

**FREQUENTLY ASKED QUESTIONS [FAQs] IN RESPECT OF RETURN
FILING IN NEW AUTOMATION SYTEM**

Q.1 **What are the types of return I need to file?**

Ans. There is no change in type of returns. You are required to file the same type of returns which you have been filing until now.

Q.2 **Should I use different annexure for every return form?**

Ans. No, you have to use single annexure template for multiple return forms under VAT Act and CST Act for same periodicity.

Q.3 **Is there any change in procedure for filing of returns?**

Ans. Yes, there is a change in the procedure for filing of returns.

- Download the “Annexure Template” provided on the MSTD website.
- Prepare “Sales and Purchase Annexure” and validate it.
- “Preview Return” gets created with auto population of certain fields.
- Key in the manual data in the preview return.
- After completion, if you agree with the preview return then you are required to create the file and upload it by using log-in id with credentials.
- After uploading the file, a draft return shall be displayed for submission.
- If you are satisfied with the draft return, then submit the return and make the requisite payment.
- Acknowledgement will be generated.

Q.4 **Are there any changes in the format of annexure and return?**

Ans. Sales and purchase annexures are replaced with annexures J1 and J2. In sales and purchase annexures, invoice wise data of sales and

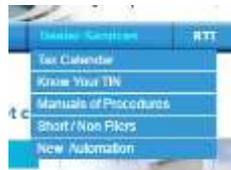
purchase is required to be entered. Copy and paste option is also available to insert the data in sales and purchase annexures.

Return forms are same with addition of few new fields required for auto population.

Q.5 Where can dealer get the template of annexure?

Ans. Annexure template can be downloaded from the website of MSTD www.mahavat.gov.in.

1. Go to Dealer Services



2. Click on New Automation
3. Click on Return



4. You will be redirected to new portal
5. Click on download
6. Click on return

Q.6 Does dealer need to download return form?

Ans. Dealer is not required to download return form as it will be auto populated from sales and purchase annexures.

Q.7 Does dealer need to fill up return form after preparation of annexure?

Ans. Dealer is not required to fill up the entire return form as maximum fields of return shall be auto populated in the preview return itself. The "Preview return" is a facility where the dealer can get a preview of its return which will be auto populated once the sales and purchase annexures are uploaded. The fields which do not get auto

populated from annexures shall be required to fill up manually. The activity of preparation of annexures and preview return shall be off line. If dealer agrees with the figures shown in preview return he may create the file for uploading on web-site. After uploading of such file, a draft return shall be prepared. If dealer is satisfied with this draft return then he has to submit it with payment thereby completing the process of filing of return.

Q.8 Does dealer need to insert the details of payment or RAO (refund adjustment order) in return?

Ans. No, it is not required to key in the details of payment made before filing of return. The details of advance payment or RAO shall be auto populated in the draft return. It will not be shown in the preview return as it is prepared off-line.

Q.9 From which date the new annexure template and return forms format is to be used?

Ans. The New Forms shall be applicable for the periods from 1st April 2016.

Q.10 What does mean transaction code asked in sales and purchase annexure?

Ans. Transaction codes are meant for type of sales or purchase to be shown in the annexure.

- 100 is given for sales to TIN holder
- 200 is given for sales to non-TIN holder
- 10 is given for purchases from TIN holder
- 20 is given for purchases from non-TIN holder

For details please refer guide for filing of annexures.

Q.11 The process seems to be such that a dealer cannot prepare and file his return himself. The Department or to say the system provided by the Department will prepare the Return. Thus,

responsibility of preparing true and correct return is shifting from the dealer to the Department.

Ans. No, the onus of filing correct and complete returns is on the dealers since the “Return” generated is based on the data entered by the dealers in their sales and purchase annexures. The dealer has to prepare sales and purchase annexures and based upon these annexures the preview return is created where there is a provision of manual input. System shall summarize the data from annexures. Fields in the return shall be auto populated from summarized data. The system shall auto populate draft return on the basis of annexure and manual input. Dealer has to verify and confirm the return. If the return is not correct and complete according to dealer then dealer has to modify its annexure or manual input.

Q.12 **Fields in the return are auto populated from the summarization of annexures. If dealer does not agree with the draft return shown by the system, whether Submission of draft return is compulsory?**

Ans. Submission of draft return is not compulsory. Fields in the draft return are auto populated from the summarization of annexures. If dealer does not agree with the draft return shown by the system then he may change the annexures.

Q.13 **Whether all type of dealers are required to file annexure of sales and purchase?**

Ans. Yes, all dealers are required to file annexures of sales and purchase in same manner. Form 232 filer is not required to file sales annexure.

Q.14 **Does dealer require to file sales and purchase annexure for NIL filing of return?**

Ans. Yes, even in case of NIL returns dealer has to file sales and purchase annexure. In such case, dealer has to put “0” (zero) value in the first row of sales and purchase annexure. Select applicable return form type i.e. 231 and transaction type 200. Validate annexure, preview return sheet shall be prepared with zero values. Prepare file for uploading. After uploading draft return shall be displayed with zero values.

Q.15 **Whether annexures are to be submitted in respect of sales and purchases supported with “Tax Invoice” or all sales and purchases including sale/purchase through cash memo, bills are to be reported?**

Ans. All sales and purchase transactions are to be mentioned in sales and purchases annexure.

Each and every transaction of purchase/sale of goods has to be reported in serial order.

Provided that Sales to consumer or URD buyer can be aggregated and Purchases from URD sellers can be aggregated in a single row where invoice numbers and date are not required to be entered.

Q.16 **Why it is necessary to collect information, about all items of sale and purchase, each bill/cash memo wise (other than ‘Tax Invoice’)?**

Ans. As fields in return shall auto populate from sales and purchases annexure, it is necessary to provide all the information in respect of sales and purchases.

Q.17 **Many dealers do not route various expenses (involving purchase of miscellaneous goods) such as printing and stationery, repairs & maintenance, restaurant bills, staff welfare expenses, sundry expenses, etc., through Purchase Register These items are directly debited in respective heads of Profit & Loss A/c, and,**

they do not claim any input tax credit on such items. Whether, it would be compulsory for all the dealers to disclose all such sales and purchases compulsorily through annexures?

Ans. To determine gross turnover of sales or gross turnover of purchases, it is expected that all purchases and sales should be reported in sales and purchase annexure.

Q.18 **Where to show the amount of Exports and Branch Transfer Out in Sales Annexure and Amount of Imports and Branch Transfer In in Purchase Annexure i.e in which column - Taxable Value, Value of Inclusive of Tax or Exempted Sales u/s 41 & 8..**

Ans. **Exports-**

- Should be shown in column “E”

Branch Transfer Out-

- Should be shown in column “E”

Imports-

- Should be shown in column “E”

Branch Transfer In-

- Should be shown in column “E”

For further details, please refer steps for filing of annexures.

Q.19 **In Which Columns to show the amount of Contractor and Sub Contractor deduction i.e. Tax paid by Sub Contractors or Principal Contractors in Sales annexure.**

Ans. Should be shown in column “E”, with the transaction type 480 or, as the case may, 490.

For further details please refer steps for filing of annexures.

Q.20 **What is the maximum time period for the confirmation of Debit Notes and Credit Notes? When unconfirmed Credit Notes and Debit Notes shall reversed?**

Ans. Seller may claim deduction on account of sales return or rate difference or discount in the return. The claim shall be allowed in current return. If the buyer does not confirm such deductions till subsequent return, then those deductions shall be reversed in next return.

Claim of "Purchase Return" does not require any confirmation from seller.

Q.21 **How to present claim of set off under Rule 52(B) i.e. Set off on purchases of Tobacco and Soft drinks /Aerated Beverages. As per Rule 52(B) we have to claim set off on Tobacco and Soft drinks/Aerated Beverages on the basis of actual consumption.**

Ans. Normally set-off is admissible when the purchases are booked in the accounts. According to the provisions u/r 52A and 52B, the set-off is admissible when the goods are actually sold. In some cases it is likely that the goods are not sold in the same periodicity as that of return, therefore set-off on such goods is not admissible. In such cases the dealer should show such set-off in reduction column.

Q.22 **Please explain how to show the purchases of said goods in Purchase Annexure and how to claim the set off of the said purchases in respective folders.**

Ans. Business is an ongoing concern, so in the next return period, it is most likely that the dealer may have the purchases and sales of goods from the stock of purchases of previous period. Now under such circumstances, for this period the dealer has to show deduction of set-off after claiming the set-off on sales which are eligible for set-off.

