

Office of
The Commissioner of Sales Tax,
Maharashtra State, 8th Floor,
Vikrikar Bhavan, Mazgaon,
Mumbai-400010.

INTERNAL CIRCULAR

(Restricted Circular for Office use only)

No: Addl. CST (PT & Allied Acts)/Return& Recovery/2014-15/Mumbai/B....Dt / /2015
Internal Circular ...1.A of 2015 Dated:20/02/2015, Mumbai.

Sub.: Closure of pending System Short Filers.

Ref.: Trade Circular 7T of 2013 dated 22-11-2013

Background:

The automated system of MAHAVIKAS identifies a dealer as a Short Filer if he does not pay the amount of tax & interest admitted in the return. It had been represented to this office by many dealers that although they had paid the admitted amounts as shown by them in the returns, notices had been issued to them as short filers. The issues involved in the said representations had been analysed & Trade Circular 7T of 2013 was issued providing for the process of challan correction to correct the wrongly identified short filers. The process of challan correction caused correction in the MAHAVIKAS SYSTEM & thereby many cases of short filers were closed.

2. Certain other situations for the closure of pending short filers.

It has been brought to the notice of this office that the closure of short filers in the following situations, not covered by the scope of Trade Circular 7 T of 2013, is also necessary:

- i) The dealer has been indentified as short filer & the comprehensive Business Audit/ Refund Audit/ Assessment has been completed for the period containing the period of short filing in his case.
- ii) The dealer has been identified as a short filer as per return periodicity and has filed a single revised return for that year covering the period short filing.

- iii) The dealer has been identified as a short filer & has filed the VAT Audit Report for that year covering the period of short filing.

The issues were thoroughly discussed with the senior officers of the department and it is concluded that in all of the above mentioned situations the short filing status of the dealer can be closed by following certain process. Therefore following procedure is devised:

3. Procedure for closure of short filers:

i) Cases where the Comprehensive Business Audit/Refund Audit/Assessment is complete:

The Addl. CSTs incharge of Refund Audit/Business Audit/Assessment shall compare the list of short filers for the period 01-04-2008 & onwards with the cases wherein comprehensive BA & RA have been completed.

Where, the BA/RA have been closed by way of filing of revised return, it shall be ensured by the concerned BA/RA officer that the dealer has paid the tax due on account of short filling. The Addl. CSTs shall forward list of such cases (as per Proforma 1) to JC, Mahavikas for the purpose of closure of their status as short filer. The JC, Mahavikas after receipt of such cases shall close the system short filers.

Where, the BA/RA has resulted into comprehensive assessment, the Addl. CSTs shall ensure that all the orders have been entered on Mahavikas System with approved status so that the short filing status of the dealer gets closed automatically.

ii) Cases where the single revised return for the year has been filed but the dealer has not filed the VAT Audit Report

The JC, EIU shall draw a consolidated summary (as per Proforma 2) as per all latest returns in a particular year against the single revised return filed by the dealer for that year. The JC, EIU shall also draw information about the total amount paid by the dealer as per challans data available on the Mahavikas System for that particular year and shall forward the said information to JC, Mahavikas who shall employ the following method for closure of the system short filers in such cases:

A) Where the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown in single revised return (latest) for the year is (a) more than or equal to the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year and (b) the total amount paid as per challans data available on Mahavikas System for the relevant

year is more than or equal to the balance amount payable shown as per the single revised return (latest) for that relevant year, then short filers identified for the said year shall be closed. This procedure shall be applicable for closure of system short filers under MVAT Act & CST Act.

B) Where the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown in single revised return (latest) for the year is less than the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year then JC, Mahavikas shall made available such short filer cases data to the concerned Return & Recovery Branch/LTU/New Registration Follow up Branch/JC(Vat Adm).

