Tax Audit Programme for AY 2016-17 (PY 2015-16)

Name of the Assessee: **Date of Commencement:________**

Address: **Date of Completion:____________**

PAN:

Status/Type of Assessee: **Reviewed by: _________________**

Form of Audit Report: **Audit Team:___________________**

Steps	*Audit Area*	*Audit Procedure*	*Area Checked by and Remark*
1	Understand the business of the Assessee.	Obtain the knowledge of the business from last year Audit File and working folders.	
2	Books and Records received from the client and work allotment.	To take note of the Books of Accounts and various Records received from the client. Based on the volume of data, appropriately allot each Audit area among the Audit Team.	
3	Check opening balances.	Take the print out of Trial Balance and take the financial statements of the Last Year which is Audited and Tick the opening balances.	
4	Vouching/Verification and check the process of recording the entries in the books of accounts. Simultaneously note down all the queries in query sheet.	This is one of the most important steps in doing a Tax Audit. Vouching involves the complete checking of all the vouchers of the enterprise. Detecting the possibility of any misrepresentation or fraud done by the client is very probable at this step. Utmost care should be taken & all the vouchers should be thoroughly checked. Commonly we do cash expenses vouching, bank expenses vouching, purchase vouching, sales vouching, etc. Audit team is required to Vouch and verify each and every books of accounts maintained by the assessee. As per the Sec. 2(12A) of the I.T.Act "books or books of account" includes sales book, purchase book, ledgers, day-books, cash books, account-books, bank books and other books. The auditor is required to examine not only the books of accounts but also other relevant documents directly related to transactions reflected in the books of accounts like original purchase invoice, copy of bank statements, bills, vouchers, various agreements/ contracts or any other document on the basis of which preliminary entries are passed in the books of accounts.	

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5	Scrutiny of books and preparation of Financial Statements Balance sheet and profit and loss account along with Comparative statement of profit and loss.	It is the most Important Stage, here following steps are required to be followed for Ledger Scrutiny; - Balances and entries in all the Ledgers must be reconciled. For e.g. Balances and entries in the Debtor's Ledger must be ascertainable against specific sales entries, credit notes and collection received from the debtors. - Journal entries passed in the Ledgers must be traced and ascertain the reasons for such JVs. - TDS properly deducted and paid wherever applicable. - Whether all Indirect Taxes like VAT, Service Tax, Excise and customer duty etc paid on timely basis. Identify payment made in cash for more than Rs. 20,000. - Loans/deposit accepted and repaid during the previous year for more than Rs. 20,000 without an account payee cheque. - Revenue and capital nature of expenditure are properly segregated and recorded under the proper head. - Any penalty paid and donation made shall be disallowed. - Any prior period exp. needs to be identified. - All required provisions shall be done.	
6	Bank Statements and Reconciliations	In order to verify whether all the transactions related to bank have been duly accounted, we verify the bank book with the bank statements. If there is a mismatch of some transactions, we prepare a BRS i.e., a Bank Reconciliation Statement.	
7	Start reporting under Form 3CA in case of Companies or Form 3CB for others and prepare all required annexures of Form 3CD.	Audit team is required to fill up the complete form 3CA or 3CB along with form 3CD. All information furnished in Tax Audit report must be True and Correct. Thereafter generate the Xml file and upload the Audit Report with scan copy of Financial Statements.	

No.	Income Tax Computation & Disclosure Standards (ICDS)		
ICDS 1	Accounting Policy	ICDS provides that expected losses or mark to market losses shall not be recognised.	
ICDS 2	Valuation of Inventories	Value of Service Inventory to be lower of Cost OR NRV. Cost to Include Labour and other Cost of personnel directly engaged in providing services.	

