RETURNS UNDER MVAT AND C.S.T. REGULATION

SHR & CO.

CHARTERED ACCOUNTANTS

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Periodicity of filing Returns and Payment of tax

Tax Liability in the Previous Year.	Tax Refund in the Previous Year	Periodicity	Due Date for payment	Due Date for E-filing Return
Upto Rs. 1 Lakhs	Upto Rs.10 Lakhs	Half Yearly	Within 30 days from end of the Half Year	Within 30 days from end of the Half Year
Above Rs. 1 Lakh and upto Rs.10 Lakhs	Above Rs.10 Lakhs and upto Rs.1 Crore	Quarterly	Within 21 days from end of the Quarter	Within 10 days after the due date of Payment
Above Rs.10 Lakhs	Above Rs. 1 Crore	Monthly	Within 21 days from end of the Month	Within 10 days after the due date of Payment

Types of Return forms & Payment Challan

Forms	Types Of Dealer
232	1) Retailers 2) Restaurants 3) Bakery 4) Second Hand Motor Vehicle Dealer 5) Part Composition other than Work Contractor
233	1) Work Contractor 2) Lessor 3) Composition other than Work Contractor
234	1) PSI Dealer holding Entitlement Certificate
235	1) Notified Oil Companies
231	1) Other than Above i.e Manufacturer,Traders etc.
IIIE	1) All Dealers
MTR-6	1) VAT and CST Online Payment

Steps for filing VAT & CST returns

- Ascertainment of GTO of Sales
- Ascertainment of GTO of Purchases
- Calculation of Set-Off
- Tax Calculations
- Payment Details
- Other Details

Steps for filing VAT & CST returns

- Ascertainment of GTO of Sales – which includes
  - Sale of Trading goods
  - Sale of Manufactured goods
  - Sale of Raw Materials
  - Sale of Packing Materials
  - Sale of movable Capital goods
  - Sales in the nature of Works Contract
  - Sales in the nature of Lease / Rental of movable goods
  - Sale of Scraps and other income credited to Trading, P&L account liable for tax
  - Tax collected separately

Steps for filing VAT & CST returns

- Ascertainment of GTO of Purchases - which includes
  - Purchases of Trading goods
  - Purchases of Raw Material
  - Purchases of packing Materials
  - Purchases of Consumables
  - Purchases of movable Capital goods
  - Purchases in the nature of Works Contract
  - Purchases in the nature of Lease / Rental of movable goods
  - Purchases of Scraps and other expenses debited to Trading, P&L account liable for tax
  - Tax paid separately

Steps for filing VAT & CST returns

- Calculation of Set-off – Gross Set-off includes U/R(52)
  - VAT paid included in GTO of purchases
  - Entry Tax paid in respect of goods under Tax On Entry of Goods into Local Areas Act,2002
  - Entry Tax paid in respect of Motor Vehicles into the Local Areas Act,1987
- Disallowance of Set-off – U/R (54)
- Reduction of Set-off – U/R (53)

Steps for filing VAT & CST returns

- Total Credit for the Return period:
  - Balance Set-off available after disallowance and reduction
  - Excess credit brought forward from previous Return
  - WCT TDS certificate received
  - Refund Adjustment Order
  - Adjustment against short set-off claimed in earlier return
  - Adjustment against excess set-off claimed in earlier return

Steps for filing VAT & CST returns

- Gross Tax Payable:
  - Classify transactions to ascertain tax liability under VAT & CST regulations
  - Classification of goods as per Schedules to determine tax rate
  - Classify CST transactions – based on CST declaration forms
  - In case of tax inclusive sales, ascertain tax component
  - Interest – In case of late payment of taxes

Steps for filing VAT & CST returns

- Tax Payable / (Refundable) under VAT Regulations:
  - Gross Tax Payable
  - Less: Tax Payable under CST regulations
  - Less: VAT in respect of Goods Returns
  - Balance: VAT payable
  - Add: Interest on account of late payment
  - Less: Total credit for the Return Period
  - Balance: Tax Payable / (Refundable)
  - Less: Adjustment for CST payment (if balance is Refundable)
  - Net Balance is Refundable (if any) - Opt for C/F or claim Refund

    (However, in case of last return for the particular financial year, C/F option is not available unless there is a trade circular)

Steps for filing VAT & CST returns

- Tax Payable / (Refundable) under CST Regulations:
  - Gross Tax Payable
  - Less: Tax Payable under VAT regulations
  - Less: CST in respect of Goods Returns
  - Balance: CST payable
  - Add: Interest on account of late payment
  - Less: Adjustment against balance Tax refundable under VAT regulations (if any)
  - Net Balance Payable

