

## Part - II

### Instructions for filling and electronic uploading of Audit Report u/s 61 of the Maharashtra Value Added Tax Act,2002

1. This Audit report is divided in three parts, which are as under:-

Sr. No.	Audit Report	Related to
1	Part 1	Verification and certification, computation of tax liability and recommendations to the dealer.
2	Part 2	General information about the dealer under audit.
3	Part 3	various Schedules and Annexure





2. Instructions for filling information in the return(s) remain applicable for respective items of the schedules. If, while filing returns, these instructions have not been followed, it should be ensured that they are followed while preparing the audit report. In other words use schedule as is applicable.
3. If the books of accounts are audited under the provisions of the Income Tax Act, 1961 then Part 1 A shall be filled. Auditor should obtain the certified Financial Statement and should strike off certification under Para-1(B) and 1(C) in Part-1. In case books of account are audited under any other Act but not under the Income Tax Act, 1961 then the Auditor should obtain the certified Financial Statement audited under that Act and should strike off certification under Para 1(A) and 1(C). In other cases the Auditor should obtain Financial Statement duly certified by the dealer and should strike of Para 1(A) and 1(B) in Part-1.
4. Negative certification, if any is to be incorporated with reasons, at Sr No **a to p**, in Para-3 of Part-1 and should correspond to the relevant certificate. Further, the auditor's remarks are to be included at Para 5 of Part-1 and qualifications having the impact on the tax liability in brief, wherever applicable.
5. Tax liability under the MVAT Act,2002 and CST Act,1956 should be computed respectively in Table 2 and Table 3 of Part 1 .
6. In Table 4 of Part I is for showing amounts of Cumulative Quantum of Benefits ( CQB ) availed. This amount includes amount of CQB on account of refund claimed u/r 79(2) and under the Luxury Tax Act as per Box 10 E, 11E and 12E of Schedule IV.
7. Where dealer is required to maintain the records about the sales, purchases, Imports and Exports under Central Excise Act, 1944, the Customs Act, 1962 or under the State Excise Act in such cases the Auditor should invariably correlate the details of sales, purchases, Imports and Exports disclosed under the said

Acts and disclosed under MVAT Act, 2002. Any material difference noticed should be reported at Para 5 of Part-1 accordingly.

8. The Activity Codes are generally used to classify the commodities on the lines of the economic activities. It is published by International Standard Industries Classification. The same activity codes are adopted by the National Industrial Classification. These Activity codes are to be used to fill up the information in Part-2 Table 3. These Activity Codes are available at the Departments Web-site i.e. [www.mahavat.gov.in](http://www.mahavat.gov.in)
9. The difference between amount as per returns and amount as per Audit, gets calculated in respective Schedules which are filled by the dealer.
10. **In Annexure-A** ,details of amount of tax paid as per returns /chalan under MVAT Act and interest paid u/s 30(2) are to be filled. The details of Refund Adjustment Order issued and amount adjusted against the tax payable for the period under Audit are also to be filled in this annexure.
11. **In Annexure-B** , details of amount of tax paid as per returns /chalan and interest paid under section 9(2A) CST Act are to be filled. The details of Refund Adjustment Order issued and amount adjusted against the tax payable for the period under Audit are also to be filled in this annexure.
12. **In Annexure-C** details of TDS certificates received by the dealer are to be filled.
13. **In Annexure-D** details of TDS certificates issued by the dealer are to be filled.
14. **In Annexure-E** details of purchases on which the set-off is claimed by the dealer are to be filled. The details regarding set-off on capital assets, non admissibility of set-off under Rule 54, reduction of set-off under Rule 53 etc are to be filled in this annexure.  
**The Section 6 of annexure E asks for rate wise details of set-off. It is advised to fill the rate wise details as per Audit. It is not mandatory to fill the details rate wise both as per returns and as per audit. Enter the set-off as per returns and as per audit in row 95.Please select Rae of Tax/Particulars as Rs 1/- in Cell B 95.**
15. In **Annexure-F** various financial ratios for the period under audit and other information are to be filled in. If a dealer has multi State activities, then the ratios related to gross and net profit may be given for entire business entity and other ratios should be given for within the State activities.
16. **Annexure-G** is deleted.
17. **In Annexure H** details about wanting declarations in form H, in respect of local sales is to be filled.TIN of the customer should be filled in applicable cases.
18. **In Annexure I** details about wanting declarations under the C.S.T.Act,1956 is to be filled. TIN of the customer should be filled in all the cases.
19. The tax liability as per Annexure H and Annexure I, if any, gets reflected in figure as per Audit in row (xiv) of Table No.-2 and row (xi) of Table-3, Para-4 of Part-1.

