8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai-400010.

TRADE CIRCULAR

To

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No.VAT/AMD/NOT-1012/1/ADM-8 **Mumbai, Dt.** 17-07-2012

Trade Cir. No. 11 T of 2012

Sub : Refund through Electronic Clearing Service (ECS)

Ref. :
1. Notification No. VAT.1510/C.R.-6/Taxation-1 dated 5th February 2010.
2. Notification No. VAT.1512/C.R.-48/Taxation-1 dated 2nd April 2012.

Gentlemen/Sir/Madam,

You are well aware that the State Government vide notification cited at Ref.-1 inserted rule 45A so as to enable remittance of refund through Electronic Clearing Service (for short "ECS"). By virtue of this rule the State Government has taken powers to notify the dealers or classes of dealers to whom the remittance of refund shall be made through ECS. Accordingly, a notification cited at Ref.-2 was issued.

2. At present, the refund due to eligible dealers is issued manually. The Refund Payment Order (RPO) is delivered through Indian Post. This process consumes a lot of time till its realization. In order to obviate the need for issuance and handling of paper instruments and a further step towards e-governance as announced by the Hon'ble Finance Minister in his budget speech delivered on 26th March 2012, it is proposed to provide at the option of the dealer remittance of refund through ECS.

3. With effect from 1st October 2012, this facility will be optional to the dealers in Mumbai only i.e. for the refund applications processed by Joint Commissioner Refund and Refund Audit (1) and Joint Commissioner Refund and Refund Audit (2). However, in the future the department proposes to make ECS refund scheme mandatory. Therefore, all the dealers who do not have Bank account in an ECS enabled Bank are advised to open an account in an ECS enabled Bank.

3. In order to avail this facility, the registered dealers, shall be required to comply with the following criteria's.

(1) Eligibility:-

(a) The dealer shall have his Bank Account in the Bank which provides Electronic Clearing Service (ECS enabled Bank)

(b) It is essential that the information about the ECS enabled Bank Account in respect of the dealer is available in the Registration record.

(c) If the said information is not available in the Registration record or where the dealer does not have Bank Account in an ECS enabled Bank he shall first open the account in an ECS enabled bank and furnish the details of the ECS enabled Bank to the Joint Commissioner (Registration) in Mumbai and request to incorporate it in the registration record.

(d) The facility of remittance of refund through ECS will be made available to the eligible dealers in Mumbai. Subsequently this facility will be made available in the rest of the State.

(2) Submission of Mandate Form:-

(a) To avail the benefit of remittance of refund through ECS, it is mandatory to submit, electronically a MANDATE FORM annexed herewith as ANNEXURE 'A'.

(b) The eligible dealer shall completely fill the fields provided in the MANDATE FORM and upload the said Form with the use of his Login Id and password (provided for availing e-services) on the Department's web-site i.e. www.mahavat.gov.in.

(c) After uploading the MANDATE FORM, the computer system will generate an acknowledgement. The dealer shall take printout of the said acknowledgement i.e. MANDATE FORM. This MANDATE FORM shall be duly signed by a person authorized to operate the Bank Account and submit it to the Joint Commissioner (Registration) along with cancelled cheque in original or a photocopy of the said cheque or a photocopy of the first page of the passbook or a Bank Certificate.

(d) The MANDATE FORM so furnished will be used by the Department for remittance of refund through ECS. This MANDATE FORM shall remain valid as long as the dealer files a fresh mandate or cancels the given mandate.

(3) General Modalities of the Scheme:-

(a) The scheme of ECS refund is at present optional. The dealer who desires to avail this facility shall submit the MANDATE FORM as described aforesaid.

(b) The existing system of physical issuance of RPO shall continue in case of those dealers who do not opt for ECS refund scheme.

(c) Needless to say, the refund under ECS shall be subject to the provisions of the Maharashtra Value Added Tax Act, 2002 or the rules made thereunder. Any amount if wrongly refunded shall be recovered accordingly.

(d) All the dealers are requested to avail the benefits of the ECS of refund.

4. If any member of the trade has any doubt, he may refer the matter to this office for further clarification or may contact to the Help Desk on Telephone No. 022-23760230 and 022-23760211 or may mail at bhavar.sp@mahavat.gov.in or lohar.ss@mahavat.gov.in.

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

Yours faithfully,

(SANJAY BHATIA)
Commissioner of Sales Tax,
Maharashtra State, Mumbai.

No.VAT/AMD/ NOT-1012-1012/1A/ADM-6 **Mumbai, Dt.** 17-07-2012

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1. Copy forwarded To :
   a. All Addl. Commissioners of Sales Tax in the State.
   b. All Joint Commissioners of Sales Tax in the State.
   c. The Joint Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Departments web-site
   d. All Dy. Commissioners of Sales Tax in the State
   e. All Asst. Commissioners of Sales Tax in the State
   f. All Sales Tax Officers in the State.
2. Copy forwarded with compliments for information to
   a. The Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
   b. The Under Secretary, Finance Department, Mantralaya, Mumbai.
   c. The Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.
3. Copy to all the Desks and Desk Officers in the office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.

(Vivek Bhimanwar)
Joint Commissioner of Sales Tax,
(HQ)1, Maharashtra State, Mumbai.

ANNEXURE-A

Electronic Clearing Service (Credit Clearing)

MANDATE FORM

[Dealers option to receive payments through Electronic Clearing Service (Credit) Mechanism]

Name of the Scheme : Maharashtra State Value Added Tax refund through ECS

1 Dealers (a) Name :

(b) VAT TIN :

Particulars of Bank Account

2 (A) Name of the Bank

(B) Branch

Address

Telephone No.

(C) Branch Code (IFS)

(D) MICR No.

(E) Type of the Account (S.B. Current or Cash Credit) with Code (10/11/13/29/30/31)

(F) Ledger and Ledger Folio No.

(G)Account Number (New Account Number)

(In lieu of Bank Certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of bank passbook issued by Bank for verification of the above particulars).

3. Declaration

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Department of Sales Tax responsible. I have read the instructions given in the Trade Circular and agree to discharge the responsibility expected of me as a participant under the scheme.

Date: Signature of the Dealer

BANK CERTIFICATE

Certified that the particulars and signature furnished above are correct as per our records.

Date: Signature of the Authorized official of the Bank

Bank's Stamp