

Office of:
Commissioner of Sales Tax,
8th Floor, GST Bhavan, Mazgaon, Mumbai-
400010

Trade Circular

To

No: JC/Mahavikas/Non-GST Dealers/2017-18/B- 536 Mumbai, Date 24/8/2017

Trade Circular No: 37 T of 2017

Sub: Identifying dealers who are effecting sale of non-GST goods after 01/07/2017.

Ref: 1) Maharashtra Goods and Services Tax Act, 2017.

2) Central Goods and Services Tax Act, 2017.

3) Integrated Goods and Services Tax Act, 2017.

4) Maharashtra Act No. XLII of 2017.

5) The Taxation Law (Amendment) Act, 2017.

Madam/Gentlemen,

A. Background:

1. The Maharashtra Goods and Services Tax Act, 2017 (hereinafter referred to as "MGST Act"), Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act") and Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as "IGST Act") have come into force from 01/07/2017.
2. By the Maharashtra Act No. XLII of 2017, Clause (12) of Section 2 of the Value Added Tax Act is substituted by the following Clause:
“(12) “goods” means petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption”.
3. By the Taxation Law (Amendment) Act, 2017, Clause (c) of Section 2 of the Central Sales Tax Act, 1956 (hereinafter referred to as “CST Act”) is omitted and for Clause (d), following Clause is substituted:
“(d) “goods” means-
 - (i) petroleum crude;
 - (ii) high speed diesel;
 - (iii) motor spirit (commonly known as petrol);

- (iv) natural gas;
- (v) aviation turbine fuel;
- (vi) alcoholic liquor for human consumption”

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

B. Deemed cancellation of MVAT/CST registrations of the dealers not selling the goods mentioned in para 2/3 above:

1. By the Maharashtra Act No. XLII of 2017, sub-section (6A) is inserted in Section 2 of the Value Added Tax Act, 2002 which reads as under:
“(6A) The registration of a dealer, who has not effected sale, during the year 2016-17, of any goods, specified in column (2) in SCHEDULE A or, as the case may be SCHEDULE B, as it exists on the appointed date for the Maharashtra Goods and Services Tax Act, shall be deemed to be cancelled with effect from the said appointed date:
Provided that, any such dealer, whose registration is deemed to be cancelled, may apply in the prescribed manner for the revocation of the cancellation of his registration, if he intends to carry on the business in these goods.”
2. In view of the above amendments, Registration Certificate under Maharashtra Value Added Tax Act, 2002 (hereinafter referred to as “MVAT Act”) of those dealers who have not effected any sales of any of six goods mentioned above during 2016-17, shall be deemed to be cancelled wef 01/07/2017.

C. Dealers eligible to remain registered under the MVAT/CST Acts even after 01 July 2017:

A dealer who continues to do business of selling the goods (after from 01 April 2017) mentioned in para 2/3 above, however, shall remain liable to pay tax under the MVAT Act, 2002 and the CST Act, 1956. Such dealers may include the dealers who are liable to pay tax under the MGST/CGST/IGST Acts brought in from forth 01/07/2017.

D. Creation of VAT/CST return filing obligations for the periods starting from 01 July 2017:

1. The return filing obligations for the month of July 2017 onwards under the MVAT Act 2002 and the CST Act 1956, were not created in respect of the dealers whose VAT registrations stand cancelled by virtue of the provisions mentioned in para 4 above.
2. The return filing obligations for the month of July 2017 onwards under the MVAT Act, 2002 and the CST Act, 1956, have been created in respect of the dealers who as per the record of the MSTD are engaged in the selling of the goods mentioned in para 2/3 above.

3. Illustrations:

- (i) Bar and Restaurant: Such dealers shall continue their registration under MVAT Act after 01/07/2017 for the turnover of alcoholic liquor for human consumption and shall continue to make payment and file return as per periodicity under MVAT Act.
- (ii) Petrol Pump Dealers: Such dealers shall continue their registration under MVAT Act after 01/07/2017 for the turnover of above mentioned five petroleum products and shall continue to make payment and file return as per periodicity under MVAT Act.

