

# E Filing under MVAT

## Seminar on E Filing of returns-WIRC, ICAI Bhawan, Cuffe Parade

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# Matters to be covered



- ✓ MVAT Act
  - Introduction To MVAT Act
  - E Return Filing
  - Regular Return Annexure Filing
  - E-Return Annexure (Annual) Filing
  
- ✓ Profession tax Act
  - E Return Filing
  - Periodicity
  
- ✓ WCT TDS Return
  
- ✓ General issues

# Introduction – MVAT Act

- Sales Tax IN BST Era:
  - Tax Collection at First stage
  - Resale Tax of 0.5% on sales
  - Not much revenue generated
  
- Sales Tax IN MVAT Era:
  - Tax Collected at every stage on Value addition
  - Tax is defined as Sales Tax and not Value added tax
  - Promises to accept returns and No assessment etc
  - Then Various Scams and hence the stringent actions.



## Types of Returns

- Form 231 – All Dealers other than those liable to file forms 232, 233, 234 or 235.
- Form 232 – Dealers whose entire T.O. is under Composition (excl'dg. Works Contract Comp.)
- Form 233 – Works Contract, Leasing, Dealers Opting for Composition for Part of Business Activity
- Form 234 – PSI dealers holding Entitlement Certificate

## Types of Returns

- Form 235 – Notified Oil Companies, Motor spirit Dealers covered by Notification u/s 41(4)
- Form III-E – Dealers under CST Act.
- Form 424 – WCT TDS Return to be filed by dealers which deduct WCT TDS u/s 31 of MVAT Act 2002

## Periodicity

- As Displayed on Website
- Rule 17(4)(e) - Notifn. VAT-1511/CR 84/Taxation-1 dtd 13-09-11
- Monthly, Quarterly, Half Yearly
- Retailers under Composition – HLY
- Newly Registered Dealers – QLY
- PSI Dealers - QLY
- Deemed Dealers u/s2(8) – HLY( tax liab.<1 crore) , others monthly

## Periodicity

- New Proviso is added to Rule 17(4)(e) after sub clause iii to facilitate Quarterly filing of declaration forms for a dealer, who is required to file six monthly return. He may apply to the Commissioner on or before the 15th May of financial year for change of his periodicity from six-monthly to quarterly. The Commissioner may change such periodicity.

## Due Dates

Periodicity	Tax Payment	Retrun Filing	Remarks
Monthly	Within 21 days of the end of Period	Within 21 days of the end of Period	Due Date for e-filing is extended by 10 days if payment made before due date



## Due Dates

Periodicity	Tax Payment	Return Filing	Remarks
Quarterly	Within 21 days of the end of Period	Within 21 days of the end of Period	Due Date for e-filing is extended by 10 days if payment made before due date

## Due Dates

Periodicity	Tax Payment	Retrun Filing	Remarks
Half yearly	Within 30 days of the end of Period	Within 30 days of the end of Period	Due Date for e-filing is extended by 10 days if payment made before due date

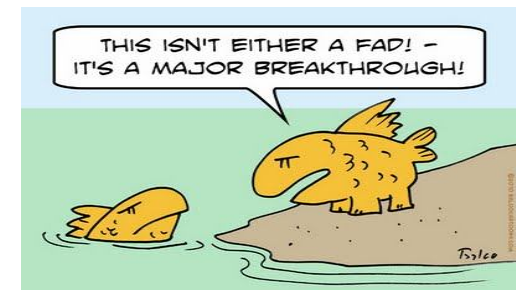
## Due Dates

- Poser: Does that mean if there is no tax payment, due date of filing return is 21<sup>st</sup> or 30<sup>th</sup> as the periodicity?