Steps for filing VAT & CST returns

- Other Details for filling VAT and CST returns:
  - TIN of the Dealer under VAT & CST regulations
  - Location of Sales Tax office
  - Phone No. and E-mail ID of the dealer
  - Periodicity and Type of Return
  - Period of Return
  - Option to choose - First and Last Return
  - Option to choose - Holding CST RC No.
  - Option to choose - Exemption or deferment
  - Payment details - Chalan CIN No., amount, Payment date, Bank Name and Branch Name
  - Refund Adjustment Order – Date and RAO No., amount adjusted
  - Name and designation of authorized person and place

Sample Data - Sales Summary

Particulars	Gross Amount	Deductions	Net Amount
Net Value 12.5%	20000	-	20000
VAT 12.5%	2500	-	2500
Net Value 4%	10000	-	10000
VAT 4%	400	-	400
Net Value of other rates	25000	-	25000
VAT of other rates	1250	-	1250
Branch Transfer within state	1000	-	1000
Tax Free	1000	-	1000
Exempted U/S 8 other than U/S 8(1)	1000	-	1000
Labour/Job works	500		500
Others	500	-	500
Total Local Sales (A)	63150	-	63150

Sample Data - Sales Summary

Particulars	Gross Amount	Deductions	Net Amount
Net Value 12.5%	10000	-	10000
CST 12.5%	1250	-	1250
Net value 2%	25000	-	25000
CST 2%	500	-	500
Net Value of other rates	15000	-	15000
CST of other rates	750	-	750
H-Form	1000	-	1000
Direct Export	1000	-	1000
High-Seas Sales	1000	-	1000
Branch Transferred outside the State	1000	-	1000
Exempted	1000	-	1000
Freight / Others	1000	-	1000
Total CST Sales (B)	58500	-	58500
Total sales (A+B)	**121650**	-	**121650**

Sample Data – Purchase Summary

Particulars	Gross Amount	Deductions	Net Amount
Net Value 12.5%	10000	-	10000
VAT 12.5%	1250	-	1250
Net Value 4%	20000	-	20000
VAT 4%	800	-	800
Net Value of other rates	10000	-	10000
VAT of other rates	500	-	500
Branch Transfer Within States	1000	-	1000
Tax Free	1000	-	1000
Exempted U/S 8 other than 8(1)	1000	-	1000
RD purchases not eligible for set-off	1000	-	1000
URD	500	-	500
Labour/Others	500	-	500
(A) Local Purchases	**47550**	-	**47550**

Sample Data – Purchase Summary

Particulars	Gross Amount	Deductions	Net Amount
Interstate against Declaration Form	1000	-	1000
Interstate without Declaration Form	1000	-	1000
Direct Imports	1000	-	1000
Interstate Branch transfer	1000	-	1000
High-Seas Imports	1000	-	1000
(B) Interstate Purchases	5000	**-**	5000
Total Purchases (A+B)	**52550**	**-**	**52550**

Sample – Form 231 – VAT return

Particular	Amount
Gross Turnover of Sales	121650
Less:- Goods returns & sales credit notes (Gross Amount)	-
Less:-VAT Amount (whether collected separately or otherwise)	4150
Less:-Branch Transfers within State – if tax is paid by an agent	1000
Less:- Gross OMS Sales (export, form H & high sea sales – give breakup)	58500
Less:-Tax free goods (Schedule A goods)	1000
Less:-Exempted Sales (Covered u/s. 8 other than Gross OMS sales)	1000
Less:-Labour Charges / job work charges	500
Less:-Other Allowable Deduction (non taxable charges)	500
Balance:- Net turnover of sales liable to tax (It is equal to **Total of Net amount** from the table **below**)	55000

Sample – Form 231 – VAT return

Rate of Tax	Net Amount	VAT amount
4.00%	10000	400
12.50%	20000	2500
Other Rates	25000	1250
Total	55000	4150

Sample – Form 231 – VAT return

Particular	Amount
Gross Turnover of Purchases	52550
Less:- Goods returns & purchases debit notes (Gross Amount)	-
Less:-Import	1000
Less:-High-Seas Purchases	1000
Less:-Inter-state Purchases	1000
Less:-Inter-state Branch Transfer	2000
Less:-Branch Transfers within State – if tax is paid by an agent	1000
Less:-URD Purchases	500
Less:-RD purchases not eligible for set-off (includes Rule 54 purchases)	1000
Less:- Exempted Purchases (Covered u/s. 8 less Gross OMS Purchases)	1000
Less:-Tax free goods (Schedule A goods)	1000
Less:-Other allowable deduction (Labour & other non taxable charges)	500
Balance :-Net turnover of purchases eligible for set-off (It is equal to **Total of Net amount plus tax amount** from the table **below**)	42550

