

(TO BE PUBLISHED IN PART IV OF THE DELHI GAZETTE EXTRAORDINARY)
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI – 110002

No. F.7(420)/Policy/VAT/2011/1203-1213

Dated: 11.02.2013

NOTIFICATION

In exercise of the powers conferred under Section 49 read with Rule 42A of the Delhi Value Added Tax Rules, 2005 and Section 70 of the Delhi Value Added Tax Act, 2004 (Delhi Act No.3 of 2005), I, Prashant Goyal, Commissioner, Value Added Tax, Government of National Capital Territory of Delhi hereby notify the procedure and form for filing Audit Report as under:

1. Every registered dealer liable to get his accounts audited as per Section-49 of the Act read with Rule 42-A of the Rules shall furnish audit report in Form AR-I within seven-and-a-half months from the end of the year in duplicate. This notification is applicable only for dealers with a gross turnover of Rs. 10 crore (rupees ten crore) and above in 2011-12 or in any of the subsequent financial years. Dealers exclusively dealing in commodities listed in the First Schedule appended to the Act and the dealers with 100% export turnover shall be exempted from furnishing audit report under this notification.

2. **Form AR- I**

Form AR- 1

Audit report under section 49 of the Delhi Value Added Tax Act, 2004

INSTRUCTIONS

(Please read the instructions carefully before preparing the report)

- 1 This form shall be used mandatorily by the auditor for submitting report u/s 49 of the Delhi Value Added Tax Act, 2004.
- 2 This Audit report is divided in Twelve Parts. All Parts of this report, which are mandatory for all Auditees, contain the following information: -

Sl. No.	PART	PARTICULARS	Relevant 'Annexure' incorporating observations
1	Part 1	Audit report, verification and certification, Summary of additional tax liability, adverse comments and recommendations to the dealer	1
2	Part 2	General information about the dealer	2
3	Part 3	Details of returns furnished under the Delhi VAT Act and Central Sales Tax Act	3
4	Part 4	Computation of turnover under Delhi VAT Act	4-1 to 4-5
5	Part 5	Computation of turnover under Central Sales Tax Act	5-1 to 5-5
6	Part 6	Purchases (Local and Central)	6-1 to 6-4
7	Part 7	Sales against Declaration Forms	7
8	Part 8	Tax Deduction at Source	8
9	Part 9	Financial Summary and Analysis for Delhi	9
10	Part 10	Questionnaire	10
11	Part 11	Details of non-receipt of information and records required to conduct Audit	-
12	Part 12	Annexures forming part of Part 1 to Part 10	-

No format for the Annexures has been specified. The Auditor shall give complete and exhaustive details and information in respect of every observation/deficiency;

- 3 The auditor shall ensure that all provisions of the Delhi VAT Act and Rules made thereunder including the notifications, circulars, advance rulings under Section 85 and determinations issued by the Commissioner (unless overruled by the Higher Courts) are complied with ;
- 4 If the books of accounts are audited under the provisions of the Income Tax Act, 1961, then the Auditor should obtain the certified Financial Statement and Audit Report under Income Tax Act. In case books of account are audited under any other Act then the Auditor should obtain the certified Financial Statement audited under that Act and the Audit Report as well; No part of the certifications in Part 1 shall be modified. If Auditor has to give qualified report, it should be given in Para 4 of Part 1 along with the reasons for the same;
- 5 If the dealer has multi-State activities, then Trial Balance, Trading Account and Profit & Loss Account in relation to the business activities in the National Capital Territory of Delhi, authenticated by the dealer, shall be attached;
- 6 Wherever prescribed documents are not made available to the Auditor or same are insufficient and incomplete, then the tax liability is to be computed as required by law on the basis of documents available. The differential possible tax liability on account of non-receipt of documents including statutory declarations and debit notes should be shown in Part 4, Part 5 and Part 11 of this report.
- 7 Where dealer is required to maintain the records about the sales, purchases, imports and exports under the Central Excise Act, 1944, the Customs Act, 1962 or under the State Excise Act or any other Act/Regulations, the Auditor should invariably correlate the details of sales, purchases, imports and exports disclosed under the said Acts and disclosed under Delhi VAT Act, 2004. Any material difference noticed should be reported at Para 5 of Part 1 accordingly;
- 8 The auditor, while conducting the audit or preparing the report, shall not make any distinction between inadvertent/clerical/bonafide mistakes/errors on the one part and intentional/ malafide defaults on the other part. However, the later cases shall be reported at Para 5 of Part 1 of the Report;

9. Where due to certain practical difficulties, certain figures are not ascertainable; an appropriate note can be given along with reasons below that field and in Part I of the Audit Report;
10. Do not leave any field or box blank. In case any field or box is not applicable, enter '0' (zero) in numerical fields and write 'N.A' for 'Not Applicable' in other fields;
11. The Auditor shall certify all the Parts and Annexures. Auditor should put his seal and sign on every page of the Audit Report;
12. The Auditor shall enclose the following Enclosures along with Audit report:-

Enclosures with the Audit Report:-

- | | |
|--|---------|
| 1. Statutory Audit Report with complete set of annexures including that of Related Party Disclosures as required under Accounting Standard 18. | Yes/No* |
| 2. Tax Audit Report under the Income Tax Act, 1961 with complete set of annexures including that of Related Party Disclosures as required under Accounting Standard 18. | Yes/No* |
| 3. Audited Balance Sheet, Profit & Loss Account/ Income and Expenditure Account | Yes/No* |
| 4. In case dealer is having multi-State activities, the Trial Balance, Trading Account and Profit & Loss Account for the business activities in the National Capital Territory of Delhi. | Yes/No* |

** Strike out whichever is not applicable.*

Place
Date:

Seal

Signature:
Name:
Enrolment / Membership No.

