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Paras Gundecha

IMMEDIATE PAST PRESIDENT

Sunil Mantri

PRESIDENT-ELECT

Vimal Shah

VICE PRESIDENTS

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Mayur Shah
Nayan Shah
Deepak Goradia

HON. SECRETARY

Boman Irani

HON. JOINT SECRETARIES

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Harish Patel
Nainesh Shah

TREASURER

Ashok Mohanani

JT. TREASURERS

Mukesh Patel
L. P. Bhagtani

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Pujit Aggarwal
Sandeep Runwal

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Sujal Shroff
Parag Munot
Rajan Bandelkar
Vikas Walawalkar
Jayesh Shah
Nayan Bheda
Sanjay Chhabria
Rajendra Chaturvedi
Jagdish Ahuja

INVITEE MEMBERS

Sandeep Raheja
Mukesh Mehta
Rakesh Sanghvi
Suhail Khandwani

MCHI-CREDAI UNITS

Shailesh Puranik, President,
Thane
Shrikant Shitole, Hon. Secretary
Kalyan-Dombivli
Shailesh Sanghvi, Secretary
Mira Virar City
Rajesh Prajapati, President
Raigad
Arvind Goel, President
Navi Mumbai

PAST PRESIDENTS

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Mohan Deshmukh
Mofatraj Munot
Niranjan Hiranandani
Rajni S. Ajmera
G. L. Raheja
(Late) Lalit Gandhi
(Late) Babubhai Majethia

Ref. No. MCHI/PRES/12-13/082

November 20, 2012

To,
Hon'ble, Shri Prithviraj Chavan
Chief Minister,
Chief Minister's Secretariat,
Govt. of Maharashtra
Mantralaya,
Mumbai - 400 032

20/11/2012
मुख्य मंत्री सचिवालय
मंत्रालय, मुंबई 400 032

Sub: Request to extend the last date of filing VAT Audit Report from 30th November 2012 to 31st March 2013.

Respected Sir,

Greetings from MCHI-CREDAI

Wish you a very Happy Diwali and Prosperous New Year.

We MCHI-CREDAI, an association of Developers, are receiving number of phone calls from the Developers in Mumbai and Mumbai Metropolitan Region, for the last date of Audit Report to be extended from 30th November 2012 to 31st March 2013. We are given to understand that a Notification extending the submission date for the Maharashtra VAT Audit report for the year 2011-12 upto 15.1.2013 is being issued shortly.

The last date of payment of VAT liability was 31st October 2012 and for filing the VAT Audit Report, the last date is 30th November 2012. This involves period of 5 to 6 years. It is very short period to the builders and therefore, we as a representing body of the builders & developers have to request your good offices to extend the date from 30th November 2012 to 31st March 2013 due to the following reasons;

1. The process of working out /computing VAT liability is just concluded with major exercise of filling & uploading of returns
 - a. In many cases returns could not be uploaded [although taxes paid] as the Govt website had blocked /given error reports on account of one reason or the other
 - b. Work on the compilation of Annexure as per Cir no.18T/ 2012 dt 26.9.2012 is presently on and would require some more time to work
 - c. In almost all cases, the developers have paid the taxes from their own pockets pending recovery from customers/ flat buyers. The efforts are now being made to write to them & pursuing them

MCHI-CREDAI (ISO 9001:2008)

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Tel.: 4212 1421, Fax : 4212 1411/407, Email : secretariat@mchi.net
Website : www.mchi.net

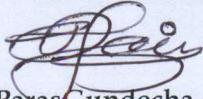
explaining the VAT working. In most cases, even flat-wise liability is to be worked out to enable the developers to effect recovery from the flat buyers. The accounting staff is extremely busy with this.

2. In several cases, the data for the preparation of returns was based on the cost sheet or other data readily available with the developers. These statements are now being revisited to counter tally with the audited financial statements before presenting it to the VAT Auditors
3. Media has again reported in last few days about the announcement in respect of allowing the 1% composition scheme to the agreement registered / entered into during the period 20.6.2006 to 31.3.2010 also. If that is done, the working of VAT liability in almost all the cases of developers will be required to be redone.
4. VAT Auditors will require to check /verify huge data of purchases and sales. This is a time consuming process. Auditing accounts for 5 to 6 years at a time also put in extra stress on the resources available at developers' office and at the VAT Auditors' office.
5. Many cases, developers are advised by tax practitioners/ counsels who would now require to co-ordinate with VAT Auditors.
6. Many developers had prepared there VAT returns based on the cost + GP method pending the outcome of the WP in the BHC. Such cases will be required to be reworked out involving lot of time & compiling data
7. The some of the staff members of these builders had proceeded on Diwali holidays.
8. Festive season is also pick time for closing sales deals by developers. Staff would be engaged in various exhibitions and sales promotional schemes and meets.
9. Since tax is already received in the treasury, extending the timeline for furnishing VAT audit report has no revenue implications.
10. The last date of 30th November 2012 to file Audit Report was given in the circular issued by the Sales Tax Commissioner on 6th August 2012, at that time the last date of payment was 31st August 2012 and the last date of Audit Report was 30th November 2012. But on 28th August 2012, the Supreme Court issued the interim order extending thereto the date for making VAT payments from 31st August 2012 to 31st October 2012 but the last date of the Audit Report is the same. While the date of payment was extended by two months in the same way, the last date of filing the Audit Report should also be extended at least for four months. i.e. upto 31st March 2013.

We request to your goodself to take decision favorably and please issue the necessary instructions to the Competent Authorities to extend the last date of filing of the VAT Audit Report from 30th November 2012 to 31st March 2013, so that the builders will get some relief and get time to work out for the Audit Report.

Thanking you,

With respectful regards.
For MCHI-CREDAI

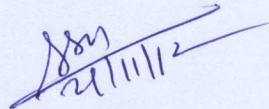


Paras Gundecha
President

Mobile: 9821092439

CC to :

✓ Shri. Sanjay Bhatia
Commissioner, Sales Tax
The Office of Sales Tax Commissioner,
Vikrikar Bhavan, Mazgaon,
Mumbai - 400 010



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महाराष्ट्र राज्य, मुंबई.