Sample – Form 231 – VAT return

Rate of Tax	Net Amount	VAT amount
4.00%	20000	800
12.50%	10000	1250
Other Rates	10000	500
Total	40000	2550

Sample – Form 231 – VAT return

Particulars	Purchase Value	Tax Amount
Taxable Purchases within State eligible for set-off refer table above	40000	2550
Less:-Reduction under Rule 53(1) if any	-	-
Less:-Reduction under Rule 53(2) if any	-	-
Less:-Reduction under any other rule of Rule 53 if any	-	-
Add:-Adjustment on account of Short Claim in the earlier Returns		-
Less:-Adjustment on account of Excess Claim in the earlier Return		-
Net Set-Off Available For the period		2550

Sample – Form 231 – VAT return

(a) Net Set-Off Available For the period	2550
(b) Add:-Excess Credit b/f from previous return	-
(c) Add:-Amount already paid	-
(d) Add:-Excess credit if any as per Form 234 adjusted in Form 231	-
(e) Add:-Entry Tax paid under goods into Local Area Act,2002	-
(f) Add:- Refund Adjustment Order/ WCT TDS certificate Received	-
(A) Total Available Credit (a+b+c+d+e+f)	2550
(a) VAT Payable	4150
(b) Add:-Adjustment on account of MVAT payable as per form 234	-
(c) Add:-Adjustment on account of CST payable if any	-
(d) Add:-Adjustment on account of Entry Tax paid under goods into Local Area Act,2002	-

Sample – Form 231 – VAT return

(e) Add:-Amount of Tax collected in excess	-
(f) Add:-Interest Payable	-
(B) Total Liability (a+b+c+d+e+f)	4150
Balance:-Excess Credit if (A) greater than (B)	-
Balance:-Tax Payable if (A) Not greater than (B)	1600
Excess Credit carried forward to subsequent tax period	-
Excess credit claimed as refund in this Return	-

Sample – Form 231 – VAT return

Chalan No:-	Amount	Payment Date	Name of Bank	Branch Name
MTR-6	1600	01/01/01	State Bank of India	Fort

Sample – Form IIIE – CST return

Particular	Amount
Gross Turnover of Sales	121650
Less:-Turnover of Sales within state	63150
Less:-Turnover of sales U/S 6(3)	-
Less:-Goods Return Gross amount	-
Less:-Turnover of sales goods outside the state	-
Less:-Sale of goods in the course of exports out of India	2000
Less:-Sale of goods in the course of import into India	1000
Less:-Goods transferred U/s 6A(1) of C.S.T Act 1956	1000
Less:-Exempted sales	1000
Balance:- Interstate sales on which tax leviable in Maharashtra (It is equal to Gross Total amount showed in the table below)	53500

Sample – Form IIIE – CST return

Less:-Cost of Freight		1000
Less:-Interstate sales on which no tax is Payable		-
Less:-Interstate sales U/S 6(2)		-
Balance Total taxable Interstate sales		52500
Less:-Tax Deduction		2500
Net Taxable Interstate sales		50000
Sales Taxable U/s.8(1)		
Rate of Tax	**Net Amount**	**VAT amount**
2.00%	25000	500
12.50%	10000	1250
Other Rates	15000	750
Total	50000	2500

Sample – Form IIIE – CST return

Sales Taxable U/s.8(2)		
Rate of Tax	**Net Amount**	**VAT amount**
2.00%	-	-
12.50%	-	-
Other Rates	-	-
Total		

Sales Taxable U/s.8(5)		
Rate of Tax	**Net Amount**	**VAT amount**
2.00%	-	-
12.50%	-	-
Other Rates	-	-
Total	-	-

Sample – Form IIIE – CST return

Total Amount of CST payable	2500
Amount Deffered (under package scheme of incentives if any)	-
Balance amount payable	-
(a) Add:-Interest	-
(b) Add:-Amount payable against excess collection if any	-
Total amount payable	-
Less:-Excess Credit b/f from previous return	-
Less:-VAT Balance refund to be adjusted if any	-
Less:-Refund Adjustment Order	-
Balance:-Amount Refundable/Excess credit if any	-
Excess credit carried forward to subsequent return if any	-
Excess credit claimed as Refund	-
Balance amount payable if any	2500

Sample – Form IIIE – CST return

Chalan No:-	Amount	Payment Date	Name of Bank	Branch Name
MTR-6	2500	01/01/01	State Bank of India	Fort