AUDIT REPORT UNDER SECTION 49
OF THE DELHI VALUE ADDED TAX ACT, 2004

EXECUTIVE SUMMARY

**Name & Address
of the Dealer**

TIN

FROM

WARD

**PERIOD UNDER
AUDIT**

TO

- | | |
|---|---|
| 1. Default in furnishing of DVAT Returns
During the Audit Period | indicate number |
| 2. Default in furnishing of CST Returns during the
Audit Period | indicate number |
| 3. Understatement of Local Turnover | Rs..... |
| 4. Understatement of Local Taxable Turnover | Rs..... |
| 5. Default in computation of DVAT | Rs..... |
| 6. Understatement of Central Turnover | Rs..... |
| 7. Understatement of Central Taxable Turnover | Rs..... |
| 8. Default in computation of CST | Rs..... |
| 9. Default in complying with TDS provisions | Rs.....
(None/Occasional/Significant) |
| 10. Mis-utilization of Central Declaration Forms, if any | (category-wise value i.e.
C/F/H/I/J) Rs..... |
| 11. Maintenance of books of accounts and records | Good/Average/Poor |
| 12. Give rating to the conduct of the dealer
Towards compliance of DVAT/CST Laws | Excellent/Good/Average/Poor |

Place

Date:

Seal

Signature:

Name:

Enrolment/Membership No.

AUDIT REPORT UNDER SECTION 49
OF THE DELHI VALUE ADDED TAX ACT, 2004

PART - 1

AUDIT REPORT AND CERTIFICATION

[Use separate sheet wherever required]

NAME AND ADDRESS OF THE DEALER																	
TIN														WARD			
PERIOD UNDER AUDIT	FROM						TO										

1. The audit of M/s..... (hereinafter referred as "the Auditee"), holder of Tax Payer Identification Number (TIN) under the Delhi Value Added Tax Act, 2004 (hereinafter referred to as "the DVAT Act") and Tax Payer Identification Number (TIN) under the Central Sales Tax Act, 1956 (hereinafter referred to as "the CST Act") is conducted by me/us (Chartered Accountants/Cost Accountant) in pursuance of the Section 49 of the DVAT Act .

Maintenance of books of accounts, Central Sales Tax/VAT related records and preparation of financial statements are the responsibilities of the entity's management. Our responsibility is to express an opinion on their Central Sales Tax/VAT related records based on our audit. We have conducted our audit in accordance with the standard auditing principles generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Central Sales Tax/VAT related records and financial statements are free from material misstatement(s). The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

2. I/We have carried the audit of the dealer in respect of under mentioned Central Sales Tax/VAT returns.

Sr. No.	Particulars												
1.	Auditee is required to file returns (Tick appropriate Box)	Monthly						Quarterly					
2.	Verification of the Returns for the period under Audit	FROM						TO					
3.	Auditee has filed all returns as per given tax period	Yes/No											
4.	Auditee has paid tax liabilities in time	Yes/No											

3. Subject to my/our remarks about non-compliance, shortcomings and deficiencies in the returns filed and tax liability computed and presented in respective Parts and Para 4 of this Part, I/We, to the best of my/our knowledge and belief, certify that,
- I/We have obtained all the information and explanations, which to the best of my/our knowledge and belief, were necessary for the purposes of the audit;
 - I/We have read and followed the Instructions for conducting the audit and preparation of this audit report;
 - The books of account and other sales tax/VAT related records and registers maintained by the dealer alongwith sales and purchase invoices as also Cash Memos and other necessary documents are sufficient for computation of tax liability under the DVAT and CST Acts;
 - I/We have verified all returns (including the TDS returns) under the DVAT Act and CST Act filed by the Auditee for the period under audit.
 - The gross turnover of sales and purchases determined, includes all the transactions of sales and purchases concluded during the period under audit in accordance with the provisions of the DVAT Act and the CST Act;
 - The adjustment to turnover of sales and/or purchases is based on entries made in the books of accounts during the period under audit and the same are supported by necessary documents;
 - The deductions claimed from the gross turnover of sales and other adjustments thereto including deduction on account of goods return, adjustments on account of discounts as also debit/credit notes issued or received on account of other reasons, are supported by necessary documents and are in conformity with the provisions of the relevant Act;

- (h) As per the information made available for the purpose of audit, the tax leviable on sales is properly computed by applying rate of tax specified in the Delhi VAT Act and/or Schedules appended to that Act, advance rulings under Section 85 and determination orders passed by the Commissioner (unless overruled by the Higher Courts).;
- (i) (i) Wherever the dealer has claimed sales against the declarations or certificates; except as given in Part 7, duplicate copies of all such declarations and certificates are produced before me/us and the same are in conformity of the provisions related thereto;
- (j) The records related to the receipt and dispatch of goods are correct and properly maintained;
- (k) The tax invoices in respect of sales are in conformity with the provisions of aw;
- (l) The Auditee has maintained separate bank account for carrying its activities in the National Capital Territory of Delhi. The Bank statements have been examined by me/us and they are fully reflected in the books of accounts;
- (m) The dealer is conducting his business from the place/places of business declared by him as his principal place of business/and the additional place of business; and
- (n) Due professional care has been exercised while carrying the audit, and based on my observations of the business processes and practices, stock of inventory and books of account maintained by the dealer, I/we fairly conclude that,
 - (i) dealer is dealing in the commodities mentioned in the Part 2 of this report;
 - (ii) sales tax/VAT related records of the dealer reflect true and fair view of the volume and size of the business for period under audit.
- (o) The Auditee/Dealer, if opted for Composition Scheme under Section 16, has fulfilled all the necessary conditions of the Scheme and has complied with the requirements of the Scheme.