## Due Dates

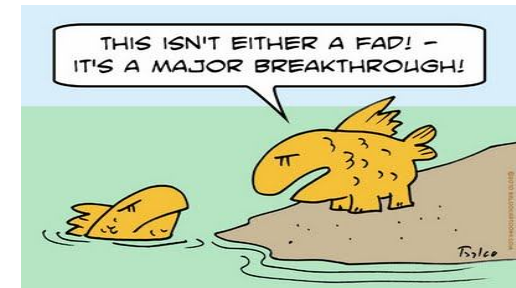
- E-payment is Mandatory for all Dealers
- Half Yearly dealers can make payment in designated Branches of SBI in MTR-6 Challan ([SBI letter Ref. No. GBD/SCC/974 dtd. 21-09-2011](#) )
- Trade Cir. No. 19T of 2012 dtd. 09-11-2012
- If the due date falls on a State Holiday or Sunday, the immediate next working day will be the due date for payment of taxes, filing of Returns, Annexures, 501,704 etc

## Regular Return Annexure



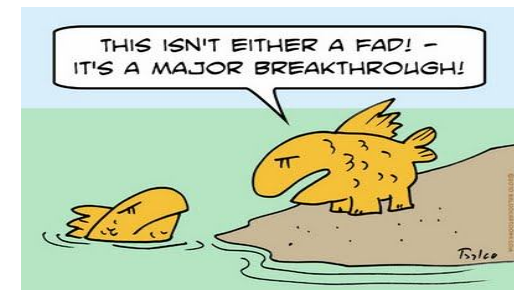
- Trade Circular 9T of 2014 dated 25/03/14 introduced the concept of filing Annexure J1 and J2 along with the return as per the periodicity mandatory for all the dealers.
- Annexure J1 & J2 are now named as "Sale Annexure & Purchase Annexure" in the Regular return annexure respectively to be uploaded before return.

## Regular Return Annexure



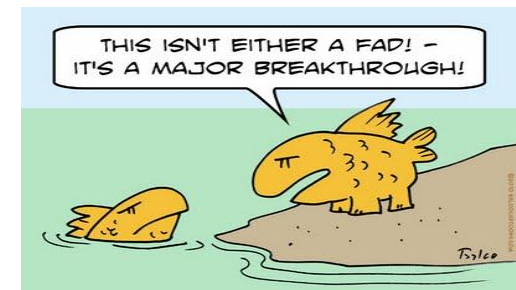
- Data of Net sales and Purchase along with the tax amount given in Annexure should match with the data filed in the return. Else return is not uploaded.
- Composition Dealers u/s 42(1), (2), (3A) are also now made to file these regular return annexure along with the returns as per the periodicity.
- Composition Dealers are to file Purchase annexure only since sale annexure is not applicable to them.

## Regular Return Annexure



- Composition dealers u/s 42(3) & (4) i.e WCT and Mandap decorators are to file Annexure J1 & J2 both.
- Deemed dealers u/s 2(8) of MVAT Act are also to file these annexures as per their return periodicity either monthly or Half yearly
- If the return needs to be revised then first revised regular return annexure needs to be uploaded before revised return.

## Regular Return Annexure



- MVAT Rules were amended vide Notification No. VAT-1514/CR/29/Taxation-1 dated 23/07/2014 and Notification No. VAT-1514/CR/62/Taxation-1 dated 13/08/2014
- Further clarification was given by trade Circular 18T of 2014 dated 26/09/2014



## E-Return Annexure (Annual)

- Notification No. VAT-1511/CR-138/Taxation-1 dated 25<sup>th</sup> December 2011 introduced the concept of filing of Annual E-Return annexure for **dealers not eligible for Form 704** by amending the MVAT Rules.
- These will be applicable from the last return filed for the FY 2011-12 vide Notification No. VAT/AMD-2011/1B/ADM-6

## E-Return Annexure (Annual)

- These Annexure contains Annexure J1, J2, C, D, G, H, & I, which were to be filed by all dealers not eligible for Vat Audit u/s 61(1) of MVAT Act.
- Section 61(3) provides for deemed dealers not liable to VAT Audit. They are to file these annexures. [govt dept central state including railways and MSTC]