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ICDS 4	Revenue Recognition	ICDS provides only for percentage completion method for recognition of service transactions. No recognition is done as per Completed service contract method.	
ICDS 6	Foreign exchange gain/loss	Exchange difference arising on settlement thereof or on conversion of monetaryitems at the last day of previous year shall be recognised as income or expense in that previous year by converting into reporting currency using closing rate.	
ICDS 10	Provision, contingent liability and contingent assets.	Provision shall be recognised if it is reasonably certain that outflow of economic resources will be required. Criteria for recognition of provision on basis of 'probable' replaced with requirement of 'reasonably certain'.	

Clause No.	Tax Audit Reporting ie Form 3CD		
4	Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, customs duty, etc. if yes, please furnish the registration number or any other identification number allotted for the same.	· Obtain the list of indirect taxes applicable to the Assessee. · Obtain copy of registration certificates mentioning the Regn. No. under relevant law. · If tax auditor opines indirect taxes applicable but assessee has not registered, he should report the same appropriately.	
9 (a)	If firm or Association of Persons, indicate names of partners/members and their, profit sharing ratios.	· Names of partners, members of AOP/BOI & profit sharing ratios in % to be stated. · Obtain partnership deed or agreement from the assessee and check for any amendment in the deed.	
(b)	If there is any change in the partners / members or their profit sharing ratios, Since the last date of preceding year, the particulars of such change.	· If any change in partners/members of AOP/BOI or their profit sharing ratio since last date of preceding year, particulars of such change must be stated. · Should obtain certified copies of deeds, documents, notice of changes etc.	
10 (a)	Nature of business or profession. [If more than one business or profession is carried on during the previous year nature of every business or profession]	· Principal line of each business to be determined and stated i.e. Sector in which business falls. · Information to be furnished in respect of each business. The code to be mentioned against the nature of business pertains to the main area of business activity.	
(b)	If there is any change in the nature of business or profession, the particulars of such change.	· Any material change in the nature of business should be precisely set out.	

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11 (a)	Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.	· As per Rule 6F books of account to be kept and maintained by person carrying on certain professions specified in sub-sec (1) of S.44AA. · Legal, Medical, Engineer, Architect, Accountancy, Technical consultancy, Interior decorator, Authorised Representative, Film artist, Company Secretary, IT professional.	
(b)	List of books of account maintained and the address at which the books of accounts are kept. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.)	· Should obtain complete list of books of account and other documents maintained (both financial and non-financial records) and make appropriate marks of identification to ensure the identification of the books and records produced before him for audit. · In case of company, Verify whether any form filed under Companies Act for maintenance of books at a place other than the registered office. - Cashbook/bank book, sales/purchase register and ledger.Quantitative details to be maintained by assessees engaged in trading/manufacturing activities.	
	Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.	· Identify any change in the method of accounting and disclose impact of the same.	
14 (a)	Method of valuation of closing stock employed in the previous year.	· Should obtain the inventory of closing stock, indicating the basis of valuation thereof, for reporting on the method of valuation of closing stock under this clause. Should examine the basis adopted for ascertaining the cost and this basis should be consistently followed. It is necessary to ensure that the method followed for valuation of stock results in disclosure of correct profit and gains.	
(b)	Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.	· The details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss have to be stated under clause 14(b).	
16	Any Amounts not credited to the profit and loss Account, being, The items falling within the scope section 28.	· Under this clause various amounts falling within the scope of section 28 which are not credited to the profit and loss account are to be stated. For e.g.	
(a)		· Profits & gains of business	

