

Office of the  
Commissioner of Sales Tax,  
(GST), 8th floor, GST Bhavan,  
Mazgaon, Mumbai-400010.

**TRADE CIRCULAR**

To,

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No: ACST (VAT)-3/Led. Confirmation/SAP/2018-19/ Mumbai, Dt 24th Oct-2018

**Trade Circular No. 30 T of 2018**

**Subject : Submission of details of sales through Online Ledger Confirmation Utility.....**

**Ref.** (1) Trade Circular No. 22T of 2010 dated 05/10/2010  
(2) Internal Circular No. 13A of 2010 dated 25/10/2010  
(3) Internal Circular No. 1A of 2013 dated 11/01/2013  
(4) Internal Circular No. 10A of 2013 dated 28/08/2013  
(5) Internal Circular No. 9A of 2014 dated 18/09/2014  
(6) Internal Circular No. 11A of 2017 dated 03/05/2017  
(7) Trade Circular No. 12T of 2018 dated 28/03/2018  
(8) Trade Circular No. 24T of 2018 dated 21/09/2018

Sir/Gentlemen/Madam,

**1. Background:**

1.1. Your attention is invited towards the Trade Circular cited at Ref. (8) above. The said Circular mandated the buyer, under certain circumstances, to submit electronic evidence (Ledger confirmation) in support of his set-off claim. Further, in order to confirm the said set-off claim, the supplier, who has effected the sales, to the extent of un-match or mis-match, was required to submit the details about such sales (un-match or mis-match), through an Online Ledger Confirmation Utility facility. Thus the Trade Circular 24T of 2018

dated 21<sup>st</sup> September 2018 was issued to explain the procedure and methodology to be adopted in this behalf.

**1.2.** After issuance of the Trade Circular 24T of 2018 many representations have been received from the Trade as also Departmental Authorities expressing the difficulties that are faced in adhering to the procedure laid down in that Trade Circular. The representations so received are examined. Accordingly, in supersession of the said Trade Circular 24T of 2018 dated the 21<sup>st</sup> September 2018, the following procedure/methodology is provided so as to confirm the set-off passed on by the supplier and claimed by the buyer.

**2. Need for providing the confirmations in respect of set-off claim:**

**2.1.** Subject to the provisions of section 48 of the Maharashtra Value Added Tax Act, 2002 (hereinafter referred to as "MVAT Act"), the buyer is entitled to claim set-off as per rule 52 of the Maharashtra Value Added Tax Rules, 2005 (hereinafter referred to as "MVAT Rules"). The availability of the set-off is subject to the provisions of rule 52A, 52B, 53, 54 and 55 or other MVAT Rules. To claim self-assessed set-off or, as the case may be, self-assessed sales tax liability or a refund, every dealer is required to file a return and as required by section 61 of the MVAT Act, Form-704 i.e. Audit Report.

**2.2.** You are aware that with effect from the 1<sup>st</sup> April 2016, the Department has adopted the SAP system and new return design mandates uploading of invoice wise data of Sales and Purchases and based on the said inputs the return is auto-prepared. In other words, all the returns filed on or after 1<sup>st</sup> April 2016 are based on the inputs in the form of invoice level data of Sales and purchases.

**2.3.** However, till 31<sup>st</sup> March 2016, all the dealers were required to file the return and certain dealers were required to file Audit Report in Form-704. The set-off was available to the buyer on the basis of the sales made by the seller (supplier) and disclosed in return or, as the case



may be, on the basis of details of sales mentioned in Annexure J1 and purchases in Annexure-J2 of the said Audit Report filed as per section 61 of the MVAT Act. Also at the end of the financial year all the dealers were required to file Sales Annexure (J1) and Purchase Annexure (J2) along with the return for the period ending March of that financial year. Thus, till 31<sup>st</sup> March 2016, the details of the Sales and Purchases were filed either with an Audit Report in Form-704 or, as the case may be, with the return for the period ending March of that year. These details of sales and purchases were filed TIN wise (consolidated qua dealer) and not invoice wise.

