

Office of:
The Commissioner of State Tax,
Maharashtra State, 8th Floor,
GST Bhavan, Mazgaon,
Mumbai- 400 010.

Trade Circular

No: ACST/VAT-3/Ledger Confirmation Utility/New Automation/2018-19/B- 1273 Mumbai, Dt 21/09/2018

Trade Circular No: 24 T of 2018

Sub: Ledger Confirmation Utility.

Reference: 1) Internal Circular No. 11A of 2017 Dated 03/05/2017

2) Trade Circular No. 12T of 2018 Dated 28/03/2018

3) Internal Circular No. 9A of 2014 Dated 18/09/2014

4) Internal Circular No. 10A of 2013 Dated 28/08/2013

5) Internal Circular No. 1A of 2013 Dated 11/01/2013

6) Internal Circular No. 13A of 2010 Dated 25/10/2010

7) Trade Circular No. 22T of 2010 Dated 05/10/2010

A. Background:

- i) The Input Tax Credit (ITC) claimed by the dealers is cross verified from matching of electronic Sales (Annex J 1) and Purchases (Annex J 2) annexures filed with the Audit Reports in Form 704 and the electronic returns is considered for allowance of ITC. Since some of the dealers have not filed their electronic annexures of sales correctly or the information furnished therein is not complete, the ITC claim related to such incorrect and incomplete disclosure by the sellers of the affected claimants is getting disallowed in various statutory proceedings. At times, it was found that the ITC claimant failed to disclose the TINs of suppliers from whom they purchased the goods eligible for ITC and thereby the claimant was unable to claim the ITC due.
- ii) In order to safeguard the interests of the genuine claims of ITC, a facility was made available to the dealers to upload the supplementary Annexure of Sales (J 1). Despite availability of this facility many dealers represented that the sellers are not uploading the annexures of sales and therefore their genuine claims are disallowed. In order to safeguard the genuine claims of ITC a Physical Ledger Confirmation facility was made available to the ITC claimants. Internal Circular 13A of 2010 dated 25th October 2010 dealt with issuing guidelines for allowance of claims through Physical Ledger Confirmation. These guidelines were revised by internal Circular 1A of 2013, 10 A of 2013 and 9A of 2014.
- iii) The web site of the department www.mahavat.gov.in is closed completely from 31.03.2018 and the department shifted its public interface to the web site www.mahagst.gov.in. The facility of filing of returns for the periods up to 31.03.2016 is made available on the new web site. A Trade Circular 12 T 2018 was issued explaining the process of such return filing. A facility of uploading Supplementary

Annexures of Sales and Purchases through revised filing of returns was explained in the said Trade Circular.

- iv) Many representations have been received from the Trade mentioning that the filing of Supplementary Annexure of Sales and Purchases with revised returns is very cumbersome. It is also represented that once a dealer files revised return under Section 20(4)(b), it is not possible for him to upload the supplementary Annexure of Sales and Purchases. Accordingly, the genuine claims of ITC are getting disallowed. Therefore it is requested for a facility of uploading the Supplementary Annexure of Sales and Purchases without the requirement of uploading of revised returns for the relevant period.
- v) The issue was examined in respect of the genuine claims of ITC and it is decided to make available a facility to the vendors to upload the Ledger Confirmation directly on the web site www.mahagst.gov.in through **Ledger Confirmation Utility** to be accessed through his own login credentials. Such Ledger Conformations shall always remain verifiable in respect of their genuineness at the hands of the MGSTD.

B. Introduction:

- i) With the help of this Ledger Confirmation Utility, dealer can include those transaction of sales which are not entered by him in his Original and/or Supplementary Annexure J-1 and/or previous Ledger Confirmation Utility.
- ii) Information in the Ledger Confirmation Utility should be entered carefully as there is no facility available for making any correction. After uploading of Template, the mistake committed if any can not be corrected.
- iii) A dealer can upload/file multiple Ledger Confirmations for same Financial Year. However, after uploading a Ledger Confirmation for a particular Financial Year, no subsequent conformation is allowed for that particular Financial Year for next 48 hours.
- iv) A dealer can give Ledger Confirmation to multiple dealers using the same Ledger Confirmation Template for the same Financial Year.
- v) All the dealers who have submitted Physical Ledger Confirmation after 01/04/2018 are, mandatorily, required to resubmit such Ledger Confirmation online using this Utility. Failing this, such Physical Ledger Confirmation shall not be accepted for any claims. However, it is made clear that on the basis of Physical Ledger Confirmation if any order is passed before issuance of this Circular, then it will not be reopened solely on this account.
- vi) It is mandatory to file all the Returns for the said Financial Year for which online Ledger Confirmation is to be submitted. If such returns are not filed, Assessing Authority may disallow any claims in the Ledger Confirmation.
- vii) It is mandatory to file Form 704 (in the case of 704-Eligible dealers) for the Financial Year for which online Ledger Confirmation is to be submitted. If such Form 704 is not submitted, Assessing Authority may disallow any claims in the Ledger Confirmation.