In certain cases, there might be a situation that dealer may not have any purchases and amount for claim of set-off is not available. For such exceptional scenario, it is advised that the dealer should revise its return of previous period and carry forward the set-off to claim it in the next period. It may happen in case of last return, where the dealer is closing the business or discontinued the purchases.

Q.23 In case of Goods Return figures, please confirm whether negative values can be accepted?

Ans. Negative values shall be accepted in return.

Q.24 In case of Branch Transfer there is no such concept of Goods return under Law and we have to show the same under Stock in from Outside Maharashtra state and issue F Form for the Same but in case of Sales Annex there is provision for Sales Return for Branch Transfer and Credit Note for Branch Transfer also.

Ans. The transaction type “300” is applicable for Branch Transfer/Consignment Sale. In case of Branch Transfer, if goods are returned by branch then it can be sent by branch transfer mode also. In case of consignment sales, dealer has to claim goods return.

Q.25 C forms are issued on the basis of CST Purchases shown in return filed by us. There are chances that the OMS Purchases for the month of June may be return in the month of July or August and that will result in reduction of CST Purchases for the month of July or August. We have to issue C form for full amount of CST Purchases and that will result in mismatch in Form applied for and CST Purchases shown in the Return net of Goods Return. Please clarify how this position will be tackled in the amended form issued by the department for the month of April, 2016 onward.

Ans. C Forms will be issued as per the OMS transactions disclosed in the purchase annexure. If the OMS transaction is not disclosed in a particular quarter, then for such transaction, C form will be issued in the subsequent quarter.

Q.26 **The developers who pay composition tax under section 42(3A) cannot issue tax invoice to the customers. Also the composition tax is calculated @1% of the agreement value or market value of property whichever is higher and e-payment of composition amount is required to be made in the return period in which such agreement is registered.**

Ans. Transaction type for such transaction is 450.

Q.27 **In such scenario how and where can the developer give sales invoice wise information when there is no issuance of sales invoice showing value equivalent to higher of agreement value or market value of property at the time of agreement registration?**

For details please refer steps for filing of annexures.

Q.28 **How and where to show the value and composition VAT amount pertaining to agreement for sale of flat that is cancelled by the customer/s in the subsequent months?**

Ans. It can be shown by way of credit note with transaction code 690.

For details please refer steps for filing of annexures.

Q.29 **What is the significance of Column N - 'Action' and what information is required to be filled in this Column?**

Ans. It is provided for the purpose of single revised return of the entire year under section 20 (4) (b) and 20 (4) (c)

For details please refer steps for filing of annexures.

Q.30 **Developers/Builders are not eligible to claim set-off of taxes paid in respect of the purchases wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of construction of flats etc...**

It is suggested to provide additional transaction type having description 'Purchases of taxable goods from registered dealer under MVAT Act and which are not eligible for set off'.

Ans. It can be disclosed in preview return by manual input as an aggregate figure in table 17 row (f) in return form 233.

Q.31 **In case of mismatch of transactions, there would be addition of taxes in the next returns although set off has not been claimed in respect of those purchases by the developers in the returns.**

Ans. Developer can insert an amount of unclaimed set-off. It will be reduced from the reversal of set-off.

Please see table 13 B filed (j) in form 231.

Q.32 **For better understanding of Forms and Annexure, it is suggested to provide demo of Transaction type/code with relevant Box no. in the Form 231 to 235.**

Ans. In "Steps for filing of annexure", every transaction code is explained with examples.

Q.33 **How dealer can verify the amount of set-off?**

Ans. It can be verified from "INPUT TAX CREDIT REPORT" available in the dealer profile.

Dealer can download the invoice wise data shown by his seller against its purchases for particular TIN number.

Q.34 Dealer has filed a return for the month of April 2016 taking into consideration Input Credit in respect of the taxable purchases made by him from various suppliers. The supplier has not filed return due for April 2016, Will credit be disallowed?

Ans. It will not be disallowed in the return for month of April. Set-off shall be admissible as claimed in the purchase annexure and preview return.

Credit will be disallowed while filing return for May 2016.

Q.35 For developers who have opted to pay composition VAT @1% in place of sales invoice no. and invoice date to enter flat no. or customer identification number and agreement registration date respectively.

Ans. Yes, it is allowed.

Q.36 In case of agreement cancellation due to any reason, flat no. or customer identification number and agreement cancellation date shall be entered in place of sales invoice no. and invoice date respectively. Can transaction type 790 (Sales Credit Note – Sales WCT Composition for Transaction Type 450) be used? Kindly clarify it as presently it is stated that Credit notes (Transaction Type 790) can only be used for purpose of rate difference or discount.

Ans. Transaction type 790 can be used for such type of transactions.

For details please refer step for filing of annexures.

Q.37 TDS on WCT is deducted from the payment of works contract amount. Payment of TDS is to be made by 21st of subsequent month. TDS returns are filed annually after close of the financial year by 30th June of subsequent year. Certificates are issued to vendor once or twice in the year. How the credit of TDS shall be available to the works contractor?

Ans. TDS credit shall be transferred to the account of works contractor as and when return in form 424 is filed.

Q.38 **Revision of 424 shall be provided.**

Ans. Yes

Q.39 **We used to make branch transfer and subsequent to this sold goods from respective branches established in different states.**

Ans. This transaction type is provided for the sales which are not effected in the state of Maharashtra.

Q.40 **Do we required to disclose here all sales pertaining to other states as these are sales effected outside the state Maharashtra? Since, this will automatically get covered in branch transfer code -300. This will create twice reporting, one as branch transfer and second as Other state sales. Please advise**

Ans. You need not report sales twice.

Q.41 **What about sales return for a period more than 6 months?**

Ans. There is a validation in sales and purchase annexure. Claim of Sales or purchases return beyond six months is not allowed to in the annexures.

Q.42 **What's is exact meaning of sales return? Is it only physical movement of Goods or will it includes cancellation of invoice on account of clerical typo error?**

Ans. It refers to physical movement of goods. To rectify typo error, annexure is to be modified accordingly.

Q.43 **In many cases, a tax invoice may contain multiple transaction code such as normal sales (100) and works contract sale (450).**

In such cases a dealer will not be able to enter two separate codes for a single invoice.

Ans. In such a case, dealer has to insert such invoice twice with suffix A with different transaction types.

Q.44 Many of these are retailers. They generate a lot of invoices on a daily basis - hundreds or even thousands. For these people to fill in this data at the end of the month manually will be a very cumbersome process. Is there a way of uploading this data in bulk? The other parts can be filled manually - only the sales and purchase part of it would need to be automated.

Ans. Copy and paste facility is available. If such sales are made to consumers then it can be shown aggregated against transaction type 200.

Q.45 Please tell me how to fill up sale register and in case of kirana material & such types of business whether not maintain bill to bill transaction. Can possible there is filling one amount for sale for transaction.

Ans. If the dealer has opted for composition scheme then he is not required to file sales annexure.

Q.46 What would be the position when one credit note for discount is issued consist of multiple invoices to same TIN holder?

Ans. In such case credit note number can be inserted.

Q.47 In form 231-proposed version-1.8.3 amount already paid cannot be manually entered in BOX-13--C it is locked/grey colour details of amount already paid r entered in box 13-e

Ans. It will be auto populated from ledger.

Q.48 How cash sales at vending Machines or by retail mauls will be shown in sales annexures which do not contain name of buyer or sometimes in accounts total of daily sales are taken.

In retail stores, medical stores etc. there will be voluminous data and there also name of customer is not shown in bills.

Further, in hotel and restaurants canteens at railway platform etc. also cash bill name of customer is not shown.

In all these cases tax is not charged separately in bill and buyer is not claiming any set off. Therefore it is suggested that sales annexure may contain space to show such sales without name of buyer and/or bill number.

Ans. Sales under transaction type 200 can be shown on aggregate basis. If such type of dealer has opted for composition then sales annexure is not required to file.

Q.49 Many dealers claimed works contract sales as sales but tax is deducted by the purchasers so in form 231 space for TDS is required. Some times on safer side many purchasers deduct tax at source even on sales transactions. For them also space for TDS is required.

Ans. In form 231, works contract sales are not allowed to be disclosed. Please file 233.

Q.50 In e-templates for form 233 please explain how deduction for under rule 58, 58A for land and stage wise deduction will be shown in Sales annexure and how it will be shown in purchase annexure.

Ans. In annexure, it can be shown as labour or other charges.

Q.51 In Government Contract the Government department itself prepares the bill and no bill is prepared by the contractor and the contractor does not have any records of bill and have

details of cheque. Then in absence of sale bill how they will show sales in sales annexure.

Ans. Government bill number can be inserted in sales annexure.

