

Silver Jubilee Year

COSIA/026/07/14/039

22nd July 2014

The Additional Chief Secretary

Finance Department,

Madam Cama Marg,

Hutatma Rajguru Chowk,

Mantralaya, **Mumbai- 400 032**

finance_taxation_ds1@maharashtra.gov.in

Namaskar,

Subject:- Draft Amendments in MVAT Rules, 2005.

The Chamber of Small Industry Associations [COSIA], a National Chamber of MSMEs, has convened a meeting of various associations of Trade, Commerce, Industry and Transport to deliberate on the Draft Rules namely Maharashtra Value Added Tax [Second Amendment] Rules, 2014.

The following practical difficulties and problems have been brought to the notice by the representatives of Associations of business community including the transporters in this regard.

1. Unnecessary burden to the Exchequer:

When **GST is round the corner** and **fresh set of Procedures, documents and Border Check Post protocols** are about to be introduced , **why are we in hurry** to introduce 32 BCP, appoint people and spend for infrastructure / outsourcing. This will **unnecessarily add to the costs and delays.**

2. Overlooking the interest of MSEs and Small Transporters :

Unlike periodic uploading of Returns etc which can be outsourced to facilitation Centers etc, E-way bill has to be prepared and uploaded on line. The **dispatch would get held up** for inaccessibility **Broad Band connection, trained manpower** or even simple basic thing like **electricity** due to load shedding etc.

3. Mismatch between Form 901 / 902 (Consignor / Consignee) and 903(Transporter) :

The Vehicle could be **stopped at BCP by Govt. Official for discrepancy** between two documents generated separately, resulting in **inordinate delay, harassment and Corruption.**

4. Export Delays / Order cancellations:

The delays due to check post would lead to **delays and expiry of Letters of Credit** and cancellation of orders.

5. **Small Consignments :**

In case of Small consignments carried by hand delivery by **car or by railways, the consigner / consignee themselves are Transporters**. Who would fill form 903? In absence person carrying goods will have to face undue harassment.

6. **Multiple Consignments:**

Many times transporters club **multiple consignments** of multiple destinations. One **defective document will hold the entire vehicle**, resulting in **costs and delays** to innocent others and off course **corruption**.

7. **Physical Verification by Inspector:**

The driver is expected to represent transporter and consignee and I know all – Inspector at the BCP is expected to **get satisfied** on queries related **Quantity / weight / Quality / Technical** description. This is a **thoughtless and draconian provision**, which will certainly result in **delays, long queues and massive corruption**.

We hereby suggest and request you withdraw the Notification No. VAT 1514/CR 30/Taxation1 dated 23.06.2014 and no changes be effected in the Maharashtra Value Added Tax Rules, 2005. We also request you kindly to give us a hearing before making any amendments in Maharashtra Vat Rules.

A line in reply will be appreciated.

Thanking you,

With warm regards,



P.S. Agwan

Hon. General Secretary