

E-FILING UNDER MVAT ACT

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WIRC of ICAI Jointly with J. B. Nagar CPE Study Circle of
WIRC

E Filing under MVAT Laws

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- E Registration
- E Enrolment
- E Payment
- E Return *(submission of Annexures)*
- E MVAT TDS Return
- E MVAT Audit Report in Form 704
- E Annexures
- E CST Declaration Forms *(New Procedure)*
- E Refund Applications

E Registration

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- PAN, location, name of business, name of applicant, status of applicant and Act
- Click Next
- Request Id generated
- Fill up the E MVAT and E CST Registration Form
- Uploaded the same after verification
- Acknowledgment generated
- Print MVAT and CST e-registration form
- Submission of Document and TIN Allotment

E Registration

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- Mr. A, while filing the application form for MVAT registration, has wrongly entered the details of the name of the business. Is there any solution or remedy to correct the error?
- M/s. Chintu and Co. has mentioned 5 commodities in the application form. But in the Registration Certificate issued by the department, commodities are not reflected. What should the applicant do?
- Whether can Mrs. Babita Thakur obtain MVAT and CST registration on the basis of Savings Account?
- Mr. Chintamani a builder wants to opt for 1% composition under MVAT registration. Whether there is any option in Form 101 to that effect?

E Registration

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- Mr. Z (trader in Iron and Steel) applied for MVAT and CST registration on 03rd April, 2013. The officer verified his documents on 15th April, 2013. He had some doubts and made a visit to his place of business on 04th May, 2013. After being satisfied, he issued RC on 13th June, 2013. What should be the date of effect of TIN Certificate?
- What if introductory is a Hawala Dealer or a dealer whose TIN is cancelled?
- In case of Turnover based registration what if purchase is from Hawala Dealer or a dealer whose TIN is cancelled?
- Whether Pre Visit is Mandatory for all registration?

E Registration

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- Mr. Bechara had applied for MVAT and CST registration on 27th March 2014. The officer verified his documents on 28th March, 2014. Mr. Bechara is having savings account and officer is asking for current account for issuing MVAT and CST Registration. On inquiry with the Bank for opening Current Account the bank is asking for MVAT and CST Registration Certificate. What is the remedy?

E Enrolment (Circular 4T of 2009)

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- The enrolment for e-services is one time activity.
- It is mandatory to get enrolled for enjoying other e services like:
 - E Return
 - E Declaration
 - E Form 704 etc
- Login ID (TIN 11 Digit No without suffix) and Password (dealers option)
- Acknowledgment is generated once the dealer is enrolled.
- Duly signed and stamped copy of Acknowledgment needs to be submitted with the Department.

Periodicity for filing of Payment / Return

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- Based on Tax Liability or Refund Entitlement for the previous year
- Previous year for Monthly filer means March to Feb and not April to March.
- Department had further clarified in its circular that in case any return is not filed, tax liability or refund entitlement is worked out applying the average to the default period return.
- As per Department for ease and convenience of the dealer, the periodicity is generated through the automated system and displayed on the website.
- As per Circular 19T of 2010 if a dealer is aggrieved by the periodicity determined and published on the website, he may contact Jt Comm of Sales Tax (Returns).