Steps	*Audit Area*	*Audit Procedure*	*Area Checked by and Remark*
		· Compensation on termination · Income from trade, professional association · Profit on sale of licence under Import control order · Cash assistance against exports · Customs or excise repayable · Profit on DEPB , DFRC · Benefit or perquisite · Interest, salary, bonus received by a partner from such firm · Sum received for not carrying out any activity · Sum received under a Keyman insurance · Any sum received on any capital assets (demolished, destroyed, discarded) if such expenditure was allowed u/s 35AD	
(b)	The proforma credits, drawbacks, refunds of duty of customs or excise or service tax or refunds of sales tax valued added tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned;	· The details of the following claims, if admitted as due by the concerned authorities but not credited to the profit and loss account, are to be stated Proforma Credits, Drawback, Refund of customs duty, excise duty, service tax, sales tax or value added tax. It may, therefore, be necessary for the tax auditor to scrutinise the relevant files or subsequent records relating to such refunds and obtain MRL.	
(C.)	Any Escalation claims accepted during the previous year;	· Under sub-clause (c), the escalation claims accepted during the previous year but not credited to the profit and loss account are to be stated.	
(e)	Whether any capital receipt received by the assessee but not credited to the PnL.	· Eg: Capital subsidy of promoter's contribution, Govt. Grant in relation to specific fixed asset, profit on sale of fixed assets, Compensation for surrendering certain rights, Loss/expenditure/liability recovered u/s 41(1)).	
17	Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish:	· For reporting the value adopted, the auditor should obtain a copy of the registered sale deed. In case the property is not registered, the auditor may verify relevant documents from relevant authorities or obtain third party expert like lawyer, solicitor representation to satisfy the compliance of section 43CA/ section 50C of the Act. In exceptional cases where the auditor is not able to obtain relevant documents, he may state the same through an observation in his report 3CA/CB.	

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18	Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form :-- Description of asset/block of assets. Rate of depreciation. Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of--	· Examine the classification of the assets into various blocks. The purpose for which the asset is used is also very material. Check whether the classification made by the assessee is in consonance with legal principles. · Once classification ascertained and checked properly, check rates applicable as permit. Rules. · The provisions of Section 36(1)(iii) and Explanation 8 to section 43(1) of the Act, should be kept in mind for capitalization of interest to the cost of assets. · Since determination of actual cost has got accounting implications, he can rely on the relevant accounting Standards and Guidance Notes. Due to the amendments made by the Finance (No.2) Act, 1998, depreciation is allowable on intangible assets. · The additions/deductions during the year have to be reported, with dates. The tax auditor is advised to get the details of each asset or block of asset added during the year or disposed of during the year with the dates of acquisition/disposal. Where any addition was made, the date on which the asset was put to use is to be reported. · Section 32(1)(iia) provide for additional depreciation to a concern engaged in the business of manufacturing concern. · The Finance Act, 2001 had inserted Explanation 5 below sub-section (1) of section 32, to the effect that the provisions of section 32(1) regarding allowing of depreciation shall apply whether or not the assessee has claimed the depreciation.	
19	Deduction allowed under following sections needs to be reported.	Section 32AC, 33AB, 33ABA, 35(1), 35(2AA), 35AC, 35AD, 35D and 35CCA ect are required to be read by Audit Team.	
(b)	Details of contributions received from employees for various funds as referred to in section 36(1)(va):	· Under this clause, details of the amount deducted, due date for payment and actual date of payment in respect of provident fund, ESI fund or other staff welfare fund have to be stated. It may be noted that Employees' P.F. manual provides for 5 days of grace period for payment of contribution. This can be taken into consideration for determining the due date of payment.	

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	Please furnish the details of amounts debited to the profit and loss account, being in the nature of (i) Expenditure of capital nature (ii) Expenditure of personal nature (iii) Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party (iv) Expenditure incurred at clubs as entrance fees and subscriptions (v) Expenditure incurred at clubs being cost for club services and facilities used (vi) Expenditure by way of penalty or fine for violation of any law for the time being force. (vii) Expenditure incurred for any purpose which is an offence or which is prohibited by law	· The details of capital expenditure, if any, debited to the P&L account should be maintained in a classified manner stating the amount under various heads separately. · Personal expenses debited to the profit and loss account are to be specified under this sub-clause as they are not deductible in the computation of total income under section. The tax auditor will have to report in respect of personal expenses debited in the profit and loss account. · Section 37(2B) provides that no allowance shall be made in respect of expenditure incurred by an assessee on advertisement in any souvenir, brochure, tract, pamphlet or the like published by a political party. Therefore, the expenditure of this nature should be segregated and reported under this clause. · The amount of payments made to clubs by the assessee during the year should be indicated under this clause. The payments may be for entrance fees as well as membership subscription and for catering and other services by the club, both in respect of directors and other employees in case of companies and for partners o r proprietors in other cases. The fact whether such expenses are incurred in the course of business or whether they are of personal nature should be ascertained. If they are personal in nature, they are to be shown separately. · Where the penalty or fine is in the nature of penalty or fine only, the entire amount thereof will have to be stated. As discussed above, with reference to certain penalty/penal interest courts have held that it is partially compensatory payment and partially in the nature of penalty. In such a case, on the basis of appropriate criteria, the amount charged will have to be bifurcated and only the amount relating to penalty may be stated.Violation of law is not a normal incidence of business.	