Q.52 In many cases dealer charges tax after deducting labour under rule 58 but mentions rate of tax other than 5 or 12.5 e.g. in case of painting they charge 12.5% on 80% of contract value 10%. Please explain how it will be shown in sales and purchase annexure.

Ans. Determination of sales price u/r 58 can be bifurcated under following heads in sales annexure with transaction code 100.

1. Net taxable
2. Tax
3. Labour charges
4. Other charges

OR

You can enter the value of deduction in Table 6 (r) in return form 233.

Q.53 Many times sub-contractors pays tax in April but in that month contractor does not have sale bill then how will he show deduction in sales annexure?

Ans. It is not co-related. Disclosure of sales by contractor and sub-contractor are not dependent for deduction.

Q.54 Now as per budget speech credit of vat TDS is allowed to be transferred to sub-contractor how it will be shown in returns by both of them.

Ans. Contractor has to file return in form 424A. TDS credit shall be transferred to respective TIN holder's ledger.

Q.55 As per section 31(9) of the act tax deducted but not paid by the employer the tax is not recovered from the contractor. How to show credit for such TDS?

Ans. Credit shall transfer, only if the return in form 424 is filed with payment.

Q.56 Is it mandatory to furnish invoice wise details?

Ans. Yes, it is mandatory. Only transaction, sales to non-TIN holder and purchases from non-TIN holders can be shown at aggregate.

Q.57 Is it compulsory for wholesalers as well as retailers?

Ans. Yes, it is compulsory for all the dealers. If the retailer has opted for composition and filing return in form 232 then he is not required to file sales annexure.

Q.58 Is this transaction wise sales details in addition to J1-J2 provision?

Ans. No, J1-J2 are replaced with sales and purchase annexure.

Q.59 After providing the transaction wise details, if the part of full stocks are returned, how do we give effect in filling of data?

Ans. It can be claimed as goods return within six month.

Q.60 In header, drop down arrow in Return type, Return Form, Return Period is invisible.

Ans. The problem is due to Windows 2007 or you might have opened and saved the template in MS OFFICE 2010 and opened it in MS OFFICE 2007.

Q.61 Whether return has to be uploaded before making payment of tax? Refer to para B (iv) which give this hint. Secondly, if there

is wrong mention of form type in payment made for overall payment for that period is done then what action is proposed?

Ans. The events of filing return and making payment of tax is not sequential. It can be in any order provided both the events are effected before the prescribed due date. If you have mentioned wrong form type in challan, please contact your nodal officer for rectification.

Q.62 I have to upload my return for the period from Oct 15 to Mar 16. Whether I should use old Form 231 i.e. Version 1.8.2 or the new Template i.e. Version 1.8.3?

Ans. For period up to March 2016 old Form 231 version 1.8.2 should be used.

Q.63 When you fill the MSTD bundle the .txt file is created. When we have to load it require .rem file?

Ans. From April 2016, you are required to upload .txt file and not .rem file.

Q.64 Whether Purchase Annexure will accept previous month Purchase Transaction which was not accounted?

- a. If invoice received after return is filed for the month.**
- b. In Excise & SAP previous date transaction is not allowed i.e. Goods and Invoice received physically by the dealer on 2nd May 2016, however Sales invoice dated of 30/4/2016. Excise Department and SAP Software does not allow prior period transaction.**
- c. Whether application for C Form SOR will reflect in quarter Apr-June or July-Sep?**

Ans. a. Purchase annexure will accept any previous date.

- b. If SAP Software or Excise Department does not allow prior period transaction then dealer has to revise the return for that period, if the invoice is received late.
- c. SOR will reflect all the transactions effected during the selected quarter.

Q.65 As to Sales Annexure: As per new annexure of Sales proposed to be introduced it may be noted that the Invoice wise details are expected to be filled by the dealer. It is noticed that a single Invoice may contain all types/multiple tax rate items/goods that is 4%, 12.5%, Tax free goods. It cannot be entered in a single line. If it is to be entered correctly, then the information will have to be split tax rate wise and the system do not accept multiple entries of same invoice number. So please allow multiple number of entries against single invoice number may be allowed in the system.

Ans. It is not expected to provide tax rate wise break up in sales/purchase annexure. In sales purchase annexure, in column E i.e. Net and column F i.e. Tax, enter aggregate taxable amount and tax. For tax free goods separate column I is provided.

Q.66 A reseller/retailer not under composition (especially in suburban markets etc.) effects sales to customers/non TIN holders. These sales are of small amounts and in cash. Many times, cash bills are not issued individually but sales are recorded at the end of the day.

While filing sales annexure is he supposed to give invoice wise details as stated in instruction sheet for all these cash sales or whether he can report cumulative figure of cash sales effected to non-TIN holders for the return period?

Ans. Retailers/dealers effecting sales to consumer/non-TIN holder are not supposed to enter invoice wise details for all cash sales.

Cumulative figure of cash sales to non-TIN holder can be provided under transaction code 200 in a single row.

Q.67 Retailer registered u/s.42(1) and Restaurants/Club/Caterers/ Bakers registered u/s. 42(2) shall file their return in Form 232 or in Form 233? As per guidelines in Form 232 – No sales Annexure written and in Form 233 Sales details to be given for Composition dealers as above?

Ans. In case the dealer has opted for composition scheme and total turnover is under composition then have to file return in Form 232. Form 232 filer need not file sales annexure.

In case dealer has opted for composition scheme and partial turnover is under composition then have to file return in Form 233. Form 233 filer are required to file sales and purchase annexure.

Q.68 Whether self-TIN will be accepted in case of Branch transfer – Local? Was it necessary to capture this information when the said transaction is not taxable and not forming part of turnover in first place?

Ans. Self-TIN will be accepted in case of within the State (Local) branch transfer. It is necessary to provide said information.

Q.69 Whether bifurcation of Sales against Form H under section 5(3) is not required as to Local customer and Inter-State Customer? At present we are having separate annexure H & I so as to calculate said liability in case the forms are pending. Secondly, on purchase side, said identification and codes are provided for.

Ans. This information is required to be provided under CST Act return in sales annexure.

Q.70 In the case of Purchases against “H” form where other details of BL, foreign buyer Order and local buyer orders to be given.

Ans. Such information is not required to be entered in annexure. Dealer has to download the SOR quarterly with auto populated purchases against “H” forms and has to provide this information in SOR.

Q.71 Credit Notes Claim: In guidelines in C Column it is written that previous date to the annexure period is acceptable. At the end of guidelines, it is written that credit notes of aggregate value for any period against any TIN i.e. if in one month there are 10 credit notes then total of 10 notes to mention? If yes, then what about date & Invoice No. Please if possible explain with examples.

Ans. If any debit-credit note contains more than one invoice and it is a transaction of rate difference or discount under transaction code 700 then the debit or credit note number and date with annexure period is acceptable.

Example: If the quantity discount for the year is granted by the seller then it will be in respect of all the invoices issued during the financial year. So such discount can be shown under transaction code 700 and credit note in this regard can be disclosed with credit note number and date of issuance of such credit note.

Q.72 In purchase suppose we have made purchase from supplier. Later on if two credit note has raised by him i.e. one with separate VAT and another without VAT. In that case which code shall we use for recording that Credit Note in online form? As in your manual there is no code available for Credit Note for Purchase.

Ans. If the supplier is a registered dealer then transaction code 95 is to be used.

Q.73 Suppose sale have made to any customer but later on same got return for any reason and there are two debit note have raised which code shall we use for recording that Debit Note in online

form. As in your manual there is no code available for Debit Note for Sales.

Ans. Use of transaction Code in respect of Goods return depends upon the transaction type. For goods returns transaction code 600 or 680 be used. For details please refer User manual i.e. “Steps for filing of annexure”, every transaction code is explained with examples.

While claiming “goods return” against any invoice it is necessary to state Original Sales invoice number against which goods return is claimed. Also state the date of Original Sales Invoice and TIN of the purchaser, if any.

Q.74 Goods Return: In the Sales & Purchase Annexure, Date of invoice & Invoice no is to be mention. However, no column is provided for credit note / Debit Note No and Date. As per Trade Circular 7T of 2016, Claim of goods return will be allowed, if purchaser confirms the transaction through debit note. Many times purchaser are accounting with net of goods return amount, in such circumstances goods return will be allowed or not to the seller?

Ans. Details of Credit Note and Debit Note need to be mentioned as this is crucial for allowing the said transaction. While claiming credit notes of aggregate value for any period against any TIN it is absolutely essential to state-

- (1) Credit note number is to be mentioned in invoice number column.
- (2) Date of credit note is to be mentioned in date column and
- (3) TIN of purchaser is to be mentioned

Q.75 Many times in trade, there is prevailing practice to issue credit note for the rate difference or trade discount (Quantity Discount, Scheme Discount etc.) at the end of the quarter or year covering sales invoices issued during the period specifying the net and tax amount separately in the Debit / Credit Note.

