

Office of the
Commissioner of Sales Tax,
8th Floor, Vikrikar Bhavan,
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TRADE CIRCULAR

To,

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No. MAHAVIKAS/ADIC/New Automation/B- 546 Date: 26/8/2016

Trade Cir. No. 22 T of 2016

Subject : Return filing in new automation processes and changes in procedures.

Ref. : Trade Circular No 7 T of 2016 Dated 25th February 2016

(A) BACKGROUND:

- The process of submission returns for the period starting from Apr 2016 was put on hold because of certain technical problems. However, the dealers were required to pay tax due for a particular return periods on or before the dates prescribed under the provisions of law.
- You may recall that on 25th February 2016 the Maharashtra Sales Tax Department (hereinafter referred to as "MSTD") had issued a Trade Circular No 7 T of 2016 which explains the new automation process of filing of returns for the periods from Apr 2016. The said process of filing of returns will be operational with effect from 29th August 2016 with certain modifications.
- The new return filing process envisages preparation of invoice-wise sales and purchase annexure. For this dealer is required to visit to MSTD Web-site and download the return template form. The new process of filing of returns for the periods starting from Apr 2016 is being explained in the latter part of this Trade Circular.

(B) STEPS IN PREPARATION AND FILING OF RETURN: The process flow of the steps involved in the preparation of Return form, it's validation, submission is given below:

- Download Annexure Template from MSTD website www.mahavat.gov.in;
- Save aforesaid Template on Desktop with <TIN _Period>;
- Fill up the Header;
- Prepare Sales and Purchases Annexure;
- Validate annexures;
- Manual input in excel Return;
- Validate excel Return and create .txt file for uploading;
- Go to the Login Page: Use Login Id and Password;
- Upload the .txt file;
- Make Payment, if any.

1. Downloading of Return Template:

(1) The dealers will be required to download "Return Form Bundle Template". Follow the path given below:

- go to MSTD Web-site www.mahavat.gov.in
 - go to "Dealer Services"
 - Click on "New automation"
 - click on "Return"
- You will be redirected to new home page,
- Click on "Download"
 - Click on "Return"
 - Click on "Return Template"

(2) Return Form Bundle Template is an Excel based utility and contains Six sheets i.e. Header, Sales Annexure, Purchase Annexure, Validate, Messages and Rough Sheet.

(3) This Workbook also consists of Return Forms Viz., Form-231, 232, 233, 234, 235 and CST return Form III(E). At subsequent stage appropriate Form(s) will get auto populated. This is explained in the latter part of this Trade Circular.

2. General Instructions:

(1) After downloading of "Return Form Bundle Template" fill the information in Header Sheet. This is basic information i.e. R.C.

- Number (TIN), Name of the dealer, Return Type, Return Period, Name of the Authorized person, Designation and e-mail id.
- (2) Please read the instructions given at the bottom of the Header.
 - (3) **User should make sure that the date format is DD/MM/YYYY. The system will not accept any other date format hence this needs to be changed to format stated above.**
 - (4) As explained above dealer will be required to download the latest version of return template. **Presently version 1.0.000 is made available on website. Only this version of the Return Template require to be used.**
 - (5) It should be kept in mind that now, **dealer is not required** to file the Sales Annexure (J1) and Purchases Annexure (J2) as was being done earlier.
 - (6) Instead New Return Template stated above should be used. This template consists of Sales and Purchase Annexure and returns in Form 231, Form 232, Form 233, Form 234, Form 235 and CST Form III (E).
 - (7) It should also be noted that single Return Template be used for filing of all type of returns [231, 232, 233, 234 and 235] under MVAT Act and CST Act. Return will be auto generated from the template and filling up return form separately is not required.
 - (8) All Dealers are required to file Sales-Purchase annexures. However, dealers who have opted for the Composition Scheme and required to file return in Form 232 (as the entire turnover under is under composition Scheme) are required to file purchase annexure only. Such Composition dealers should not file Sales annexure.
 - (9) On the basis of Sales register, Purchase register and relevant books of account, dealer shall prepare Sales and Purchase annexure. He can also use functionalities of copy and paste special.
 - (10) No negative value shall be accepted in annexure. The decimal Values shall be accepted and those shall be rounded off in Excel return.

- (11) The details provided in the Header sheet such as TIN, Name of the dealer, return period etc. should not be filled in the in annexure. It will get auto populated after validation of sales and purchase annexure.
- (12) Dealer shall not use comma while entering the values in sales, purchase annexure and excel return.