4. The above report is subject to the following qualifications:-

- (a) _____
- (b) _____
- (c) _____
- (d) _____
- (e) _____

5. Summary of the additional tax liability or additional refund due to the dealer on audit for the year are as follows:-

Sl.No.	Particulars	Amount as per Return (in Rs.)	Correct amount determined in audit as per accounts (in Rs.)	Difference (in Rs.)
(1)	(2)	(3)	(4)	(5)
1.	Output tax payable under the Delhi Value Added Tax Act, 2004			
2.	Tax payable under the Central Sales Tax Act, 1956			
3.	Input Tax Credit claimed			
4.	Ineligible Input Tax Credit reversed			
5.	Net Input Tax Credit available for adjustment			
6.	Refund claimed			
7.	(a) Input Tax Credit adjusted against Value Added Tax (b) Input Tax Credit adjusted against Central Sales Tax			
8.	Any other item (specify)			

The tax liability of the dealer for the Assessment Year _____ is arrived at as below:-

Act	Tax Due (after all adjustments)	Tax Paid (in Rs.)	Balance / Excess
(1)	(2)	(3)	(4)
Delhi Value Added Tax			
Central Sales Tax			

The dealer has been advised to *

- File revised returns for the period / month [See rule 29]
- Pay differential tax liability of Rs.....with interest of Rs.....and penalty of Rs.....
- Reverse Input Tax Credit of Rs..... in the Monthly Return of
- Claim refund of Rs.....

* (Note: Strike out whichever is not applicable)

Place

Date:

Seal

Signature:

Name:

Enrolment / Membership No

PART - 2

GENERAL INFORMATION ABOUT THE DEALER'S BUSINESS ACTIVITIES

[Use separate sheet wherever required]

1. GENERAL INFORMATION:												
A.		FROM					TO					
	(1) Period under the Audit											
	(2) Accounting year followed by Auditee											
	(3) Registration Number under CST Act											
	(4) TAN for Tax deduction at source issued under the DVAT Act											
	(5) Permanent Account Number under Income Tax Act, 1961											
	(6) Tax payers Identification Number (TIN) under DVAT Act, 2004.											
B.	RELATED INFORMATION UNDER VAT ACTS											
	(1) Name of the Dealer as appearing on the Registration Certificate						M/s					
	(2) Trade Name (If any)						M/s					
	(3) Address and area details of the Business (Also give if there is change in the Address during the audit period)											
	(4) Telephone/ Mobile Nos. & email											
	(5) Complete address and area details of Additional place of business and godowns in Delhi											
	(6) Name, address, PAN and status of persons having interest in the business, Directors, Authorized Signatories and Managers in Delhi											
	(7) Name, Address, TIN, and other details of Related Parties as defined u/s 2(1)(za) of the DVAT Act including the turnover of sales, turnover of purchases, and input tax credit involved in transactions with these parties											
	(8) Details of Composition Scheme u/s 16 opted by the Auditee, if any, for the audit period											

C. RELATED INFORMATION UNDER THE CST ACT (as per Registration Certificate)		
(1)	Complete address and TIN of the additional place of business of the dealer outside Delhi [If auditee has more than one place of business in a State, give addresses of all such places]	
(2)	Nature of business activities	Trading / Mfg. / Others (Specify)
(3)	Goods and class of goods specified in R.C., eligible for purchase against Form C, along with the purpose of purchase	
(4)	Details of goods manufactured or processed by the dealer	
(5)	Any other significant information	

D. RELATED INFORMATION UNDER OTHER ACTS		
(1)	ECC No. under Central Excise Act, if any	
(2)	Service Tax Registration No., if any	
(3)	Import Export Code given by DGFT, if any	
(4)	Registration No. under the Companies Act, if any	
(5)	Any other Registration	

2. BUSINESS RELATED INFORMATION

A.	(1) Whether separate books of account are maintained for Delhi Office [If yes, attach audited Balance Sheet and Profit & Loss A/c; and if No, attach self-attested Trial Balance]	Yes / No
	(2) Whether accounts are maintained on computer system or manual basis	
	(3) List of books of accounts	

	(4) Whether proper quantitative stock register is maintained																															
	(5) If the answer of (4) is 'Yes', whether the stock is valued on the basis of same																															
	(6) If the answer of (4) is 'No', method and manner of calculation of stock at the end of the financial year																															
B.	Business Activities in brief																															
C.	Commodity dealt in (5 major commodities)	<table border="1"> <thead> <tr> <th>Sl. No</th><th>% Delhi GTO</th><th>% Central GTO</th><th>% Delhi Vat</th><th>% CST</th></tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td><td></td><td></td></tr> <tr><td>4.</td><td></td><td></td><td></td><td></td></tr> <tr><td>5.</td><td></td><td></td><td></td><td></td></tr> </tbody> </table>	Sl. No	% Delhi GTO	% Central GTO	% Delhi Vat	% CST	1.					2.					3.					4.					5.				
Sl. No	% Delhi GTO	% Central GTO	% Delhi Vat	% CST																												
1.																																
2.																																
3.																																
4.																																
5.																																
D.	Address of the Place of Business of the dealer where books of account are kept																															
E.	[i] Name and version of accounting software used																															
	[ii] Change in accounting software, if any																															
	[iii] Whether accounts are maintained by full time permanent staff or by part-time accountant or by accounting professional?																															
F.	Method of accounting	Accrual / Cash / Hybrid																														
G.	Method of valuation of stock	FIFO / LIFO / Average / Other (specify)																														
H.	The following are the major changes made during the period of audit	Short description of change																														
	(i) Change in method of valuation of stock																															
	(ii) Changes in the accounting system																															
	(iii) Change in product line																															
	(iv) New business activity																															
	(v) Other changes, if any [please specify]																															

I.	Whether any special audit/survey/ inspection/ seizure etc. has been carried out covering the period of audit or part thereof under the DVAT Act, Income Tax Act, Finance Act or any other Revenue Act? If yes, give brief note by way of Annexure and impact, if any, on the additional DVAT/CST liability						
J.	Nature of business (Please tick one or more appropriate boxes, as applicable)						
	Manufacture		Restaurant		Reseller		Wholesaler
	Retailer		Importer		Exporter		Works contractor
	Petroleum Dealer		Hire Purchase		Liquor Dealer		Job worker
	Leasing business		Right to Use	Outdoor Caterer/Banquet Hall/Restaurant			
	Service Provider (Please Specify)			Casual Trader			
	Other (Please Specify)						
K.	Constitution of the Business (Please tick the appropriate)						
	Proprietary		HUF		Partnership		Pvt. Ltd Co.
							Public Ltd Co
	Trust	Cooperative Society			Others (Please specify)		
		Association/Club/Society					
L.	Working capital employed (Difference between current assets and current liabilities) as on the last day of the period under audit				Rs. (in lakh)		
3.	Particulars of the Bank Account(s) maintained during the period under Audit						
	Sr. No.	Name of the Bank	Branch BSR Number (Give Branch Address, if BSR Code not known)		Account Number(s)	Whether the account is operated for other State activities	