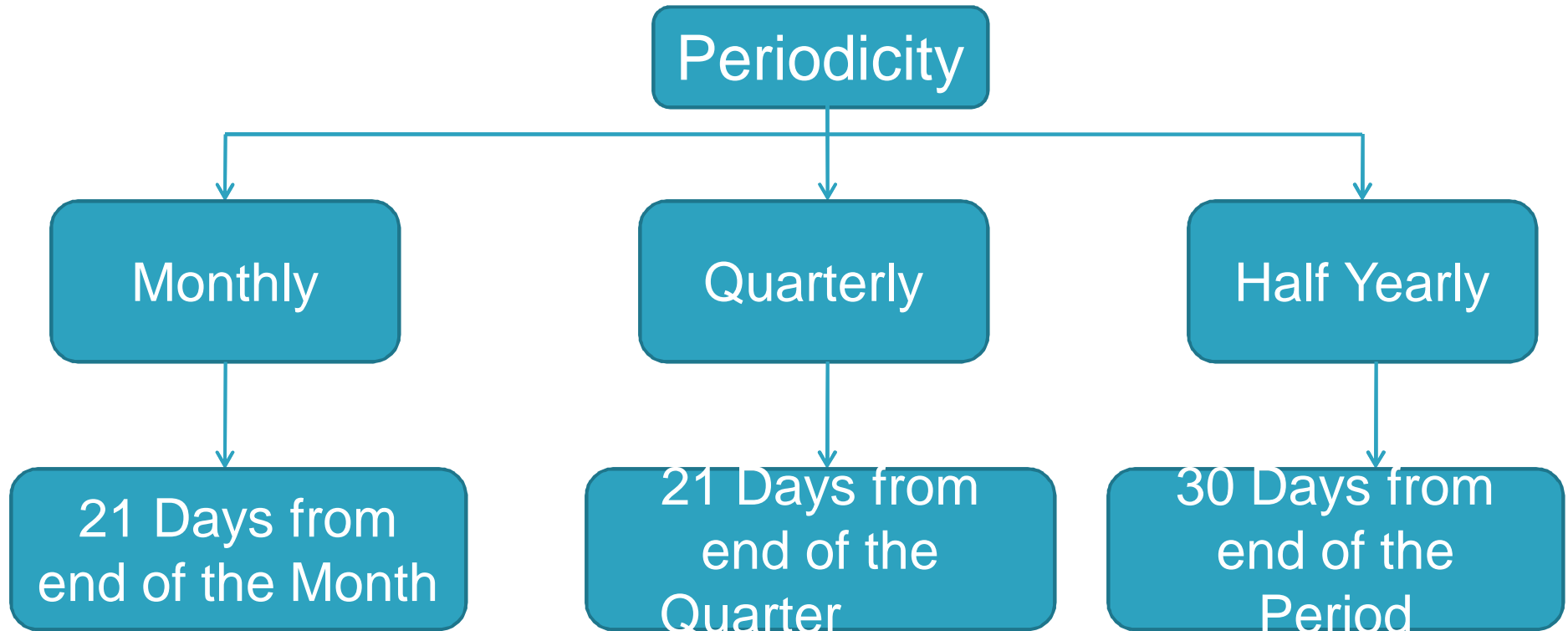
Periodicity for filing of Payment / Return

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- Vide Notification No. VAT. 1511/CR-84/Taxation-1, dt. 13/09/2011 Rule 17(4)(e) was added, which mentions:
 - Commissioner may determine the periodicity of filing returns for every year.
 - the periodicity so determined shall be final and be displayed on the website of the Sales Tax Department.
- Dealers Service --- Know your TIN

E Payment

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E Payment is now Mandatory for all dealers

MTR 6 Challan

E Payment

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- Relief to Half yearly dealers (SBI Letter No. GBD/SCC/974)
- Extract of the said letter:
 - ▣ Collect MVAT & CST from six monthly dealers
 - Cash or
 - Transfer
 - ▣ Make Remittance to Government
 - ▣ Facility for all Six Monthly dealers irrespective of whether they maintain an account with SBI or not.

E Payment

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- Remedy against the following mistakes while making e payment:
 - Mentioning of Wrong TIN
 - Selection of Wrong Period
 - Selection of Wrong Act

(Circular 7T of 2013)

- In which form appeal fees under BST Act should be paid?

- M/s. Manual Trading Corporation have approached their bankers to make e payment for the Half year Ended 30th September 2013, the bank debits amount in their bank account on 30th October 2013. The challan towards e payment is made available by bank on 03rd November 2013 which mentions the date of payment as 01st November 2013. Whether the e payment could be considered as made in time?

