Ref. No. GJC/ST/2009-10

CIRCULAR

TO: ALL MEMBERS OF THE COUNCIL

Sub: Seminar regarding Trade Circular on F Forms issued by Sales Tax Commissioner

Dear Sir,

Greetings from The Gem & Jewellery Export Promotion Council!

As you are aware, the Commissioner of Sales Tax, Maharashtra State, Mumbai has issued Trade Circular No. VAT/ MMB/1008/15/Adm-6/B/ dated 11/01/2010 on Tax Treatment of Goods.

As per the said Circular, F Forms are mandatory for all the dealers in Maharashtra for transaction of Inter-State transfers not by way of sale including job work and goods return.

In light of the above, a Seminar has been organized by the Gem & Jewellery Export Promotion Council (GJEPC) on 15th May 2010 at the ‘Liquid Lounge’, Hotel Karma, BCMA Bldg. 534 SVP Road, Opera House, Mumbai - 7 from 10:30 am to 12:00 noon to apprise you on how to carry out the formalities for the same.

You are requested to positively attend this Seminar in order to understand the importance of complying with F Forms as mentioned above and further follow up the matter with the concerned government authorities.

This would help our sector in gaining a special waiver from the said clause looking at the difficulty which will be faced by small karigars to obtain Sales Tax Number and then issue Form F to principals at Mumbai.

Thanking you,

Yours faithfully,

SABYASACHI MAJAR
EXECUTIVE DIRECTOR


रत्न तथा आभूषण निर्यात संबंधित संवर्धन परिषद
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय द्वारा प्राधिकृत)
मुख्य कार्यालय : डायमंड प्लाजा, 5वें मंजिल, 391-ए, डा. दादा भादकमकर मार्ग, मुंबई - 400 004 भारत
Head Office : Diamond Plaza, 5th Floor, 391-A, Dr. Dadasaheb Bhadkamkar Marg, Mumbai - 400 004. India.

फोन / Tel. : 91-22-4354 1800 • फैक्स / Fax : 91-22-2380 8752
ई-मेल / E-mail : gjepc@vsnl.com / ho@gjepcindia.com • इंटरनेट / Internet : http://www.gjepc.org
Office of the Commissioner of Sales Tax,
629, 8th Floor, Mirukan Bhavan,
Madgaon, Mumbai-409 010.

TRADE CIRCULAR

To:

No.: VAT/MMB/1005/12/Adm.6/E
(Trade Cir.No.: 21/L.C.01/2012)

Mumbai, Dt. 11/01/2010

Sub: Tax Treatment of Goods sent to other States.


Gentlemen/Sir/Madam,

This office had issued above referred Trade Circular explaining scope of section 6A of CST Act, 1956. In the Trade Circular dated 20th February, 2007, a view had been taken that section 6A of CST Act, 1956, deals only with transactions between principal and agent and that it applies to those cases where the sale of goods is made to the place of business of the dealer himself in another state or to his agent or his principal in another state. It was viewed that section 6A does not deal with transactions which are on a principal to principal basis. Hence, the non-sale transactions like job work which are transactions between principal to principal basis were viewed to be covered by the purview of section 6A of CST Act, 1956 and not requiring P Forms.

2. Thereafter, the Allahabad High Court delivered a judgement dated 10th August, 2007 in the case of M/s Ambica Steels Ltd. Vs the State of Uttar Pradesh. The issue before the Court was whether the petitioner is required to submit the declaration in Form P in respect of the transaction of job work performed by it. The High Court decided that it is not necessary to furnish declarations in Form P in such instances. In view of this judgement, it was decided to issue P Forms to the dealers in Maharashtra who received goods for job work or as goods in return. This aspect has been elaborated in Trade Circular 3rd of 2009 dated 29th January, 2009.

4. The decision of Allahabad High Court in M/s Ambica Steels Ltd. was challenged before the Hon'ble Supreme Court. In the brief order passed by the Hon'ble Supreme Court (24 VAT 350) in this case, it is stated that the dealer agreed...
to produce the required declarations. Hon'ble Supreme Court has not done away with the need of mandating A. forms applicable to such transactions as job work which was outlined in the Ahmedabad High Court decision. In view of this, the decision of the Ahmedabad High Court in the case of Ms Ambica Steel Ltd. [12 VST 219] stands maintained and following instructions are issued:

4. The Trade Circulars No. 16 of 2007 dated 20th February 2007 and Trade Circular No. 57 of 2008 dated 26th January 2008 are hereby withdrawn. A. forms are mandatory. As per instructions of the state, transactions (not by way of sale) including job work and goods return. Declarations in Form A will be issued to the dealers to comply with this view.

5. This Circular cannot be made use of for legal interpretation of the 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.

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

Yours faithfully,

(Sanjay Bhatia)
Commissioner of Sales Tax, Maharashtra State, Mumbai

Mar 02/2010

Copy forwarded to:

a. All the ACDs of Commissioner of Sales Tax in the State.
b. All the ACDs of Commissioner of Sales Tax in the State.
c. All the TDs of Commissioner of Sales Tax in the State.
d. All the Dy Commissioners of Sales Tax in the State.
e. All the Asst Commissioners of Sales Tax in the State.
f. All Sales Tax Officers in the State.

g. Copy forwarded with compliments for information to:

a. The Commissioner Sales Tax, Finance Department, Mantralaya, Mumbai.
b. The Deputy Commissioner, Finance Department, Mantralaya, Mumbai.
c. The Assistant Commissioner Sales Tax, Revenue Audit, Mumbai and Nagpur.

d. Copy to:

All the Deputy and Assistant Officers in the office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.

(G.B. Indurkar)
Joint Commissioner of Sales Tax
HQ) P. Maharashtra State, Mumbai