In the Sales annexure against credit note which invoice no and date to be mentioned?

Ans. In such cases, enter the debit/credit note details under transaction code 700.

Q.76 **Similarly, for the rate difference if excess amount is to be recovered then debit note is issued towards various sales invoices. In Sales Annexure which date and Invoice No to be mentioned?**

Ans. If excess amount is to be recovered towards various sales invoices for which a single debit note is issued then in Sales Annexure enter the debit note details.

Q.77 **Dealer effecting Sales against C Form, charge CST @ 2%. If Customer does not issue C Form, then Dealer issues debit note for the difference of CST @ 10.5% or 3.5% at the applicable rate. Where to show such debit note transaction in the sales annexure. Whether all the sales invoices to be mentioned against the debit note.**

Ans. If the debit note is issued against single invoice then invoice details are to be mentioned and if it is issued against many invoices then details of such debit note will be suffice.

Q.78 **Presently Payment should be made within due date however additional 10 days is allowed for filing of return. In new system on the basis of Sales and Purchase Annexure, return and challan will be generated.**

Practically dealers submit challan with cheque to his banker and banker makes online payment. In such circumstances, whether dealer makes the payment subsequently is liable for interest as well as late fee?

Ans. As provided in Rule 45 of the MVAT Act the payments of tax need to be made within 21 day of the succeeding month. No change has been made in respect of the due date for making payment.

Hence payment after due date is liable for interest and submission of return after due date is liable for late fee.

Q.79 As per Trade Circular 7T of 2016, Department will provide ITC Register of ITC Claim. Whether Mismatch of ITC will be verified on Periodwise & Tinwise or Tinwise & Transactionwise/ Invoicewise?

Ans. Yes, ITC report will be available period wise, TIN wise and invoice wise.

Q.80 If Seller and purchaser's periodicity is monthly but there is a mismatch in transaction, then whether each month return has to be revised? Similarly if the periodicity of buyer and seller is different than how the ITC Mismatch report will be generated?

Ans. (1) For the mis-match of the transaction there is no necessity of revision of return. The transactions may be disclosed in the next month return.

Eg. A supplier (A) and the buyer (B) is having monthly periodicity the supplier (A) in the monthly Annexure for period April-16 fails to disclose the sales made to buyer (B).

The buyer despite this fact will get the Set-off for month of April. However, if the supplier does not make this default good in the month of May-16 then the set-off allowed earlier in this respect will be reversed.

(2) For each first month buyer will be entitled to claim the Set-off.

(3) If the periodicity of the seller and buyer is different then the buyer will get the float of set-off till the due date of filing of the sales and purchase annexure of the supplier.

Eg. For the month of April-16- If buyer is having monthly periodicity and the supplier is having Quarterly periodicity then the buyer will get the ITC till the due date for the Quarter April-June-16 i.e. 21st July 2016.

(4) Under such circumstances there is no necessity to revise the return. The previous period details invoices are allowed to be mentioned in subsequent period return.

(5) In case the supplier discloses the said sales in April-June-16 return then the ITC will be allowed otherwise ITC passed on the said buyer will be reversed.

Q.81 If buyer pays the tax for reversal of ITC of Non-filer dealer and subsequently Non filer dealer pays the tax and file the return. Whether there will be auto mechanism of giving credit of such tax, as there is no column in Sales Tax Return?

Ans. Credit of such tax will be shown in the return under the heading “Allowance of set-off reversed in earlier return/s”. In case of form 231, it will be shown in Table 12 (i).

Q.82 If payment is made late, whether the interest will be calculated automatically?

Ans. Yes, it will be shown at the time of payment or posted in your ledger periodically.

Q.83 If return is uploaded late, whether late filing fees will be calculate automatically?

Ans. Unless the late fee is paid, return shall not be allowed to upload.

Q.84 Whether in sales and purchase annexures facility of copy paste from tally software will be allowed?

Ans. Yes, the copy paste is allowed. However, the paste special option needs to be used.

Q.85 If seller subsequently deletes sale entry by filing revised return, then whether setoff would be disallowed automatically?

Ans. No, if set-off on such purchases is already consumed by purchaser then unilateral withdrawal of set-off is not allowed. In such cases seller has to claim goods return.

Q.86 Whether Duplicate invoice no is accepted in case of different TINs.

Ans. Yes, it is accepted in case of different TINs.

Q.87 No transaction code is prescribed for job work charges.

Ans If job work service is provided to TIN holder, then the transaction code is 100 and to non-tin holder the transaction code is 200. Column K in annexure is provided for the purpose of job work/labour charges.

Q.88 Retailer Dealer covered under Composition Scheme need not upload Sales Annexure, however there was separate transaction code given for Retailer Composition Dealer in Sales Annexure. Please explain what amount is required to be mentioned?

Ans If dealer is filing return in form 233 then transaction code for composition 400 is to be used.

Q.89 Please clarify that after uploading the sales and purchase annexure .txt file, auto acknowledgment and challan will be generated. Whether after making online payment again return is to be uploaded. How credit of payment made will be reflected in the return?

Ans If dealer makes the payment before filing of return it will be reflected on real time basis. Dealer can make the payment before filing of return as well as after filing of return.

Q.90 In return form 231 the details of bank payments are to be filled or not? It is in white colour, I tried to submit the details they are accepted. The date of payment prior to 31/03/15 is also accepted.

Ans Initially if the payment is made on old system then it is required to mention otherwise in new system it will be auto populated in “Draft Return” (PDF Return on system).

Q.91 There is no option while selecting return period as "Half yearly". The options being shown are for- Monthly, quarterly and Yearly.

Ans Six monthly periodicity is discontinued from the period April 2016.

Q.92 When we book CST sale to our customer, we will have to put his TIN in each transaction. However, if the customer has registration in more than one state and the bill to and ship to state of same customer differs, which TIN should we use? Some customers issue C form from the bill to state and some from ship to state. Whether the atomization have impact on this type of sale since we have to declare customers TIN.

Ans Automation does not have any impact on these type of sales. You have to mention the TIN of the dealer who is issuing the C form.

Q.93 Details of all tax payments made should be made available to the Dealer non-Dealer’s login, similar to 26AS in Income Tax Department.

Ans It will be available in dealer’s ledger after log-in.

Q.94 Details of TDS deducted of the Dealer should be made available to dealer on his login ID.

Ans These details will be made available in the Dealer information system (DIS).

Q.95 **Details of Profession Tax paid by PTRC & PTEC holders should be made available by the Department.**

Ans These details will be made available in the Dealer information system (DIS).

Q.96 **The Business of our client is execution of works contract (Civil) he used to take deduction u/r 58 on ACTUAL EXPENSES BASIS. The client prepares RA Bill on the basis of approval of Work done value.**

Our query is that how to show turnover of sales in Sales Annexure and how to claim deductions u/r 58 in Return Form 233.

If we make advance payment of tax on the same day of filing the return, whether credit of the advance tax payment will display on the system while uploading/submission of return, what is the time of data synchronisation?

It is our practice to workout tax liability & send challan to client for e-payment. Then the client used to send us paid challan and thereafter we used to upload the return on the same day.

Ans 1. Deduction u/r 58 can be either shown in sales annexure in “labour and other charges” column or it can be entered at aggregate level in return Form 233 in Table 6 (r).
2. The payment made before filing of return shall be displayed as advance payment in “Draft Return” (PDF Return on system).

Q.97 **In the case of works contract composition scheme if the tax on sub-contract is payable by sub-contractor, how to show sale bill of works contract e.g. total contract bill raised by main**

contractor for 100 and sub-contract granted for 90 on which sub-contractor will pay taxes. Whether bill to be entered twice as 10 and 90 and how to enter sub-contractors bill under purchase annexure.

Ans There shall be two entries of such transaction:

1. The first entry for sales under works contract composition for Rs. 100 under transaction code 450.
2. Second entry for claim of deduction of sub-contract for Rs. 90 under transaction code 480.

Q.98 In Sales/Purchase Annexure of New Bundle, after 28th row, the Gross Total and the succeeding columns are left blank which we have to manually fill up.

Ans You can drag down the last row or copy paste as per your requirement.

Q.99 What would be the implication on input credit if the seller shows the sales at the end of a month but the purchases are booked by the purchaser in the subsequent month or even after 1-2 months on account of quality checks etc.?

Ans There shall be no reversal of set-off but shall be allowed when claimed.