E Filing of Return

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□ Types of Return:

□ MVAT Return:

- **Form 231: Residual Category (Dealers other than those liable to file Form 232 to 235)**
- Form 232: Dealers whose entire Turnover is under Composition other than works contract dealer
- **Form 233: Works Contract dealers, Leasing, Dealers opting for composition for part of the business**
- Form 234: PSI dealers holding certificate of Entitlement
- Form 235: Notified Oil Companies & Motor Spirit Dealer

□ CST Return: Form III-E

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E Filing of Return

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❑ Due Date for E filing of Return:

❑ If periodicity is Monthly or Quarterly:

- Taxes paid in time i.e., within 21 days from the end of the period:
 - No – within 21 days from the end of the period.
 - Yes – extension of 10 days from the due date of payment.

❑ If periodicity is Half yearly:

- Taxes paid in time i.e., within 30 days from the end of the period:
 - No – within 30 days from the end of the period.
 - Yes – extension of 10 days from the due date of payment

E Filing of Return

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- M/s. Multi Trade Corporation is a manufacturer of Industrial Inputs Goods. They are registered in the state of Maharashtra as well as in the state of Karnataka. During the month of January 2014 stock is transferred of Rs. 5,00,000/- from Bengaluru to Mumbai; Mumbai Depot accepted the goods which is subject to verification / checking. In the month of February 2014, Branch Mumbai Depot accepts goods worth Rs. 4,00,000/- out of Rs. 500,000/- and balance goods worth Rs. 1,00,000/- are returned to Bengaluru in the month of February 2014.

The Mumbai Depot of M/s. Multi Trade Corporation has filed sales tax returns for the month of January 2014 wherein they have shown branch transfer of Rs. 5,00,000/- now they seeks you advice on how to reflect Rs. 1,00,000/- which is returned to branch in the month of February 2014?

E Filing of Return

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- M/s. Empty Containers is having NIL turnover during the half year ended 30th September 2013. What will be the due date for E filing Sales Tax Return? (Circular 15T of 2009)

- M/s. Local Sales Corporation is a registered dealer under the MVAT Act as well as CST Act. Whether they are required to E file their CST Return under the following situation and if yes for which period presuming they are having quarterly periodicity:
 - There are No Interstate Sales during the year
 - There are interstate sales only in Jan to March Quarter
 - There are interstate sales only in Oct to Dec Quarter
(Circular No CST-1081/1497/19/Adm-3 dt. 14.04.1981)

E Filing of Return

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- After conducting the MVAT Audit of M/s. Alka Creations, the following is the summary of MVAT liability

Quarter	MVAT Liability
April to June 2013	1,00,000
July to September 2013	50,000
October to December 2013	(1,00,000)
January to March 2014	(1,50,000)
Total (Net Refund)	(1,00,000)

Whether M/s. Alka Creations is required to make payment of Rs. 1,00,000/- and Rs. 50,000/- with interest and claim Rs. 2,50,000 as refund?

E Filing of Return

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- M/s. Raman Sweets has e filed sales tax return but due to some reason was not able to view the acknowledgment of the return filed and accordingly couldn't save the same.
 - How can the dealer be sure that the return is e-filed?
 - How could he obtain the acknowledgment of return e-filed?
- M/s. Hurry and Furry is a registered dealer under the MVAT Act and CST Act. Their Sales Tax Returns for the month of January 2014 has excess credit for Rs. 20,000/-. However while filing their sales tax return for the month of February 2014 they in a hurry forget to carry forward such excess credit.

M/s. Hurry and Furry while calculating their MVAT and CST liability for the month of March 2014 came to know such mistake and seeks your advice whether they can take credit of Rs. 10,000/- in March 2014 return? If yes how?

