8th Floor, Vikrikar Bhavan,
Mazgaon, Mumbai-400010

INTERNAL CIRCULAR
(Restricted Circular for Office Use only)

No. ACST/VAT-2/e-CST Declaration/B- 594 Mumbai, Dated: - 21/08/2016
Internal Circular No. 10A of 2016

Sub: - Stand-by arrangement for issuance of e-CST declarations for periods on or after 01.04.2016

Ref: - Trade Circular 4T of 2014 dated 28.01.2014

The Maharashtra Sales Tax Department (MSTD) is in the process of implementing SAP based New Automation System. The e-Registration functionality has already been launched in this new Automation system. However, e-Returns for periods after 01-04-2016, under Maharashtra Value Added Tax Act (MVAT) and Central Sales Tax Act (CST) will be started in the new automation system in due course. In view of this, the e-CST declarations for periods starting on or after 01-04-2016cannot be issued by MSTD. Trade is representing for early issuance of needed declarations.

2. After going through the facts of this situation, with a view to remove this difficulty faced by the trade, instructions are hereby issued to relax condition mentioned at point no. 5 b of Trade Circular 4T of 2014 dated 28-01-2014 and to make following Stand-by arrangement for issuing declarations/certificates under the CST Act electronically, only for periods starting on or after 01-04-2016.

A. **<u>Procedure for Old Dealers:</u>**

For the purpose of this arrangement, "Old Dealers" means, the dealers whose previous year's return is available on Mahavikas for comparison. e.g. If dealer 'X' has uploaded SOR for period 01-04-2016 to 30-06-2016 and his return/s for all applicable periods up to 31.03.2016 including returns for corresponding period of previous year under the relevant Act are filed by the dealer, then the dealer 'X' will be considered as Old Dealer.

If any "Old dealer" has requested for declarations under CST Act electronically, for periods starting on or after 01-04-2016, then the Nodal officer will issue declaration to the dealer by adopting following procedure-

i. Though the dealer's return/s for period after 01-04-2016 is/are not available with the department and Issuable Balance in "Verification utility for issue of CST form" of e-CST Module is equal to 0.00, the Nodal officer shall over-ride this defect in the following manner:

a) If similar type of e-CST declarations has been issued to the dealer during the same quarter/period of previous financial year, and the total amount for which the declarations are being requested in current quarter/period is not exceeding 100% of the amount for which declarations are issued for same quarter/period of previous financial year, then officer shall override this defect without taking any type of over-ride application from the dealer and without taking any approval from immediate supervisory authority

b) If similar type of e-CST declarations has been issued to the dealer during the same quarter/period of previous financial year and the total amount for which the declarations are being requested in current quarter/period exceeds 100% but does not exceeds 150% of amount for which declarations are issued for the same quarter/period of previous financial year, then the Nodal officer shall over-ride this defect with prior approval of his Immediate Supervisory authority.

c) If different type of e-CST declarations has been issued to the dealer during the same quarter/period of previous financial year and the total amount for which the declarations are being requested in current quarter/period does not exceeds 150% of amount for which declarations are issued for the same quarter/period of previous financial year, then the Nodal officer shall over-ride this defect with prior approval of his Immediate Supervisory authority.

d) If the total amount for which the declarations are being requested in current quarter/period exceeds 150% of amount for which declarations are issued for the same quarter/period of the previous financial year, then the Nodal officer shall over-ride this defect with prior approval of his Nodal DC and Nodal JC or Nodal JC or Additional Commissioner as the case may be. At locations, where two Supervisory Authorities of the Nodal Officer are not located in location of Nodal Officer, then the Additional Commissioner of Sales Tax of the respective Zone, may issue appropriate instructions.

e) If the return periodicity of dealer in current year and previous year is different, then this ratio of 100% or 150% shall be calculated on proportionate basis.

ii. There is no change in previous instructions as regards to the all other verification parameters like POB/APOB, Commodity, Available dues, return non-filer for periods prior to 31.03.2016, etc.

iii. The SOR for period after 01-04-2016 shall not be put on hold or rejected, only on the ground that the return/s for the period after 01-04-2016 is/are not filed. Needless to add that the same defect shall not be communicated to the dealers.

iv. The Nodal Officer shall obtain summary of turnover of Interstate purchases for the period covered by SOR, through e-mail.

v. If the dealer has not paid the taxes for any periods on or after 01-04-2016, then the nodal officer shall obtain reason/s for the same from dealer through email and keep it on record. The Nodal Officer is allowed to keep the SOR in Forwarded Status till the aforesaid reasoning is received from such dealer, provided authority has communicated the same to dealer on the e-mail id available in SOR. The compliance, received from dealer, shall be submitted to Supervisory Authority while taking approval as stated above. This para (v) shall equally apply to the SOR's for the periods prior to 31.03.2016 to cover the eventuality of discharge of proper tax liability of the periods on or after 01.04.2016 in absence of returns.

B. **Procedure for New Dealers:**

a) For the purpose of this arrangement, "New Dealers" means, the dealers whose previous year's return, for the same period, is not filed by the dealer or dealer is not eligible to file it, as the same was not due to him. e.g. If dealer Y has uploaded SOR for period 01-04-2016 to 30-06-2016 and his return/s for period prior to 01-04-2016 under relevant Act is not filed, then the dealer Y will be considered as "New Dealer".

b) If any "New dealer" has requested for declarations under CST Act electronically, for periods on or after 01-04-2016, then following procedure shall be adopted for issuing declaration/certificates under the CST Act to the dealer.

i. Though the dealer's return/s for period after 01-04-2016 is/are not available with department and Issuable Balance in "Verification utility for issue of CST form" of e-CST Module is equal to 0.00, the Nodal officer shall over-ride this defect with prior approval of his Immediate Supervisory authority.

ii. Instructions given in sub-para (ii) to (v) of part A of para 2 relating to "Old Dealer" shall apply for "New Dealer" also.

3. All the concerned authorities are hereby instructed to follow the above instructions scrupulously.

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

No. ACST/VAT-2/e-CST Declaration/B- 594 Mumbai, Dated:- 22/08/2016
Internal Circular No.10 A of 2016

Copy forwarded to the JC, Mahavikas with the request to upload this Circular on the Employee Corner of the official website.

Copy forwarded with compliments for information to:

1. Deputy Secretary, Finance Department, Mantralaya, Mumbai
2. The Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.

(L. K. Giri)
Additional Commissioner of Sales Tax
VAT-2, Mumbai