

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

**TRADE CIRCULAR**

To

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No.DC(A&R)/CST Act/2009/27/Adm-6  
Trade Cir. No. 2 T of 2011

Mumbai, Dt. 17-01-2011

**Sub:** Amendments to Central Sales Tax Act, 1956  
**Ref:** The Finance Act No. 14 of 2010 dt. 10.5.2010.

Gentlemen/Sir/Madam,

The Central Sales Tax Act, 1956 has been amended by the Finance Act No. 14 of 2010 dated 10.5.2010. These amendments relate to provisions of section 6A i.e. inter state transfer otherwise than by way of sale and appeals arising thereof. The salient features of the amendment Act are as follows:

1. (a) An amendment has been made to sub-section (2) of section 6A of the Central Sales Tax Act, 1956 (hereinafter referred to as "the Act"). It allows the assessing authority to satisfy himself that no inter-State sale has been effected, apart from verifying the correctness of particulars furnished in Form F before allowing claims of Branch Transfer.
- (b) Earlier section 6A of the Act provided that once the assessing authority in the originating State has determined that an inter-State transfer of goods is not by way of sale, then no review, revision or reassessment was provided for. Now new sub-section (3) has been added which provides that such cases can be reopened in the event of discovery of new facts for re-assessment by the assessing authority or for revision by higher authority on the ground that findings of the assessing authority are contrary to the law.
2. (a) New Chapter VA has been inserted. Section 18A of this chapter allows a person aggrieved by an order made u/s 6A (2) or (3) by the assessing authority or higher authority to appeal to the highest appellate authority of the State against such an order. This highest appellate authority of the State is the Maharashtra Sales Tax Tribunal in our State. This would provide relief to the assesseees as it would reduce multiple tiers he has to approach at present. Incidental issues

relating to rate of tax, computation of assessable turnover and penalty may also be raised in such appeal to the Tribunal.

- (b) The appeal as above has to be filed within 60 days of the date of communication of the order. A proviso to sub-section (2) of section 18A provides that if any appeal was forwarded by the Tribunal to the first appellate authority under proviso to sub-section (2) of section 25 and is pending before such authority before the appointed day then such appeals are to be transferred to the Maharashtra Sales Tax Tribunal. The Central Government has notified 1<sup>st</sup> June 2010 as appointed day. All the first appellate authorities are to transfer such appeals, if any, pending before them to the Tribunal.
3. The sub-section (1) of section 20 has been amended to provide for appeal to the Central Sales Tax Appellate Authority against the Tribunal order in respect of issues relating to stock transfer or consignment of goods in so far as it involves a dispute of inter-state nature.
4. Sub-section (1A) of section 22 has been amended to substitute the word 'deposit' for the word 'pre-deposit'. This allows filing of appeal to the appellate authority under C.S.T. Act, 1956 without pre-deposit of amount that was required under earlier provisions. Further, new sub-section (1B) is inserted in section 22 after sub-section (1A). It empowers the Central Sales Tax Appellate Authority to issue directions for refund of tax not due to that State or alternatively direct the state to transfer refundable amount to the State to which CST is due. This would provide relief to the assessee and would resolve the problem of the inter-State transfer of funds involved in such disputes.
5. Proviso to sub-section (2) of section 25 is deleted. By this proviso, the highest appellate authority in State could forward cases to first appellate authority, where it finds that appellant has not availed the opportunity of filing first appeal. After deletion, the highest appellate authority shall not forward the cases to first appellate authority. If any such cases were earlier transferred to the first appellate authority under this proviso, the same are required to be sent back to the highest appellate authority in the State i.e. Tribunal as per proviso to sub-section (2) of section 18A of CST Act, 1956 .

6. 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.
7. You are requested to bring contents of this circular to the notice of the members of your association.

Yours faithfully,



**(SANJAY BHATIA)**  
Commissioner of Sales Tax,  
Maharashtra State, Mumbai.

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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.