Q.100 For the cut-off period March, 2016, will the credit be allowed in the current return (April, 2016)?

Ans Yes. The credit will be available in this respect subject to fact that supplier has filed Annexure-J1 disclosing the sales.

Q.101 Which Form type should select in header sheet for VAT and CST return i.e. Form 231 separately for vat and Form CST separately for CST return or can we select Form 231_CST?

Ans You have to select 231_CST from the drop-down list provided.

Q.102 **As per answer mentioned to question 34, it is mentioned that if there is any mismatch in input credit for the month of April it will be disallowed while filing return of May.**

Query – In case dealer is liable to file quarterly or half yearly return, dealer will not be filing return for the month of April. In such in spite of claiming correct input credit it will disallowed in the next month.

Kindly guide the procedure to be followed in above mentioned situation.

Ans If a dealer has claimed set-off from quarterly filer, then such set-off shall be reversed in the subsequent monthly return of such quarter if the seller has not filed the return or not disclosed the transactions of sales.

Q.103 **Is there any other mode of challan payment as many small clients don't have facilities to use the payment gateway? Can't they visit any bank to make the payment?**

Ans Dealer has to use payment gateway for making payment. In payment gateway, dealer can select the requisite bank and can make online payment.

Q.104 **We are service provider and Sales of Vat Commodity is near about 1 to 2 Invoices Monthly. We have created 600 to 700 Invoices of Services and only 1 or 2 Invoices are Sales of Commodity.**

Should we entered all bill details in Your new Template (Vat return) for Vat return or only Vat reflected Invoices entered?

Ans Details of all the invoices are required to be submitted.

Q.105 E-Payment Can Be Done Through Bank (Visiting Bank)? Or Is It Necessary to Make E-Payment Through Payment Gateway?

Ans e-Payment has to be made through payment gateway.

Q.106 What is the transaction code for URD purchase?

Ans For URD purchases the transaction code is 20.

Q.107 If a dealer had purchased capital assets and raw material in a single invoice, how could he put the code in annexure..i.e.10 and 15..pl guide.

Ans Then invoice is to be split and shown twice with A suffix.

Q.108 Returns filling original/ revised/ fresh prior to 01/04/2016.

Transaction of Rule 52(A) & (B).

Example: ABC Ltd is manufacturer of Car in mega unit and XYZ Ltd is marketing company of Cars A) ABC Ltd sold 1000 cars in Maharashtra in the month of April 16 and shows in his Sales tax return as well as in Annexure of Sales of April 16. B) XYZ Ltd will show in his books as purchase of 1000 cars in the month of April 16 as well as in Annexure of Purchases of April 16 for 1000 cars. (As purchase recorded in its books.) C)XYZ Ltd sold 500 cars in local market in same month i.e. in April 16 so full set-off on it, 250 cars in OMS CST 2% collected that much will be allowed as set-off in April 16 and balance 250 Cars in stock which are sold in subsequent months say May June etc. So as per Rule 52(A) set-off will not be allowed on cars in stock and sold in CST 2% in excess of CST collected which will be reversed in Form 231,233,234or 235 in Reduction u/r 52A, Reduction u/r 52B, So from above it is cleared that set-off disallowed due to mismatch will not be there as both seller and purchaser will show in same month. Implications of above example on the returns * point of contention is set-off**

regarding sale of Cars(which were in stock in April 2016) in subsequent months as there is no place to show in returns 231,233,234,and 235 under: Addition of set-off u/r 52A, Addition of set-off u/r 52B, 2) Set-off (ITC) disallowed due to mismatch As per new MVAT automation Annexure of Purchases to be given for all transaction (for set-off disallowed u/r 54 also), and also it should be shown in return 231,233,234 and 235 in table 11 “Tax Rate wise breakup of within state purchases from registered dealers eligible for set-off as per box 9(x)” and in Table 12 “Computation of set-off claimed in this return” e) Less: Denial in the amount of set-off u/r 54 of the corresponding purchase price and f) Less:-Within the State Purchases of taxable goods from registered dealers under MVAT Act, 2002 and set-off not claimed. So if purchase effected from dealer on which ITC is not claimed and in next month Automation system is showing mismatch for same dealers and asked for payment what to do? There will be same position for purchases on which retention u/r 53(1),(2),(3),(4),(7a),(7b) is calculated. We can overcome by inserting one more column in Annexure of Purchases as remark in which setoff position can be shown as “Full, disallowed, retention” at least for Capital purchases which will take care of u/r 54 and u/r 53(7a). 3) Original or revised returns prior to April 2016 For filling of returns prior to April 2016 what will be the procedure.

Ans

Normally set-off is admissible when the purchases are booked in the accounts. According to the provisions u/r 52A/52B, the set-off is admissible when the goods are actually sold. In some cases, it may happen that the goods may not be sold in the same periodicity of return, therefore set-off on such goods is not admissible. Dealer should show such set-off in this column.

As business is going concern, in next return period, dealer shall have the purchases from mega unit and sales of goods from the

stock of purchases of previous period. Now under such circumstances, for this period dealer has to show deduction of set-off after claiming the set-off on sales which are eligible of set-off.

In certain cases, there might be a situation that dealer may not have the purchases from mega unit and the amount for claim of set-off is not available. For such exceptional scenario, it is advised that the dealer should revise its previous period return and carry forward the set-off and claim it in next period. It may happen in case of last return, where the dealer is closing the business or discontinued the purchases from mega unit.

Q.109 In case of revised return, whether annexures are also required to be revised?

Ans If the revised return under clause (a) of sub-section (4) of section 20 of MVAT Act is to be filed, then fresh annexure would be required to be filed.

In case where a single revised return for the year under clause (b) or (c) is to be filed, then only the transactions which are to be modified are to be entered in the annexures.

In case of the transactions which are to be deleted from old annexures enter Code “D” in the action column and in case of new transactions the action column should be left blank.

Q.110 In case of advance payment, if while selecting the form, erroneously selected 233 instead of 231, then what to do at the time of filing the return form?

Ans In such case please contact your Nodal Officer or Help Desk.

Q.111 Once challan is generated, if dealer wish to pay online by instalment after due date, how to proceed?

Ans Instalments may be granted on submission of application to the concerned Joint or Additional Commissioner. Once the instalments

are granted then payment of equivalent amount of instalment may be done electronically. It will get reconciled.

Q.112 For car leasing company –purchase in the month – April 2016 by paying tax @ 12.5% and sales under lease for 36 months. How setoff to be adjusted against monthly sales. How to carry forward the setoff on balance purchases which could not be adjusted against lease sale?

Ans A set-off in respect of leasing transaction needs to be claimed to the extent of the tax payable on the said lease. The rest could be carried forward to subsequent return period.

Q.113 While preparing annexures, the invoices of the purchases may have similar number and dates, would it create problem of duplicate invoice?

Ans No, it would not create any problem even if the invoices of the purchases have similar number and dates.

Q.114 Invoice is raised and due to mistake it gets cancelled? Which code is to be applied?

Ans For raised invoices use code 100 or 200 and for cancelled invoices use code 700.

Q.115 How to fill the NIL return?

Ans Fill only the details of header sheet, validate the return and create .txt file for uploading.

Q.116 Whether TDS claim will be auto populated in the return from TDS return of employer?

Ans No, it will not be auto populated in the return but shown in dealer's ledger. The dealer has to enter it manually in preview return (Excel return).

Q.117 In case of sales to ultimate consumer, it is allowed to fill the data in a single row instead of various invoices. Which date should be entered in the annexure in date column for collective sale on cash?

Ans Yes, it is allowed to fill data in a single row in case of sales to ultimate consumer. Any date within the annexure period is allowed.

Q.118 What is the maximum number of transactions that can be uploaded for sales and purchases? And what if it exceeds the maximum limit?

Ans The Maximum number of transactions that can be entered in sales and purchase is 10 lakhs.

Q.119 In purchase annexure, how to find cancelled, short filer and non-filer?

Ans The lists of cancelled dealers, short filer and non-filer are published on website from time to time.

Q.120 Setoff disallowed for non-filing of return by the supplier but setoff is not claimed under rule 54 of the MVAT act? What action should be taken please guide?

Ans If dealer is filing form 231, it can be shown in Table 13 B (j)

Q.121 In case of credit notes, which are relating quantity difference, is the cap of six months applicable?

Ans No, the cap of six months is applicable for goods return only.

Q.122 In various cases line rejection is there like casting industry. Actually rejection within one or two months, but they cannot specify the sale invoice from which it is returned. How to show in this case?

Ans It can be shown under transaction code 700.