**2.4.** Therefore, till 31<sup>st</sup> March 2016, matching of the set-off claim of a buyer was done on the basis of the sales made by a supplier. This matching was done with the help of Sales (Annexure J1) and Purchases (Annexure J2) annexures filed with the Audit Reports in Form 704 or, as the case may be, Sales and Purchase Annexure filed with the return for the period ending March of that financial year. In matching process as above, it is always experienced that some of the dealers failed to disclose correctly the sales and purchases i.e. either declare incorrect sales/purchases or complete non-declaration. Therefore, the set-off related to such non-disclosure or incorrect disclosure usually resulted into un-match or mis-match. The claimant dealer, in support of such set-off claim, were mandated to produce evidence either in the electronic form or in physical form. The non-production of evidence in support of said claim was resulting into complete or partial denial of the said set-off.

**2.5.** In order to safeguard the interest of the buyer vis-à-vis genuine and legal claim of set-off, a facility was made available to the dealers to upload the supplementary Annexure of Sales (J1). Despite availability of the said facility many dealers represented that the sellers are not uploading the annexures of sales and therefore their genuine claims



are disallowed. Therefore, for periods prior to 31<sup>st</sup> March 2013, in order to safeguard the genuine claim of ITC a facility to submit ITC confirmation in the form of Physical Ledger Confirmation was provided. In view of this the claimant dealer was required to submit, before the concerned Assessing Officer, the copies of the Ledger Confirmation, as given by the supplier. An Internal Circular 13A of 2010 dated 25<sup>th</sup> October 2010 provided the guidelines for submission of Physical Ledger Confirmation. Subsequently, for the period starting from 1<sup>st</sup> April 2013, guidelines given in Internal Circular 13A of 2010 were revised vide Internal Circular(s) given in the TABLE below:

TABLE

<b>Sr. No.</b>	<b>Circular No.</b>	<b>Date</b>	<b>Subject</b>
(1)	1A of 2013	11-01-2013	Guideline for cross-checks
(2)	10A of 2013	28-08-2013	Administrative instructions in respect of Assessments/Audit Plan for the periods 2006/07 to 2010/11.
(3)	4A of 2014	13-02-2014	ITC verification utility
(4)	11A Of 2017	03-05-2017	The Guidelines regarding Cross Checking of Input Tax Credit (ITC).
(5)	16A Of 2017	07-08-2017	The Guidelines regarding Cross Checking of Input Tax Credit (ITC).
(6)	20A of 2017	22-11-2017	The Guidelines regarding crosschecking of Input tax credit.
(7)	06A of 2018	11-04-2018	Planning of Assessment work from April-2018 to Feb. 2018.

**2.6.** The aforesaid Circulars provided the guidelines for undertaking Assessments including cross-checking of Input Tax Credit etc. The Circular(s) issued on or after January-2013 modified the methodology for submission of Ledger Confirmations in case of un-match. New



procedure envisaged electronic Ledger Confirmation instead of physical confirmations. This system required buyer to pursue the supplier and ask him to upload the supplementary Annexure i.e. J1. Accordingly, supplier through the electronic system were providing the confirmation of sales made to the said buyer and set-off passed on. However, for the reasons appearing hereinafter, it is decided to modify the guidelines given in the Circulars mentioned in the TABLE above.

### **3. Revision of Earlier Trade/Internal Circular:**

**3.1.** The web site of the department [www.mahavat.gov.in](http://www.mahavat.gov.in) was closed completely with effect from 31<sup>st</sup> March, 2018 and the public interface of the Department was shifted to the web site [www.mahagst.gov.in](http://www.mahagst.gov.in) due to this shift, the facility to file returns for the periods up to 31<sup>st</sup> March 2016 is made available on the aforesaid new web site. Further, a Trade Circular No. 12 T of 2018 dated 28<sup>th</sup> March 2018 was issued to explain the process to file the return. In addition, this Trade Circular also explains the facility provided to file revised return for the periods ending on or before 31<sup>st</sup> March 2016. Thus, the dealer who desires to avail this facility is required to upload Supplementary Annexures of Sales and Purchases.