PART - 3

**DETAILS OF RETURNS FURNISHED UNDER THE DELHI VAT ACT AND
CENTRAL SALES TAX ACT**

Sr. No.	Tax Period	Due Date of e-filing	Date of e- filing	Due Date for filing of Hard Copy	Date of filing of Hard Copy
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					

PART - 4

4.A. COMPUTATION OF TURNOVER UNDER DVAT ACT

Sl. No.		As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
1	Gross Turnover of Sales [including taxable and exempted sales, value of consignment/ branch transfers and job work charges] [In case of works contract, gross consideration including labour, services & land price included in sale agreement]				4-1
2	Central Sales				5-1
3	Turnover under DVAT (1 - 2)				4-2
4	Computation of Output Tax [Please Refer to Part 4.C]				4-3
5	Adjustment in Output Tax				4-3
6	Net Output Tax [4 (+)/(-) 5]				
7	Input Tax Credit (ITC)				4-4
8	Adjustment in ITC				4-4
9	Net ITC [7 (+)/(-) 8]				
10	Net Tax Payable (6 - 9)				4-5
11	Add: Interest payable				4-5
12	Add: Penalty payable				4-5
13	Less: Tax deducted at source (duly supported by certificates)				4-5
14	Less: Tax deposited				4-5
15	Less: Amount adjusted against CST liability				4-5

Sl No.		As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
16	Less: Refund availed				
17	Amount Payable/(-) Excess [10 + 11 + 12 - (13 to 16)]				
18	Amount paid during Audit				

4.B. Exempted Sales under the Delhi VAT Act

Sl No.		As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
1	Goods specified in First Schedule of DVAT Act				48
2	Penultimate Export (if in exactly same form) u/s 5(3) of the CST Act.				
3	Labour and service charges involved in the execution of works contracts				
4	Sale of capital goods, if any				
5	Dealers specified in Fifth Schedule of DVAT Act				
6	Other (specify)				
	a				
	b				

4.C. Computation of Output VAT

Sl. No.	Nature of Goods /Class of Goods (Top 10)	As per Returns		As per Auditor				Difference
		DVAT Turnover	Output Tax	Applicable Rate of Tax	Relevant entry of Schedule	DVAT Turnover	Output Tax	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

PART - 5

5A. COMPUTATION OF TURNOVER UNDER CENTRAL SALES TAX ACT

Sl.	Details	As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
1	Gross Turnover of Sales [including taxable and exempted Transactions like value of consignment/ branch transfers and job work charges] [In case of works contract: Gross consideration including labour, services & land price included in sale agreement]				4-1
2	Turnover under DVAT				4-2
3	Central Sales (1 - 2)				5-1
4	Cost of Freight, deliveries, Insurance or Installation, separately charged but included in the Turnover				5-2
5	Value of goods returned under CST Act within the prescribed period				5-2
6	Central Sales Tax collected, if included in the Central Turnover				5-2
7	Cash Discount allowed according to ordinary trade practices and included in Central Turnover				5-2
8	Job work, labour & Services charges for works contracts not amounting to sales but included in the Central Turnover				5-2
9	Net Central Turnover (3 - 4 - 5 - 6 - 7 - 8)				

SL No.		As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
10	Export outside India u/s 5(1) of the CST Act				5-3
11	Sales in the course of import u/s 5(2) of the CST Act				5-3
12	Penultimate Sale against H Forms u/s 5(3) of CST Act				5-3
13	Stock/Branch Transfer against F Forms u/s 6A of the CST Act				5-3
14	Sales against E-I & E-II Forms u/s 6(2) of CST Act				5-3
15	Sales to diplomatic missions & U.N. etc. u/s 6(3) of the CST Act				5-3
16	Exempted Sales u/s 8(5) of the CST Act				5-3
17	Sales covered under proviso to Section 9 (1) Read with Section 8(4) (a)				5-3
18	Sales of Goods Outside Delhi (Section 4)				5-3
19	Total of Exemptions/ Deductions [Sum (10:18)]				
20	Balance Total Taxable turnover of inter State Sales (9 - 19)				
Break-up of Turnover					
21	Turnover of Declared Goods against C Forms [Sec. 8(4) read with Sec. 14]				5-4
22	Turnover of Declared Goods sold otherwise [Sec. 8(2) read with Sec. 14]				5-4

Sl No.		As per Returns	As determined during Audit	Difference	Annexure showing discrepancies
23	Turnover of other than Declared Goods sold against C Forms [Sec. 8(4) read with Sec. 8(1)]				5-4
24	Turnover of other than Declared Goods sold otherwise [Sec. 8(2)]				5-4
Computation of CST					
25	Total CST Payable [Please Refer to Part 5.B]				5-5
26	Add: Interest Payable				5-5
27	Add: Penalty Payable				5-5
28	Less: Amount adjusted against DVAT credits				
29	Less: Tax Deposited				5-5
30	Amount Payable [25 + 26 + 27 - 28 - 29]				5-5
31	Amount paid during Audit				

5.B. Computation of Central Sales Tax

Sl No.	Nature of Goods/ Class of Goods	As per Returns		As per Auditor				Difference
		CST Turnover	Tax Paid	Applicable Rate of Tax	Relevant entry of DVAT Schedule	CST Turnover	Tax	
1								
2								
3								
4								
5								

