

**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.

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 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. No negative values shall be accepted in annexure or 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

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.

For further details please contact mvatautomation@gmail.com