**3.2.** On aforesaid background, this office received various representations from the Trade and Industries wherein it was stated that filing of Supplementary Annexure of Sales and Purchases with revised returns is very cumbersome. It was also represented that once a dealer files revised return under Section 20(4)(b), it is not possible for him to upload the Supplementary Annexure of Sales and Purchases. As a result, during Assessment proceeding, the genuine claim of set-off gets disallowed for want of proper confirmation. Therefore, Trade has requested to provide a facility to supplier to upload the Supplementary Sales details electronically, wherever required and as mandated under



Circulars stated at Sr. No. (1) to (7) of the above Table. This will help the Trade to avoid to go through the rigor of the submission of revised return with the uploading of Supplementary Annexure of Sales and Purchases.

**3.3.** The issues are examined in the light of the genuine claim of ITC as claimed by the buyer and therefore, it is decided to make available a facility to the suppliers to upload the Ledger Confirmation directly on the web site [www.mahagst.gov.in](http://www.mahagst.gov.in) through Ledger Confirmation Utility. To access this, the dealer who desires to upload the details of Sales is required to access the Departments web-site i.e. [www.mahagst.gov.in](http://www.mahagst.gov.in) with the use of his own login credentials. Needless to say that the details of the Sales Transactions confirmed by the Supplier will always remain verifiable in respect of their genuineness at the hands of the MGSTD. The process of uploading the supplementary Sales Annexures by the supplier and its applicability vis-à-vis guidelines provided under the Circulars referred hereinabove is explained below:

#### **4. Applicability of this Trade Circular:**

**4.1.** For the periods starting on or after **1<sup>st</sup> April 2005 and ending on or before 31<sup>st</sup> March 2013**, the guidelines and procedure provided under this Trade Circular **shall not** be applicable and such assessments shall remain to be regulated as per the guidelines and instructions provided under **earlier Circulars issued for this purpose.**

**4.2.** For the periods **2013-14 and 2014-15**, the guidelines given under this Trade Circular shall be applicable **to the extent as given hereunder:**

- (a) in case there is mis-match in the ITC passed on by the Supplier and as claimed by the buyer, then existing system of submission of physical confirmations along with the acknowledgement as provided in Para 4.4 of the Trade Circular 11A of 2017 dated 3<sup>rd</sup>

March 2017 shall be adopted. Further, the ITC on account of mis-match, shall be dealt with as provided in the Circular No. 11A of 2013, 10A of 2013, 9A of 2014 and 11A of 2017 of even date and cited at Ref. above. The guidelines and procedure in this behalf remains unchanged.

- (b) In case there is un-match in the ITC passed on by the Supplier and that claimed by the buyer, then the NEW procedure provided under this Circular shall be followed so far as it relates to the online submission of details of sales transactions that are found un-matched. However, in case aforesaid details have already been submitted on the earlier system, then such dealer shall not be required to submit the same on the NEW SAP system.
- (c) In aforesaid circumstances of un-match, the supplier on the request of buyer, instead of uploading the Annexures of entire Sales and purchases and filing revised return or uploading of supplementary Annexure (J1) TIN wise, now the said Supplier, shall, upload the invoice wise details of the such sales which has not been disclosed in the Annexure-J1 of the Audit Report or, as the case may be, of return. In order to upload invoice wise sales details the said supplier is required to follow the procedure given in this Trade Circular.

