

Government of West Bengal
Finance Department
Revenue Branch

No. 1192 F.T.

Kolkata, the 4th August, 2011

ORDER

The Government has already introduced the Scheme 'On Line System of Tax-Receipt' [OLSTR] to provide facility to the taxpayers to pay Sales Tax / VAT / Profession Tax and other Taxes of the Commercial Taxes Directorate through net-banking system of the Agency Banks.

For some time past the Government was also considering introduction of electronic mode of refund of Commercial Taxes to ensure transparency and to avoid delay. In pursuance to the policy, it has now been decided by the Government that the disbursement of payment to the payees by the Commercial Taxes Directorate, Govt. of West Bengal on account of refund of tax, interest or penalty, under different sections of the West Bengal Value Added Tax Act, 2003, the West Bengal Sales Tax Act, 1994, the Central Sales Tax Act, 1956 and rules made thereunder may be made through electronic payment mode.

There are different modes for electronic payment such as (i) ECS (Electronic Clearing Service), (ii) RECS (Regional Electronic Clearing Service), (iii) RTGS (Real Time Gross Settlement) and (iv) NEFT (National Electronic Fund Transfer). The Reserve Bank of India, Kolkata has agreed to extend the facility of 'National Electronic Fund Transfer [NEFT] to the Government Departments for this purpose.

After careful consideration of the matter, the Governor has been pleased to introduce the NEFT system for refund of various tax/interest/penalty of the Directorate of Commercial Taxes to the taxpayers through electronic mode.

- A. Short title and Commencement:** The scheme may be called "e-Refund of Taxes" [e-ROT] of the Government of West Bengal and shall take effect from the date of issue of this order.
- B. Definitions:** The following definitions which are used in the NEFT process of the electronic payment by the Banks, as per guidelines of the Reserve Bank of India, are adopted for this scheme:
- a. "Acceptance" means execution of payment instruction.
 - b. "Bank" means a banking company as defined in Section 5 of the Banking Regulation Act, 1949, and includes the State Bank of India, constituted by the State Bank of India Act, 1955, a Subsidiary Bank constituted under the State Bank of India (Subsidiary-Banks) Act, 1959, a Corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Under-taking) Act, 1980, a cooperative bank, as defined in Section 56 of part V of the Banking Regulation Act, 1949 and such other banks as may be specified from time to time.
 - c. "Beneficiary" means the person designated as such, and to whose account payment is directed to be made in a payment instruction.
 - d. "Beneficiary bank" means the branch of the bank identified in a payment instruction which is maintaining the account of the beneficiary.
 - e. "Originator/Sender" means the person who issues a payment instruction to the sending bank.

- f. "Originating/Sending bank" means the branch of a bank, which receives payment instruction from its customer for transfer of funds to the account with another bank participating in NEFT. When the originator is a participating institution, reference to sending bank shall be construed as referring to the NEFT centre.
- g. "NEFT Clearing Centre" means any office designated by the Nodal Department in each of the centres to which NEFT system is extended, for receiving, processing and sending the NEFT SFMS message and the debiting and crediting of accounts of the participating banks and institutions for settlement of payment obligations or one or more of these functions. National Clearing Cell, Nariman Point, Mumbai is being designed as the NEFT Clearing Centre (NCC) for purposes of the NEFT System.
- h. "NEFT Service Centre" means an office or branch of a bank in a centre designated by that bank to be responsible for processing, sending or receiving NEFT SFMS message of that bank in that Centre and to do all other functions entrusted to an NEFT Service Centre by or under these Regulations. NEFT Service Centre is referred to as "Sending NEFT Service Centre" when it originates an NEFT SFMS message for Funds Transfer. NEFT Service Centre is referred to as "Receiving NEFT Service Centre" when it receives NEFT SFMS message from NEFT Centre.
- i. "SFMS" means Structured Financial Messaging System.
- j. "NEFT SFMS message" means an electronic SFMS [Structured Financial Messaging System] message of a batch of payment instructions for funds transfers, processed and consolidated in the manner specified for transmission of consolidated payment instructions and communications concerning payment instructions from NEFT Service Centre to the NEFT Clearing Centre.
- k. "Execution" of a payment instruction in relation to a sending bank means the transmission or sending of the payment instruction by it to the NEFT Service Centre; in relation to a Service Centre it means transmission of the consolidated payment instruction in the encrypted NEFT SFMS message to the NEFT centre.
- l. "Funds Transfer" means the series of transactions beginning with the issue of originator's payment instruction to the sending bank and completed by acceptance of payment instruction by the beneficiary's bank for the purpose of making payment to the beneficiary of the instruction.
- m. "Nodal Department" means the Department of Payment and Settlement Systems of Reserve Bank of India which is responsible for implementation, administration and supervision of the NEFT System.
- n. "Notified" means communicated electronically or in writing.
- o. "Payment Instruction" means an unconditional instruction issued by an originator in writing or transmitted electronically to a sending bank to effect a funds transfer for a certain sum of money expressed in Indian rupees, to the designated account of a designated beneficiary by debiting correspondingly an account of the originator.
- p. "Public Sector Bank" means State Bank of India, constituted by the State Bank of India Act, 1955, subsidiary Banks constituted

under the State Bank of India (Subsidiary Banks) Act, 1959, the banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and the Banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1980.