Q.123 C Form Purchases

We have Booked Purchase Bill dated say June 16 In July 16 Return – The Suppliers demand C form as PER BILL DATE but the new system as understood will generate auto SOR as per Purchase Annexures which means we cannot issue C form of June – please clarify.

Ans In the new system, all the invoices upto a particular period will be displayed depending upon the selection of period for the purpose of SOR. As mentioned in above example if the applicant selects period upto July for the invoices, then all the invoices covered in first quarter i. e. April to June will be displayed and applicant can download the SOR for filling up the requisite information.

Q.124 TDS Credit Mismatch

It is learnt that the TDS Credit will be available only if TDS Return is filed by the deductor, whereas date of filing is same for Vat Return & TDS Return

So how dealer will get credit if filed on same date n time on last day as system will not pick up the same & liability will be generated though TDS is already deposited with Government- Please clarify.

Ans The TDS deducted by employer will get reflected in return filed in this behalf. The system will do the needful. The Credit will be available what is passed on by employer.

Q.125 There may be situation wherein we receive short quantity from supplier & accordingly we pass bill only for received quantity i.e. no DN/CN is prepared –please clarify as bill amount is different from our Book entry in purchase Annexure.

Ans The Credit of set-off will be available only to the extent what is passed on by the supplier. If there is mis-match then the credit will be available to the extent it matches. Therefore, it is necessary to follow proper accounting principles so that such problem may not arise.

Q.126 **Our policy is to enter bill as per our PO or Invoice whichever is less, this effects the VAT amount also – Impact of the same. Further, in future we correct the bills short booked if found that supplier rate was correct, in this situation there will be mismatch of month.**

Ans The actual credit of the Set-off will be available to the extent of what is passed on by the supplier. To avoid aforesaid situation it is advised to follow the Standard Practises of accounting.

Q.127 **What is the mechanism or parameters of matching ITC & generation of ITC Report – Whether Bill Based or TIN Based?**

Ans It is TIN based.

Q.128 **Whether we are supposed to enter Date wise in the Annexures or not necessary?**

Ans It should be as per sales and purchase register. It is advised to follow the Standard Practises of accounting.

Q.129 **If Tax not paid by return filer to the extent of Mismatch of ITC, But Vat Liability totally paid –Whether it will be treated as Short Filer?**

Ans Yes, it will be treated as short filer.

Q.130 **If Credit note is issued toward Goods Return & Other matter for multiple invoice in the one credit note how the same has to be reported in the Annexure, since we have to put the original date**

of invoice. How one can put multiple dates if for multiple sale credit notes are issued?

Ans In case of goods return, irrespective of issuance of credit note, original invoice number and date are to be entered.

Q.131 **In the case of Import where the custom duty & clearing charges are paid on the said import then where to report in return and under which code? Is it necessary to input all the expenses in the return annexure?**

Ans The aggregates value qua import needs to be entered.

Q.132 **I am retailer & my sale is to consumer. I sale 5.5%, 0% & follow pro rata basis system for payment of tax. In my first return in annexure system, can I show sale as aggregate as 0% & 5.5% on percentage of purchase as I am showing till now.**

Ans In case of sales to consumer the aggregates values of sales needs to be shown there is no need to give TAX Rate wise break-up in the Sales Annexure.

Q.133 **In wholesaler there is purchase from adtya non tin holder from APMC of tax free & taxable goods, these bills of 0% & 5% of soybean are huge, can I show aggregate purchase from these non-tin holders?**

Ans Yes. But any wholesaler who is selling huge quantity cannot be an unregistered dealer.

Q.134 **0% sale in Maharashtra State & OMS in sale annexure TIN no of purchaser reporting is compulsory?**

Ans If the sales are made to a registered dealer then TIN is compulsory.

Q.135 In liquor dealer purchases are u/s 41 & sale to non-TIN Holder. Whether all purchase bills are necessary to be showed & whether sale can be shown in aggregate?

Ans All purchases are required to be disclosed since those are from registered dealer. Sales can be shown at aggregate as those are to non-tin holder.

Q.136 What will be the date of payment and return filing from April 2016 onwards?

Ans

- ✓ April 2016 Returns can be filed on or after 15th July 2016.
- ✓ May 2016 Returns can be filed on or after 1st August 2016.

Q.137 How to enter previous month's excess credit amount in Form 231 /13A(c)?

Ans The value in this field will be blank in "Preview Return"(Excel return) but it will get auto populated in "Draft Return"(PDF return). The value in this field is to be entered manually so that accurate arithmetical value is obtained in "Draft Return" (PDF return).

Q.138 Which format for date is valid?

Ans The date format dd/mm/yyyy is valid.

Q.139 How to update/input the payment details of MVAT & CST liability in the form 231 & Form III(E)?

Ans The value in this field is to be entered manually if the payment is made on old system. Once the payment utility of new system is activated then it will get auto populated in "Draft Return"(PDF return).

Q.140 We have a query that in one of our dealer who is Automobile Dealer and who have issued Including VAT Bill of Rs. 500 and have charged labour charges below of Rs 100 separately. Now

for no doubt inclusive Sale will reflect in respective column of Sales Annexure.

We have a doubt that in case of Labour charges where to show the same in Sales Annexure or whether the same should not be shown in Sales Annexure being it's not a sale. What amount is expected to be mention in Labour charges of Sales Annexure

Ans There is a separate column for Labour charges in sales and purchase annexure.

Q.141 Please explain: In Form 231-

Add:- Value of Goods return (inclusive of tax) including reduction of sale price on account of rate difference and discount claimed in earlier period but not confirmed by buyer

Ans

- If the Taxable turnover with tax collected separately of Goods return, reduction of sale price or discount claimed in earlier period is not confirmed by buyer then such turnover is to be added in gross turnover of sales.
- The value in this field will be blank in "Preview Return"(Excel return) but it will get auto populated in "Draft Return"(PDF return) in case of registered dealer and where tax is collected separately.
- Two sub-fields such as 1) Net and 2) Tax have been provided for entering "Net value of goods return, rate difference and discount" and "Tax collected separately".
- To obtain accurate arithmetical value in "Draft Return" (PDF return), please enter value manually in "Preview Return" (Excel return).

Q.142 While writing Invoice No. Space and all Special Characters are not accepting.

Ans Validation for invoice number is alphanumeric, special characters [/] and [-] is allowed.

Q.143 In Sales Annexure - Export Sales/ OMS Sales is not getting linked to the sales Annexure. Please let us know in which column we need to put Export Sales & OMS Sales?

Ans Export sales can be shown in net column (column E) with transaction code 950. Details of transaction code is provided in annexure template in rough sheet.

Q.144 In respect of New System for MVAT & CST Returns from April 2016 onwards, whether Revised Return of 2015-16 are required to be filed as per old format or new format?

Ans Revised return of 2015-16 are required to be filed as per old format on new system. This facility is yet to be introduced.

Q.145 Which code use for RD purchases not eligible for set off?

Ans There is no separate code for RD purchases not eligible for set-off. In table 12(f) of form 231, the amount on which the set-off is not eligible can be entered.

Q.146 RD sales from registered dealers for MRP based VAT applicable goods such as IMFL - In which column is the amount to be entered?

Ans In 'Rate of Tax' column extra two rows have been provided -

(i) for incorporating the rates not specified in the Form.

(ii) 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 could be entered in these two rows. This can be used for "goods return" also.

(iii) for liquor dealers where the tax may be levied on MRP whereas "sale price" is different, then the effective tax rate could be entered.

Q.147 Whether return for the March'2016 can be revised multiple times?

Return for March 2016 cannot be revised multiple time under clause (a) of sub-section (4) of section 20 under MVAT Act.

Q.148 If initially only F 231 is selected and at later date when it is to be revised, will dealer be allowed to pick up '231+CST' combination?

Upto 31/3/2016, for CST returns not filed in first place but to be filed afterwards late fee of Rs. 5000 was collected when tried to revise u/S 20(4)(b)/(c). Will similar problem arise in the present case also?

Ans. If dealer is registered under CST act and turnover under CST Act is nil then nil return is to be filed therefore dealer cannot skip original CST return.

Q.149 In case of dealer having occasional Works contract activity, let's assume that he may file Form 231 for 9 months (when there was no works contract activity) and Form 233 for 3 months when there was a works contract activity.

Will system accept these different forms for same dealer in different quarters of the same year? If yes, then if return is to be revised at year end, how it will have to be done?

Ans. Yes, system will accept different return forms for same dealer in different quarters of the same year. In such case the revised return at the end of the year would be two i.e. Form 231 and 233.

