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CIRCULAR

No. VAT/CRD-239/2014-15
Trade Cir. No. 4 T of 2014

Mumbai:-Dt. 28/01/2014

- Sub :- Procedure for submission of application for CST e-declarations/certificates and issuance of the same electronically.
- Ref :- (1) Trade Circular No. 4T of 2006 dated 09/01/06.
(2) Trade Circular No. 10T of 2006 dated 29/03/06.
(3) Trade Circular No. 17T of 2006 dated 28/06/06.
(4) Trade Circular No. 1T of 2008 dated 25/01/08.
(5) Trade Circular No.15T of 2008 dated 19/04/08.
(6) Trade Circular No. 2T of 2009 dated 23/01/2009.

The procedure for issuance of statutory declarations/forms under the Central Sales Tax Act, 1956 has been prescribed by the Trade Circulars referred above. At present, for obtaining declaration or certificates, the dealer submits/uploads application called SOR (Statement of Requirement) electronically. This SOR is processed by the Central Repository Officer and if found in order the statutory declarations/forms are approved and sent through post. The physical dispatch of these statutory declarations/forms involves delay in actual delivery of forms to the applicants and hence was under revision.

2. The said process has been revised and it has now been proposed to electronically issue statutory declarations/forms under the Central Sales Tax Act, 1956 in PDF format to the e-mail address of the applicant. The relevant procedural changes have been designed so as to have minimum human interference. It is expected that in the eligible cases the applicant electronically receives the statutory declarations/forms in **T+1** days.

3. Procedure to be followed by the applicants:

- a. Digital CST declarations in non-editable PDF Format shall be issued in case of all the applications made on or after 01 Feb 2014. The procedure for filling on-line application i.e. Statement of Requirement, has been revised and shall come in to force from 1February 2014.
- b. The requisite utility for the said purpose has been made available on the sales tax Department's website www.mahavat.gov.in
- c. The new proposed SOR is slightly changed over the existing SOR so as to contain the invoice wise purchase annexure. Three separate Annexure(s) have been prescribed for each of the forms / Declarations viz,
 - i. Declarations/certificates in both Form C and F.
 - ii. Certificates in Form H.
 - iii. Declarations/certificates in Form E-I and E-II.
- d. Before making an application for the CST declarations the applicant shall ensure that the turnover of interstate transactions for which the application is being made is within the limits of the turnover of interstate transactions shown by him in the return covering the period of transactions. If the turnover of interstate transactions shown in the return is less than the turnover of interstate transactions mentioned in the SORs filed by the dealer then the applicant shall file the revised return, admit the additional turnover and then apply for the CST declarations.
- e. The applicant dealer shall neither be required to upload any document as an attachment nor submit any physical documents in respect of the SOR.
- f. The applicants with six monthly periodicity are presently unable to make quarterly applications for the CST declarations. Such applicants, at the beginning of the year, have an option of changing their periodicity to the quarterly and apply for the CST declarations on quarterly basis.
- g. The applicant shall first down load the requisite template of the SOR from the appropriate link on the web site, fill in the requisite details

and validate the template of the SOR. If such validations throw any errors then the same shall be corrected by the applicant. In case of error free template a rem.txt file of the SOR shall get generated.

- h.** The SOR shall mandatorily contain email address and contact mobile telephone number (10 digit) of the applicant for the SDM (Service delivery purpose). The action taken by the department in respect of said SOR will be communicated on aforesaid e-mail address and the mobile telephone number.
- i.** The applicant shall upload the **rem.txt** file of the SOR on the appropriate link on the www.mahavat.gov.in. After the successful uploading an acknowledgement will be generated and shall be available to the applicant through his access on the web site.
- j.** All the SORs uploaded till **6 p.m.** on any day shall be processed overnight and the same will be further processed by Central Repository Officer on the **next working day**.
- k.** The applicant dealer may withdraw the SOR till 6 p.m. of the day of uploading of SOR.

4. Online validation checks at the time of uploading of the SOR.

- a.** The system will check for the validity of the TIN of the applicant i.e. unless the applicant holds a valid TIN under the CST Act 1956 as issued by the Maharashtra Sales Tax department the SOR will not get uploaded.
- b.** The system will check the validity of the TIN under the CST Act 1956 of the selling dealer. Unless the selling dealer holds a valid 11 digit TIN, the SOR will not get uploaded. However, this validation does not apply to the SORs wherein the applicant requires CST forms/declarations in respect of the purchases from the state of Tamil Nadu and union territory of Daman.
- c.** The dealer whose registration is cancelled may apply online for the CST declarations pertaining to the period of validity of their registration under the CST Act, 1956.

- d. The system will not allow the dealers who have been identified by the department as suspicious to upload the SOR.
- e. The system will not allow the dealers to upload more than two SORs for a particular period covered by the return. However, the 3rd SOR in respect of a particular period covered by the return can be uploaded only with the permission from the Additional CST of the concerned location.

5. Internal verifications by the system after the SOR is uploaded:

After the SOR is uploaded the system will verify the following four things and the results thereof will be available to the concerned CR officer in the verification report.