After receipt of such cases the concerned Officer shall cause appropriate verification at his end & find out whether the dealer is a short filer or not. Where he comes to a conclusion that the dealer has made due payments with the returns then he shall, with the approval of concerned Joint Commissioner of Sales Tax shall forward the list of such cases to the JC, Mahavikas, requesting the closure of system short filer. JC, Mahavikas after receipt of list of such cases shall close such system short filers. This procedure shall be applicable for closure of system short filers under MVAT Act & CST Act.

iii) Cases where the dealers have filed VAT Audit Reports:

The JC, EIU shall draw information about the total amount shown payable as per all the latest returns filed by the dealer for a particular year vis-a-vis the total amount shown payable by the auditor in the Audit Report for the relevant year. The JC, EIU shall also draw information (as per Proforma 3 & 4 under MVAT Act & CST Act respectively) about the total amount paid by the dealer as per challans data available on Mahavikas System for that particular year and shall forward the said information to JC, Mahavikas who shall employ the following method for closure of the system short filers in such cases:

A)(i) **MVAT Act:** Where, an amount payable (*Tax leviable, excess tax collection and interest payable less amount paid by the dealer as per Annexure A*) as per Table 2 of Part 1 of the Audit Report for the year is (a) more than or equal to the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year and (b) the total amount paid as per challans data available on Mahavikas System for the relevant year is more than or equal to the balance

amount payable shown as per the Audit Report for that relevant year, then short filers identified for the said year shall be closed.

(ii) **CST Act:** Where, an amount payable (*Tax leviable, excess tax collection and interest payable less amount paid by the dealer as per Annexure B*) as per Table 3 of Part 1 of the Audit Report for the year is (a) more than or equal to the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year and (b) the total amount paid as per challans data available on Mahavikas System for the relevant year is more than or equal to the balance amount payable shown as per the Audit Report for that relevant year, then short filers identified for the said year shall be closed.

B] (i) **MVAT Act:** Where, an amount payable (*Tax leviable, excess tax collection and interest payable less amount paid by the dealer as per Annexure A*) as per Table 2 of Part 1 of the Audit Report for the year is less than the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year then JC, Mahavikas shall make available such short filer cases data to the concerned Return & Recovery Branch/LTU/New Registration Follow up Branch/ JC (Vat Adm).

(ii) **CST Act:** Where, an amount payable (*Tax leviable, excess tax collection and interest payable less amount paid by the dealer as per Annexure B*) as per Table 3 of Part 1 of the Audit Report for the year is less than the balance amount payable (*total amount payable less credits available except taxes paid by the dealer*) shown as per all the latest returns filed for the relevant year then JC, Mahavikas shall make available such short filer cases data to the concerned Return & Recovery Branch/LTU/New Registration Follow up Branch/ JC (Vat Adm).

After receipt of such cases the concerned Officer shall cause appropriate verification at his end & find out whether the dealer is a short filer or not. Where he comes to a conclusion that the dealer has made due payments with the returns then he shall, with the approval of concerned Joint Commissioner of Sales Tax shall forward the list of such cases to JC, Mahavikas, requesting the closure of system short filer. JC, Mahavikas after receipt of list of such cases shall close such system short filers.

The above procedure shall be applicable for closure of system short filers under the Maharashtra Value Added Tax Act, 2002 and the Central Sales Tax Act, 1956 for the period

01-04-2008 onwards and is based upon the analysis of data available electronically on the Mahavikas System. If at a later date, any short filer is found to be closed erroneously, then the due amount of tax and interest shall remain recoverable from the concerned dealer as per provisions of law. All the concerned authorities are instructed to scrupulously follow the above procedure and instructions.

Encl.: Proforma of List (1 to 4)


(Rajiv Jalota)

Commissioner of Sales Tax,
Maharashtra State, Mumbai

No: Addl. CST (PT & Allied Acts)/Return& Recovery/2014-15/Mumbai/B....Dt / /2015
Internal Circular ..1...A of 2015 Dated:20/02/2015, Mumbai.


