



The Chamber of Tax Consultants

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9th January, 2018

To,
Honorable Finance Minister of Maharashtra
Mantralaya
Nariman Point,
Mumbai

Sub: Request to extend due date for filing VAT Audit Report for the Year 2016-17

Respected Sir,

This is with regard to genuine difficulties being faced by dealers and Practitioners in complying with VAT Audit by the due date of 15th January, 2018.

Sir, you would be aware that, all dealers and practitioners have got engrossed in GST compliances and updating themselves and their systems of accounting under GST. At the same time, it is necessary to comply various other taxation laws. Considering the time utilized in GST implementation and various other compliances, very short time is available for complying with VAT Audit for Year 2016-17. The following points may kindly be noted in this regard:-

- 1) The Due date for filing GST Tran-1 (for claiming credit under old Acts) was 27th December, 2017. This was the huge compliance which took substantial time.
- 2) Return in Form GSTR 3B should be filed before 20th of subsequent month. For the month of December, 2017, return in Form 3B should be filed by 20th January, 2018.
- 3) GSTR-1 for the periods from July-17 to Oct-17 as required to be filed on or before 31st December, 2017. But since the system was not

supporting, the GSTN has extended the said return filing date up to 10th January, 2018. Further the due date for filing GSTR-1 for the month of Nov-17 is also 10th January, 2018.

- 4) The various technical glitches and issues relating to Registration / Migration of Dealers under GST, filing of GST Returns, ITC-04, issues faced by Composition Dealers and other small dealers, issues relating to Reverse Charge Mechanism on URD purchases, Refund related issues etc have been time and again represented to your office and the GST Council. Due to various such issues lots of time of the dealers, practitioners and their staff has been consumed in complying with the evolving GST law.
- 5) New Form 704 audit template for the year 2016-17 was announced only in month of Sept, 2017 and the dealers/practitioners were not able to file audit report in older version because the system was not accepting the same.
- 6) Revised return which is to be filed after VAT 4audit u/s 20(4)(b) of the MVAT Act is the Annual Revised Return. However, utility of filing Annual Revised Return has still not been activated on the web site. The option given on the web-site is to file periodicity-wise revised returns, which is contrary to the provisions of law. Therefore, there is confusion amongst the dealers and practitioners as to whether to revise returns before VAT Audit or after VAT Audit. Because of this most of the dealers/practitioners prefer to revise returns before VAT Audit and this has increased compliance for filing of Returns under VAT.
- 7) Web-site of the Sales Tax Department has recently changed on 26th December, 2017 as stated in Trade Circular 55T of 2017 dated 29th December, 2017. All the revised returns for period 2016-17 are to be filed on the new web-site. In the new web-site almost every dealer will have to create his new profile by providing email address and mobile number. This process is time consuming and every dealer will have to go through this process, if he wants to file revised returns before filing VAT Audit report.
- 8) The Sales Tax Department is rigorously pursuing to complete VAT Assessments for Year 2013-14, 2014-15 and 2015-16. Also notices for

ex- parte assessments are being issued, if the dealer / practitioners are not able to attend the proceedings due to multiple compliances under various laws.

Hence, dealers and practitioners also have to attend assessments on priority basis to avoid ex-parte orders.

- 9) Riots and strike (including Bandh) in different part of Maharashtra on 2nd and 3rd January, 2018 also affected the work adversely.

VAT Audit is a huge compliance, since it involves various reporting annexures such as party wise sales purchases, pending declarations vis a vis received declaration's list etc. Considering the various compliances and reasons as mentioned above and voluminous data to be provided in VAT Audit report, the **due date for filing VAT Audit Report for Year 2016-17 should be extended till 31st March, 2018**. If the due date is extended, it does not involve any revenue loss. On the contrary the VAT Auditor will have more time to conduct thorough audit which may probably add to the revenue.

Sir, it is our experience that, whenever we have approached you, it's our privilege that you have given patient hearing and positive decision in the larger interest. We are sure that you will take the appropriate decision in the larger interest this time too.

Sir, we specifically request you to announce the extension of due date for filing VAT Audit well in advance to avoid the panic situation amongst the Trade and practitioners' fraternity.

Thanking you,

Yours Sincerely,

For The Chamber of Tax Consultants

Sd/-

Ajay Singh
President

Sd/-

Mahendra Sanghvi
Chairman
Law & Representation Committee

Sd/-

Paras Savla
Co-Chairman