Calculation f Set-off

Reduction in Set-Off Under Various sub-rule of Rule 53

Rules and Sub-rules	Contingencies	Reduction Quantum
53(1)	**Fuel -** Any taxable goods used as fuel	3%
53(2)(a)	**Manufacture of Tax Free Goods –** Any taxable goods (excluding capital goods, fuel & expenses debited to Trading, P&L Account) used for manufacture of tax free goods (not applicable when tax free goods are exported)	2%
53(2)(b)	Resale of Tax Free Goods – Any Taxable Goods used as packing materials for re-selling tax free goods	2%

Reduction in Set-Off Under Various sub-rule of Rule 53

Rules and Sub-rules	Contingencies	Reduction Quantum
53(3)	**Inter-State Stock Transfers –** ◆**As it is -** Any Taxable Goods (excluding capital goods, fuel & expenses debited to Trading, P&L Account) ◆**Manufactured / Processed -** Any taxable goods used for manufacture of taxable goods (excluding capital goods, fuel & expenses debited to Trading, P&L Account) (Note:- in case of schedule B goods reduction will be restricted to 1% & in case goods come back within six months no reduction will apply)	2%

Reduction in Set-Off Under Various sub-rule of Rule 53

Rules and Sub-rules	Contingencies	Reduction Quantum
53(4)	**Works Contract Composition scheme -** Any Taxable Goods used in works contract (excluding capital goods, goods in which property is not transferred, fuel & expenses debited to Trading, P&L Account)	
	◆Construction Contract	4%
	◆Other than Construction Contract	9/25
53(5)	**Business Discontinued –** set-off in respect of stock in hand will have to be disallowed, if already claimed should be reversed	100%

Reduction in Set-Off Under Various sub-rule of Rule 53

Rules and Sub-rules	Contingencies	Reduction Quantum
53(6)	**Proportion of Sales receipt in Gross Receipt is < 50% -** ◆**Other Than Hotels -** set-off in respect of goods other than goods sold or resold within six month from the date of purchases. (Manufacturer can claim set-off in respect of P&M, parts, components, accessories, consumables & packing material upto three years from registration) ◆**Hotels –** set-off in respect of goods other than goods served, supplied, sold or resold and capital goods pertaining to kitchen and consumables used for said purposes	100%

Reduction in Set-Off Under Various sub-rule of Rule 53

Rules and Sub-rules	Contingencies	Reduction Quantum
53(7)	**Liquor –** in case selling price is less than MRP	Pro rata
53(7A)	**Capital Assets -** Office Equipment, Furniture or fixture if treated as capital assets (other than for lease transactions)	3%
53(7B)	**Electricity Companies -** any taxable goods	2%
53(8)	**Adjustment to set-off –** in the period in which any of the sub rule (1 to 7B) becomes applicable. In case payment is to be made on account of such adjustment, interest will not apply.	As per applicable sub rule

Non-eligibility of Set-off under Rule 54

Rules and Sub-rules	Contingencies
54(a)	**Passenger Motor vehicle -** If capitalized, and parts, components, accessories thereof (excluding dealers in motor vehicle). Two wheelers ?
54(b)	**Motor spirit -** Except meant for sales & inter-State branch transfers other than local sales
54(c)	**Crude oil -** when used by oil refinery for refinery
54(d)	**Job / labour worker -** Purchases of consumables or capital assets
54(e)	**PSI Units (excluding Tourism Projects) –** Purchases of raw materials

Non-eligibility of Set-off under Rule 54

Rules and Sub-rules	Contingencies
54(f)	**Intangible goods –** Purchases of Patents, Trade Marks, DEPB, Technical Know-how, Goodwill, Registered Designs and Franchise, further ◆software if not meant for sale ◆Copyright which is not resold within 12 months from the date of purchase
54(g)	**Works Contract** – Purchases in the nature of works contract resulting to immovable property excluding Plant & Machinery
54(h)	**Immovable Property -** Purchases for the purpose of erecting Immovable Property excluding Plant & Machinery
54(i)	**Liquor -** Liquor dealer under composition Scheme

Non-eligibility of Set-off under Rule 54

Rules and Sub-rules	Contingencies
54(j)	**Mandap, tarpaulin, pandal, shamiana, etc.** – Dealer in the business of leasing of the above who has opted for composition scheme
54(k)	**Hotelier –** purchases of capital assets which do not pertain to supply / service of food or drink

Rate of taxes under specific schedule

Tax Rate	Under Schedule	Description
0%	A	Agricultural product, goods of neccessity such as life saving medicines, fabrics, salt
1%	B	Items in the nature of valuable item such as Gold, Silver and precious metals, Articles of Gold, silver etc
5%	C	It include all declared goods such as industrial raw materials / capital goods.
20% and Above	D	It includes liquor, molasses, and petroleum product.

Forms along with their sections and rules

Forms		Section		Rule	
101	Application form for registration	16	Registration	8	

Thank You