

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA CUTTACK

No. No.III (I)38/09- ^{*****} 8445 /CT, Dt. 27 /05/2014

Sub: CST Act 1956 – Acceptance of 'C' and 'F' forms covering more than one quarter or more than one month respectively – regarding.

Ref: 1. No.III (I)38/09- 4376/CT., Dt.14/03/2011
2. No.III (I)38/09- 15413/CT., Dt.10/09/2012
3. No.III (I)38/09- 21204/CT., Dt.13/12/2012
4. No.III (I)38/09- 17208/CT., Dt.08/08/2013

It is brought to the notice of undersigned that other states are issuing 'C' and/ or 'F' Forms based on Quarter/ calendar month of receipt i.e. one 'C' / 'F' Form for all the goods received in a quarter/ calendar month irrespective of fact of dispatch date of such goods. Because of this, one quarter/ or calendar month 'C' / 'F' Form may contain deliveries of sales made in that quarter and also previous quarter; or stock transfers made in same calendar month and also previous calendar months respectively. As 'C' forms / 'F' forms contains deliveries relating to more than one quarter / stock transfer of more than one month respectively, assessing authorities are rejecting such 'C' forms / 'F' Forms and levying VAT as if it is a sale not covered by valid statutory forms.

In this regard the relevant Rules under CST Act with regard to 'C' and 'F' forms are as follows:

Regarding 'C' Form:

Under Rule 12(1) of CST (R& T) Rules, the declaration and certificate referred to in Sub-Section (4) of Section 8 shall be in Form 'C' and two provisions under this read as follows:

“Provided further that a single declaration may cover all transactions of Sale, which take place in a quarter of financial year between the same two dealers”;

and

“Provided also that, where, in the case of any transaction of Sale, the delivery of goods is spread over to different quarters in a financial year or of different financial years, it shall be necessary to furnish a separate declarations or certificate in respect of goods delivered in each quarter of financial year”.

Regarding 'F' Form:

Under Rule 12 (5) of CST (R& T) Rules, the declaration referred to in Sub-Section 1 of Section 6-A in Form 'F' The first Proviso under this sub Rule reads as follows:-

"Provided that a single declaration may cover transfer of goods, by a dealer, to any other place of his business or to his agent or principal, as the case may be, effected during a period of one calendar month."

The interpretation of these provisos leads to following conclusions:

- a single declaration in Form 'C' may be issued to cover all deliveries of goods made as inter-state sales during one quarter of financial year between the same two dealers.
- a single declaration in Form 'F' may be issued to cover all transfer of goods, by a dealer, to any other place of his business or to his agent or principal, as the case may be, effected during a period of one calendar month.
- as far as the issuance declarations in Form 'C' or Form 'F' etc. for interstate transactions is concerned, the essence is the delivery of goods and not the date of sale or date of transfer printed on the sale invoice / consignment note.

Sometimes it may happen that goods that are dispatched on the last part of a quarter are delivered in the next quarter and the receiver / buyer of goods may take the date of receipt as criteria and issue one Form 'C' for all goods received in that quarter, irrespective of date of dispatch of goods.

Similarly in case of 'F' form, in situations where the goods are dispatched, say on last part of a month or a last part of the financial year, will be received in the other state in next month or even in next financial year. The question raised is under which month the F form has to be issued by recipient state for such goods i.e. the Calendar month / year of dispatch of goods or Calendar month / year of receipt. As per Rule it should be Calendar month of dispatch. But States are issuing 'F' Forms based on receipt of goods. Section 6A (1) of CST acts puts burden on dealer (Transferor) to prove that the movement of goods was not by reason of sale and for that purpose he may produce declaration (F Form) issued by other state. **Section 6A (2) of CST Act says that if assessing authority is satisfied that no inter-state sale has been effected, he may, make order to that effect.**

Compendium of Circulars

In view of the above following instructions are issued as regards the declaration in Form 'C' / Form 'F' etc.

"Once assessing authority is satisfied that the primary objective of 'C' Form i.e. "goods are dispatched to other States and the same are accounted for by the dealer of other States" is met, he may accept 'C' form as valid. Accordingly it is also clarified that Form-C can be accepted as valid relating to goods delivered in quarter, based on the date of dispatch or date of receipt of goods in other State or date of invoice or combination of all the three. Similarly in case of F form, all goods calendar month either based on dispatch dates of goods or based on receipt date of goods in other State or combination of both".


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