PART - 6

6.A. PURCHASES (LOCAL AND CENTRAL)

Sl No.		As per Returns	As determined during Audit	Difference	Declaration Forms obtained from Deptt.	Annexure showing discrepancies
1	Purchase of Capital Goods eligible for input tax credit (including tax)					6-1
2	Purchase of other goods eligible for input tax credit (including tax)					6-1
3	Purchase of other goods not eligible for input tax credit					
4	Purchase of other goods made from unregistered/ composition/casual dealers					
5	Inter-State Purchases against Form C					6-2
6	Inter-State Purchases against Forms C + E-I/E-II					6-2
7	Transfer of goods from branch, etc. against Form F					6-3
8	Local purchases against Form H					6-3
9	Central purchases against Form H					
10	Import from other countries					6-3
11	Purchases by SEZ, etc. against Form I					6-3
12	Purchases by diplomats, etc. against Form J					6-3
13	Other Inter-State Purchases without any Form					6-4

6.B. Break-up of Purchases (Including Tax)

Sl No.	Nature of Goods/ Class of Goods	As per Returns / Records	As determined during Audit	Difference	Mis- utilisation (Out of (4) used for non- specified purposes)	Annexure showing discrepancies
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Local Purchases					6-1
1	Exempted goods					
2	Taxable goods from unregistered/casual/ composition dealers					
3	Taxable @ 1%					
4	Taxable @ 5%					
5	Taxable @ 12.5%					
6	Taxable @ 20%					
7	Purchase in Delhi against Form H					
8	Others (Please specify)					
B	Central Purchases					
1	Against Form C @ 2/3%					6-2
2	Against any other Form without CST					6-3
3	Without Forms @ 1%					6-4
4	Without Forms @ 5%					
5	Without Forms @ 12.5%					
6	Without Forms @ 20%					
7	Others (Please specify)					

PART - 7

SALES AGAINST DECLARATION FORMS

7.A. INTER-STATE SALES AGAINST DECLARATION FORMS

Sl No.	Sale/Transfers against Form	As per Returns	As per DVAT-51	Forms Already Furnished	Forms pending for submission	Whether applied for extension in case of delay
1	Form C					
	a	Quarter 1				
	b	Quarter 2				
	c	Quarter 3				
	d	Quarter 4				
	e	Total				
2	Form E-I/II					
	a	Quarter 1				
	b	Quarter 2				
	c	Quarter 3				
	d	Quarter 4				
	e	Total				
3	Form F					
	a	Quarter 1				
	b	Quarter 2				
	c	Quarter 3				
	d	Quarter 4				
	e	Total				

Sl No.	Sale/Transfers against Form		As per Returns	As per DVAT-51	Forms Already Furnished	Forms pending for submission	Whether applied for extension in case of delay
4	Form H						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					
5	Form I						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					
6	Form J						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					
7	Others (Specify)						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					

7.B. LOCAL SALES AGAINST DECLARATION FORMS

SL No.	Sale/Transfers against Form		As per Returns	As per DVAT-51	Forms Already Furnished	Forms pending for submission	Whether applied for extension in case of delay
1	Form H						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					
2	Others (Specify)						
	a	Quarter 1					
	b	Quarter 2					
	c	Quarter 3					
	d	Quarter 4					
	e	Total					

Any discrepancy/ adverse remarks in respect of aforesaid, has been reported in
Annexure 7

Note:

1. In case of monthly dealers, the above details regarding utilization of forms shall be provided month-wise.
2. The Auditor shall certify whether all terms & conditions for utilization of statutory forms have been fulfilled by the dealer during the audit period.

PART - 8

TAX DEDUCTION AT SOURCE U/S 36A OF DVAT ACT

Sl No.		As per TDS Returns	As determined during Audit	Difference	Annexure showing discrepancies
1	Amount of contracts awarded as contractee during the audit period				8
2	Amount of contracts awarded as contractor during the audit period				
3	Amount of contracts executed by contractor				
4	Amount of contracts executed by sub-contractor				
5	Tax deducted at source as contractee				
6	Tax deducted at source as contractor				
7	TDS deposited in time				
8	TDS deposited late				

PART - 9

FINANCIAL SUMMARY AND ANALYSIS (DELHI ACTIVITIES ONLY)

(Amount in ,000)

S.No.	Particulars	Amount (For the year under Audit)	Amount (For the year preceding the year of audit)	Observations/ Remarks (if any)
A	INCOME			
A1	Sales			
a	Works Contracts (Total consideration)			
b	Transfer of right to use goods (Leasing/Hiring)			
c	Other Sales of Goods			
A2	Services rendered			
A3	Miscellaneous Income including Interest			
A4	Total Income			
B	Expenditure			
B1	Opening Stock of Goods			
B2	Purchases of Raw Material/ Stores/Trading Goods			
B3	Purchases of Consumable			
B4	Works Contract (with Material)			
B5	Contracts for Labour/Job			
B6	Labour and Wages			
B7	Other Manufacturing Exp.			
B8	Salaries			
B9	Interest & Financial Charges			
B10	Advertisement and Business Promotion Expenses			
B11	Administrative, Marketing and Other Expenses			

S.No.	Particulars	Amount (For the year under Audit)	Amount (For the year preceding the year of audit)	Observations/ Remarks (if any)
B12	Depreciation			
B13	Total Expenses [Sum (B1:B12)]			
B14	Less: Closing Stock			
B15	Net Expenses [B13 - B14]			
B16	Gross Profit of business [A1 - (B1 to B7) + B14]			
B17	Net Profit [A4 - B15]			
C	Capital & Liabilities			
C1	Capital employed & Reserves			
C2	Long Term Loans (including Term Loans from Banks)			
C3	Short term Loans (including Overdraft and Cash Credit limit from Banks)			
C4	Creditors for Goods			
C5	Creditors for Expenses			
C6	Others (Specify separately if exceeding 10% of the total liabilities individually)			
C7	Total of Capital/Liabilities			
D	Assets			
D1	Fixed Assets			
	Opening Balance			
	Add: Additions			
	Less: Sale/Adjustments			
	Less: Depreciation			
	Closing Balance			