**4.3. For the periods starting on or after 1<sup>st</sup> April 2015,-**

- (a) the guidelines given in this Trade Circular so far it relates to the submission of confirmation in respect of mis-match and un-match, shall be applicable in totality. Therefore, the ITC confirmations for the period 2015-16 onwards shall be undertaken as given in this Circular. Therefore, to this extent earlier Circulars given in Table above shall stand modified.
- (b) However, the dealer, who has already submitted the Physical Ledger Confirmations in respect of the mis-match at any time on



or before 31<sup>st</sup> October 2018, in such cases, the dealer shall not be required to submit the Online Ledger Confirmation.

**4.4.** Further, the assessment cases pertaining to any period, involving the eventuality of mis-match or, as the case may be, of un-match of Rs. 5000/- or below per supplier per year and the case is selected either for the comprehensive assessment or for Issue Based Assessment, then such dealer (buyer) shall not be required to submit Ledger Confirmations in any form i.e. either physical or online.

**5. The procedure to be followed for uploading the invoice-wise details on the New Ledger Confirmation Utility is elaborated as below:**

**5.1. Introduction:**

5.1.1. This Ledger Confirmation Utility shall be available for the dealer who desires to include those transaction of sales which are not entered by him in his Original and/or Supplementary Annexure J-1 in case filed earlier.

5.1.2. It may please be noted that information in the Ledger Confirmation Utility shall be entered with enough caution, as the information once uploaded cannot be changed, modified or corrected.

5.1.3. A dealer can upload/file multiple Ledger Confirmations for same Financial Year. However, after uploading a Ledger Confirmation for a particular Financial Year, no subsequent Confirmations is allowed for that particular Financial Year for next 48 hours.

5.1.4. A dealer can provide a Ledger Confirmations to multiple dealers using the same Ledger Confirmation Template for the same Financial Year.

**5.1.5. It may be noted that in the cases where the Ledger Confirmations involving one or more buyers and where the invoice wise details of sales to be given are more than 500,**



**then in such case, notwithstanding anything contained in this Circular, the supplier may give said Ledger Confirmation TIN wise instead of giving the same invoice wise. For this in column “Invoice Number” and “Invoice Date” the supplier may put “invoice number” and “invoice date” of the last invoice of the last month.**

5.1.6. It may be noted that it is mandatory to file Form 704 (in the case of 704-Eligible dealers) for the Financial Year for which online Ledger Confirmation is to be submitted.

## **5.2. Procedure to be followed for using Online Ledger Confirmation Utility:**

### **5.2.1. Ledger Confirmation Utility Template:**

- (a) Dealers who want to give Ledger Confirmation through Ledger Confirmation Utility are required to visit portal of the Department <https://mahagst.gov.in>.
- (b) Click on “Download” which is in the Menu Bar of the portal of the Department.
- (c) Click on “Forms”
- (d) Click on “Electronic Forms”
- (e) Under Ledger Confirmation Form, click on “Ledger Confirmation Utility Template”. When clicked on this template, the said template will be downloaded on the Desk-top.

### **5.2.2. Procedure for filing Ledger Confirmation Utility:**

- (a) Please read the instructions given in the “General Instructions” work-sheet carefully.
- (a) Basic Information Sheet: All the fields in this sheet are mandatory.
- (b) MVAT R. C. No.: Enter valid 11-digit TIN with suffix “V”.



- (c) CST R. C. No.: Enter valid 11-digit TIN with suffix "C" if the dealer is registered under the Central Sales Tax Act, 1956 (herein after for the purpose of this Trade Circular, it will be referred as "CST Act"). If the dealer is not registered under the CST Act, then such dealer should keep this field blank.
- (d) Name of dealer: Dealer is required to enter his Trade name.
- (e) Financial Year: It should be selected from Dropdown menu.
- (f) Period from-Period to: It is auto populated after selection of Financial Year. Please, do not try to make any changes in the auto populated period fields for whatsoever reasons.
- (g) Select "Yes" or "No" from the drop down menu for the question 'Whether you have filed all the returns?' for the above mentioned periods of Ledger Confirmation.
- (h) The following four fields are required to be filled properly and are mandatory.
  - (i) Name of the Authorized Person to upload Ledger Confirmation.
  - (ii) Designation of the Authorized Person.
  - (iii) E-Mail ID
  - (iv) Mobile Number.
- (i) After filling all the mandatory fields in the Basic Information sheet, click on 'Validate' Tab. If the Basic Information Sheet is error-free, next sheet, namely, "Declaration Form" will be populated. If there is some error in the Basic Information Sheet, it will be populated in the "Messages" Sheet.