3. Filing of information in the Return Template:

(1) Filling of Information in Header:

- (a) This is the sequentially FIRST Sheet. Please fill the R.C. Number (TIN) under MVAT Act as well as under Central Sales Tax Act (hereinafter referred to as "CST Act") with 'V' and 'C' suffix respectively. Also fill Name of dealer, Return period, Return Type, Financial year etc. appropriately.
- (b) Each filed in the Header is mandatory. Please provide information about Name of the Authorized signatory, e-mail id as also the Mobile Number.

(2) Filling of Information in Sales and Purchase Annexure:

- (a) After filling the information in Header Sheet the dealers will be required to fill **INVOICE-WISE DETAILS** in the Sales and Purchase Annexures. These Annexures are integrated with the returns which will get auto-populated after pressing validate button.
- (b) A provision has been made to mention the transaction type of each invoice Viz., the Sales to registered dealer, Sales to unregistered dealer/consumer, branch transfer/consignment sales, sales under composition, works contract sales, on-going works contract and lease, deduction of sub-contractor/principal contractor, exempted sales under package scheme of incentives, goods return and reduction of price due to rate difference or discount, inter-state transactions etc.. Each transaction stated above is assigned a specific transaction code.

- (c) The requisite information be filled in the appropriate column. The dealer is required to select appropriate Return form type from the drop-down menu against each invoice.
- (d) On the basis of the data filled in the Sales and Purchase Annexure, excel template of applicable return form will get auto prepared. Barring few fields in the return, most of the fields will get auto populated. However, the dealer will be required to fill certain information manually like break-up of tax rate wise details of sales and purchase, denial or reduction of set-off etc.
- (e) In Sales and Purchase annexures **requisite validations, comments, formulas, help, return list, transaction code and transaction descriptions** are provided till 28th row of the Excel Sheet. Thereafter as per the requirement i.e. number of invoices to be entered in annexure, the dealer is required to select the 28th row and drag it down till the desired level of invoice volume (for additional rows) is reached.
- (f) For ready reference a “**Rough-Sheet**” is provided which contains the requisite **Transaction Codes**.
- (g) The necessary validations will take place in a sequential manner i.e. Header -> Sales Annexure -> Purchase Annexure.
- (h) He shall click on “Refresh” button provided in the “Validate” sheet before editing the “Sales and Purchase annexure” sheets.
- (i) Formulas in column M, N & O of “Sales and Purchase annexure” sheets will not appear after validation of the sales and purchases annexure.
- (j) Values of goods return pertaining to tax paid separately and inclusive of tax are shown in “Rough-Sheet” for reference.
- (k) Dealer shall not validate annexure when “Filter” is applied in Sales and Purchase annexures, to avoid erroneous summarization of data in .txt file.

(1) Help for preparation of annexure is made available on the website-

- go to www.mahavat.gov.in
- go to "Dealer Services"
- click on "New automation"
- click on "Return"

You will be redirected to new home page,

- click on "Download"
- click on "Return"

Select form you are required to file, for example 231_CST

- click on "USER GUIDE" and then "Combination of Transactions"

(3) Validation of Annexure and errors:

(a) After filling information in Header, Sales and Purchase Annexure go to the Validate sheet. Press the button "Validate and Preview return". The messages sheet will display messages about errors, if any.

(b) If the information is filled incorrectly errors may generally appear, if,-

- Correct TIN is not provided.
- Date format or date is incorrect, ~~date is not within the period of annexure~~ or future date is provided.
- Invoice number format is incorrect, having space or special characters other than (/) or (-).
- Amount is shown in the column in which it is not allowed as per truncation code.
- Wrong transaction code is selected.
- Form is selected which is not selected in header sheet.

(c) In order to make this error free necessary changes should be made in the Header, sales and purchase annexure. To edit, please press the refresh button.

(4) Information in the Excel Return:

- (a) Appropriate “Excel Return” form will get auto populated after pressing the “Validate and Preview Return” button.
- (b) If there is no Sales and Purchases and hence the Sales and Purchase Annexure are kept blank under such circumstances dealer is not required to fill any information in the Excel Return. It should be left blank.
- (c) In the Excel Return so populated the dealer should provide information in the appropriate return Table related to tax rate wise break-up of taxable sales and purchases. As also the values of the retention or denial of set-off, amount, tax paid in advance and any admissible credit.
- (d) It should be noted that dealer should not enter decimal figures. All the figures shall be rounded off to the nearest rupee.
- (e) Fields which shall get auto populated in “**PDF Return**” are required to be entered manually in “**Excel Return**” for validation and accurate arithmetical calculation.