S.No.	Particulars	Amount (For the year under Audit)	Amount (For the year preceding the year of audit)	Observations/ Remarks (if any)
D2	Investment			
D3	Cash & Bank Balances including Fixed Deposits			
D4	Sundry Debtors			
D5	Stock in hand			
D6	Other Current Assets			
D7	Loans & Advances			
D8	Others (Specify separately if exceeding 10% of the total Assets individually)			
D9	Total of Assets			
E	Financial Ratios			
E1	G.P. Ratio = G.P. (B16) : Sales (A1)			
E2	N.P. Ratio = N.P. (B17) : Sales + Service (A1+A2)			
E3	Stock (B14) : Sales (A1)			
E4	Debtors (D4) : Sales (A1)			
E5	Creditors (C4) : Purchases (B2+B3+B4)			
E6	Purchases (B2+B3+B4) : Sales A1)			
E7	Net Profit (B17) : Funds Employed (C1+C2)			

Any discrepancy/ adverse remarks in respect of aforesaid, has been reported in Annexure 9

PART - 10
QUESTIONNAIRE

[use separate sheet wherever necessary]

Sl No.	Questions	Answer [Yes / No / NA / Note]	If Answer is Adverse, Give Observations in Annexure No.
1	Gross Turnover (GTO)		'4-1' for Local Sale and '5-1' for Central Sale
a	Whether GTO of sales includes all transactions of sales concluded during the period of audit as defined u/s 2(1)(zc) of DVAT Act including branch transfers, sale of assets etc., sale of intangible goods, e.g., brands, goodwill, logo, etc.		
b	Whether the sale price has been calculated in terms of 2(1)(zd) of the DVAT Act		
c	Whether any ex post facto grant of discounts or incentives or rebates or rewards and the like included in the sale price?		
d	Whether the amount of money-value of any additional consideration flowing directly or indirectly from the buyer or the third party to the seller included in the sale price?		
e	Whether price of packing material has been included or not?		
f	In case of works contracts, whether labour & Services has been included in the turnover of sale and the turnover has been determined in accordance with Rules 3 and 4 of DVAT Rules?		
g	In case of transfer of right to use goods, whether the turnover of sale has been determined as per Rule 4 of the DVAT Rules?		
h	Whether return of goods beyond the prescribed period has not been deducted?		
i	Whether transfer to principals/agents within Delhi has been included in GTO?		

2	Central Sales		
2A	Exports u/s 5(1) of the CST Act		53
	a	Have you verified the genuineness of exports from Shipping Bills/Airway Bill and Customs Clearance Documents?	
	b	Whether the proceeds of the exports have been realized? If not, give details of outstanding payments for more than 180 days from the date of export.	
2B	Sale in the course of import u/s 5(2) of the CST Act		53
	a	Have you verified the sale agreements and other documents to support the sale in the course of import under first limb of section 5(2) of the CST Act?	
	b	In case of High Seas Sale covered under second limb of section 5(2) of the CST Act, have you verified the sale agreements and other documents to be filed with the Customs Authority? Further, in such cases, whether the Customs Duty is paid by the high-seas purchasing dealers?	
2C	Penultimate Export u/s 5(3) of CST Act (Form H)		53
	a	Whether conditions mentioned under section 5(3) of CST Act have been complied with? If not, specify the detail? Whether goods exported in the same form?	
	b	Whether goods have been supplied to the exporter after receipt of export/import order? <i>(details can be verified from Form H itself)</i>	
	c	Whether Forms H, duly filed and signed by appropriate authority, have been furnished to assessing authority?	
2D	Branch Transfers u/s 6A of the CST Act (Form F)		53
	a	Have you come across with the cases where direct central sale/predetermined sale by the Auditee has been routed as branch transfers? If, yes, give details.	
	b	What is method for valuation of goods which have been transferred to branches/agent, etc.?	

	c	Whether single Form F consists of stock transfers made during multiple months?		
	d	Whether form F duly filed and signed have been furnished to the assessing authority?		
	e	Whether the branches/agent, etc. have been included in the central registration certificate?		
2E	Subsequent Sales u/s 6(2) of the CST Act [E-I sales]			5-3
	a	Whether goods are actually sold during the movement of goods? Give brief Note.		
	b	Whether goods were in the custody of transporter for unreasonable period before making of subsequent sale?		
	c	Whether a purchase, accompanied by single GR/RR, has been subsequently sold to multiple customers? (i.e., whether multiple C forms have been received from subsequent purchasers against a single E-I/E-II received from first seller?). If yes, specify the method of transfer of documents.		
	d	Whether Forms E-I/E-II and Forms C duly filed and signed have been furnished to AA?		
2F	Sales to Diplomats, etc. u/s 6(3) of the CST Act			5-3
	a	Whether Form J have been furnished to assessing authority?		
2G	Sales outside Delhi u/s 4 of the CST Act			5-3
	a	A sale, which is inside one State, is outside all other States. Therefore, whether State VAT in that respective State, where sale has been claimed as inside the State, has been paid; or has been included in the turnover of that State? If, No, give details.		
2H	Sales against Form C			7-1
	a	Whether single Form C consists of inter-State sale made during multiple quarters?		
	b	Whether Forms C duly filed and signed have been furnished to Assessing Authority?		