C. Procedure for using Ledger Confirmation Utility:

1. Ledger Confirmation Utility Template:

- Dealers who want to give Ledger Confirmation through Ledger Confirmation Utility are required to visit portal of the Department <https://mahagst.gov.in>.
- Click on “Download” which is in the Menu Bar of the portal of the Department.
- Click on “Forms”
- Click on “Electronic Forms”
- Under Ledger Confirmation Form, click on “Ledger Confirmation Utility Template”. When clicked on this template, the said template will be downloaded on the Desk-top.

2. Procedure for filing Ledger Confirmation Utility:

- i) Please read the instructions given in the “General Instructions” work-sheet carefully.
- ii) Basic Information Sheet: All the fields in this sheet are mandatory.
- iii) MVAT R. C. No.: Enter valid 11-digit TIN with suffix “V”.
- iv) CST R. C. No.: Enter valid 11-digit TIN with suffix “C” if the dealer is registered under the Central Sales Tax Act, 1956 (herein after for the purpose of this Trade Circular, it will be referred as “CST Act”). If the dealer is not registered under the CST Act, then such dealer should keep this field blank.
- v) Name of dealer: Dealer is required to enter his Trade name.
- vi) Financial Year: It should be selected from Dropdown menu.
- vii) Period from-Period to: It is auto populated after selection of Financial Year. Please, do not try to make any changes in the auto populated period fields for whatsoever reasons.
- viii) Select “Yes” or “No” from the drop down menu for the question ‘Whether you have filed all the returns?’ for the above mentioned periods of Ledger Confirmation.
- ix) The following four fields are required to be filled properly and are mandatory.
 - Name of the Authorized Person to upload Ledger Confirmation.
 - Designation of the Authorized Person.
 - E-Mail ID
 - Mobile Number.
- x) After filling all the mandatory fields in the Basic Information sheet, click on ‘Validate’ Tab. If the Basic Information Sheet is error-free, next sheet, namely, “Declaration_Form” will be populated. If there is some error in the Basic Information Sheet, it will be populated in the “Messages” Sheet.

3. Declaration Form:

- In Declaration Form, it is mandatory for the dealer to write his name and select one option from the drop-down menu. Both the fields are mandatory.
- To proceed further dealer is required to click in the box against the field “I Agree”.

- After accepting “I Agree”, click on “Click to Proceed”. New sheet “Ledger Confirmation Details” will be populated.

4. Ledger Confirmation Details:

- In the Box No. 1 of this sheet the dealer is required to fill the details which are relevant to him. It is mandatory to enter Net Taxable Amount and Tax Amount in Box No. 1.
- In Box No. 2 under the head “Customer wise Total VAT Sales and Total VAT Tax shown in Original J-1 in the returns/e-704”, the dealer is required to show the details which he has filled in Annex. J-1 of the return or e-704. Dealer should take care that this amount is correctly entered.
- The dealers who has already filed Supplementary J-1, should enter in Box No. 3 under the head “Customer wise Total VAT Sales and Total VAT Tax Shown in Supplementary J-1 and Ledger Confirmation which was already filed before this Annexure”, Total Taxable Amount and Total Tax Amount, as already shown in Supplementary Annexure J-1. Moreover, if the dealer has already given Physical Ledger Confirmation, then he is required to enter Total Taxable Amount and Tax Amount in Box No. 3 which should match as per the Physical Ledger Confirmation given by him.
- The amount shown against the head “Balance customer wise VAT Sales and VAT Tax (Eligible for filing of Ledger Confirmation)” is only eligible for Ledger Confirmation.
- Invoice-wise Ledger Confirmation Details:
 - (i) Invoice Number is mandatory. Alpha-numerical Invoice No. is accepted.
 - (ii) Date of invoice should be within the Financial Year only. The Invoice Date should be in DD/MM/YYYY format only.
 - (iii) Enter correct 11-digit TIN of the purchaser with suffix “V”.
 - (iv) Net Taxable Amount as per Invoice: Enter Net Taxable Amount as per sale invoice. This amount should be round figures only.
 - (v) Net Tax Collected Separately as per Invoice: Enter Net Tax Collected Separately as per Sale Invoice. This amount should be round figures only.
 - (vi) The Net Taxable value as per Box No. 4 under the head “Balance Customer wise VAT Sales and VAT Tax” should be greater than Gross Total of Net Taxable value in the Invoice-wise Ledger Confirmation Details.
 - (vii) The value of Net Tax Collected Separately as per Box No. 4 under the head “Balance Customer wise VAT Sales and VAT Tax” should be greater than Gross Total of Net Tax Collected Separately value in the Invoice-wise Ledger Confirmation Details.
 - (viii) After all the mandatory and relevant information is filled in the Ledger Confirmation Details sheet, click on the “Validate” button. If the template is error-free then .txt file will be created on the Desk Top. **It is to be noted that this .txt file should not be opened or renamed for what so**

ever reason. If it is opened or renamed, then such opened or renamed .txt file will not be uploaded.

