

Office of the:  
Commissioner of State Tax,  
Maharashtra.  
8<sup>th</sup> Floor, GST Bhavan,  
Mazgaon, Mumbai-10

**TRADE CIRCULAR**

To,

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No. ACST (VAT-3)/Crosscheck/SAP/18-19/B. 968, Mumbai. Date 23/08/19.

Trade Circular No. 46 T of 2019.

Sub. : Guidelines for crosschecking of Input Tax Credit.

Ref. : 1 Internal Circular 11A of 2017, dated 03/05/2017.  
2 Trade Circular 30T of 2018, dated 24/10/2018.  
3 Trade Circular 15T of 2018, dated 24/10/2018.

Sir / Gentleman / Madam,

**1) Background:**

- 1.1. You are aware that, the facility namely 'Ledger Confirmation Utility' was made available to the suppliers to upload the Ledger Confirmation directly on the web site [www.mahagst.gov.in](http://www.mahagst.gov.in) and procedure to access and upload was explained in trade circular 30 T of 2018.
- 1.2. Guidelines and procedure given under Trade Circular 30T of 2018 were made applicable for the period 2013-14, 2014-15 and period starting on or after 1<sup>st</sup> April of 2015. Instruction given in the said trade circular were in force till 31<sup>st</sup> March 2019 and subsequently extended till further instruction vide Trade Circular 15 T of 2019 dated 25/04/2019.

## **2) Online ledger confirmation facility:**

- 2.1. Under 'Ledger Confirmation Utility' the supplier dealer is required to upload the TIN wise details of his sales effected to customer, whose details were either not furnished or incorrectly furnished while filing MVAT Audit report or as the case may be returns. Though, online ledger confirmation through this 'Ledger confirmation Utility' was made mandatory vide Trade Circular 30T of 2018 for the period 2016-17 also, facility of online ledger confirmation utility was not made available for the said period.
- 2.2. Now, Ledger Confirmation Utility has been made available for the periods 2016-17 and 2017-18 also. Therefore, it is needless to say that, the guidelines given in the Trade Circular 30T of 2018 so far it relates to the submission of ledger confirmation in respect of mis-match and un-match, shall be applicable for the FY 2016-17 and 2017-18.

## **3) Report for Input Credit Verification of FY 2016-17 and FY 2017-18**

- 3.1. For, period starting on or after 01<sup>st</sup> April 2016, the SAP based return filing was introduced. It mandated for furnishing of the invoice wise details of sales and purchases along with such periodic / revised return(s). Further, dealers who have filed MVAT Audit report, also submitted B2B sales (Annexure J1) and purchase transactions (Annexure J2) along with form 704.
- 3.2. Department has developed J2XJ1 and J1XJ2 mis-match, un-match report taking into consideration J1 and J2 annexures uploaded with MVAT audit report, invoice level data uploaded along with returns and claims of sales return and purchase returns. For return filers, annexure J1 and J2 are prepared by summarising invoice level data under code 100 for sales and under 10 and 15 for purchases. Further, effect of sales and purchase return under code 600, 700 and 90, 95 respectively also taken into consideration.

3.3. Department has made available J2XJ1 and J1XJ2 report to nodal officer on BI launch pad of SAP portal and same shall be used for verification of Input Tax Credit for the period starting on or after 1<sup>st</sup> April 2016 and onwards. Assessing authority shall communicate mismatch and un-match transactions along with assessment notice for compliance to dealers. Guidelines given in the Trade Circular 30T of 2018 so far it relates to the submission of confirmation in respect of mis-match and un-match, shall be applicable for the F.Y. 2016-17 and F.Y. 2017-18.