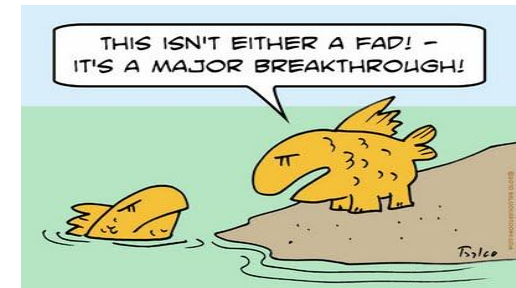
## E-Return Annexure (Annual)

- From FY 2014-15 Annexure J1 & J2 are not to be filled in the Annual Annexure.
- These Annual Annexure is to be uploaded before filing of returns on or before **30<sup>th</sup> June** of succeeding year.
- The above annual Annexure are not applicable to Composition dealers falling u/s 42(1), (2) & (3A) and hence the due date is also not applicable to such dealers.

# Summary

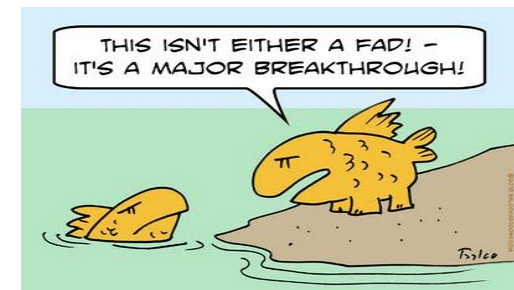
Return Filer	Criteria	Regular Return annexure	Annual Annexure DD- 30/06	periodicity
Eligible for Form 704	Turnover >1 crore	Yes	No	As displayed on website
Non Eligible for Form 704	Turnover < 1 crore	yes	Yes	As displayed on website
Composition dealers	U/s 42(1), (2), (3A)	yes	No	For 42(1)- HY and others- website
Deemed dealers	U/s 2(8)	yes	Yes [C,D,J1,J2]	Half Yearly if tax < 1 crore
		Yes	Yes [J1,J2,G,H,I]	Monthly if Tax > 1Crore

## Late Filing Fees



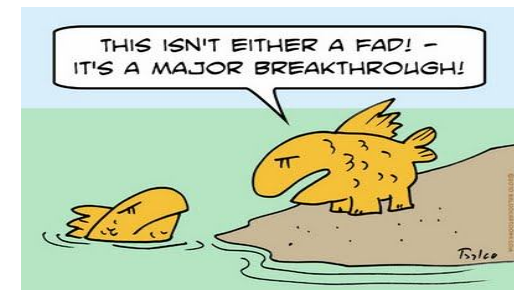
- Non-appealable Penalty u/s 29(8) (upto 31-07-12) for late filing of Return is Rs.5,000/- per return.
- Late Filing Fees u/s 20(6) (w.e.f 01-08-12) - Rs.5000 in lieu of penalty u/s 29(8)
- Proviso added to sec.20(6) for exemption from payment of late fees in specified cases as may be mentioned in the Notification.

# CST



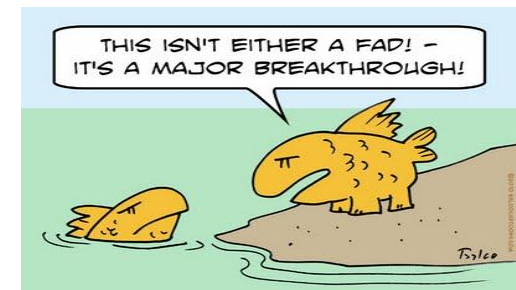
- **As per sec. 9 of the CST Act** all the provisions relating to tax, interest, penalties and offences of the general sales tax of each state shall with necessary modifications apply in relation to assessment, reassessment, collection & recovery of tax, registration, filing of returns etc under the CST Act.