### **5.2.3. Declaration Form:**

- (a) In Declaration Form, it is mandatory for the dealer to write his name and select one option from the drop-down menu. Both the fields are mandatory.
- (b) To proceed further dealer is required to click in the box against the field "I Agree".
- (c) After accepting "I Agree", click on "Click to Proceed". New sheet "Ledger Confirmations Details" will be populated.

### **5.2.4. Ledger Confirmation Details:**

- (a) In the Box No. 1 of this sheet the dealer is required to fill the details which are relevant to him. It is mandatory to enter Net Taxable Amount and Tax Amount in Box No. 1.
- (b) In Box No. 2 under the head "Customer wise Total VAT Sales and Total VAT Tax shown in Original J-1 in the returns/e-704", the dealer is required to show the details which he has filled in Annex. J-1 of the return or e-704. Dealer should take care that this amount is correctly entered.
- (c) The dealers who has already filed Supplementary J-1, should enter in Box No. 3 under the head "Customer wise Total VAT Sales and Total VAT Tax Shown in Supplementary J-1 and Ledger Confirmation which was already filed before this Annexure", Total Taxable Amount and Total Tax Amount, as already shown in Supplementary Annexure J-1. Moreover, if the dealer has already given Physical Ledger Confirmation, then he is required to enter Total Taxable Amount and Tax Amount in Box No. 3 which should match as per the Physical Ledger Confirmation given by him.



- (d) The amount shown against the head “Balance customer wise VAT Sales and VAT Tax (Eligible for filing of Ledger Confirmation)” is only eligible for Ledger Confirmation.
- (e) Invoice-wise Ledger Confirmation Details:
- (i) Invoice Number is mandatory. Alpha-numerical Invoice No. is accepted.
  - (ii) Date of invoice should be within the Financial Year only. The Invoice Date should be in DD/MM/YYYY format only.
  - (iii) Enter correct 11-digit TIN of the purchaser with suffix “V”.
  - (iv) Net Taxable Amount as per Invoice: Enter Net Taxable Amount as per sale invoice. This amount should be round figures only.
  - (v) Net Tax Collected Separately as per Invoice: Enter Net Tax Collected Separately as per Sale Invoice. This amount should be round figures only.
  - (vi) The Net Taxable value as per Box No. 4 under the head “Balance Customer wise VAT Sales and VAT Tax” should be greater than Gross Total of Net Taxable value in the Invoice-wise Ledger Confirmation Details.
  - (vii) The value of Net Tax Collected Separately as per Box No. 4 under the head “Balance Customer wise VAT Sales and VAT Tax” should be greater than Gross Total of Net Tax Collected Separately value in the Invoice-wise Ledger Confirmation Details.
  - (viii) After all the mandatory and relevant information is filled in the Ledger Confirmation Details sheet, click on the “Validate” button. If the template is error-free then .txt file will be created on the Desk Top. **It is to be**



**noted that this .txt file should not be opened or renamed for what so ever reason.** If it is opened or renamed, then such opened or renamed .txt file will not be uploaded.

**5.3.Procedure for uploading and submitting file on the System: The following shall be followed to upload and submit:**

- (a) Log in to the Departmental portal <https://mahagst.gov.in> using login credentials. New window will be populated.
- (b) Click on the tile with name 'Ledger Confirmation Utility'. Two links will be populated.
- (c) Upload Ledger Confirmation
- (d) View Historical Ledger Confirmation.