Q.150 Regarding FAQ 49 - If purchasers have deducted TDS on a 'pure sale' transaction, by erroneously treating the same as 'Works Contract', It may not be correct on part of seller, to show the transaction in Form 233 if, in fact, such transaction represents 'pure sale'. Therefore, to provide benefit of such TDS to seller

in such cases, suitable amendment be made to attract the Credit of TDS in Form 231 also.

Ans. The TDS made on “Pure Sales” can’t be equated with TDS. The employer is not supposed to make TDS. Hence the credit of such TDS is not available.

Presently to avail the credit of TDS claimant dealer should file return in Form 233. The TDS can’t be availed by the dealer who files Return in F-231.

Q.151 Whether TDS credit will be reflected in Dealer’s Profile, after Form 424 is uploaded by employer irrespective of the fact whether such Dealer has disclosed sales in Forms 231 or 233?

Ans. Yes, TDS credit will be reflected in Dealer’s Profile if the Form-424 is submitted.

Q.152 If works contract transaction is reflected in August 2016 but TDS on the same is paid in September 2016 wherein Contractor has only regular sales [F 231], how the TDS credit can be claimed?

Ans. TDS credit is to be claimed against works contract liability, so in next return in Form 233 dealer may claim the credit of TDS or previous return can be revised to claim the credit.

Q.153 If restaurant dealer under composition has shown composition sales in Form 232 for part of the year, but in a particular month/quarter when Capital Asset is sold, he will have to file Form 233, then in such cases, how ‘UNFILED’ period would be recognized? In other words, if for April to September 2016, dealer files returns in Form 232, but in October 2016, he files return in Form 233, whether, period April to September be recognized as ‘Unfiled period’ for the purpose of Form 233?

Ans. Filing of returns is ‘periodicity based’ and not ‘form type’.

Q.154 How revised return under section 20(4)(b) is to be uploaded by such dealers? At present, the system does not allow uploading revised return in F 233 in such cases and matters are kept open for want of proper linkage availability from the Department.

Ans. Revised return under section 20(4)(b) is to be filed by uploading a single annexure. The system will prepare return as required.

Q.155 Works contract: Invoice [1000 + 41] - Expected line: 750 (net) + 41 (tax) +250 (R 58 labour). Earlier Department expected such break up, but now manual field for deduction under rule 58 is provided. Kindly clarify this change of stand in FAQ.

Ans. Dealer can choose the option, it can be either shown in annexure or return.

Q.156 FAQ 45 - kindly explain situation/ position for Kirana business not under composition.

Ans. Cash sales or sales to consumer can be shown aggregated under transaction code 200.

Q.157 In case of Baker, total turnover of Sales is to be keyed in. How tax free sales of Bread, which are to be excluded from composition by Bakers [wef 1/4/16] are to be shown?

Ans. In Form 232, the turnover liable for composition is to be shown in respective column.

Q.158 Suppose a dealer has dispatched goods worth INR 10,000/-. INR 2,000/- worth of goods are stolen in transit and buyer records purchases as INR 8,000/-. How should the mismatch issue be resolved?

Ans. There won't be any mismatch in input tax credit. Seller can revise the return to the tune of Rs. 2000/-.

Q.159 In case of a situation, where debit note is raised on a dealer only for differential tax amount, how differential tax amount should be reflected in returns for recording liability and consequential set off.

For e.g. tax rate change from 5 to 5.5% OR earlier old tax @ 5.5 % was collected, but later on to be on safer side, additional 7% is collected (assuming new rate is 12.5%). Differential debit note of 0.5% / 7% is raised subsequently. Under which column should the Seller reflect the said amount of differential tax? How should purchaser claim set-off of the same?

Ans. In this case return is required to be revised showing the tax collection in Column E.

Q.160 Invoice data in respect of purchases where Set Off is not admissible under Rule 54 is not separately asked. Further there may be cases of Rule 53 (i.e. reduction in set off). Therefore, amounts reflected in Form 231 Clause 9(x) i.e. "Within the State Purchase of taxable goods from registered dealer eligible for set off", would be incorrect.

If out such purchases, there is mismatch, then set off is to be auto disallowed. What system is provided for in back office to analyze the purchases which are hit by these sub rules and cases where reversal should not be done?

Ans. Separate field is provided to enter the amount where reversal should not be done.

Q.161 As per Q. 37 of the FAQ, it is stated that WCT TDS credit shall be transferred to the account of the works contractor as and when return in Form 424 is filed. As per Rule 40 of MVAT Rules, due date of filing of Form 424 is 21 days from end of relevant month in which tax is remitted to Government. How will the TDS credit be transferred in the following case:

- **Filing of return by works contractor (Deductee)- 15th of month**
- **Filing of Form 424 by employer (Deductor)- 17th of month or last moment i.e. 21st of month**

Will the TDS credit be available in the Works contractor's return for the subsequent period? If answer is yes, what would happen if works contractor does not have any output liability in that period?

Ans. The works contractor can claim WCT TDS credit immediately on the basis of credit available. If works contractor does not have any output liability in that period then refund can be claimed.

Q.162 As per FAQ No.3 acknowledgement copy will be generated once return is uploaded on the site. Will the final copy of Returns uploaded be made available to dealer for the record along with the acknowledgement copy?

Ans. The final copy of all Returns uploaded would be available in dealer profile for viewing and downloading.

Q.163 In case of revised returns, whether both original and revised returns would be made available in the dealer profile?

Ans. Yes. A new tab “View/download Historic Returns” have been provided in the “Returns” tab to view or download all earlier returns.

Q.164 How many days it will take to reflect the changes made through revised return in my account of ITC?

Ans. It will take around one day to reflect the changes made through revised return.

Q.165 Rule 55(1) of MVAT Rules provides for grant of set off during unregistered period (‘URD period’) in respect of goods

purchased and held in stock on the date of registration. The automated return scheme requires the Selling dealer to show TIN wise and transaction wise sales to his customers. For URD period, the purchasing dealer does not hold any TIN and accordingly, the Selling dealer would not be in a position to key in TIN of unregistered purchaser and therefore there will be mismatches which will prompt auto reversal of set off claimed by purchases for period prior to date of effect of registration. Moot question is how should the purchaser claim set-off?

Ans. Purchaser has to contact seller in this regard and request seller to revise the return and enter the TIN of purchaser in sales annexure. In short, seller has to revise the return.

Q.166 *Purchase of Goods from deferral unit of PSI- Proviso to Section 48(5) of MVAT Act, 2002 provides for deemed payment of tax in case of purchase of goods from any Packaged Scheme of Incentive ('PSI') enjoying benefit of deferral. Will the set off in respect of purchases from such PSI dealers be disallowed, for non-filing of return or not disclosing sale by such PSI dealer?*

Ans. The set off will be disallowed as the seller has to disclose sales to particular TIN.

Q.167 *Set off of tax paid on purchase of declared goods sold in the course of interstate trade- Under section 15 of the CST Act, State has to provide reimbursement of tax paid on purchase of declared goods which are resold in the course of inter-state trade. Therefore, in such cases also, set off cannot be disallowed in accordance with new scheme of returns.*

Ans. In such cases also, if the seller has not disclosed sales in annexure then set-off cannot be allowed.

Q.168 *Would there be mismatch and whether full ITC would be disallowed to the dealer in case the vendor has shown short*

sales? Further, would mismatch arise and full ITC be disallowed if there is difference in values on account of round off?

Ans. In such cases, complete ITC would not be disallowed. ITC only to the extent of sales not shown would be disallowed in next return.

Q.169 **Would there be mismatch if the dealer has not paid tax by due date or has short-paid the taxes till due date? i.e whether ITC will be disallowed when the Selling dealer has filed returns but not paid tax.**

Ans. Where dealer has filed complete return in prescribed method, ITC would be available to the purchasing dealer. ITC would not be disallowed on account of non-payment of tax by the Selling dealer by due date. *However, the final entitlement of set-off will depend upon the discharge of the payment by the supplier shown payable as per return.*

Q.170 **Since multiple revision of returns is possible now under Section 20(4)(a), What would happen in a scenario where Selling dealer subsequently deletes the Sale entry to a specific purchaser by way of revised return? In such case, would set-off be once again disallowed to the purchasing dealer just because vendor has subsequently revised return and deleted Sale transaction?**

Ans. In cases where Sale Entry is deleted/ modified by a Selling dealer in its revised return, it will be verified whether purchasing dealer has claimed set-off on such purchases. If purchaser has claimed set-off, then seller has to claim goods return in such cases. In case of goods return purchaser will be given an opportunity to accept or reject such return by the Selling dealer. If the purchasing dealer does not confirm the acceptance, it would be assumed that the return is not accepted by the purchasing dealer.

