

8<sup>th</sup> floor, Vikrikar Bhavan,  
Mazgaon, Mumbai-400010.

**TRADE CIRCULAR**

To

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No.Addl.CST/BST(SPT)-2009/C.R.31/Adm-10  
Trade Cir. No. 3) T of 2009

Mumbai, Dt. 23/11/09

**Sub:** Clarification regarding levy of tax on cutting and transportation charges.

**Ref:** (1) Trade circular No. 12T of 2003 dated 31<sup>st</sup> March 2003.  
(2) Mah Act No. VIII of 2003.  
(3) Mah Act No. XX of 2002.

Gentlemen/Sir/Madam,

The Maharashtra Purchase Tax on Sugarcane Act, 1962 was amended in the year 2002 and year 2003. Thereafter, a Trade Circular cited at reference (1) was issued. By the aforesaid Trade Circular the effects of amendments were explained. In Para 2 of the Trade Circular, it was mentioned that the levy of purchase tax on sugarcane will continue to be based on purchase price as it existed prior to 01.05.2002. In the said Para it was further stated that the purchase price would be excluding the cutting and transportation charges.

2. Queries have been received in respect of purchase price of Sugarcane liable to tax. The issue is examined and clarified as under:-

- (a) The definitions of Purchase, Purchase price and Turnover of purchase contained in clause (f-a), (f-b) and (g-a) respectively of section 2 are very clear. The aforesaid clauses have been restored by the Amendment Act No. VIII of 2003 with retrospective effect i.e. 1<sup>st</sup> May 2002.
- (b) The definition of purchase price contained in clause (f-b) of section 2 includes the cutting and transportation charges. As a result of restoration of this definition of purchase price with effect from 01.05.2002, cutting and transportation charges shall form a part of purchase price.
- (c) However, the Finance Department has issued a Notification under section 12B of the SCPT Act, 1962. (No. SPT-10.02/CR-

102/Taxation-3 dated 29<sup>th</sup> March 2003). By virtue of the said notification for the period starting from 1<sup>st</sup> May 2002 to 30<sup>th</sup> September 2002, the cutting and transportation charges were excluded from the purchase price. For all other periods, it will continue to form a part of purchase price.

(d) Needless to state that for all the remaining periods the cutting and transportation charges shall form the part of purchase price hence, liable to tax.

(e) All the Departmental authorities should therefore, consider this aspect while determining the purchase price liable to tax.

3. 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.

4. You are requested to bring the contents of this circular to the notice of the members of your association.

Yours faithfully,



**(SANJAY BHATIA)**

Commissioner of Sales Tax,  
Maharashtra State, Mumbai.

No.Addl.CST/BST(SPT)-2009/C.R.31/Adm-10  
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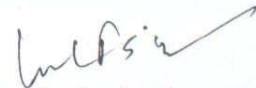
Mumbai, Dt. 23/11/09

1. Copy forwarded To:

- a. All the Addl. Commissioners of Sales Tax in the State.
- b. All the Joint Commissioners of Sales Tax in the State.
- c. The Joint Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Departments web-site.
- d. All the Sr. Dy. Commissioners of Sales Tax in the State.
- e. All the Dy. Commissioners of Sales Tax in the State.
- f. All the Asstt. Commissioners of Sales Tax in the State.
- g. All the Sales Tax Officers in the State.

2. Copy forwarded with compliments for information to:

- a. The Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
  - b. The Under Secretary, Finance Department, Mantralaya, Mumbai.
  - c. The Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.
3. Copy to all the Desks and Desk Officers in the office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.



**(G.B.Indurkar)**

Joint Commissioner of Sales Tax,  
(HQ)1, Maharashtra State, Mumbai.