3	Computation of Delhi VAT Output Tax		4-3
	a	Whether turnover claimed exempt is in accordance with section 6 of the DVAT Act?	
	b	Whether tax rates applied on the goods sold are in accordance with Section 4 read with various Schedules of the DVAT Act?	
	c	Whether the amount collected as tax on sales, has been deposited to the Revenue in full and there is no unjust enrichment?	
	d	Whether the computation of tax is in accordance with the provisions of DVAT Act?	
4	Adjustment in Delhi VAT Output Tax		4-3
	a	Whether the adjustment in the output tax claimed by the dealer is in accordance with section 8 of the DVAT Act?	
	b	In case of adjustment in the output tax due to goods return, whether goods have been returned within a period of six months from the date of sale?	
	c	Whether credit notes, for adjustment in output tax, have been issued in terms of Rule 45 of the DVAT Rules?	
5	Claim of Input Tax Credit (ITC)		4-4
	a	For all purchases on which the dealer has claimed ITC, whether the dealer holds tax invoices, which has been issued in terms of section 50(2) of the DVAT Act?	
	b	Whether the purchases on which ITC has been claimed are eligible in terms of sec. 9(1) read with 9(2) of DVAT Act and are not specified in Schedule VII appended to DVAT Act?	
	c	Whether the purchase of goods on which ITC has been claimed are used for eligible sales as specified in section 9(1) of the DVAT Act?	
	d	Whether ITC has been claimed on goods incorporated in immovable property owned by the Auditee?	

e	Have you ensured that ITC has not been claimed on inputs or capital goods which are exclusively used in making of exempted goods?		
f	Where a dealer has purchased goods and the goods are to be used partly for the purpose of making the sales referred to in section 9(1) and partly for other purposes, whether the amount of ITC has been reduced proportionately in terms of section 9(4) read with Rule 6 of the DVAT Rules? <i>Give a detailed note on the method employed for such reversal and valuation of such amount.</i>		
g	Where a dealer has purchased goods and the goods are transferred in terms of section 9(6), whether the amount of the ITC has been reversed in accordance with Rules 6 and 7 of the DVAT Rules? <i>Give a detailed note on the method employed for such reversal in the Annexure and valuation of such amount.</i>		
h	Whether the tax credit on capital goods, which are defined u/s 2(1)(f), has been claimed in accordance with section 9(9) of the DVAT Act? <i>Give bill-wise details of nature of capital goods purchased, cost of goods, amount of tax and tax credit claimed in the Annexure if ITC involvement exceeds Rs. 1,000/- individually).</i>		
i	Whether depreciation has been claimed on the amount of tax on purchase of capital goods, in contravention of section 9(9) of the DVAT Act?		
j	Whether ITC has been reversed in case of sale/transfer of capital goods before the specified period?		
k	Whether ITC claim by works contract dealers has been calculated in compliance to the Seventh Schedule appended to the Act ?		
6	Reversal of Input Tax Credit (ITC)		4-4
a	Whether ITC has been reversed on return/rejection of goods purchased?		
b	Whether ITC has been reversed on discounts, etc. on the basis of credit notes issued in terms of rule 45 read with sec. 51 of the DVAT Act?		

	c	Where a dealer has purchased goods and the goods are subsequently used partly for the purpose of making the sales referred to in section 9(1) and partly for other purposes, whether the amount of ITC has been reduced proportionately in terms of section 10(2) read with Rule 6 of the DVAT Rules? <i>Give a detailed note on the method employed for such reversal in the Annexure and valuation of such amount.</i>		
	d	Where a dealer has purchased goods and the goods are subsequently transferred in terms of section 10(3), whether the amount of tax credit has been reversed in accordance with Rules 6 and 7 of the DVAT Rules? <i>Give a detailed note on the method employed for such reversal in the Annexure and valuation of such amount.</i>		
	e	Whether ITC has been reversed on goods lost/destroyed in accordance with Rule 7 of the DVAT Rules?		
	f	Whether ITC has been claimed on such goods which are specified in Schedule VII of the DVAT Act?		
7	Computation of Tax			45
	a	Whether calculations made for computation of tax are correct?		
	b	Where credit has been claimed on the basis of TDS certificates; and whether such certificate has been issued in accordance with Rule 59(2) and challan for payment of tax has been attached to such certificate?		
	c	Have you verified copies of duly receipted DVAT-20 as evidence of payment of tax?		
	d	In case of excess tax paid, whether the amount has been correctly carried over/brought forward to/from the subsequent tax period?		

8	For Dealers engaged in Works Contracts		10-1
	a Peruse the major contracts on test-check basis. Have you come across with any specific adverse clause?		
	b Give a detailed Note on manner of calculation of turnover in a given tax period.		
	c Whether turnover is accounted for on cash basis or on mercantile basis? Does the same commensurate with the method adopted for Income Tax purposes?		
	d In case of EPC contracts, whether project-wise accounts/statements have been maintained?		
	e Furnish a list of all contractees in Delhi, alongwith nature of contract, total contract value, work done during the audit period and time of transfer of property in the goods as per the contract (at the time of incorporation or delivery or some other time) in every contract?		
	f Whether turnover shown in the returns includes the total value of the contract executed in Delhi including high-seas transactions, inter-State sales and exempted turnover, i.e., labour and services charges?		
	g In case of AMC contracts, what is the method of computing turnover in respective tax periods?		
	h Whether CST has been paid <u>by the Auditee</u> in Delhi/Other State on such turnover which is claimed as inter-State sale in DVAT Return?		
	i Whether goods purchased from third parties located in Delhi or outside Delhi and used in works contracts in Delhi, has been claimed exempt? If yes, give complete details.		
	j Where labour and services charges have been calculated on actual basis, are you satisfied with correctness of claim? Also give a Note on the manner of such computation on tax period basis.		

	k	Where labour and services charges have been calculated on percentage basis specified under rule 3(2), whether correct percentage has been applied for such computation?		
	l	Where contract has been awarded to the sub-contractor, whether turnover of sub-contractor has been claimed as exempt? If yes, give a note manner of presentation in DVAT Return?		
	m	Whether input tax credit has been claimed on the bills received from sub-contractors opting for composition scheme? Is it ascertainable from the bills whether the sub-contractor has opted for the composition?		
	n	Whether input tax credit has been claimed on labour & services charges received/purchased as defined under rule 3(2) of DVAT Rules?		
9	For Dealers engaged in the business of composite contracts/transactions			10-2
	a	Whether the Auditee is engaged in composite contracts involving material and services, dominantly (other than works contracts), e.g., mandap keeper, event management, outdoor caterers, etc.? If yes, give complete details?		
	b	What is the method of bifurcation of turnover on goods and services? Are you satisfied with the same? Give detailed note.		
10	For Dealers engaged in Leasing Business (Transfer of right to use Goods)			10-3
	a	Whether goods under lease agreement are taxed at the rate as applicable to respective goods under various Schedules of DVAT Act?		
	b	If the agreement of transfer of right in respect of intangible goods has been executed in Delhi, whether due VAT has been paid under the DVAT Act?		
	c	Have you verified lease agreements on test check basis? Report any adverse material noted.		