## E-Filing of Returns



- Enrollment for e-services – One Time Activity
- Download – Forms – Electronic forms - e-return forms
- - Form 231, Regular return annexure, Annexures(for e-704 not eligible dealers),
- Form CST III-E
- Tools –Macro –Security-Medium or Low
- Off-line filling of Forms & Validation of File

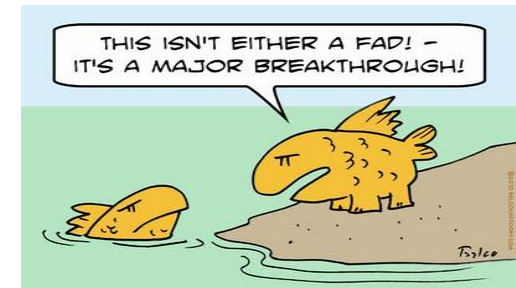
## E-Filing of Returns



- If error shows, open Error Sheet and correct the errors
- On Validating again, -Rem.txt file is generated in My Documents folder
- Dealer Login & Password
- E-Services - E>Returns - Browsing and uploading
- Acknowledgement

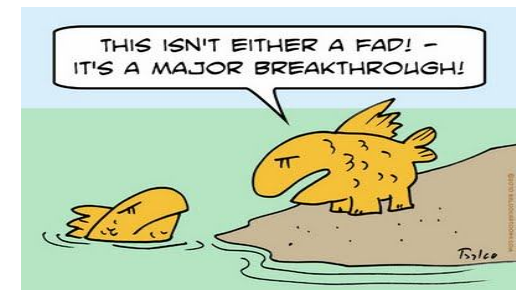


## Revised Returns



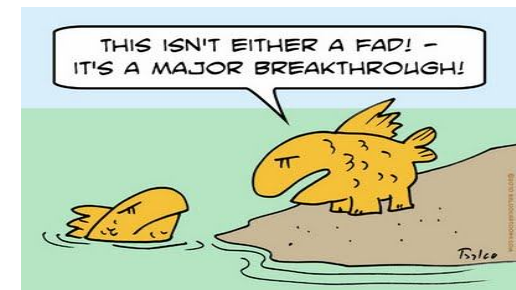
- Sec.20(4)(a) : Within 10 months from end of the year to which the return relates. As per periodicity
- Sec.20(4)(b) : Before the expiry of 30 days from the due date of MVAT Audit. Annual revised return
- Only one Revised Return can be filed for periods starting after 01-05-2011

## Revised Returns



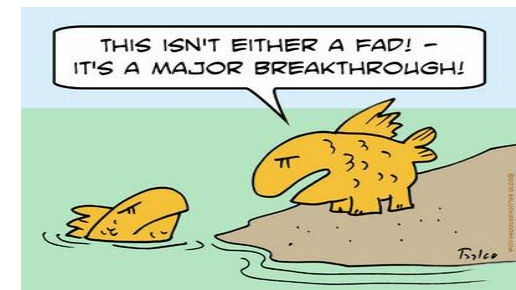
- Sec.20(4)(c) : Within 30 days from the date of service of intimation u/s 63. Annual revised return
- In the recent budget for FY 2015-16, amendment has been made to file multiple revised return under section 20(4)(c).

## Profession Tax PTRC



- E-filing mandatory wef 01-02-2011 for employers having tax liability more than Rs.20000/- in pr.yr.– Cir. 1T of 2011
- E-filing mandatory for all employers from 01-08-2011  
Optional E-payment facility for PTE and PTR from 01-01-2012 – Cir. 1T of 2012

## Periodicity of PTRC

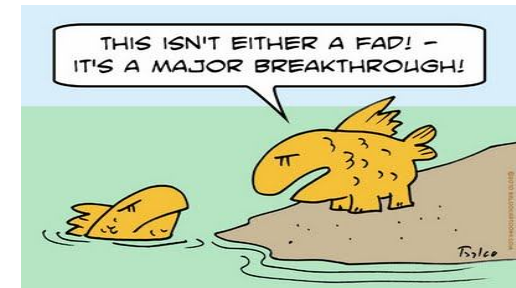


- If Tax liability is less than Rs. 50000/- in previous year – Annual Rtn.
- If Tax liability is more than Rs. 50000/- in previous year – Mthly Rtn.
- Due date for payment of tax and filing of returns – within 30 days
- 10 days additional for e-filing of returns
- Late Filing fees Rs.1000/- per return.