E Filing of Return

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- M/s. Nike Services a registered dealer is engaged in providing pure services as well as pure trading in computer accessories. During the year they are hit by the provision of Rule 53(6). While preparing M/s. Nike Services is not able to validate their returns in case figures of purchases which are liable for reduction are reflected in the reduction rows. What is the remedy?
- M/s. Wizcraft Printers is in the business of printing of cartons. They are registered under the MVAT Act and CST Act. They are raising invoices by charging MVAT @ 5% on the entire bill amount. They have been consistently filing MVAT returns in Form 231. During the month of February 2014 they receive a payment advice from their customer wherein they have deducted MVAT TDS.

As M/s. Wizcraft Printers is filing returns in Form 231 wherein there is no option to claim MVAT TDS they seek your advice on how to claim credit for MVAT TDS deducted?

E Filing of Return

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- Whether in Form 231 (MVAT Return) figure of goods returns to be mentioned should pertain only of:
 - Local Returns
 - Interstate Returns
 - Both Local as well as Interstate Returns

- Where Interstate sales of Tax Free goods should be shown in Sales Tax Return as Sale of Tax Free goods:
 - Form 231
 - Form CST
 - Both in Form 231 and Form CST

E Filing of Return

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- ❑ Whether it is proper if figures of Labour charges Sales are shown in other allowable deductions?
- ❑ Where figures of following Purchases should be reflected in the Sales Tax Return Form 231:
 - ❑ Local Purchases against H Form
 - ❑ Interstate Purchases against H Form
- ❑ Where would you reflect figures for purchase of tax free goods which are purchased from a dealer who is not registered under the MVAT Act:
 - ❑ Unregistered Dealer Purchase
 - ❑ Tax Free Goods

E Filing of Return

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- ❑ Periodicity Determination is automatic as per returns filed, how would the periodicity be determined in case the dealer has not filed sales tax return for a particular period? (Circular 19T of 2010)
- ❑ While filing Sales Tax Returns whether service tax charged on Labour charges sales bill should be included in Labour charges or should be shown in other deductions?

E Filing of Return

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Form Type	Occasion
Original	When return is filed for the 1 st time.
Fresh	Return filed pursuant to receipt of notice in Form 212 from the Department.
20(4)(a)	Dealer voluntarily revises return
20(4)(b)	Dealer files revised return in accordance with MVAT Audit Report
20(4)(c)	Return filed pursuant to receipt of intimation u/s 63 from the Department.

E Filing of Return

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Revised Returns

Particulars	Wef 01 st May 2011	Period of Filing of Revise Return
(a) No. of times a dealer can revise return on his own	One	10 months from the end of the year
(b) No. of times a dealer can revise return as a result of Audit u/s. 61	One	Before the expiry of 30 days from the due date of Audit SINGLE REVISE RETURN
(c) No. of times a dealer can revise return as a result of audit or any proceeding by department	One	Within 30 days from the date of service SINGLE REVISE RETURN

E Filing of FIRST Return

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- Registration not applied in Time:
 - Return for URD Period:
 - 1st Return of URD Period: From the date of event to the end of quarter.
 - Thereafter quarterly till the quarter immediately before the quarter containing the date of registration.
 - Last Return of URD Period: 01st day of the quarter containing the date of registration till the day before the date of registration.
 - Return for RD Period*:
 - 1st Return of RD Period: from the date of registration to the end of the quarter containing the date of registration
 - Thereafter quarterly for that year.
- Registration applied in time: Same as Return for RD period*

E Filing of FIRST Return

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- ❑ M/s. Bol Bachan Corporation became liable for registration on 01st June 2013, however they got registered on 05th November 2013. How many returns and period of returns that need to be filed?

E Filing of LAST Return

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- For Non Audit cases:
 - ▣ Last return along with E - Annexure by 30th June (earlier 90 days was mentioned i.e., 29th June)

- For Audit cases:
 - ▣ Last return period upto the date of discontinuance / disposal / transfer to be filed as per the due date for filing of returns discussed earlier.

