

8th Floor, VikrikarBhavan
Mazgaon, Mumbai – 400010.

Trade Circular

To,

.....
.....

No:-JC (Mahavikas) / Return Annexures
Trade Circular No. 97of 2014

Mumbai, Dt. 25/03/2014.

Subject:-Submission of Annexures with/as a part of returns
for the periods starting from 1st April 2014 and onwards

The annual sales and purchases information is received by the Sales Tax Department from all the dealers. This information is received as a part of electronic audit reports (e704) and as a part of the last returns of relevant financial year.

These annual annexures of sales and purchases are cross matched electronically and the admissible input tax credit i.e., ITC in respect of each ITC claimant dealer is worked out by the Sales Tax Department. The process of ITC cross matching takes place after about 10 months from the end of the financial year since the due date for filing of reports is more than 9 months from the end of the relevant financial year. This leads to delay in communication of ITC match-mismatch reports to the dealers making it difficult for them to put any sort of pressure on their suppliers for correct disclosure of their sales to the ITC claimant.

Many of the dealers and sales tax practitioners have represented to this office about this delay and have requested/suggested to obtain annexures of sales and purchases before filing of the returns by each dealer. This would lead to quicker cross matching of ITC leading to faster communication of ITC match-mismatch reports which in turn, would help the ITC claimant dealers to follow their suppliers for un-matched ITC and cause corrections in disclosure of sales made by them to the ITC claimants. Such a system is prevalent in some of the states in India.

2. In order to ensure speedy cross verification of ITC claims and faster processing of refunds it is decided to obtain annexures of dealer-wise sales and purchases from each dealer before filing of returns as per the due periodicity of its return filing.

3. Description of the annexures:-

- A. Annexure J1:- In this annexure the dealer will be required to fill in the dealer-wise information of the sales. .
- B. Annexure J2:- In this annexure the dealer will be required to fill in the dealer-wise information of purchases.

4. Instructions for filing of annexures J1 & J2 with the returns:

Each dealer shall upload properly filled annexures J1 and J2 for the period starting from 1st April, 2014, as per the decided periodicity of return filing for the relevant year. It may be noted that each dealer should upload the annexures J1 & J2 corresponding to the monthly, quarterly or six monthly returns. It is in the interest of each dealer to file the annexures of sales and purchases before filing of the due returns. They should ensure that the total taxable sales and purchases shown in the annexures tally with the figures of taxable sales and purchases to be disclosed in the corresponding return. The dealers should also verify whether the suppliers have also filed their sales annexures showing the sales to them. Filing of correct and complete annexures of sales and purchases would be helpful to all the dealers.

A. Filing of the annexures J1 and J2 as a part of the audit report by the 704 filers:

The 704 filers should upload the annexures J1 and J2 in respect of all the returns as per their periodicity of filing of returns. It may be noted that they shall continue to file annexures J1 & J2 for the entire year as a part of the audit report along with all other annexures.

B. Filing of annual annexures J1, J2, C, D, G, H, and I by the dealers who are not eligible to file the audit report.

The dealers not eligible to file 704 shall upload annexures J1 and J2 in respect of all the returns as per their periodicity of return filing. They should also file consolidated annexures J1 and J2 for whole of the year. These dealers would be required to file annual annexures C, D, G, and H & I, as may be applicable, along with /as part of return to be filed by them for the period ending March of the relevant financial year.

C. Filing of annexures J1 and J2 by the deemed dealers covered by Section 61(3) of the MVAT Act, 2002:-

a) The deemed dealers covered by Section 61(3) of the MVAT Act, 2002 are not required to file the audit reports.

b) Rule 17(4) (a)(ii) of MVAT Rules, 2005 deals with filing of returns by the deemed dealers.

i) Deemed dealers, whose tax liability for the previous year was Rs. one Crore or less are required to file six monthly returns. These dealers should upload the annexures J1 & J2 before uploading the return for each six monthly period.

ii) Deemed dealers whose tax liability during the previous year was more than Rs. one Crore should first upload the annexures J1 & J2 before uploading the corresponding monthly returns.

D. Filing of Annexures J1 and J2 by the Composition dealers:-

a) The category of the dealers covered under composition, namely, Retailers, Bakers, Second-hand Motor vehicles, Restaurants and Developers (who have opted for 1% composition) should upload only annexure J2 i.e. annexure of supplier wise purchases before uploading the return as per their periodicity of filing the return.

b) Dealers executing works contract and Mandap Decorators covered under composition scheme under section 42(3) and 42(4), respectively should upload the details of sales and purchases in annexure J1 and J2, before uploading the return as per their periodicity.

E. Filing of annexures J1 and J2 by the dealers filing returns in more than one form:-

A dealer who files returns in more than one return form shall upload separate annexures J1 & J2 pertaining to the sales and purchase turnovers related to the separate return forms.

5. Chronology of tax payments, filing of annexures & return filing

a) Each dealer has to pay the tax due, as per the return, by the due dates for the respective periods. The monthly & quarterly return filers shall continue to pay the taxes due, as per the returns, within 21 days from the end of the corresponding

return period. The six monthly return filers shall continue pay the tax due, as per returns, within 30 days from the end of the corresponding period.

- b) Each dealer has to upload the annexures J1 and J2 as per returns but before the due date for uploading the returns.
- c) The dealers may revise returns under Section 20(4) (a) of the MVAT Act as per their periodicity of return filing. However, they shall upload revised annexures J1 and J2 corresponding to the returns so revised, if necessary. In these cases also the revised annexures J1 and J2 should be uploaded before filing the revised return.

6. Downloading of Forms of the annexures:-

The templates in excel format of the annexures J1 & J2 shall be provided on the website of the Sales Tax Department i.e. www.mahavat.gov.in at DOWNLOAD > FORMS > Electronic forms. Every dealer shall download the template of the said form. Only downloaded template of the said form can be uploaded on the website.

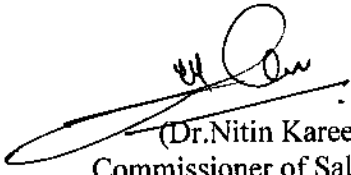
7. Filing and uploading of the annexures:-

- a) After downloading requisite templates of annexure J1 & J2 the dealer shall fill the templates corresponding to the period of the return offline. The templates have offline validations. A **rem.txt** file shall get generated if the template is error free.
- b) The **rem.txt** file of the annexures J1 & J2 shall be uploaded by the dealer using his login ID and password created by him for the purpose of e-services. An acknowledgement will be generated after successful uploading which the dealer may save on its computer.

9. There is no change in the dates of payment of taxes and uploading of returns. The relaxation of 10 days period for uploading e-return, provided by Trade Circulars 16T of 2008 and 1T of 2009 shall continue.

10. This circular is being issued to facilitate dealers to make necessary changes in their systems so as to accustom them to file annexures and returns by the due dates as the filing of annexures of sales and purchases has been proposed to be made mandatory soon.

11. You are requested to bring the contents of this circular to the notice of all the members of your association.

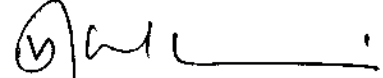

(Dr. Nitin Kareer)
Commissioner of Sales Tax,
Maharashtra State, Mumbai

No:-JC (Mahavikas) / Return Annexures
Trade Circular No. 77of 2014

Mumbai, Dtd. 25/03/2014.

Copy forwarded to:

Dy. Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Department's website.



(Vikas Kulkarni)
Joint Commissioner of Sales Tax,
Maharashtra State, Mumbai