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	Amounts inadmissible under section 40(a): when TDS is not deducted on payment made to Non-residents.	The auditor is required to report payments to non residents on which tax is required to be deducted but not deducted in respect of interest, royalty, fees for technical services and other such chargeable amount under the Income tax Act. The Auditor is advised to give details under this clause for each individual payee.	
	Details of payment on which tax has been deducted but has not been paid during the in the previous year or subsequent year before expiry of time prescribed u/s 200(1) (I) Date of payment.	· Similarly the auditor is required to report payments on which tax is deducted but is not deposited within the time prescribed during the previous year or in subsequent year. · Under this sub-clause the tax auditor is required to report the details of payment on which tax is not deducted at source and also the details of payment on which tax has been deducted but not paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1)/139(1). The tax auditor should maintain the following data in his working papers for the purpose of reporting under this sub-clause:	
	Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;	· Salary, bonus, commission or remuneration or interest are not admissible, unless the following conditions are satisfied: (a) Remuneration is paid to working partner(s). (b)Remuneration or interest is authorised by the partnership deed and is in accordance with the partnership deed. (c) Remuneration or interest does not pertain to a period prior to the date of partnership deed.	
	On the basis of the examination of books of account and other relevant documents/ evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details:	· The tax auditor should obtain a list of all cash payments in respect of expenditure exceeding Rs.20,000 or Rs.35000 made by the assessee during the relevant year which should include the list of payments exempted in terms of Rule 6DD with reasons. · Where the assessee incurs any expenditure in respect of a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, exceeding rupees twenty thousand, no deduction would be allowed in respect of such expenditure. In case of payment made for plying, hiring or leasing of goods carriage, limit is Rs.35,000/- instead of Rs.20,000/-.	

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	Provision for payment of gratuity not allowable under section 40A(7)	· As per section 40A(7), the deduction shall be allowed in relation to any provision made by the assessee for the purpose of payment of a sum by way of any contribution towards an approved gratuity fund, or for the purpose of payment of any gratuity, that has become payable during the previous year. · The tax auditor should call for the order of the Commissioner of Income tax granting approval to the gratuity fund, verify the date from which it is effective and also verify whether the provision has been made as provided in the trust deed. In case not allowable, the same is to be stated under this sub-clause.	
	any sum paid by the assessee as an employer not allowable under section 40A(9);	· Any payment made by an employer towards the setting up or formation of or as contribution to any fund, trust, company, AOP, BOI, Society (other than contributions to recognised provident fund or approved superannuation fund or notified pension scheme or approved gratuity fund) is not allowable. The tax auditor should furnish the details of payments which are not allowable under this section.	
	Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income:	· In general an assessee may have besides his business income, income from agriculture which is exempt under sub-section (1), share of profit in a partnership firm which is exempt under sub-section (2A), income from dividends referred to in section 115-O which is exempt. · under 2(34), long term capital gains on the transfer of equity shares which is exempt under 2(38) etc. In all such cases the expenditure relating to the income which is not included in total income is inadmissible under section 14A. In case of an investment in a partnership firm, while the interest and the salary received by the partner are taxable, the share of profit is exempt. The amount of inadmissible expenditure depends on the facts and circumstances of each case. Computation to be made as per Rule 8D of Income Tax Rules.	
22	Amount of Interest inadmissible under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	· Obtain a full list of suppliers of the assessee which fall within the purview of the definition of "Supplier" under section 2(n) of the MSMED Act, 2006. It is the responsibility of the auditee to classify and identify those suppliers who are covered by this Act. Verify the interest payable or paid as mentioned above on test check basis.	