- q. "Reserve Bank" means the Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934).
- r. "Security Procedure" means the set of procedural guidelines at Paragraphs under the Sections of these Guidelines for the purpose of:
 - (i) verifying that a payment instruction, a communication authorising a payment instruction or an NEFT Data File is authorised by the person from whom it purports to be authorised; and
 - (ii) for detecting error in the transmission or the content of a payment instruction, a communication or an NEFT SFMS message.
- s. "Settlement Account" means an account maintained by a participating bank or institution for the purpose of settlement of payment obligations under NEFT Systems
- t. "Valid Reasons of Non-payment" are the reasons listed as under due to which beneficiary bank fails to or cannot make payment to the beneficiary. Some illustrative reasons are:
 - (i) Beneficiary not having an account with the beneficiary bank
 - (ii) Account number indicated in the payment instruction not matching with the number as recorded at the beneficiary bank.
 - (iii) Dislocation of work due to circumstances beyond the control of the beneficiary bank such as earth quake, fire etc. at the place where the beneficiary's account details are maintained etc.
 - (iv) Any other valid reason preventing passage of the credit – such as a court order restraining operations on the beneficiary's account. The reason should be explicitly indicated.

Ba. Credit received by the NEFT member through the NEFT System, has to be ultimately credited to the account of the beneficiary customer at the concerned branch of the beneficiary bank on the basis of the account number and the name of the beneficiary customer, after due verification thereof. In case of discrepancy observed in respect of the name of the beneficiary customer, the credit should be effected on the basis of the account number, after due verification thereof.

C. Details of the Scheme:

1. Under this scheme, the amount refundable to any registered dealer shall be directly credited by the Originating bank (i.e, Reserve Bank of India) to the dealer's account maintained at any branch of the participating Private or Public Sector Bank enlisted for the purpose. Here the Originating bank means the Reserve Bank of India, Public Accounts Department, Kolkata.
2. The following payments shall be made through National Electronic Fund Transfer system of Reserve Bank of India:

- i. refund of tax realized or realizable from a registered dealer as provided under section 61, or refund of any amount of tax, penalty or interest paid by a dealer as provided under section 62 of the West Bengal Value Added Tax Act, 2003;
 - ii. refund of a percentage of accumulated Input Tax Credit under sub-section (8A) of Section 22 of the West Bengal Value Added Tax Act, 2003;
 - iii. refund under rule 200 of the West Bengal Value Added Tax Rules, 2005;
 - iv. refund under rule 269 of the West Bengal Sales Tax Rules, 1995;
 - v. refund under section 60 of the West Bengal Sales Tax Act, 1994;
 - vi. refund under sub-section (2) of section 9 of the Central Sales Tax Act, 1956; and
3. For availing such benefit under e-ROT:

- (a) the taxpayer falling under sub-clause (i) or sub-clause (ii) of clause 2 above, shall submit online the following declaration apart from e-filing of Form 31A and Form 33, as the case may be:

DECLARATION

Name of the dealer:

Registration No. :

Address :

Quarter Ending on :

I hereby declare that I/we and my/our heirs and successors accept the liability of making good to government the overpayment, if any, made to me/us under the scheme.

I/we hereby authorize.....Branch (name of the Branch) of the.....Bank to receive amount on my/our behalf for credit to my/our account as stated in Form-31A/Form-33 and further authorize that the receipt of credit given by the bank for the amount credited to my/our account shall be treated as legal quittance on my/our behalf.

(Signature of the dealer)

b) the taxpayer falling under sub clause (iii) or sub clause (iv) or sub clause (v) or sub clause (vi) of clause 2 shall submit online an Application Form to the appropriate authority of the Commercial Taxes Directorate, mentioning the name of the party [name of the party and the name of the bank account as per bank's record should be same and identical, otherwise the Bank will not credit the amount to the beneficiary-taxpayer], name of the bank & branch, IFSC [Indian Financial System Code] of the bank-branch, account number, account type..

The format of the Application Form is annexed with this order.

- 4. The officer concerned of the Commercial Taxes Directorate or the Drawing & Disbursing Officer [DDO], as the case may be, shall apply to the Originating bank to avail such facility of e-ROT through NEFT. The NEFT

operational guide for Government Department and the Application Form for NEFT are annexed with this **order**.