Submission of Annexures with Return

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- Need
- From 01st April 2014
- Annexure J1: Dealer-wise Sales
- Annexure J2: Dealer-wise Purchases
- Chronology of tax payment, filing of annexures and return filing
- Revise Return and Revise Annexures

Submission of Annexures with Return

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- Annual filing of Annexures to continue
- Last Return for the year for Non Audit Dealer:
 - Annexures for last period &
 - E Annexures for Entire year?
- Composition Scheme namely, Retailers, Bakers, Second – Hand Motor Vehicles, Restaurants and Developers (who have opted for 1% composition scheme): Upload only Annexure J2
 - What if he is Reseller also?

E Filing of MVAT TDS Return

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- Form 424 (from FY 2012-13 onwards)
- E Filing for Registered as well as Un-Registered Employer
- Form 424 for the FY 2013-14 to be filed by 30th June 2014.
- MVAT TDS Rate:
 - ▣ **2%**, if contractor is **registered** and
 - ▣ **5%**, if contractor is **unregistered**
- TIN / PAN of Contractor

E MVAT Audit Report in Form 704

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- ❑ How to present the details in MVAT Audit Report for Sales in transit cases where two declaration forms are required in the following scenario:
 - ❑ Only C Form Received
 - ❑ Only EI / EII Form Received
 - ❑ Both Received
 - ❑ Nothing Received
- ❑ What would happen if in Annexure K entry is not made from first line itself?
- ❑ Whether Form 704 is getting uploaded where Annexure K is blank in the text file?
- ❑ What to do in case Form 704 is uploaded twice?

E MVAT Audit Report in Form 704

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- ❑ Whether MVAT Audit is required to report non compliance with respect to MVAT TDS?
- ❑ What to do in case a dealer has deducted VAT TDS @ 2% and could not provide a valid TIN till the date of finalization of VAT Audit Report?
- ❑ As per Form 704 details need to be provided in the descending order? Whether it is possible to provide details otherwise than in descending order? If provided otherwise whether the same will be accepted?
- ❑ Whether as a VAT Auditor you should verify from the website of the Sales Tax Department that the TIN of purchases doesn't fall in Suspicious dealer list?

E MVAT Audit Report in Form 704

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- ❑ Whether an active TIN can be reflected in Red font in Form 704? If it does whether any reporting required by the VAT Auditor?
- ❑ Whether purchases from URD needs to be reflected in Annexure J Sec 2
- ❑ What is the difference between the following Rows reflected in Form 704:
 - ❑ Remaining Local transaction total where tax is paid separately not covered above (Net + VAT)
 - ❑ Local Purchases from Non TIN Holders (Net + VAT)
 - ❑ Gross Local Purchases where tax is not paid separately

E MVAT Audit Report in Form 704

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- ❑ Suppose a dealer had made a error of filing returns in say form 233 instead of Form 231. Whether it is essential that a dealer should file revise VAT return? (Circular 26T of 2006)
- ❑ Whether a dealer is required to show purchases which are not eligible for set off (eg purchase of Motor Car) in Annex J Sec 2?
- ❑ Whether VAT Audit is applicable in case the turnover is less than 1 Crore for the FY 2013-14?
- ❑ How entries should be made in Annexure A / B to Form 704 as per challan or what is liable for that period?

E MVAT Audit Report in Form 704

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- ❑ A Builder paying vat under 1% composition scheme who is not eligible for set off should fill up the following:
 - ❑ Annexure J Sec 2 (Supplier wise VAT purchases)
 - ❑ Annexure E (Computation of Set off)
- ❑ Whether figures in Annexure J Section 1 and 2 should be net off returns or gross of returns?

E Annexures

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- ❑ Why E Annexures?
- ❑ Applicable from Last Return for the FY 2011-12 except:
 - ❑ Retailers covered u/s. 42(1)
 - ❑ Baker, Restaurant, Second hand motor dealer u/s. 42(2)
 - ❑ Builders & Developers u/s. 42(3A)
- ❑ E Annexures need to be uploaded first thereafter last return is to be uploaded.
- ❑ The due date for uploading E Annexures for the FY 2013-14 is 30th June 2014.
- ❑ Last Return will contain details of the concerned period only. However E Annexure will contain details for the entire Financial Year.