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	Particulars of payments made to persons specified under section 40A(2)(b).	· Section 40(A)(2) provides that expenditure for which payment has been or is to be made to certain specified persons listed in the section may be disallowed if, in the opinion of the AO, such expenditure is excessive or unreasonable having regard to the fair market value of the goods, services or facilities for which the payment is made; or for the legitimate needs of business or profession of the assessee; or the benefit derived by or accruing to the assessee from such expenditure. · The following steps may be taken by the tax auditor in this connection: (a) Obtain full list of specified persons as contemplated in this section. (b) Obtain details of expenditure/payments made to the specified persons. (c) Scrutinise all items of expenditure/payments to the above persons.	
	Any amount of profit chargeable to tax under section 41 and computation thereof.	· Section 41(1) provides that where any allowance or deduction has been made in the assessment for any year in respect of loss, expenditure or trading liability incurred by the assessee and subsequently during any previous year the assessee obtains any amount, whether in cash or in any other manner whatsoever, the amount obtained by him or the value of benefit accruing to him is chargeable to tax as business income.	
	In respect of any sum referred to in clause (a), *(b)* , (c), (d), (e) or *(f)* of section 43B, the liability for which and amounts shall be allowed as deduction only on actual payment basis before the due date for filing of ITR. Sec. 139(1).	· S.43B the following amounts shall be allowed as deduction in the year in which amounts are actually paid: (a) Any tax, duty, cess or fee etc (b) Employer's contribution to PF (c) Any bonus, commission payable to its employees (d) Interest on loan or borrowing from Public Financial institution etc (e) Interest on any loan or advance from a schedule bank (f) Any sum payable to employee in lieu of any Leave credit.	
	Amount of Central Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.	· CENVAT credit is available on eligible inputs, input services and capital goods. Such credits are utilized for the payment of the excise duty and service tax liability. Accordingly the tax auditor should check relevant statutory records maintained under the Central Excise Rules 1944 and the records maintained under CENVAT Credit Rules, 2004 and ascertain therefrom the amount of credit on eligible inputs, input services and the capital goods and the amount utilised during the previous year. Records maintained in RG-23, wherever available should also be verified.	

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		· The tax auditor should verify that there is a proper reconciliation between balance of CENVAT credit in the accounts and relevant excise and service tax records. The tax auditor should report the amount of CENVAT availed and utilised under this sub - clause. · If the assessee has neither availed nor utilized the credit, then “No” is to be clicked. In other cases “Yes” will be clicked and the auditor is required to mention the amount in the first column and the corresponding account in which it is debited or credited in the second column. It is advisable to give the details of the credit availed and utilized as separate line items.	
	Particulars of income or expenditure of prior period credited or debited to the profit and loss account.	· As per AS-IT-II material charges or credits which arise in current year as a result of errors or omissions in accounts of earlier years will be considered as prior period items.	
	Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :-- Name, address and permanent account number (if available with the assessee) of the lender or depositor;	· If the total of all loans/deposits from a person exceed Rs.20,000/- but each individual item is less than Rs.20,000/-, the information will still be required to be given in respect of all such entries starting from the entry when the balance reaches Rs.20,000/ - or more and until the balance goes down below Rs.20,000/.	
	Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year.	· Section 269T is attracted where repayment of the loan or deposit is made to a person, where the aggregate amount of loans or deposits held by such person either in his own name or jointly with any other person on the date of such repayment together with interest, if any, payable on such deposit is Rs.20,000 or more. · All repayments made to any person where the loan or deposit along with interest is Rs.20,000 or more are to be reported under this sub-clause, even though the amount of repayment may be less than Rs.20,000. The tax auditor should verify such repayments and report accordingly.	
	Details of brought forward loss or depreciation allowance, in the following manner, to the extent available:	· B/F losses may relate to different heads of income such as HP, Business or profession, speculation business or capital gains has to be identified from last years computation of income.	