- a. Whether the applicant dealer has filed all the returns for earlier periods.
- b. Whether the turn-over of within state and inter-State sales/purchases or, as the case may be, branch transfer/consignment transfer has been disclosed appropriately in the return for the period vis-à-vis the said turn-over mentioned in the SOR.
- c. Whether the applicant dealer has any outstanding dues under MVAT Act 2002, CST Act 1956 or any other allied Act administered by the Sales Tax Department or/and has any return related dues.
- d. Whether the applicant dealer (if he is liable to file Audit Report in Form No. 704 as provided under section 61 of the MVAT Act 2002) has filed Audit Report in Form 704 for all the periods starting from 1.4.2008 till the period for which due date for submission of Audit Report is over.

6. Verifications to be done by the Central Repository Officer:

The SOR filed by the dealers get allocated to CR officers on random basis. The CR officer with the help of MAHAVIKAS shall verify the following aspects:

- a. In case of requisitions of Form F - Whether the address and TIN/CST Registration No. of Branch /Branches outside the Maharashtra State are incorporated in the registration record of the applicant.

- b. In case of requisitions of all the CST declarations- Whether the applicant dealer fulfils all the conditions /restrictions in respect of the commodity stated in the SOR and commodity details available in MAHAVIKAS. ***(Refer to Trade Circular No. 22T of 2012 issued on 26th November 2012).***

7. Applications to be kept on hold and the issuance of Defect Notice:

- a. If the verification by the system and the CR officer results into finding of defects, the concerned Central Repository Officer shall inform the same to the applicant through an e-mail. The applicant dealer shall be required to correct these defects within 15 days from the date of receipt of said e-mail. During the intervening period the application shall be kept on '**hold**'.
- b. The concerned officer may also hold the application if he is of the opinion that further verification is necessary before issuance of declaration.
- c. If the applicant does not comply with requirements of the Defect notice within 15 days then the relevant application (SOR) shall be automatically rejected.
- d. In case the said compliance is either not accepted by the Officer concerned or is rejected by the MAHAVIKAS System then, the Officer concerned will communicate such rejection to the applicant dealer.
- e. If dealer submits the compliance in pursuance to the defect memo so issued and proves to the satisfaction of the CR officer that the defects have been complied with then the CR officer shall approve the application.
- f. In case the applicant is pointed out to be a short filer of return but the applicant is in a position to prove it otherwise then the applicant shall first approach the concerned returns branch for correction in the Mahavikas. After such correction the Mahavikas data shall get corrected automatically and the defect shall also get closed automatically.

However, this needs to happen within 15 days allowed for the compliance of the defect notice issued to the applicant.

8. Electronic issuance of statutory declarations/forms under the CST Act 1956:

In case of applications (SORs) successfully uploaded and verified for no defects by the CR officer and in other cases after the defects have been rectified, the statutory declarations/forms under the CST Act 1956 shall be electronically issued to the applicant through an email. The applicant is therefore needed to furnish the correct and authentic email address in the SOR.

9. Procedure for cancellation of the declarations issued:

The existing system of online application for the CST declarations shall be deactivated with effect from 31.01.2014. In case of rectification/cancellation of the declarations/certificates issued on or before 31.01.2014, the applicant shall submit manual application to the concerned authority as per the existing procedure. The officer in-charge shall rectify/deface the declarations submitted along with such applications as they case may be.

10. Procedure in case of the lost declarations:

In case of the lost declarations there is no change in the procedure except that after completion of requisite procedure, the Officer in-charge shall cancel the lost declarations/certificates. Wherever necessary the dealer shall upload the application on e-CST system and shall get digital forms in lieu of such lost declarations/certificates.

11. Procedure for the applications pending for disposal as on 31.01.2014:

a) The new system of electronic issuance of declarations/certificates under CST Act shall come into force from 01.02.2014. All the applications made up to 31.01.2014 shall be processed by the department as per the existing system unless the applicant dealer desires to withdraw his pending application and apply afresh for the **e CST declarations**.

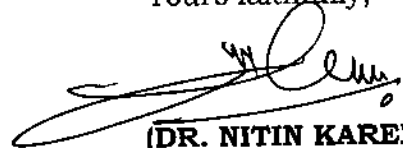
b) Any applicant who desires to withdraw any application i.e. Statement of Requirement (SOR) made up to 31.01.2014 shall submit his request for withdrawal of the said application (as per concerned existing system) to the e mail id of concerned desk. The e-mail so send shall specify the **transaction id** in respect of such SOR i.e. the application which is to be cancelled. After receiving the request for withdrawal of the application through **e mail** the application related to the transaction id mentioned by the applicant shall be rejected. This will not apply to the SORs for which the CST declarations/certificates have already been printed.

c) All the applications made up to 31.01.2014 for which the applicants have not preferred withdrawal shall be processed for issuance of printed CST forms as per the existing system. The dealers who have applied for CST forms up to 31.01.2014 shall ensure that they do not apply under the **new system of e CST forms** for the same transactions as per the SORs uploaded up to 31.01.2014 unless they apply for the cancellation of SOR as per the existent system.

12. Help Desks and assistance from the department:

The procedure of obtaining CST declaration is self-explanatory. The same is made available on the Web site of the Department .Help desks are being created at every Central Repository locations. In case of any difficulty, the dealers are requested to approach to the concerned Central Repository officers. This new procedure for issuance of declaration is available online for the declarations pertaining to period from 01.04.2008 onwards only.

Yours faithfully,



(DR. NITIN KAREER)

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