

Office of the
Commissioner of Sales Tax,
Maharashtra State,
8th floor, GST Bhavan,
Mazgaon, Mumbai-400010.

TRADE CIRCULAR

To,

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No. JC/Mahavikas/Non-GST Dealers/2017-18 Mumbai, Date 9th Feb. 2018.

Trade Cir. No. 5 T of 2018

Subject : Modification to Circular No. 37T of 2017 dated 24th August 2017.

Ref. : (1) Trade Circular No. 37T of 2017 dated the 24th August 2017.
(2) Amendments to MVAT Act vide Mah. Act No. XLII of 2017 pertaining to deemed cancellation of registration.

Sir/Gentlemen/Madam

1. The Maharashtra Goods and Services Tax Act is effective from 1st July 2017 (hereinafter referred to as "MGST Act"). On this background certain amendments were made to the Maharashtra Value Added Tax Act, 2002 (hereinafter referred to as "MVAT Act"). Due to amendments to the Constitution of India definition of "goods" under Central Sales Tax Act, 1956 and MVAT Act was also amended.
2. To explain these aspects a Trade Circular No. 37 of 2017 dated 24th August 2017 was issued. The said Trade Circular in addition to other aspects explains the procedure to be set to identify the dealers that may continue to remain engaged in sales and purchase of the goods under Maharashtra Value Added Tax Act or the MGST Act.

3. The Para-3 of the said Trade Circular explains providing option to the dealers who may continue to remain under the MVAT Act. The relevant portion is reproduced below:

3.....

In view of the provisions as above, the MVAT registration of the dealers not selling the goods mentioned above are deemed to be cancelled from 30 June 2017, it has become necessary to allow the dealers to remain registered under the MVAT/CST Act if they sell the above mentioned goods”.

4. It may be useful to refer to Para-3(B)2 of the aforesaid Circular. The said Para reads as under:

2. In view of above amendments, Registration Certificate under the Maharashtra Value Added Tax Act, 2002 (.....) of those dealers who have not effected any sales of any of the six goods mentioned above, during 2016-17, shall deemed to be cancelled wef 1st July 2017.

5. In the light of the aforesaid and insertion of sub-section (6A) to section 16 of MVAT Act, it is clarified that the Registration Certificate of dealers who are covered in Para-4 above i.e. under MVAT Act, 2002 are only deemed to be cancelled.

6. Needless to say that the provisions of MVAT Act in relation to deemed cancellation of Registration Certificate [Section 16(6A)] shall not be applicable to cancellation of the Registration Certificate issued as per the provisions of the Central Sales Tax Act. **Therefore, the Registration Certificate issued to a dealer under CST Act will continue to be valid unless cancelled after following the due process enumerated under the Central Sales Tax Act or rules made thereunder.** The Trade Circular No. 37T of 2017 dated 24th August 2017 shall stand modified as above and rest remains unchanged.

7. This circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law. If any member of trade has any doubt, he may refer the matter to this office for further clarification.

Yours faithfully,



(Rajiv Jalota)
Commissioner of Sales Tax
Maharashtra State, Mazgaon,
Mumbai.

No. JC/Mahavikas/Non-GST Dealers/2017-18

Mumbai, Date 9/2/2018

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Copy forwarded for information to,

- (1) The Joint Commissioner of State Tax, (MAHAVIKAS) with a request to upload this Trade circular on MSTD web-site.
- (2) Deputy Secretary, Finance Department, Mantralaya, Mumbai.
- (3) Under Secretary, Finance Department, Mantralaya, Mumbai.
- (4) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.



(D. M. Thorat)
Joint Commissioner of Sales Tax
HQ-1, Maharashtra State
Mazgaon, Mumbai