

Office of the  
The Commissioner of Sales Tax,  
8th floor, GST Bhavan,  
Mazgaon, Mumbai-400010.

## Trade Circular

To,

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NO.VAT/Refund-Security Deposit/ACST (VAT-2)/744 Mumbai, Dated: 22/12/2017  
Trade circular. No 53..T of 2017

Sub: - Grant of refunds in cases of security deposit paid in excess.

Ref: - 1. Trade Circular No. 17T of 2011, Dated 25/11/2011  
2. Trade Circular No. 7T of 2013, Dated 22/11/2013  
3. Trade Circular No. 6T of 2016, Dated 23/02/2016  
4. Trade Circular 34 T of 2017, Dated 03/08/2017

Background-

The dealer can apply for Voluntary Registration under the provisions of Section 16(2) of MVAT Act 2002. The section provides for payment of security deposit of Rs. 25000/-for such registration under the said provision. There are certain contingencies in which the dealers may apply for refund of paid security deposit. Such contingencies are elaborated as under:

- (a) The applicant dealer withdraws registration application or fails to apply for registration after making payment of security deposit.
- (b) The Registration officer rejects the said registration application.
- (c) The applicant dealer had made the payment of security deposit twice/Excess

In such cases, the applicant dealer may apply for the refund of amount of such security deposits paid by him as follows :

- 1) The concern person/dealer/applicant may apply to the respective Joint Commissioner (Nodal) in whose jurisdiction the TIN is allotted/rejected/withdrawn. The applicant has to specify the reason and submit related documents as a proof of payment of security deposit, a proof of submission of the application for registration, the application of withdrawal/rejection letter, any communication received etc. as applicable.

- 2) The concerned Joint Commissioner (Nodal) shall appoint the Nodal officers to process such received applications as per procedure laid down.
- 3) The concerned Nodal officer shall process the refunds after due verification of documents and grant the refund to the dealer as per procedure.
- 4) It may be noted that the aforesaid instructions are applicable only in the contingencies mentioned above at (a), (b), and (c). For grant of the refund of balance amount of security deposit other than amount paid in excess in the contingency specified at (c), the provisions of rule 60A shall be applicable.

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

Yours faithfully,

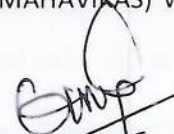


(Rajiv Jalota)

Commissioner of State Tax,  
Maharashtra State, Mumbai.

No.VAT/Refund-Security Deposit/ACST (VAT-2) 744 Mumbai, Dated: 22/12/2017  
Trade circular. No. 53...T of 2017

Copy forwarded to the Joint Commissioner of State Tax (MAHAVIKAS) with request to upload this Circular on the Department Web-site.



(V. S. Indalkar)

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

- 1) Copy forwarded to:
  - (a) The Special Commissioner of State Tax
  - (b) All Addl. Commissioners of State Tax in the State
  - (c) All Joint Commissioners of State Tax in the State.
  - (d) The Joint Commissioner of State Tax (Mahavikas)
  - (e) All Dy. Commissioners of State Tax in the State
  - (f) All Asst. Commissioner of State Tax in the State
  - (g) All State 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.
- 3) Copy to all the Desks and Desk Officers in the office of the Commissioner of State Tax, Maharashtra State, Mumbai.