## WCT TDS return

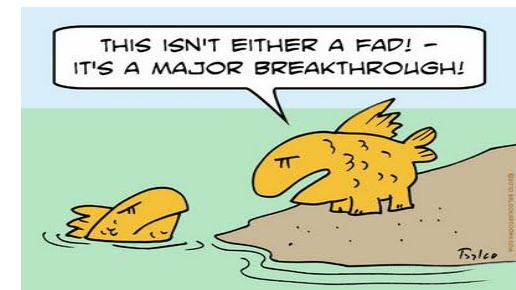
- Old Form 405 replaced by e-form 424
- Yearly return due on 30th June
- E-filing by registered TIN holders
- E-filing by Unregistered Deductors

## Issues under E-Filing-1



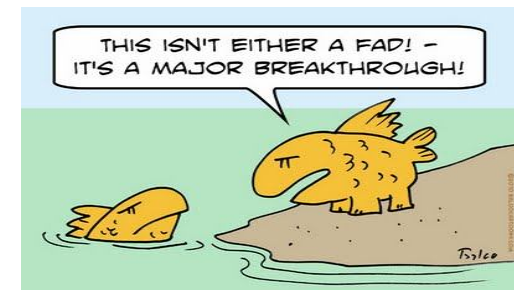
- Dealer has applied for registration on 27/12/2014 and due to some problem he gets the registration certificate on 04/02/15 but WEF 27/12/14. Hence he needs to file the first quarterly return for Dec 14 for which due date has already gone [31<sup>st</sup> January 2015].
- Is the dealer suppose to pay late fees? Is there any other recourse?

## Issues under E-Filing-2



- Dealer is eligible for vat Audit but by mistake writes "No" in the eligibility column. What is the recourse?
- Dealer is not eligible for VAT Audit but by mistake writes "yes" in the eligibility column. What is the recourse?

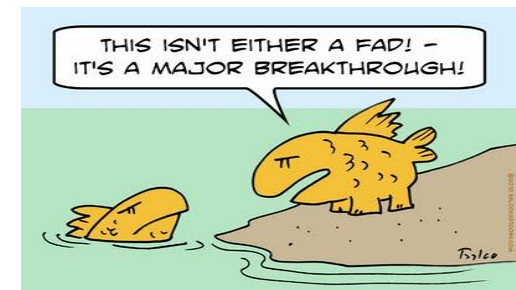
## Issues under E-Filing-3



- Dealer is a works contractor partly and carries out other business also with quarterly periodicity. In the first quarter he files Form 233. but in the second quarter since there was no works contract activity he files Form 231 by mistake. What is the recourse?
- Due date has passed by and the website does not allow to upload revised return of form 233.



## Issues under E-Filing-4



- Dealer not eligible for vat audit has filed annual annexure. And later on while finalising IT return there is change in turnover of sales and purchase. Return can be revised periodicity wise as there is provision for it but the annual annexure cannot be revised. What is the recourse?

## Issues under E-Filing-5

- Dealer is selling goods to a unit in SEZ zone locally. Is there any provision to show these sales in the return form 231 and others?
- What if the SEZ unit is located out of Maharashtra? How to show in the return Form III E?

## Issues under E-Filing-6

- Dealer is a exporter and he purchases goods on Form H,
- Dealer is purchasing goods on branch transfer.
- Dealer is purchasing goods on C-Form,
- What care needs to be taken while filling the details above in the return form? What can be the repercussions?

## Issues under E-Filing-7

- Precautions to be taken while filing Annexure:
- Checking of TIN nos with Hawala list and other non filers and short filers list
- Giving the correct differential liability in Annexure I
- Filing Annexure C only after receipt of WCT TDS certificates
- Period ending transactions to be recorded properly

Any other Issue....



Happy Weekend

