Enforcement) Jammu/Kashmir.
3. Additional Commissioner, State Taxes (Tax Planning, Policy & Advance Ruling) J&K.
4. Deputy Commissioner, State Taxes Enforcement (Central) Jammu/Kashmir.
5. Deputy Commissioner, State Taxes Enforcement Kathua, H.Q at Lakhanpur.
6. Deputy Commissioner, State Taxes (Recovery) Jammu/Kashmir
7. Deputy Commissioner, State Taxes (Appeals I & II) Jammu/Kashmir.
8. Deputy Commissioner, Stamps Jammu/Kashmir.
9. Deputy Commissioner, State Taxes (IT, Data Analytics & Economic Intelligence) Jammu/Kashmir.
10. Deputy Commissioner, State Taxes Enforcement South/North/Udhampur/Samba Jammu.
11. Deputy Commissioner, State Taxes Enforcement South/North Kashmir.
12. All Assistant Commissioners of State Taxes Jammu/Kashmir.
14. All State Taxes Officers of Jammu/Kashmir Division.
15. In-charge website.
15. Office File