E. List of dealers eligible to file VAT/CST returns for the periods from 01 July 2017:

A list of dealers dealing in the above mentioned six goods is displayed on the "Whats New" Section of the website of the Department on the basis of information available with the MSTD.

F. Utility to declare liability to pay MVAT/CST for the periods starting from 01 July 2017:

The list mentioned in para E above is not exhaustive and there may be dealers whose names may not have included in the said list. In order to create return VAT/CST filing obligations of these dealers, a utility has been made available on the web site www.mahavt.gov.in, using which the dealers who are selling any of the goods viz., petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption may chose option to remain registered under the MVAT/CST Acts. Return Filing Obligations will be created for only those dealers who chose to remain registered under the MVAT/CST Acts through the said utility. It is made clear to the dealers whose MVAT/CST return filing obligations have already been created, as mentioned in para D (2), shall also be required to choose the option to remain registered under the MVAT/CST for the periods starting from 1 July 2017. As stated earlier, the said list is available in the "Whats New" section on www.mahavat.gov.in. **The eligible MVAT/CST dealers who are liable to file monthly returns for the month of July 2017 are requested exercise this option as early as possible. The date of filing of MVAT/CST returns for the month of July 2017 is extended up to 08 Sept 2017. The eligible dealers eligible to file monthly returns for July 2017 are requested to choose the option on or before 31 August 2017 so that their return filing obligations for July 2017 gets created. No late fees will be applicable if MVAT/CST dealers file their July 2017 returns on or before 08 Sept 2017. The dealers eligible to file quarterly returns for the periods starting from July 2017 should also choose the said option on or before 15 Sept 2017.**

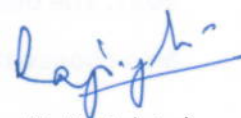
H. Brief information about the "Option to continue registration under the MVAT/CST":

User manual in respect of this utility is available on the website of the MSTD. PI follow the following steps to use the utility.

- i) **For dealers who are registered before 25/05/2016:**
Log on to www.mahavat.gov.in using your login ID credentials.
- ii) **For dealers registered after 25/05/2016:**
Log on to www.mahavat.gov.in → Click on e-Registration → New SAP window will be opened → Logon using your login ID credentials.
 - a) Following procedure is common for both the dealers.
 - b) Read the displayed message.
 - c) Dealer is asked to confirm whether he wants to continue with VAT/CST for the goods mentioned in the display.
 - d) If the dealer chooses the option "Yes", then the list of six goods will be again displayed to him and he can choose one or more options. After selecting one or more goods, click on "Submit" button.
 - e) Once again the dealer will be shown the confirmation window for continuing his MVAT/CST Registration.
 - f) If dealer choose "Yes" then return filing obligation will be created for such dealers accordingly.
 - g) If the dealer chooses "No" for the question asked in para H(c) above, then return filing obligation will not be created for such dealers. The Registration Certificate of such dealers may be treated as deemed cancelled.

I. **The dealers are requested to choose the option of continuing their registration under the MVAT/CST Acts very cautiously as it will lead to creation of return filing obligations under the MVAT/CST Acts.** No dealer who is not selling any of the goods viz., petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption should opt to continue registration under the MVAT/CST Acts.

J. This Trade 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.



(Rajiv Jalota)

Commissioner of Sales Tax,
Maharashtra State

No: JC/Mahavikas/Non-GST Dealers/2017-18/B- 536 Mumbai, Date 24/8/2017

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Copy forwarded for information to:

- 1) Joint Commissioner of State Tax (Mahavikas), Mumbai with request to upload This Trade Circular on the MSTD website.
- 2) Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
- 3) Under Secretary, Finance Department, Mantralaya, Mumbai.
- 4) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.


(A. H. Rathod)

Additional Commissioner of Sales Tax,
PT & Allied Acts, Mumbai