5. Procedure for uploading and submitting file on the System.

- Log in to the Departmental portal <https://mahagst.gov.in> using login credentials. New window will be populated.
- Click on the tile with name 'Ledger Confirmation Utility'. Two links will be populated.
 - Upload Ledger Confirmation
 - View Historical Ledger Confirmation

i) Upload Ledger Confirmation: -

- a. Click on the link 'Upload Ledger Confirmation'
- b. New Window named "Upload Form" will be populated. Click on "Upload Form"
- c. Select Financial Year from the drop-down menu. Financial Year of the .txt file already created should be same as selected from drop-down menu.
- d. Click on "Browse". To attach the file, select .txt file already created on the Desk Top.
- e. Please check the populated message regarding the correctness of the .txt file created on the Desk Top. If the file is correct then click on "Close" to close the pop-up.
- f. Press "Upload File". After that New Window is populated. Here following message is populated:
"Your file is successfully uploaded"
- g. Acknowledgement can be downloaded in pdf format on clicking the link "Click here to download Acknowledgement"

ii) View Historical Confirmation: -

- a. Click on "View Historical Ledger Confirmation" link.
- b. New Window named "View Form" will be populated.
- c. Select Financial Year from the drop-down menu of which the dealer wants to download the Ledger Confirmation which he has already uploaded through this Utility. Click on "Search Transaction".
- d. List of all the Ledger Confirmations which he has uploaded for that Financial Year will be displayed on the screen.
- e. Dealer can download Ledger Confirmation by clicking on Transaction ID displayed in blue fonts. The pdf file of the Ledger Confirmation will be available for download.

D. Instructions for Tax Officers: -

1. Online Ledger Confirmation Submitted by dealers will be available on SAP portal to Assessing Authorities. To view Online Ledger Confirmation uploaded by the dealer, Tax Officer has to follow below mentioned steps:
 - Login to SAP NET WEAVER using log-in credentials.
 - Click on 'Ledger Confirmation Tile'. (On clicking Ledger Confirmation Tile, a new window will be opened)
 - Enter TIN of selling dealer who have filed online Ledger Confirmation by using Ledger Confirmation Utility.
 - Select Financial Year from the drop-down menu (Financial Year is Financial Year covering period/periods for which Ledger Confirmation/s is/are submitted).
 - After selecting Financial Year, click on 'Search Transaction' tab.
 - A list of all Ledger Confirmation submitted by the dealer the selected Financial Year will be displayed on the screen. All Ledger Confirmation are given Unique Transaction IDs and date of submission is displayed next to the Transaction ID.
 - To view/download a Ledger Confirmation, click on the Transaction ID. On clicking Transaction ID, a new window displaying PDF of the Ledger Confirmation will be opened. This PDF can be downloaded by clicking on '↓' (down arrow) button in the PDF View screen.
2. Every Assessing Authority should confirm whether all the return/s and Form-704 (for e-704 eligible dealers), is/are submitted or not before allowing any claims made in Ledger Confirmation of corresponding periods.
3. If dealer has submitted Online Ledger Confirmation but fails to file Return/s or e-704 (in case of 704 eligible dealers) for the corresponding period, Assessing Authority are empowered to decide upon the claims of ITC as per provision of section 48(5) of MVAT Act.

- E. Instructions of Physical Ledger Confirmation which were laid down in the previous Trade Circulars/Internal Circulars are withdrawn by virtue of this Trade Circular. All Ledger Confirmation are required to be filed online through Ledger Confirmation Utility only.**

F. Appellate Authority:

Where the Dealer has filed an Appeal for disallowance of Set-off and in such case, if the dealer has submitted Physical Ledger Confirmation, the Appellate Authority may require the dealer to submit Ledger Confirmation online through Ledger Confirmation Utility before considering any ITC claim in such Appeal. In the absence of online Ledger Confirmation, no ITC claims may be allowed.

G. This Trade Circular is clarificatory in nature and hence cannot be made use of interpretation of provisions of the law. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Office of Commissioner of Sales Tax, Maharashtra State.

Yours truly,



Rajiv Jalota

Commissioner of State Tax,
Maharashtra State, Mumbai

No: ACST/VAT-3/Ledger Confirmation Utility/New Automation/2018-19/B- 1273 Mumbai, Dt 21/09/2018

Trade Circular No: 24 T of 2018

Copy forwarded for information and necessary action to:

- 1) The Joint Commissioner of State Tax, Mahavikas with a request to upload this Trade Circular on the website of the Department <https://mahagst.gov.in>
- 2) Deputy Secretary, Finance Department, Mantralaya, Mumbai.
- 3) Accounts Officer. Sales Tax Revenue Audit, Mumbai and Nagpur.



(C. M. Kamble)

Additional Commissioner of State Tax
VAT-3, Mumbai