E Annexures

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- ❑ **Whether E Annexure can be revised?**
 - ❑ No, Letter to JC Return Branch indicating mistake and physical copy of corrected form.

- ❑ **E Annexure include:**
 - ❑ Annexure J Section 1
 - ❑ Annexure J Section 2
 - ❑ Annexure C
 - ❑ Annexure D
 - ❑ Annexure G
 - ❑ Annexure H
 - ❑ Annexure I

E Declarations

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- New Procedure for application made on or after 01st February 2014 - Circular 4T of 2014 dt. 28th Jan 2014.

- Earlier Procedure:
 - ▣ Dealer submits SOR
 - ▣ SOR is processed by Central Repository Officer
 - ▣ If proper, declarations forms are posted

- New Procedure:
 - ▣ Electronically issue of Declaration Form in PDF format.
 - ▣ SOR Changed to contain Invoice vise purchase annexure.

E Declarations

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- ❑ Three separate annexures:
 - Declaration / Certificate Form C and F.
 - Certificate in Form H
 - Declaration / Certificate Form E-I and E-II.

- ❑ Mandatorily contain email address and mobile no

- ❑ Applicant may withdraw the SOR till 6 pm of the day of uploading.

- ❑ Digital declaration in PDF format

- ❑ Suspicious Dealer cannot upload SOR.

E Declarations

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- ❑ 2 SOR's allowed to be uploaded for particular period
- ❑ 3rd SOR can be uploaded after obtaining permission from Additional CST of concerned location.
- ❑ System will check the following things:
 - Applicant has filed all the returns for earlier periods.
 - Turnover as per SOR vis a vis Turnover as per returns
 - Any outstanding dues under MVAT Act, CST Act or any other allied Act administered by the Sales Tax Department.
 - Applicant has filed MVAT Audit Report for all the periods starting from 01st April 2008.
- ❑ SOR allocated to CR officer who is having access to the results of System check as mentioned above

E Declarations

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- CR with the help of MAHAVIKAS will check the following:
 - F Form: Address and TIN of branches are incorporated in RC
 - All CST declarations: Commodity specified in RC

- Kept on Hold and Issuance of Defect Notice:
 - Finds Defect / feels further verification is required - inform via email
 - Applicant should correct defect within 15 days from the date of receipt of email.
 - If not, SOR automatically rejected

- Applicant can withdraw application made under old system and apply afresh under new system

- Six monthly periodicity – at the beginning of the year can change their periodicity to quarterly

E Refund

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- ❑ M/s. Patra Electronics had an excess credit of Rs. 99000/- during the FY 2011-12 which they had carried forward to FY 2012-13. During the FY 2012-13 there is a refund of Rs. 4,50,000/-. Whether they are required to provide details of FY 2011-12 in the MVAT Refund Application Form 501 for the FY 2012-13 in the following annexure:
 - ❑ Annexure A (Transaction wise vat purchases)
 - ❑ Annexure C (Declarations not received)
 - ❑ Annexure D (Declarations received)

- ❑ Whether in Annexure A it is essential that total of net taxable amount and vat amount would tally with Gross Total?

- ❑ Whether in Annexure A bill wise (net and vat) details need to be given of the following:
 - ❑ RD Purchases where VAT is not shown separately
 - ❑ RD Purchases which is not eligible for set off

E Refund

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- ❑ Whether in Annexure A “Other Local Taxable Purchases” details need to be given of the following:
 - ❑ Pure Labour charges
 - ❑ OMS Purchases
 - ❑ Tax Free Purchases
 - ❑ Freight
 - ❑ RD Purchases where VAT is not shown separately

- ❑ Whether in Annexure D (Declarations received) details need to be given of the amount for which declaration form is received or the bill amount (irrespective of the amount of declaration)?



**Opinions or views
are like wrist
watches.**

**Every watch shows
different time from
others.**

**But every one
believes that their
time is right!**



thank
YOU

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