11	Dealers who have opted for Composition Scheme u/s 16 (Composition Dealer)			10-4
	a	Whether the dealer has applied for the composition scheme in the prescribed manner?		
	b	Whether composition dealer has satisfied all the conditions specified in section 16 and in the respective notification? If No, compute tax on normal basis (i.e. u/s 11 read with sec. 3).		
	c	Whether the dealer has issued retail invoice only, stating, "Composition Dealer, VAT not to be charged"?		
	d	Whether the dealer has made his all taxable purchases from registered dealers only?		
	e	Whether the dealer has furnished details of purchases in DVAT-30 along with his Returns?		
12	Computation of Central Sales Tax			5-5
	a	Whether tax rates applied on the goods sold are in accordance with section 8(1) and 8(2) of the CST Act read with section 4 of DVAT Act		
	b	Whether the amount collected as tax on sales, has been deposited to the Revenue in full?		
	c	Whether the computation of tax is in accordance with the provisions of CST Act?		
13	Central Purchases			6-1
	a	Where the dealer has made inter-State purchases on the strength of Form C,		
	i	whether the said items are included in his Central RC on the date of purchase?		
	ii	whether the purposes for which goods are purchased, are included in his Central RC?		
	iii	Whether such purchases are used for the purpose of making sale (local or inter-State) and due tax been paid there upon? Special care need to be taken in case of purchases used in works contracts.		

	iv	Whether such purchases are used for the purposes for which these were made?		
	b	Where the Auditee has made inter-State purchases on the strength of any other Form, whether he has complied with conditions prescribed in the CST Act or Rules made thereunder?		
	c	Advance Declaration Forms from DVAT Deptt.		
	i	Whether the dealer has obtained Advance Declaration Forms from the Department?		
	ii	If yes, has he furnished Form 2B within a period of three months from the end of the quarter to which declarations relate?		
14	Tax Deduction at Source			8-1
	a	Whether the Auditee is liable to deduct TDS on works contracts (including Annual Maintenance Contracts) as per section 36A of DVAT Act?		
	b	If, yes, whether he has applied for TAN within the prescribed time?		
	c	Has he defaulted in deduction of TDS?		
	d	Has he deposited amount of TDS in time?		
	e	Have you ensured that the deductee of TDS has deposited tax in Govt. treasury stating as TDS and TAN; and further, he has not adjusted the same against his output tax liability ?		
	f	Has he issued TDS certificates in time?		
	g	Has he furnished the Annual Return in time?		
15	Maintenance of Books of Accounts			10-5
	Whether Auditee has maintained following records, either manual or on computer:-			
	a	VAT Account	Rule 42(1)(a)-DVAT Rules	
	b	DVAT - 30	Rule 42(1)(b)-DVAT Rules	
	c	DVAT - 31	Rule 42(1)(c)-DVAT Rules	
	d	Stock Register	Rule 42(1)(f)-DVAT Rules	

	e	Form No. 2 (Register of C Forms)	Rule 5(8) - CST (Delhi) Rules		
	f	Form No. 5 (Register of F Forms)	Rule 8(5) - CST (Delhi) Rules		
	g	Form No. 4 (Register of Inter-State Sales)	Rule 13 - CST (Delhi) Rules		
	h	Form No. 6 (Transferee of goods issuing Form F)	Rule 8(12) - CST (Delhi) Rules		
	i	Form No. 7 (Transferor of goods)	Rule 9(1) - CST (Delhi) Rules		
16	Filing of information and Miscellaneous				10-6
	a	Whether the particulars of persons recorded on the R.C. tallies with some valid documents, i.e., PAN, driving license, passport, etc.?			
	b	Whether the Auditee is registered with the Department with two or more "Trade Names" in separate wards? If yes, give details, even if some registration has already been cancelled.			
	c	Has the Auditee obtained two or more registration with the Department at the same premises in different "Trade Names" in which he is related? If yes, give details, even if some registration has already been cancelled.			
	d	Whether information has been filed in time in the circumstances requiring amendment in the Local R.C. in terms of section 21 of the DVAT Act and in Central R.C.?			
	e	Whether any application for amendment is pending for disposal on the date of audit having an impact of the audit period or part thereof?			
	f	Whether tax payable u/s 11, composition tax u/s 16 and TDS payable u/s 36A for various tax periods have been deposited within the prescribed time?			

	g	Whether DVAT-51 for various quarters have been filed within the prescribed time?		
	h	Wherever the Auditee has furnished security which gets expired after certain period, e.g., bank guarantees, fixed deposit receipts, etc., has he furnished renewed security in time?		
	i	Whether the audit report u/s 49 has been furnished in time?		
	j	Whether the dealer is liable to pay any demand which has not been stayed either through filing of objections/appeals or otherwise? If yes, give details.		
	k	Whether the Auditee has violated any other provisions of the DVAT Act or CST Act?		
	l	Are you satisfied, in general, with the compliance of VAT/CST Laws by the Auditee?		

Place

Date:

Seal

Signature:

Name:

Enrolment / Membership No.....

This Notification shall come into force with effect from the financial year 2012-13. Dealers liable to file Audit Report under this Notification shall submit the same in respect of financial year 2012-13 on or before November 15, 2013.

(PRASHANT GOYAL)
COMMISSIONER, VALUE ADDED TAX