A) Copy forwarded to:

1. The Special Commissioner of Sales Tax, Maharashtra State, Mumbai.
2. The Special Inspector General of Police, Vigilance, Maharashtra State, Mumbai.
3. All the Additional Commissioners of Sales Tax in the State.
4. All the Joint Commissioners of Sales Tax in the State.
5. The Joint Commissioner of Sales Tax (Mahavikas) for uploading this Internal Circular on the Department's web-site.
6. All the Deputy Commissioners of Sales Tax in the State.
7. All the Assistant Commissioners of Sales Tax in the State.
8. All the Sales Tax Officers in the State.

B) Copy forwarded with compliments for information to:

1. The Deputy Secretary, Finance Department, Mantralaya, Mumbai.
2. The Under Secretary, Finance Department, Mantralaya, Mumbai.
3. Accounts Officer, Sales Tax Revenue Audit, Mumbai & Nagpur.

C) Copy to all the Desks and Desk Officers in the Office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.


(A.H. Rathod)

Additional Commissioner of Sales Tax
(PT & Allied Acts), Mumbai

PROFORMA-1

List of cases wherein Comprehensive Assessment/Comprehensive Business Audit/Comprehensive Refund & Refund Audit completed by all the Concerned Joint Commissioners of Sales Tax in Joint Commissioner of Sales Tax, MAHARAJAS.]

S.N	Name of the dealer	TIN	Act	Officer Desk	Short Filer Period	Assessment/B A/ RA Period	Comprehensive Assessment Details	Comprehensive Business Audit Details	Comprehensive Refund & Refund Audit Details	Revise Return Filed as per Comprehensive B A	Total amount paid for the year	Remark				
							Order No Date of A.O	Form 604 [Sr. No in BAAR-2]	Form 502 [Order No.] Date of Form 502	Challan No Date						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

PROFORMA-2

Comparison details for closure of Short Filers wherein single revised returns for the year filed under MVAT & CST Act [To be prepared by JC, EIU & to be forwarded to JC, Maharashtra]

TIN of the dealer	Officer Desk	SF Return Period	Financial Year	Act	Form Type	Details as per single revised returns for a year				Details as per all latest returns as per periodicity in a year				Difference	
						GTO of Sales	Total tax payable	Net tax payable	Tax paid amount as per challans available on Maharashtra AO available	GTO of Sales	Total tax payable	Net tax payable	Tax paid amount as per challans available on Maharashtra		GTO of Sales
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

PROFORMA-3

Comparison details for closure of Short Filers under MVAT Act wherein VAT Audit Report filed [To be prepared by JC, EIU & to be forwarded to JC, Maharashtra]

TIN of the dealer	Officer Desk	SF Return Period	Financial Year	Form Type	Short Filer Amount	Amount Payable as per Table 2 of Part-1 of the Audit Report [Tax leviable, excess tax collection & Interest amount less except amount paid as per Annexure-A				Difference in amount paid [9-8]
						Balance amount payable as per all later returns	Amount payable as per Table 2 of Part-1 of the Audit Report [Tax leviable, excess tax collection & Interest amount less except amount paid as per Annexure-A	Amount as per Challans available on Maharashtra	Amount as per Challans available on Maharashtra	
1	2	3	4	5	6	7	8	9	10	

PROFORMA-4

Comparison details for closure of Short Filers under CST Act wherein VAT Audit Report filed [To be prepared by JC, EIU & to be forwarded to JC, Maharashtra]

TIN of the dealer	Officer Desk	SF Return Period	Financial Year	Form Type	Short Filer Amount	Amount Payable as per Table 3 of Part-1 of the Audit Report [Tax leviable, excess tax collection & Interest amount less except amount paid as per Annexure-B				Difference in amount paid [9-8]
						Balance amount payable as per all later returns	Amount payable as per Table 3 of Part-1 of the Audit Report [Tax leviable, excess tax collection & Interest amount less except amount paid as per Annexure-B	Amount as per Challans available on Maharashtra	Amount as per Challans available on Maharashtra	
1	2	3	4	5	6	7	8	9	10	