5. There shall be no additional charge or fee to avail such benefit either by the State Government or by the Taxpayer.
6. There shall be no change in the existing system of submission of Refund-bills by the concerned DDO to the Treasury/Pay & Accounts Office.
7. The Treasury/Pay & Accounts Office shall issue a consolidated cheque in favour of the Originating bank i.e. RBI, Kolkata and hand it over to the DDO.
8. The Head of Office/DDO shall hand over the cheque along with particulars of the taxpayer(s) in the format, as prescribed by the Originating bank, in hardcopy and also in softcopy for crediting the amount in the taxpayer's bank account.
9. The Head of Office/DDO shall maintain a Register for issuing advice for payment through e-ROT in prescribed format. The advice shall be serially numbered for a particular financial year i.e. they shall have a running serial number starting from April to March in a financial year prefixing with "e-ROT". The advice number shall be noted conspicuously at the top of each bill for which payment shall be made through bank.
10. The DDO shall make absolutely sure while submitting the cheque and the particulars of taxpayer(s) that the latter does not contain any incorrect information; otherwise credit in the destination bank accounts may not be ensured. It is the sole responsibility of the Head of Office/DDO to prepare the printed and soft-copy of the such particulars accurately. The Originating bank shall acknowledge the receipt of such particulars and mandate.
11. The Originating bank shall send a Final Report of Disbursement to the User/Head of Office/DDO within the next working day after the date of disbursement, and such certificate shall be treated as the evidence of payment against the Bill. Head of Office/DDO shall retain the Certificate of Disbursement with office copy of the bill for audit verification and such certificate shall be treated as legal quittance for all purpose. If the amount is not credited to the taxpayer's account on the stipulated day by the bank for any unforeseen reason, the matter shall be informed by the Originating bank to the Head of Office/DDO forthwith mentioning the reason of non-crediting the amount to the beneficiary's account. The Head of Office/DDO shall take appropriate action for crediting the un-disbursed amount or refund the same to the State Government account.
12. The amount so credited by the Originating bank to the Bank Account of the taxpayer concerned shall be treated as proper disbursement of refund by the Head of Office/DDO to the taxpayer. The 'Disbursement Certificate' and the 'Report of Uncredited Items' issued by the Originating bank shall be preserved by the Head of Office/DDO for 15 years or until the Audit is over, whichever is later. The 'Register of e-ROT shall be reviewed by the Head of Office/DDO within 10th of every month.

This order issues in cancellation of this Department order no. 1049 F.T. dtd. the 8th July, 2011 and with concurrence of Finance (Audit) Department, vide their U.O. No. 778, Group-T, dated 3.8.2011.

Dy. Secy. to the
Govt. of West Bengal.

Enclosure to the order No. 1192-F.T. dated 04.08.2011

ANNEXURE
Application Form for e-Refund of Taxes
(To be submitted by the Registered Dealer)
[See Para -3 of the Scheme]

No.

Date:

To

The

(The Head of the office)

.....

(Address of the office)

Subject: Refund Payment of Tax through electronic mode.

Sir,

As per para 3 of the West Bengal Government's e-Refund of Tax Scheme, kindly arrange to remit the amount to my/our Bank Account hereinafter. The details of my/our particulars are furnished below:

1. Name of the Dealer:
(Capital letters)
2. Name of the Bank Account Holder:
3. Address:
4. Registration No:
5. Bank Name :
6. Branch Name :
7. Account Type : Savings / Current / Cash Credit
8. Account No. :
9. Branch IFSC :

I/we hereby declare that I/we and my/our heirs and successors accept the liability of making good to Government the overpayment, if any, made to me/us under the scheme.

I/we hereby authorise.....Branch (name of the Branch) of the _____ Bank to receive amount on my/our behalf for credit to my/our account as stated above and further authorise that the receipt of credit given by the bank for the amount credited to my/our account shall be treated as legal quittance on my/our behalf.

Yours faithfully,

(Signature of the Dealer)

(To be accepted by the Head of Office)

Date:

Signature of the Head of office

(Office Seal)

No. 1192/1(100) -F.T.

Date: 04.08.2011

Copy forwarded for information to :-

1. The Commissioner, Commercial Taxes, West Bengal, 14, Beliaghata Road, Kolkata – 700 015.
2. The Accountant General (A&E), West Bengal, Treasury Buildings, Kolkata-700001.
3. The Pr. Accountant General (Audit), West Bengal, Treasury Buildings, Kolkata-700001.
4. The Commissioner & E.O. Pr. Secy., Finance (Internal Audit) Department, Todi Mansion, P-15, India Exchange Place Extn, Kolkata -700 073.
5. The Director of Treasury & Accounts, West Bengal.
6. The Pay & Accounts Officer, Kolkata Pay & Accounts Office-1, 81/2/2, Phears Lane, Kolkata-700 012.
7. Treasury Officer,

8. Finance Department, Group-'T'.
9. The Assistant General Manager (PAD), Reserve Bank of India, 15, Netaji Subhas Road, Kolkata – 700 001.

Deputy
Secretary