News Flash– Introduction of Electronic Payment Under MVAT Act, 2002 and CST Act,1956 by State of Maharashtra

1.0 Background:

The Maharashtra State Government has decided to provide the facility of electronic payment to all the dealers who are liable to pay tax or any amount due under the MVAT Act, 2002 or Central Sales Tax Act, 1956. For the time being this scheme is optional. However, the State Government will make electronic payment mandatory for certain class or classes of dealers in a phased manner which would be notified subsequently. In view of the same, the Commissioner of Sales Tax, Maharashtra State, has issued 'Trade Circular 8T of 2010' as reproduced below:

2.0 TRADE CIRCULAR: VAT/AMD1009/IB/ADM-06/ NO 8T OF 2010 DT: 06.02.2010

Office of the
Commissioner of Sales Tax,
829, 8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai -400 010.

Sub: Electronic Payment under MVTA Act 2002 and CST Act 1956.

Ref: (1) Government Resolution No. Misc - 1008 / CR-8/ Treasury-5 Dated 31st October, 2008
(2) Government Resolution No. VAT - 2009 / CR- 88/ Taxation-1 Dated 2nd January, 2010
(3)Government Notification, Finance Department No. VAT - 1510 / CR- 6/ Taxation-1 Dated 5th February, 2010.

1. The Sales Tax Department has implemented the Scheme of filing electronic return successfully. In a step further to automation, it is now decided to provide facility for electronic payment. The Government has amended the rules relating to the payment vide notification cited at Ref-3. A new Rule 45 A is inserted. Now, amended rule provides that a state Government may issue notification and specify the class or classes of dealers required to make mandatory payment of tax interest or penalty, if any, or any amount payable by or under the Act electronically. This rule further provides that such e-payment shall be applicable for such period as may be specified in the said notification.
2. However, so as to acquaint all members of the Trade and Associations to the procedure to be adopted for e-payment and to make the necessary preparations, it is hereby informed that all the dealers liable to pay tax or any amount due under the MVAT Act or Central Sales Tax Act, may make their payment electronically though the net-banking. At present this scheme is optional. The dealer who desires to make payment electronically may avail this facility. However, the Government plans to implement this scheme in a phased manner and may issue notification and make e-payment mandatory to certain class or classes of dealers. The instructions in this behalf will be issued separately.
3. The gateway for the purpose of e-payment has been provided on the web-site of the Sales Tax Department, for the banks which are integrated with the sales tax department's website i.e. www.mahavat.gov.in (MSTD web-site). Template of challan MTR-6 has also been provided on the MSTD web-site.

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4. An option is also provided thereby the dealer may make e-payment directly from website of Bank. (in which dealer holds the net banking account). Dealers who have enrolled for the purpose of availing e-services may directly use the facility provided at the MSTD website.
5. At present the Scheme of electronic payment is optional. All the trade is, therefore, requested to make use of this facility.
6. FAQs and stepwise demo on e-payment is made available on MSTD website. The dealers who desire to make e-payment are requested to follow the following procedure:

(a) The dealer who desire to make e-payment shall visit to the MSTD website.
The desired path is >**e-Services Info.>e-payment>Download Application software>Download Desktop Application.**

(b) The dealer should first click on the **"Download Application Software"** and download the same. This is an Adobe Air software. A dialog box "Run" will appear. The dealer should "Run" and save the application. This is one time activity.

(c) Thereafter, the dealer is required to download and install **"Desktop Application"**. After download a short cut will be created at the Desktop. This is also a one time activity. The dealer who is having net Banking Account with the Banks that are integrated with the MSTD web-site may make e-payment through MSTD Web-site. However if the Dealer is having the net Banking Account in the Banks that are not integrated with the MSTD web-site may directly make electronic payment from the web-site of the respective Banks.

(d) The list of Banks that are integrated with MSTD Web-site and the Banks which directly provides e-payment facility on their Web-site is available on MSTD Web-site.

(e) **The Step-wise demo for making e-payment from MSTD Web-site is as under:**

Step 1: "Download e-payment application from MSTD website's "DOWNLOAD" option i.e. From www.mahavat.gov.in, if not downloaded previously.

Step 2: Install the said application. After that a shortcut shall be created on the Desktop.

Step 3: Open the application. Enter TIN as Login ID. Click on "sign in button".

Step 4: A challan in MTR Form No. 6 shall be displayed. It shall contain TIN and name of the dealer by default,

Step 5: Select type of ACT for which you desire to make payment. Account Head Field shall automatically get populated in the Account Head' window. Similarly current date shall get populated automatically in 'Date' window. Then Select,
a) Period.
b) Amount
c) Location i.e. Name of Sales Tax Office Location e.g. Mazgaon, Pune etc. under which the dealer is Registered.
d) Remark. 'Remark' Window is linked with 'Form Id' Window. Once appropriate field is selected from the 'Remark' Window, its corresponding field shall automatically get populated in the 'Form Id' window and vice-versa.

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Step 6: Select the Bank from the drop down list provided at the bottom of the challan for making e-payment

Step 7: Use password of e-services for entering into e-payment gateway.

Step 8: Ensure correctness of the details filled by clicking on 'validate' button. After validation, 'pay' button shall get activated.

Step 9: Once 'pay' button is clicked, GRN (Government Reference Number) shall be generated

Step 10: Payment summary shall be displayed. Check it and if found correct, again click on 'pay' button, which shall direct you to the Bank's website.

Step 11: Use Login Id & password provided by the Bank to enable you to make e-payment.

Step 12: On Bank site, give instructions to the Bank to debit your account & credit the sales tax account.

Step 13: After successful e-payment, cyber receipt inter - alia showing details as Bank/ Branch Name, period, TIN, CIN, date & time of payment, Amount of payment, GRN shall be generated on the Bank's web-site.

Step 14: Dealer may download, save or print the cyber receipt from Bank's website as a proof of payment made.

Note: Step 1 and Step 2 are one time activities.

7. **Dealers having any queries in this respect may contact helpdesk: Telephone Numbers are as under:-**
   Tel No. (022) 23735601, 23760773, 23760763, 23760766 and 23760903

   The E-mail Id is epayment@mahavat.gov.in

8. 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.
9. You are requested to bring the contents of this circular to the notice of the members of your association

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

Scope and Limitations:

This circular is general in nature and based on TRADE CIRCULAR: VAT/AMD1009/IB/ADM-06/ NO 8T OF 2010 DT: 06.02.2010 issued by Maharashtra Sales Tax Department. It may be noted that nothing contained in this circular should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said Trade Circular and professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or error contained in this circular.

15 February 2010

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