(5) How to claim (enter) Goods Return claim in the Auto populated Excel Return :-

- (a) It should be noted that the value of goods return of tax collected separately and inclusive of tax sales is to be shown in the auto populated Excel Return in the Table where Tax rate wise breakup is to be provided.
- (b) The summarized auto populated value in goods return column may comprise the following values from Sales Annexure or Purchase annexure:
 - Tax Free Sales,
 - Exempted Sales u/s.41 & 8,
 - Labour Charges,
 - Other Charges;

Excluding the following values:

- Taxable turnover with tax collected separately,

- Inclusive of tax Sales,
- Taxable Value or Value of Composition u/s 42(3), (3A) [Net and Tax]
- Value of Composition u/s 42(1) and (2).

(c) The value of "goods return" is made available in "Rough Sheet" for reference.

(d) **It may also be noted that the method of claiming goods return in VAT form does not apply to method of claiming goods return in CST Form III-E.**

(e) **Help for goods return scenarios is made available on the website-**

- go to www.mahavat.gov.in
- go to "Dealer Services"
- click on "New automation"
- click on "Return"

You will be redirected to new home page,

- click on "Download"
- click on "Return"

Select form you are required to file, for example 231_CST

- click on "Goods return Scenarios" and "Return instructions"

4. Non admissibility of Set-off under rule 52A, 52B and 53 (11):

- (a) As per the provisions of MVAT Act the dealer is normally entitled to claim set-off in the month in which purchases are made and entries are taken in the books of account. However, this entitlement is subject to the provisions of Rules related to set-off claim.
- (b) There are certain provisions in MVAT Rules like 52A, 52B and 53(11), where the dealer is entitled to claim set-off in the month when the goods are actually sold or leased.
- (c) In other words if the goods are not sold in the Month in which they are purchased then in that month dealer is not entitled to claim set-off in respect of said purchases.

- (d) However, in certain circumstances, it may happen that the goods cannot be sold or leased in the Month in which they are purchased or during the same periodicity of return. Therefore, set-off in respect of such purchases dealer is not eligible to claim set-off in the same period.
- (e) To mitigate this issue it is administratively provided that dealer should claim such set-off in the month of purchase but refund of such amount should not be claimed. As an administrative measure dealer will be allowed to carry forward such excess credit to subsequent return.
- (f) In the subsequent period of return if dealer sales such goods, on which he has already claimed excess credit, then he shall surrender the credit relevant to the purchases which are not resold in the said return period.
- (g) Dealer shall surrender the excess credit in appropriate return field.

5. Excess Credit brought forward from previous return:

- (a) To obtain accurate arithmetical value in **"PDF Return"**, dealer shall enter accurate value in excel return.
- (b) The value of excess credit will get auto populated in **"PDF Return"** from the return period of May 2016.
- (c) Excess credit brought forward should be equal to the amount of excess credit shown carried forward in the previous return.
- (d) If the dealer is filing 231 and 234, the excess credit brought forward shall be shown in form 234, irrespective of the fact that the amount of excess carried forward in the previous return is shown in Form 231.

6. Effective Tax Rate field:-

- (a) The dealer shall enter the taxable turnover against the appropriate tax rate.

(b) To cater the requirements of following scenarios, in the Excel Return so auto populated, extra two rows have been provided in 'Rate of Tax' column–

- i. if the number of rows with dropdown list of scheduled tax rates do not suffice then in such case the net turnover of different tax rates can be clubbed together and the respective average effective tax rate may be entered in these two rows. This can be used for “goods return” also. Or
- ii. for liquor dealers where the tax may be levied on MRP whereas “sale price” is different, then the effective tax rate may be entered.

7. Payment with return:-

- (a) The dates for filing of returns for the period April to August 2016 are already over. The dealers should have already paid taxes due as per these returns within the prescribed time period. Accordingly while filing returns for the aforesaid periods the dealer shall mention the amount of tax paid in appropriate field of the return they file.
- (b) If as a result of filing of return for abovementioned period additional amount of tax becomes payable then the dealer shall be required to make payment of additional tax alongwith due interest.
- (c) Once dealer uploads .txt file, he will see the acknowledgement of having filed the return on the screen.
- (d) Proceed to pay button on this screen shall not be active till the new functionality of e-payment is brought into force.
- (e) The dealer shall make the payment of tax and interest, wherever applicable by logging in to the website www.mahavat.gov.in and should use the existing (Old) system of tax payment.
- (f) The dealer who obtained registration on or after 25th May 2016 on new portal shall have to make payment by using State Bank of India or IDBI Bank internet banking till the new functionality of e-payment is brought into force.

- (g) As and when the new payment functionality is developed dealer should use Proceed to pay button, to make the payment by following method.

