

**GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA – 700015.**

TRADE CIRCULAR NO. 12/2010

Dated: 11.11.2010

Sub: Assessment of tax under sub-section (2) of section 9 of Central Sales Tax Act, 1956 read with section 46 of the West Bengal Value Added Tax Act, 2003.

In terms of Rule 12(7) of the CST (Registration & Turnover) Rules, 1957 the dealers are required to furnish declaration in form C or F or certificate in form E-I or E-II to the assessing authority within 3 months from the end of the return period to which the declaration or the certificate relates or within such further time as may be allowed by the assessing authority. It is seen that in many cases, the dealers are not furnishing such declaration or certificate within the stipulated time. This has resulted in initiating assessment cases for every year. Ultimately when the matter reaches the appellate or revisional stage, most of such dealers produce the declaration or certificate and the claims are naturally being allowed in such forums.

In order to overcome this problem, it was ordered vide issue of Trade Circular No.13/2009, Dated 14.12.2009 that the assessing officer for the purpose of assessment under the CST Act, '56 for the period 2007 – 08 should ensure if all these documents had been furnished before them or not and if those were not furnished by a dealer, a letter should be sent to the dealer giving him not more than 21 days' time to either furnish the residual forms or to produce challans showing payment of tax on the differential amounts along with interest in which case the assessment should not be proceeded with and if initiated, would be dropped forthwith.

Intention behind issue of such Trade Circular was to reduce the number of assessments which were usually made by the assessing officers but ultimately did not serve any fruitful purpose.

Intention remaining same, it is hereby further ordered that assessing officers for the purpose of assessment under the CST Act for the assessment periods 2008-09 &2009-10 should follow the same procedure as was followed by them for the period 2007-08. This time they will examine declaration forms in form H and declaration form in form I as referred to in section 5(4) and section 8(8) of the CST Act respectively in addition to declaration forms in form C & F and certificates in E-I and E-II.

In all such cases, where assessment case has not been initiated or where case after being initiated has been dropped, the assessing authority shall, inter-alia, inform the dealers, identified as not to be assessed, within sixty days from the date, as referred to in section 49(1) of the VAT Act after which no assessment could be made for any dealers that they have already been assessed under section 9(2) of the CST Act read with section 47 of the VAT Act.

However, this guideline is not applicable to the following cases :

1. Cases where tax under CST Act, '56 has not been paid monthly but Quarterly.
2. Cases where central sales or stock transfer to outside states were disallowed to any dealer in earlier years on the ground that such central sales or stock transfer were either fictitious or not supported by necessary transport documents.
3. Cases where there are certain adverse findings by Central Section, Bureau of Investigation, VAT Audit, Verification Cell or any other authority relating to a particular dealer in regard to tax liability under the WB VAT Act, or CST Act.
4. Cases where refund under VAT Act has been claimed by a dealer.
5. Cases where a dealer has claimed refund of CST in return after adjustment of ITC.

(H.K.Dwivedi)
Commissioner,
Commercial Taxes, West Bengal

Memo. No. 673(225)-CT/PRO
3C/PRO/08

Dated : 11.11.2010.

Copy forwarded for information and necessary action to:

- 1) the Principal Secretary, Finance (Revenue) Department, Government of W.B.
- 2)Special Commissioner, Commercial Taxes, W.B./
Additional Commissioner, Commercial Taxes, W.B
- 3) the Special Officer, Bureau of Investigation.
- 4) the Sr. Joint Commissioner, Commercial Taxes, (HQ)
- 5)Sr. Joint Commissioner, Commercial Taxes,
.....Circle/Range/Central Section/.....
- 6)Joint Commissioner, Commercial TaxesCircle/Charge
- 7) the Public Relations Officer, Directorate of Commercial Taxes, W.B.
- 8) Trade Bodies.....
- 9) website "www.wbcomtax.gov.in"

for Commissioner,
Commercial Taxes, West Bengal