

TRADE CIRCULAR

No. CST/ADM-2017/1B/Adm-8
Trade Circular No. 22-T of 2021.

Mumbai, dated 23/09/2021

Sub: Amendments to Central Sales Tax Act, 1956.

Ref: (1) Taxation Laws Amendment Act, 2017(18 of 2017) dated 4th May 2017.
(2) Trade Circular 47T of 2017 dated 17th November 2017.
(3) Trade Circular 7T of 2019 dated 14th February 2019.
(4) The Finance Act, 2021 (No.13 of 2021) dated 28th March 2021.

1. The definition of “goods” under the Central Sales Tax Act, 1956 was amended through the Taxation Laws Amendment Act, 2017(18 of 2017) dated 4th May 2017 and the new definition of goods is provided in section 2(d) which is 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 issued an Office Memorandum dated the 7th November 2017 on clarification regarding the definition of goods in Section 8 (3) (b) of the CST Act, 1956. In view of this clarification, instructions were issued through Trade Circular no 47T of 2017 dated 17/11/2017 regarding interstate purchases against form ‘C for period starting from 1st July, 2017.’ However, Trade circular 47T of 2017 was withdrawn through issuing Trade Circular 7T of 2019 dated 14th February 2019.

2. Now, the Central Sales Tax Act, 1956 has been further amended by the Finance Act No. 13 of 2021, dated 28th March 2021. This amendment relates to the provisions of Section 8(3)(b). The amended provisions with effect from 28th March 2021 are reproduced as under:

In the Central Sales Tax Act, 1956, in section 8, in sub-section (3), for clause (b), the following clause shall be substituted, namely: —

“(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 made 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. In view of the aforesaid amendment, inter-State purchase of goods as specified in Registration Certificate of the dealer will be allowed against Form ‘C’ and shall be for the purpose of the six goods mentioned in Section 2(d) of the CST Act which can be bought against declaration in form C at a concessional tax rate,

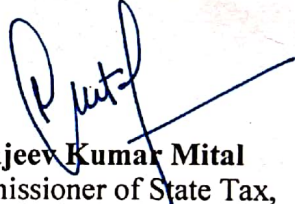
(i) if the said six goods are used in the manufacturing or processing of the goods as mentioned in Section 2(d) of the CST Act or

(ii) resale of the said goods.

(iii) Further, industries involved in mining, telecommunication and generation or distribution of electricity or any other form of power cannot avail benefit of the reduced tax rate on procurement of inter-state purchase of goods against the C form.

4. This clarification would be applicable for the declarations to be issued for the period from 28.3.2021.


5. 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.


Rajeev Kumar Mital
Commissioner of State Tax,
Maharashtra State, Mumbai.

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


(Vishakha Borse)
Joint Commissioner of State Tax,
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