Q.171 **In the meeting it was informed that for previous period purchases, actual bill date [may be of prior month/period]**

needs to be entered. In SAP, Tally system etc. entries are made as per GRN or Approval date. Dates of invoices are not separately picked up.

But if bill of 25/9 is received late then for tally etc. it is entered say on 1/10 so that for Oct. Return it gets picked up. We fear there will be lots of mismatches (unwarranted) on this count. What safeguards are built into the system to ignore such unwarranted mismatches?

Ans. There will be no mismatches on this count.

Q.172 Suppose in February 2017, dealer's unconfirmed ITC of Rs. 8,00,000/- is disallowed and is subsequently allowed in March 2017 when the same is confirmed. In the month of March 2017, the dealer has no output liability, resulting in refund of Rs. 8,00,000/-. Will the dealer be required to carry forward such amount or would he be required to seek refund from department since the limit of Rs. 5,00,000/- is exceeded.

Ans. In such cases dealer would be able to carry forward the amount of Rs. 5,00,000/- to next financial year. The dealer would be required to claim in return refund of Rs. 3,00,000/- since the limit of Rs. 5,00,000/- is exceeded.

Q.173 Suppose ITC is disallowed in the month of May on account of mismatch, although, the ITC claim in April return is correct. Subsequently in June, supplier files revised return and ITC is allowed. Is there need of filing revised return for the month of April by the purchaser, even when original return is filed by him correctly or how the effect will be given?

Ans In such cases credit of allowed ITC will be available in the month of June.

Q.174 In the new automated system, the dealer would be made available supplier wise details of ITC disallowed. Can the dealer also get details of recovery action taken against the defaulting supplier?

For e.g. A has claimed set-off on purchases of goods from B. The ITC report reflects disallowance of ITC along with reasons in brief. Whether in the same report, actions taken by department on the B (for e.g. issue of Notice, Site Visit, Bank Account Attachment, etc.) should also be made available to A.

Ans The dealer will not get details of recovery action taken against the defaulting supplier.

Q.175 How many days it will take to reflect the Advance Amount of Tax paid in my dealers account?

Ans It will be real-time.

Q.176 If dealer makes payment at 5pm on 21st & wants to upload the return urgently, will payment made be auto populated in the form from the ledger? How much time would the system require to update the payment made by the dealer? Will it be on real time basis? If not, will it tantamount to late payment of tax?

Ans. The payment would be auto populated in the return on a near real time basis.

Q.177 Post filing of return, a single challan would be generated showing total amount payable by the dealer for a particular month/ quarter. Usually there are monetary restriction of e-payments by certain banks or by certain internal policies of the Company. In such case payment details cannot be put in a single challan. So how additional challans would be generated so as to capture details of all the payments?

Ans. In chalan, there is facility to make payment in part.

Q.178 The field 'Excess credit brought forward from previous return' is auto-populated. Let's suppose that VAT auditor finds out refund for March 2016 to be INR 2,50,000/- in the month of November 2016. Now, whether March' 2016 Return is to be revised using old template or under new MVAT automation system?

Ans. Returns (original and revised) for all the periods prior to April 2016 have to be filed in old templates and the consequential effect, if any, would be automatically captured in subsequent returns.

Q.179 Suppose in above example, if March' 2016 return has been revised based on auditor's recommendation, then the refund of INR 2,50,000/- would be automatically carried forward to which period? Namely the subsequent period for which dealer has not yet uploaded the return (e.g. month/ quarter ending December' 2016) or in very next month/ quarter (i.e. April' 2016).

Ans. A manual row is provided in the preview (Excel) return so as to incorporate such transactions/adjustments as required in the subsequent periods.

Q.180 Goods Return in case of retailers:

- a. Whether consolidated figures of 'Goods Return' would be accepted? How 6 months' validation check would operate?
- b. It was orally answered in STPAM seminar, that where there is inclusive tax sale by a retailer and there is goods return within six months the same shall be allowable without reference to corresponding bill since all cash memos inclusive of tax need not be entered daily or weekly or monthly entries may be done- such

clarification needs to be given in writing in FAQ or circular.

Ans. Consolidated figures of 'Goods Return' will be accepted in case of cash memo. In such cases 6 months' validation check would not operate. Dealer has to take due care while claiming goods return.

Q.181 As per FAQ 48, cash Sales are to be shown on aggregate basis in sales annexure. However, if there is Sales Return of cash sales, will dealer have to insert corresponding Invoice no while reporting in Sales Annexure? Further, vide Trade Circular 7T of 2016 [Part B- III (e)], it is clarified that claim of goods return would be allowed only if the same is confirmed by the buyer through debit note in their purchase annexure. In case of cash sales, the customer may be such who is not to file any returns and accordingly would not be in a position to confirm the goods return.

Ans. The clarification provided in Trade Circular 7T of 2016 is applicable only in case of goods return claim from registered dealer. Goods return in case of unregistered dealer would be allowed without confirmation from the buyer.

Q.182 As per FAQ 25, it has been stated that the C-Forms are to be issued on the basis of CST purchases shown in the Returns. Kindly consider following example: -

- Purchase from Party "ABC Ltd" for INR 1,000/- in Quarter June;
- C Forms of "ABC Ltd" for INR 1,000/- are issued based on Annexure filed;
- Goods return from "ABC Ltd." for Rs.300/- in Quarter December & there is no purchase from ABC Ltd since Quarter June.
- Purchase from XYZ ltd in Quarter Dec for Rs.2000/-.

Queries:

(i) When dealer will file return for the Quarter Dec, interstate purchase will be reported at INR 1,700/- for the issuance of C form (INR 2,000/- as Purchase minus INR 300 as G/R). While generating C forms, will system issue C Forms of “XYZ Ltd” for INR 2,000/- or net amount of INR 1,700/-?

(ii) What about excess amount of C-Forms issued of “ABC Ltd” in Quarter June?

(iii) What about excess amount of C-Forms issued of “ABC Ltd” in Quarter June?

- Ans.**
- (i) System would consider invoice wise transaction pertaining to ‘XYZ Ltd’ and accordingly C-Forms would be issued of INR 2,000/-.
 - (ii) While claiming goods return for “ABC Ltd”, unless the C-Form is cancelled goods return will not be accepted.
 - (iii) Dealer has to apply for new C-Form for “ABC Ltd” of INR 1700/-.

Q.183 Reference FAQ 24. When goods are sent to OMS Branch or Consignment Agent, in both the cases, it is shown as ‘branch transfer’ and would be reflected under code “300”. F forms for the said transactions will be received by the dealer.

As per FAQ 24, if in above case, if there is Stock returns, then it has to be shown in following manner:

- **In case of goods return by Branch- to be shown by dealer in code “300” and accordingly “F Forms” would be issued for the same**
- **In case of goods return by Consignment agent- to be shown in code “680”**

Why such differentiation?

Ans. Goods return claim is allowed in case of consignment agent only.

Q.184 It was explained by Department that branch transfers are classified under a single code 300 and local and interstate branch transfer to be distinguished by selecting code CST for interstate and 231 for local against code 300. It is necessary to report local /intrastate transfer since it is not a sale? We feel that it would be reportable only if the same is shown as local consignment, where tax on sale is paid by such consignment agent. In all other local transfers- whether it would suffice if the same is not shown? It is informed orally that filling rows for this field is optional. But we request that uniform instruction is necessary.

Ans. It is necessary to report all local /intrastate transfers since it is a part of gross turnover of sales.

Q.185 If there are goods returns [partly out of 2/3 bills] under single credit note, whether explanation given in FAQ 46 would apply? If 'No', then how the data for such cases has to be keyed in?

Ans. It is expected to enter 3 invoices separately.

Q.186 Currently, error messages are displayed in a very brief manner (for e.g. Invalid TIN. Please refer Help Guide). This makes it difficult for a dealer to identify and correct the error and accordingly takes more time to key in the details and validate the forms.

Ans. The errors are shown by Header, Sales annexure, Purchase annexure, Return form with row number and table number.

Q.187 In case of purchase entries pertaining to furnishing fabrics/curtain cloth [items exempt u/s 41(4)(c)] from unregistered dealer:

Column D- TIN- NIL

Column J- Exempted purchases u/s 41- Relevant amount

Column M- Not being auto populated

Error- Invalid Amount. Kindly Refer Help Guide.

Kindly provide a suitable solution to solve the error for the same.

Ans. Such purchases are to be shown in column in E.

Q.188 **There should be remarks column available in the new return format so as to briefly explain any adjustment which is not possible to insert because of auto-populated fields.**

Ans Please contact help desk or nodal officer if any adjustment is not possible to be inserted because of auto-populated fields.