

# **INFORMATION**



## **CESS DEPARTMENT**

**KNOW YOUR OBLIGATIONS UNDER  
CESS ACT. & CESS RULE**

**COMMISSIONER  
NAVI MUMBAI MUNICIPAL CORPORATION.**

## **1. WHAT IS CESS ?**

The Navi Mumbai Municipal Corporation (NMMC) has introduced in its area, an account based system of levy of Cess in lieu of octroi, with effect from 1<sup>st</sup> day of June, 1996. Cess means a Cess on the entry of the goods into the limits of the city for consumption, Use or sale therein. Cess is nothing but octroi under different nomenclature. Cess, like octroi is an entry tax in nature i.e. it is leviable on entry of goods into the area of this corporation for the purpose of consumption, use or sale therein.

## **2. HOW IS IT DIFFERENT FROM OCTROI ?**

In the new system there are no check posts i.e. 'Nakas' for collection of tax and, therefore, it involves no stoppage of vehicles. A 'Dealer' liable to pay cess, on the basis of his exceeding the prescribed limit of the turnover either of all his sales or all purchases effected during a financial year is required to get himself registered with the corporation.

## **3. WHO IS LIABLE TO PAY CESS UNDER THE CESS SYSTEM ?**

Under the provisions of the Bombay Provincial Municipal Corporation Act, 1949 (Amended) and the Bombay Provincial Municipal Corporation [cess on entry goods] Rules, 1996, liability to pay cess has been cast upon a '**dealer**'. The term dealer has been defined under Clause (16A) of Section 2 of the Act.

The definition reads as under :-

'Dealer' means any person who whether for commission, remuneration or otherwise import, Buys or sells any goods in the city for purpose of his business or in connection with or incidental to his business and includes Factor, Broker, Commission Agent, Auctioneer, Central Govt., State Govt., Society club.

#### 4. WHAT IS THE LIMIT OF TURNOVER FOR REGISTRATION ?

A ‘dealer’ is liable to pay cess if he turnover, either of all his sales or of all his purchases made during a financial year, exceeds the following limits.

Type of dealer	Limit of turnover
<b>A. “Importer”</b> [ i.e. a dealer who brings goods or cause them to be brought, into the area of the Corporation ].	₹ 75000/- including i) Import of goods the value of not less than ₹ 5000/- ii) Purchases of taxable goods of the value of not less than ₹ 5000/-
<b>B. “Others”</b> [ i.e. dealers who are effecting purchases from the dealers within the area of the Corporation ].	₹ 125000/- including purchases of taxable goods of the value of not less than ₹ 5000/-

#### 5. IS REGISTRATION MANDATORY ?

Yes, the new system of levy of cess being account based, registration of the dealers who exceed the prescribed limit of turnover of all sales or of all purchases made during a financial year has been made mandatory.

#### 6. REGISTRATION – HOW DO WE GO ABOUT IT ?

A dealer liable to pay cess is required to apply for registration in form ‘A’ to the registering authority of his area, within thirty days from the date on which the turnover has so exceeded. A registration fee of ₹ 100/- is required to be paid at the time of registration.

## 7. WHAT ARE THE CONSEQUENCES OF NOT APPLYING FOR REGISTRATION ?

If a dealer liable to pay cess fails to apply for registration within the prescribed time, as required under the provisions of the act / rules, he is liable to a penalty of a sum not exceeding ten times the amount of cess due during the unregistered period [ rule 41(2)(a)] or for prosecution which could lead to 2 years imprisonment.

## 8. WHAT IS THE PERIODICITY OF RETURN AND WHEN IS THE RETURN TO BE FILED ?

Under the provisions of rule 24, all the registered dealers were required to submit a return for each calendar month on or before the 10<sup>th</sup> day of the month following the month to which such return related.

From 1<sup>st</sup> day of July, 1997, (the commissioner, in exercise of the powers vested in him under sub-rule(2) of rule24) has classified the dealers into the following three categories and different dates have been prescribed for each one of them, as shown below :-

Sr. No.	A dealer whose annual tax liability for the previous financial year is	Periodicity of return applicable.	Return to be submitted on or before
1.	Upto ` 5000/-	Annual	The 10 <sup>th</sup> day of April following the last day of the financial year. [e.g. for 2011-2012 on or before 10.04.2012]
2.	` 5000/- to ` 19999/-	Quarterly for the first three Quarters. Monthly from Jan.	1 <sup>st</sup> Qtr.10 <sup>th</sup> July. 2 <sup>nd</sup> Qtr.10 <sup>th</sup> Oct. 3 <sup>rd</sup> Qtr. 10 <sup>th</sup> Jan. Jan. 10 <sup>th</sup> Feb. Feb. 10 <sup>th</sup> Mar. Mar. 10 <sup>th</sup> April.
3.	` 20000/- and above	Monthly	15 <sup>th</sup> day of the month following the month to which such return relates [e.g. May 2012 on or before 15 <sup>th</sup> Jun. 2012]

Cess is required to be paid along with returns on or before the date prescribed for the submission of a return as shown above.