3.4. J2XJ1 and J1XJ2 report available in BI Launch pad is based on returns filed by the dealers till 06/02/2019. In case any supplier has filed original/revised return(s) after 06/02/2019, by furnishing invoice wise sale as mandated in sales Annexure of said return(s), sales details of the said supplier may not be reflected in J2XJ1 report. Hence, in cases of un-match or mis-match transactions with such suppliers (who have not furnished online ledger confirmation), assessing officer may verify sales to claimant dealer, from report available in the name of "Sales Summary" under "ITC Report Employee View" and may allow ITC in respect of mis-match or un-match transactions, if found in order. While allowing ITC based on said report by assessing officer, it should be kept in mind that the values appearing in aforesaid "Sales Summary" report are not exclusive of sales / goods return or as the case may be debit / credit notes.

**4) Guidelines for crosschecking of Input Tax Credit of FY 2016-17 and Period starting on and after 1<sup>st</sup> April 2017 to ending on or before 30<sup>th</sup> June 2017.**

4.1 Guidelines and procedure for allowance/disallowance ITC for the period 2013-14, 2014-15 and 2015-16, were issued vide Internal Circular referred at Sr. No. 01. Problems faced by the assessing officers regarding mis-match and un-match transactions for period 2016-17 and 2017-18 are more or less same. Further, after implementation of GST, emphasis of the Department is on finishing the legacy work on

priority. Therefore, guidelines and procedure for allowance/disallowance ITC provided under Internal Circular 11A of 2017, dated 03/05/2017 is hereby made applicable for the period 2016-2017 and period starting on and after 1<sup>st</sup> April 2017 to period ending on or before 30<sup>th</sup> June 2017 also.

- 4.2 It has been clarified in Trade Circular 30T of 2018 that the assessment cases pertaining to any period involving the eventuality of mis-match or as the case may be un-match of Rs. 5000/- or below for supplier per year shall not be required to submit ledger confirmation in comprehensive or in Transaction based Assessment. Therefore, it is further clarified that no assessing officer shall insist for ledger confirmation (i.e. Physical or Online) for any period till 30/06/2017 in aforesaid eventualities.

**5) Guidelines for crosschecking of Input Tax Credit of FY 2005-06 to FY 2007-08**

For the periods starting on or after 01<sup>st</sup> April 2005 and ending on or before 31<sup>st</sup> March, 2008, the return as well as the MVAT Audit report filing process was not electronic. ITC in such cases shall be allowed upon verification of record such as tax invoices and books of accounts produced by the **claimant dealer**. It is also subject to contradictory evidences available on record with assessing officer. However, calculation of such eligible ITC shall be subject to the parameters like non-genuine supplier, RC cancelled with effect prior to such transactions, supplier under composition, etc. and further subject to the provisions of MVAT Rules applicable at that time.

- 6) The instructions given in Trade Circular 30 T of 2018 along with amendments thereto vide this Trade Circular shall remain in force till further instruction.
- 7) All the instructions given in this Trade Circular shall apply mutatis mutandis to the pending appeal proceedings.

This Trade circular is clarificatory in nature and hence cannot be made use of interpretation of provisions of law. Difficulty if any, in the

implementation of this Circular may be brought to the notice of the Office of Commissioner of State Tax, Maharashtra State.

Yours faithfully,



(Rajiv Jalota)

Commissioner of State Tax,  
Maharashtra State, Mumbai

No. ACST (VAT-3)/Crosscheck/SAP/18-19/B.968, Mumbai. Date 23/08/19.

Trade Circular No. 46 T of 2019.

**Copy forwarded to:**

- 1) The Special commissioner of State Tax, Maharashtra State.
- 2) All Addl. Commissioners of State Tax in the State.
- 3) All Joint Commissioners of State Tax in the State.
- 4) The concerned desk of Mahavikas with the request to upload this Internal Circular on Employee corner.

**Copy forwarded with compliments for information to.**

1. The Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
2. The Under Secretary, Finance Department, Mantralaya, Mumbai.

Copy to all the Desks and Desk Officers in the office of the Commissioner of State Tax, Maharashtra State, Mumbai.



(C. M. Kamble)

Additional Commissioner of  
State Tax (VAT-3),  
Maharashtra State.

