

TRADE CIRCULAR

To,

NO.VAT/Refund/ACST(VAT-2)/87

Mumbai, Dated: - 06/02/2016

Trade circular. No .5.T of 2016

Sub: Grant of Refunds under VAT – Guidelines to grant refunds claimed in Form e-501 and assessment thereof on priority

Ref: - Trade Circular No. 22T of 2010, Dated 05/10/2010

Gentleman/Madam,

It may be recalled that Trade Circular 22T 2010 dated 05/10/2010 have been issued in order to hasten the process of grant of refunds under VAT. However, this office has received representations about delay in receiving refunds. Therefore, to redress this grievance, following guidelines are being issued so that refunds can be granted to the certain class of dealers within stipulated time limit.

2. Refund claims of the dealer shall be processed and eligible refunds shall be granted,-

(a) within 45 days from the due date for filing of Audit Report in cases where dealer is eligible to file Audit Report and refund application is filed before due date of filing Audit Report,

(b) within 45 days from the due date for filing of Audit Report in cases where dealer is not eligible to file Audit Report,

(c) within 45 days from the due date for filing of refund application in Form e-501, in cases where dealer is eligible to file Audit Report and refund application is filed after due date of filing of Audit Report.

3. Such refunds shall be processed as per the procedure laid down in Part E of Trade Circular 22T of 2010. These instructions of grant of refunds shall be applicable to the following class of dealers who have applied for refund in form e-501,-

(a) Dealers eligible to file Audit Report in Form e-704,

(b) Dealers not eligible to file Audit Report, and

(c) PSI cases.

4. Assessment of dealers, whose claim of refund in a year is Rs 1 Crore or below and who have filed application for refund in Form e-501 within time shall be completed on or before 31st December of the next financial year, e.g., For FY 2014-15, assessments in such cases shall be completed by 31st December 2016.

5. There is no change in instructions as regards to other schemes of grant of refund as specified in Trade Circular No 22T of 2010.

6. 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, the same may be referred to this office for further clarification. You are requested to bring contents of this circular to the notice of the members of your association.

Yours faithfully,



(Rajiv Jalota)

Commissioner of Sales Tax,
Maharashtra State, Mumbai.

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Trade circular. No 5.T of 2016

1. Copy forwarded to the Joint Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Departments' web-site
2. Copy forwarded with compliments for information to.
 - a. The Deputy Secretary, Finance Department, Mantralaya, Mumbai.
 - b. The Under Secretary, Finance Department, Mantralaya, Mumbai.
 - c. The Accounts Officer, STRA, Mumbai & Nagpur



(Subhash Morale)

Addl. Commissioner of Sales Tax,
(VAT) 2, Mumbai.