#### **9. WHERE IS THE AMOUNT OF CESS TO BE PAID ?**

For payment of cess accounts have been opened in the following banks, in the branches mentioned against them.

<b>Sr. No.</b>	<b>Bank</b>	<b>Branch &amp; Tel. No.</b>	<b>A/c. No.</b>
<b>1.</b>	Vijaya Bank	Vashi, Sector-10 27663028 / 7102	504400300000995
<b>2.</b>	Syndicate Bank	Turbhe / Vashi, APMC 27889425 / 27888416	54713070001164
<b>3.</b>	Bank of India	CBD, Sector-11 27570573 / 27576041	011621100005071
<b>4.</b>	Bank of Maharashtra	Nerul 27701933 / 27700507	20036600576
<b>5.</b>	Indian Bank	Vashi, Sector-14 27651219	404515070
<b>6.</b>	Bank of India	Turbhe Village 27832341 / 27832013	4420100002430
<b>7.</b>	Vijaya Bank	Koparkhairne, Sector-19 27542480	506100300000157
<b>8.</b>	Bank of Maharashtra	Vashi, Sector-2 27825775	2010195020
<b>9.</b>	State Bank of India	Airoli, Sector-7 27692330 / 4338	10079310224
<b>10.</b>	Axis Bank	Vashi, Sector-17 66299800	072010200010089
<b>11.</b>	Bank of Baroda	Turbhe, APMC Market 27668069	24780200000674
<b>12.</b>	Union Bank	Mahape 27882906 / 07	559601010000298

The returns & challans forms are made available at above designated banks and also in cess office at koparkhairne.

#### **10. WHAT ARE CONSEQUENCES OF DELAYED PAYMENT ?**

If a registered dealer or an unregistered dealer who is required by the commissioner to submit returns, fails to pay, on or before the date prescribed for submission of return, a sum @ 2% per month for the first twelve months of delay and @ 3% per month there after, during the

continuation of such a default, is payable by way of simple interest, in addition to the amount of cess due.

If, at the time of assessment, an additional amount of cess is found to be due, interest @ 2% per month is payable for delay upto the date of assessment.

## **11. WHAT IS THE RATE OF CESS ?**

The cess is required be paid on all goods specified in Schedule “A” the current rates of cess for financial year are as under :-

- |    |                         |   |                     |
|----|-------------------------|---|---------------------|
| 1. | Agricultural Products   | : | @ 0.2% ad - valorem |
| 2. | Wines Spirit and beer   | : | @ 4.0% ad - valorem |
| 3. | Tobacco Requisites      | : | @ 2.0% ad - valorem |
| 4. | All other taxable goods | : | @ 1.0% ad - valorem |

## **FIVE DOS & DON'T'S FOR CESS PAYERS ?**

Please,

1. Get in touch with the Cess authorities and get yourself registered with the Corporation if you are liable to pay cess.
2. Maintain proper books of accounts.
3. If you are a registered dealer, submit your returns within the prescribed time and also pay the proper amount of cess due while submitting the returns.
4. If you are purchasing goods from 'local dealers' i.e. those within the area of the NMMC, make sure that they are holding cess registration, in order to avoid cess liability in respect of such purchases.
5. Get yourself assessed by the concerned cess authority at the earliest and thereby get yourself relieved of the worry of any additional liability towards cess, interest and penalty at a later date.

## **DON'T'S**

Please do not,

1. Delay cess registration and invite penal provision.

2. Delay your cess payment and incur additional burden of penal interest @24% and @ 36% per annum, as also that of penalty.
3. Knowing furnish false returns, keep or produce false accounts or issue or produce false bills, cash memos, declarations, certificates or willfully attempt in any manner to evade cess or to fail without sufficient cause to furnish any return, any information and commit offence punishable with an imprisonment for a term which may extend to two years and with fine.
4. Compel the taxman to knock at your door.

**FOR FURTHER DETAILS PLEASE CONTACT  
NAVI MUMBAI MUNICIPAL CORPORATION  
CESS DEPARTMENT  
3<sup>RD</sup> FLOOR, SECTOR – 6, OPP. KOPARKHAIRNE WARD OFFICE,  
KOPERKHAIRNE, NAVI MUMBAI.  
TELEPHONE – 27551263 / 27551264**

**CESS AUTHORITIES  
Deputy Municipal Commissioner (Cess / Enforcement)  
Tel. No. 27551263 / 64  
Cess Officer : A / B / C / D / E / F / G / H / I, Ward.  
Tel. No. 27551263 / 64**

**DISCLAIMER**

This information should not be taken as an exhaustive law on cess in case of any doubt, as also for detailed information please refer to the BPMC act, 1949 (Amended) & the BPMC (Cess on Entry of Goods) Rules, 1996 or contact your Jurisdictional Officer for further information.