**5.4.Upload Ledger Confirmation: -**

- (a) Click on the link 'Upload Ledger Confirmation'
- (b) New Window named "Upload Form" will be populated. Click on "Upload Form"
- (c) Select Financial Year from the drop-down menu. Financial Year of the .txt file already created should be same as selected from drop-down menu.
- (d) Click on "Browse". To attach the file, select .txt file already created on the Desk Top.
- (e) Please check the populated message regarding the correctness of the .txt file created on the Desk Top. If the file is correct then click on "Close" to close the pop-up.
- (f) Press "Upload File". After that New Window is populated. Here following message is populated:

**"Your file is successfully uploaded"**

- (g) Acknowledgement can be downloaded in pdf format on clicking the link "Click here to download Acknowledgement".

### 5.5. View Historical Confirmation: -

- (a) Click on "View Historical Ledger Confirmation" link.
- (b) New Window named "View Form" will be populated.
- (c) Select Financial Year from the drop-down menu of which the dealer wants to download the Ledger Confirmation which he has already uploaded through this Utility. Click on "Search Transaction".
- (d) List of all the Ledger Confirmations which he has uploaded for that Financial Year will be displayed on the screen.
- (e) Dealer can download Ledger Confirmation by clicking on Transaction ID displayed in blue fonts. The pdf file of the Ledger Confirmation will be available for download.

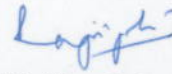
**6. Instructions for Tax Officers:** -Online Ledger Confirmation Submitted by dealers will be available on SAP portal to Assessing Authorities. To view Online Ledger Confirmation uploaded by the dealer, Tax Officer has to follow below mentioned steps:

- (a) Login to SAP NET WEAVER using log-in credentials.
- (b) Click on 'Ledger Confirmation Tile'. (On clicking Ledger Confirmation Tile, a new window will be opened)
- (c) Enter TIN of selling dealer who have field online Ledger Confirmation by using Ledger Confirmation Utility.
- (d) Select Financial Year from the drop-down menu (Financial Year is Financial Year covering period/periods for which Ledger Confirmation/s is/are submitted).
- (e) After selecting Financial Year, click on 'Search Transaction' tab.
- (f) A list of all Ledger Confirmation submitted by the dealer the selected Financial Year will be displayed on the screen. All Ledger Confirmation are given Unique Transaction IDs and date of submission is displayed next to the Transaction ID.



- (g) To view/download a Ledger Confirmation, click on the Transaction ID. On clicking Transaction ID, a new window displaying PDF of the Ledger Confirmation will be opened. This PDF can be downloaded by clicking on '↓' (down arrow) button in the PDF View screen.
- 7. All the instructions given in this Trade Circular shall apply mutatis mutandis to the pending appeal proceedings.**
- 8. The instructions given in this Trade Circular shall remain in force till the 31<sup>st</sup> March 2019.**
- 9. This Trade Circular is clarificatory in nature and hence cannot be made use of interpretation of provisions of the law. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Office of Commissioner of Sales Tax, Maharashtra State.**

Yours faithfully,



**Rajiv Jalota**

Commissioner of Sales Tax,  
Maharashtra State, Mumbai

No: ACST (VAT)-3/Led. Confirmation/SAP/2018-19/

Mumbai, Dt 24th Oct. 2018

**Trade Circular No. 30 T of 2018**

Copy forwarded for information and necessary action to:

(1) The Joint Commissioner of State Tax, Maharashtra with a request to upload this Trade Circular on the website of the Department

<https://mahagst.gov.in>

(2) Deputy Secretary, Finance Department, Mantralaya, Mumbai.

(3) Accounts Officer. Sales Tax Revenue Audit, Mumbai and Nagpur.

  
(C. M. Kamble)

Additional Commissioner of Sales Tax,  
(VAT)-3, Maharashtra State, Mumbai