Commissioner of Sales Tax,
8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai- 400 010.

TRADE CIRCULAR

To

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No.DC(A&R)/VAT/MMB-2015/62/ADM-8 Mumbai, dated: 08/09/2016

Trade Circular No. 26 T of 2016

Gentlemen/Sir/Madam,

Sub:- Grant of Administrative Relief to developers.

Ref:- This office Trade Circulars
1. Trade Circular 14T of 2012 dated 06.08.2012.
2. Trade Circular 17T of 2012 dated 25.09.2012.
3. Internal Circular 4A of 2015 dated 24.03.2015.

Background:

The Taxation of Developer was subject matter of the Court proceedings. Hon'ble Supreme Court of India upheld the constitutional validity of the amendment to section 2(24) of the Maharashtra Value Added Tax Act, 2002. As a result developers became liable to pay tax under Maharashtra Value Added Tax Act, 2002. In order to facilitate the registration procedure and to grant Administrative Relief for un-registered period various Trade Circulars referred as above were issued.

In the trade circulars referred at Sr. No. 1 and 2 above, various compliances were expected from the Builder/Developers within stipulated time. Subsequently with a view that maximum un-registered Builder/Developers should come into the tax net, the department has taken a lenient view by the Internal Circular referred at Sr. No. 3 above. In many cases it was observed that administrative relief is not granted merely on the ground that dealer has not paid the compounding fee of Rs. 5,000/- however, all other conditions/instructions issued in the Trade Circulars are followed.

2. **Issues represented by Trade** –Various representations have been received with regard to grant administrative relief to those Builder/Developers who had complied all other conditions as per Trade Circular 14T of 2012 dt. 06.08.2012 and 17T of 2012 dt. 25.09.2012 and Internal Circular 4A of 2015 dt. 24.03.2015 but has paid the compounding fee later on (i.e. after 30.11.2012).

3. In this regard it is administratively decided that Builder/Developers who had complied all other conditions as per Trade Circular 14T of 2012 dt. 06.08.2012 and 17T of 2012 dt. 25.09.2012 and Internal Circular 4A of 2015 dt. 24.03.2015 but has paid the compounding fee later on (i.e. after 30.11.2012) shall also be considered for grant of administrative relief.

4. 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.

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

Yours faithfully,

(RAJIV JALOTA)
Commissioner of sales Tax
Maharashtra State, Mumbai

No.DC(A&R)/VAT/MMB-2015/62/ADM-8 Mumbai, dated: 08/09/2016
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1. Copy forwarded to:
   (a) Special Commissioner of Sales Tax, Maharashtra State.
   (b) All Addl. Commissioners of Sales Tax in the State.
   (c) All Joint Commissioners of Sales Tax in the State.
   (d) All Joint Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Departments web-site.
   (e) All Deputy Commissioners of Sales Tax in the State.
   (f) All Assistant Commissioners of Sales Tax in the State.
   (g) All 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.

(D. M. THORAT)
Jt. Commissioner of Sales Tax,
(HQ) I, Mumbai