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	Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA).	· Chapter VIA of the Act deals with various deductions they have been categorised under the Act as follows: A. Deduction in respect of certain payments. B. Deduction in respect of certain incomes. C. Other Deductions.	
	Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:	· Once the tax auditor gives his affirmation with regard to applicability of the provisions of Chapter XVII-B and/ or Chapter XVII-BB, he is required to furnish further details in Clause 34(a). The auditor should obtain a copy of the TDS/TCS returns filed by the assessee which shall form the basis of reporting under this clause, to the extent possible. Further, in view of the voluminous nature of the transactions, the tax auditor can apply test checks and compliance tests on the transactions reported in the TDS return by the assessee for verifying the information required to be provided under this clause. The tax auditor should refer to the relevant provisions, rules, circulars, notifications and such certificates obtained from the auditee to verify the cases where tax has been short deducted at source. In case the payer deducts/recipient collects tax at source at a rate lower than the specified rate on the basis of certificate issued under section 195 or 197, the lower rate or nil rate, as the case may be will be considered as the specified rate for the purpose of reporting under this clause. In the case of payment to non-residents the applicable rate of tax deduction at source is to be read along with the Double Taxation Avoidance Agreement.	
	whether the assessee has furnished the statement of tax deducted or tax collected within the prescribed time. If not, please furnish the details: whether the assessee is liable to interest on late payment of TDS, if yes then report the same.	· Under clause 34(b),the tax auditor has to ascertain and report whether the assessee has furnished the statement of TDS/TCS within the prescribed time. If all the TDS/TCS statement(s) relating to the previous year have been filed within the prescribed time. In case the the assessee had disputed the levy or calculation of interest under TRACES, in Form No.26AS,	
	In the case of a trading concern, give quantitative details of principal items of goods traded.	· The tax auditor should obtain certificates from the assessee in respect of the principal items of goods traded, the balance of the opening stock, purchases, sales and closing stock and the extent of shortage/ excess/damage and the reasons thereof. The information is required to be given to the extent available with the auditee.	

Steps	*Audit Area*	*Audit Procedure*	*Area Checked by and Remark*
	In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products.	This clause requires that quantitative details of “principal items” of raw materials and finished goods should be given. Therefore, information about petty items need not be given. Normally, items which constitute more than 10% of the aggregate value of purchases, consumption or turnover may be classified as principal items.	
	Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/ item/ value/ quantity as may be reported/ identified by the cost auditor	· The tax auditor should ascertain from the management whether cost audit was carried out and if yes, enclose the copy of the report of such audit.	
	Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/ item/ value/ quantity as may be reported/ identified by the auditor.	· The tax auditor should ascertain from the management whether any audit was conducted under the Central Excise Act, 1944 and if such audit was carried out, obtain the report, if available and enclose the copy of the report of such audit.	
	Details regarding turnover, gross profit, etc., for the previous year and preceding previous year: Gross profit/Turnover; Net profit/Turnover; Stock-in-trade/Turnover; Material consumed/Finished goods produced.	· These ratios have to be calculated only for assessees who are engaged in manufacturing or trading activities. This clause is not applicable to assessees carrying on profession. Moreover, the ratios have to be given for the business as a whole and need not be given product wise. Further, the ratio mentioned in (5) need not be given for trading concern or service provider.	
	Please furnish the details of demand raised or refund issued during the previuos year under any tax laws other than Income-tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings.	· The auditee may be assessed under various tax laws other than Income-tax Act, 1961 and Wealth-tax Act, 1956 resulting into a demand order or a refund order. The tax auditor should obtain a copy of all the demand/ refund orders issued by the governmental authorities during the previous year under any tax laws other than Income Tax Act. Normally, the Indirect tax laws such as Central Excise Duty, Service Tax, Customs Duty, Value Added Tax, CST, Professional Tax etc would be covered as other tax laws.	