Steps for making payment of tax with return:

- Step 1: Log in to the MSTD Portal & Click "Payment" link.
- Step 2: Enter TIN (Without "V" or "C").
- Step 3: Select Type of Act, Form-ID, Periodicity, Location, Amount etc. & click "Proceed for Payment" button.
- Step 4: Dealer will be diverted to "Payment Gateway" page which will Display option to select "Payment Gateway", "Banks supported by Gateways", "Gateway payment Charges" etc. Then click "Proceed" button.
- Step 5: Draft Challan having watermark will be displayed. Click "Make Payment" button.
- Step 6: Dealer will be diverted to selected "Gateway" for making e-payment. Payment summary will be displayed on "Gateway". Select the "Bank" from the dropdown & click "Proceed for Payment" button.
- Step 7: Dealer will be diverted to Banks website for making e-payment.
- Step 8: Dealer will get acknowledgment from MSTD website after a successful payment.

- 8. Acknowledgment:** Dealer will receive the return PDF format in due course. It is advised to download "Receipt of Return" after submission of return.

9. Log in process: For the dealers registered before 25th May 2016.

- Visit MSTD website <http://www.mahavat.gov.in>
 - Click on "e-Return" under "e-services"
 - Enter login credentials –
 - Click on "e-services"
 - Click on "Return for the period of 2016-17"
- You will redirected to new page,
- Click on "Return" tab
 - Click on "Return Filing"
 - Click on "Periodic Return" tab
 - Select appropriate Act from the dropdown list

- Click on "Next" button
- Select "Yes" button
- Click on "Browse" button and select the txt file generated on the desktop.
- Click on "OK" button
- Click on "Upload File"

10. Log in process: for the dealers registered on or after 25th May 2016.

- Visit MSTD website <http://www.mahavat.gov.in>
- go to "Dealer Services"
- **Click on "New automation"**
- click on "Return"

You will be redirected to new home page,

- **Click on "Existing User? Login"**
- Click on "Return" tab
- Click on "Return Filing"
- Click on "Periodic Return" tab
- Select appropriate Act from the dropdown list
- Click on "Next" button
- Select "Yes" button
- Click on "Browse" button and select the txt file generated on the desktop.
- Click on "OK" button
- Click on "Upload File"

- (1) **Disallowance of Un-confirmed ITC:** The facility of viewing the ITC may be made available after 30th September, 2016.
- (2) Accordingly the float of ITC will be available to the dealer until further notice.

11. Filing of revised return:

- (a) A dealer will be able to file revised returns. However, he will be required to revise the annexures which he has already uploaded with original return.
- (b) The revised returns will be prepared on the basis of these revised annexures and will be subjected to specific validations. **The revised annexures shall replace the original annexures completely and also the original return filed by the dealer.**

12. Mandatory payment of Late Fee before filing delayed return:

- (a) Any dealer who fails to submit the return within the extended time limit provided in the TABLE below will be required to pay first the applicable Late fee.
- (b) The system will accept the return only on the payment of the requisite late fee. The extended time period for uploading of return is given in the TABLE below:

Schedule for filing of returns for the periods from April 2016:

Monthly returns:

Month	Start Date	Extended Date for uploading
April 2016	29/08/2016	26/09/2016
May 2016	06/09/2016	05/10/2016
June 2016	12/09/2016	11/10/2016
July 2016	16/09/2016	15/10/2016
August 2016	20/09/2016	20/10/2016
Sept 2016	26/09/2016	25/10/2016

Quarterly returns:

Quarter	Start Date	Last Date for uploading
April-June 2016	26/10/2016	30/11/2016
July-Sept 2016	26/11/2016	31/12/2016

13. Interest u/s 30(2):

- (a) The dealers are required to make payment of taxes due for a return period within 21 days from the end of applicable return period.
- (b) The dealers who have delayed their tax payments shall be required to admit this interest in relevant return and pay the same as per the provisions of law.

14. Help Desks:-

- (a) Dealers are requested to use the Instructions and User Guides to resolve basic problems experiencing with the new return filing process.

(b) If your issue is more detailed and has not been covered in the Instructions and User Guides, please refer the FAQs.

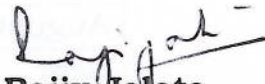
For help--

- visit to www.mahavat.gov.in
- go to "Dealer Services"
- click on "New automation"
- click on "Return"

You will redirected to new home page,

- click on "Download"
- click on "Return"

(c) If you need assistance with any of the steps of return filing process, or you cannot resolve your issue, please contact your Nodal Officer or Help Desk for further assistance. List of the nodal officers and help desk officer is available in help.


Rajiv Jalota

**Commissioner of Sales Tax,
Maharashtra**

Project Director/ADIC/New Automation/B- 546 Dt 26-08-2016

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(H. X. Nikam)
**Joint Commissioner of Sales Tax
(MAHAVIKAS)**