

Circular - GST - States**GOVERNMENT OF PUDUCHERRY
COMMERCIAL TAXES DEPARTMENT****No. 3521/CTD/HQ/2017-18****CIRCULAR****Dt. 04-09-2017**

After the implementation of the CST Act w.e.f. 01.07.2017, representations have been received from various quarters seeking clarification on different aspects of the Central Sales Tax Act, 1956, such as Liability, Return, Registration and the eligibility to make interstate purchase of goods against Form C. The issues in the representations have been examined and clarification as given below is hereby issued for information of all concerned.

1. In the Constitution (One Hundred and First Amendment) Act, 2016 which paved the way for enactment of the GST Acts (CGST Act, SGST Act and IGST Act), powers of the States and the Union of India to levy tax on sales of six goods i.e. (i) Alcoholic liquor for human consumption, (ii) Petroleum crude, (iii) High speed diesel. (iv) Motor spirit (commonly known as petrol), (v) Natural gas and (vi) Aviation turbine fuel have been retained whereas all other goods have been subjected to levy of tax under GST Act.

2. Consequent upon such amendment of the Constitution, the (Central Sales Act, 1956) and the (Puducherry VAT Act, 2007) have also been amended. In the amended CST Act, 1956 and PVAT Act, 2007 the word "Goods" means only the aforesaid six goods which are not subjected to levy of GST. Therefore, post - amendment, the provisions of the CST Act as well as the PVAT Act are now applicable to these six goods only.

3. As a result, the dealers dealing in goods other than these six goods have ceased to be the dealers for the purpose of the amended CST Act w.e.f. 01.07.2017 (date from which the amendment of Section 2 (d) of the Act is made effective). Dealers making interstate sale of any goods other than these six goods have ceased to be liable to pay tax under the CST Act w.e.f. 01.07.2017 and hence they need not file any return under the CST Act. The registration granted earlier u/s 7 (1) of the CST Act to such dealers, whose liability has now ceased, has become infructuous.

4. Some dealers, despite not having liability to pay tax under the CST Act were registered u/s 7(2) of the CST Act because they were earlier liable to pay tax for their sales under the pre-amended PVAT Act. Now, consequent upon amendment of the PVAT Act w.e.f. 01.07.2017, dealers not selling the aforesaid six goods are no more liable to pay tax under the PVAT Act. Therefore, with the cessation of their liability under the PVAT Act they are no more eligible for registration u/s 7(2) of the CST Act and hence the registration granted earlier in their favour u/s 7(2) of CST Act has become invalid.

5. Dealers making sale of only the aforesaid Six goods will continue to be liable to pay tax under the CST Act and the registration granted earlier in their favour under the CST Act will continue to remain valid. They need

not apply afresh and can file return as before on the strength of registration granted earlier. Such dealers can also make interstate purchase of the aforesaid goods against Form C for only for re-sale or processing of any of the aforesaid six goods. New dealers attracting liability on account of interstate sale of these aforesaid six goods can apply for registration which can be granted to them u/s 7 (1) of the CST Act.

6. Dealers liable to pay tax under the PVAT Act on account of intra-state sale of the aforesaid six goods and already registered under the PVAT Act and CST Act as on 30.06.2017 will continue to be so liable and the registration granted under both the Acts will continue to remain valid even after 30.06.2017. They can make interstate purchase of any of the aforesaid six goods against Form C only for re-sale or processing of any of the aforesaid six goods.

7. New dealers attracting liability on account of sale or purchase of the aforesaid six goods or processing of the aforesaid Six goods for sale can apply for registration under the PVAT Act and CST Act and registration can be granted to such dealers.

8. For issue of pending C Forms against transaction made before 01.07.2017 by the registered dealers whose registration under the CST Act has become invalid or infructuous w.e.f. 01.07.2017, they can apply online before 31.10.2017 in the Commercial Tax Portal <http://gst.py.gov.in> for issue of such forms. In such cases, forms will be issued by the jurisdictional officer after due scrutiny and approval of the online application.

9. It is hereby made clear that GST dealers who were, till 30.06.2017, making interstate purchase of above said six goods against Form C for use in the manufacture or processing of goods other than the aforesaid six goods or for use in the telecommunication network or for use in mining or for use in the generation or distribution of electricity or any other form of power, have ceased to be the dealers under the CST Act w.e.f. 01.07.2017 as their liability to pay tax under the amended PVAT Act has ceased and the registration already granted has become invalid w.e.f. 01.07.2017. Consequently, they cannot make interstate purchase of these aforesaid six goods (Petrol, High Speed Dieseli Petroleum Crude, Natural Gas, ATF and Alcoholic Liquor for Human Consumption) against Forms C w.e.f. 01.07.2017. Hence, the GST dealers who intend to purchase above said goods from other States has to pay applicable VAT rates Of the State concerned, to the goods w.e.f 01.07.2017.

COMMISSIONER (ST)