20. In **Annexure-J** dealer-wise information of sales and purchases during the period under Audit is to be filled. It consists of **four** Sections. **Section 1** is for filling in the information of Customer wise sales. **Section 2** is for filling in the information of Supplier wise purchases. **Section 3** is for filling in the information of Customer wise Debit notes and Credit Notes. **Section 4** is for filling in the information of Supplier wise Debit notes and Credit Notes. In Section **3** and Section **4** figures with **minus sign** should be used in case of **credit notes** and **debit notes** respectively.
21. In **Annexure-K** determination of Gross Turnover of Sales and Purchases along with reconciliation with Profit and Loss Account, Trial Balance/ Sales and Purchase register.
22. In case of Annexure after pressing the button for validation only one error appears at a time. After correcting the same, next error appears. Errors in Annexure can be avoided if the rows in which information is filled are completely filled.
23. If the dealer has multi-state activities then Trial Balance in relation to the business Activities in Maharashtra should be attached. 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 per the provisions of law.
24. An Acknowledgment will be generated in case of successful uploading of this Audit Report. It will show the Transaction Id and Date of uploading along with some other fields. The dealer is required to submit a print of this Acknowledgment to the Deputy Commissioner, Desk Audit Cell in case of Mumbai and in case of places other than Mumbai to the Office of The Joint Commissioner of Sales Tax, VAT(ADM).
25. Unless the dealer submits signed Acknowledgment along with required attachments, on or before 10 February 2010, the audit Report even if electronically uploaded on or before 31 January 2010, shall not be deemed to be filed.
26. It is mandatory for the Auditor to visit the principal place of business and the place where major business activities are carried out before the date of furnishing of Audit Report to the dealer.
27. It is mandatory to fill Part I , Part II and the applicable Schedules and Annexure. An option is available at the **top right hand corner** of each Schedule to choose whether it is applicable. The option is named as "Applicable" and allows option to select "**Yes or No**". Dealer is mandatory to select "**Yes**" in case of applicable Schedule and "**No**" in case of non applicable Schedules . Once a dealer selects the option "**No**" then he **shall not** enter any information in the Schedules for which the option selected is "**No**".
28. The Annexure which are not applicable should be left blank.
29. It is mandatory to fill all the cells of Part I and Part II and Annexure F. In case any field or box is not applicable, '0' (zero) in numerical fields and 'N.A. in text fields should be entered.
30. In all the Schedules and Annexure it is mandatory to fill applicable rows completely i.e. if one cell in a row is filled then it is mandatory to fill all the cells in that row.

31. Wherever the words “ Please Specify” appear it is necessary to specify the description. For example, in Part I, Cells C 84, C86 of Table 2; C 106 of Table 3 and B 131,B132 of Table 5, it is necessary to mention the description if **figures** are filled in the corresponding cells.
32. The green and shaded fields are non enterable. The green fields have been given formulas and are auto filled.
33. Most of the fields of Part I are auto filled once the Annexure and the Schedules are filled. Hence it is advised to fill form 704 in the following order.

-  Annexure A to K
-  Schedules I to VI
-  Part II and then
-  Part I

34. After validating any sheet i.e after the validation button is pressed , the error sheet shows only the errors in that particular sheet. After pressing the validation button in Part I , Errors in entire form are shown .After successfully validating the Part I,a Rem.txt file will be generated and get saved on Drive ‘C’. The dealer may upload this file after logging on to [www.mahavat.gov.in](http://www.mahavat.gov.in) under his login Id and Password for e-Services.
35. Shaded fields are blocked for data entry.
36. The description in Part 1 -2 (B)(b) mentions “**Score out whichever is not applicable**”. This instruction is to be read in terms of physical submission of Part 1.
37. Tax paid with challan is to be co related with return period. Split the challan amount to different return periods in applicable cases.
38. Enter amount of Tax Deducted at source in box 9(f) at Row 115 in Schedule III.
39. Due date of tax payment is 21 days from the end of the return period (excepting the due dates those fall on holidays) . Take due care while filling in column D of Annexure A and B.
40. Enclosures selected as “**Yes**” are to be submitted physically, at the time of submission of Acknowledgment of Audit Report.
41. Interest in Annexure A and Annexure B gets calculated automatically once the button for validation is clicked
42. Refer your queries in respect of “Activity Codes” to [activitycodes@mahavat.gov.in](mailto:activitycodes@mahavat.gov.in)
43. Do not enter % sign in column 7 of Annex H and Column 9 of Annex I.
44. Do not “Cut” and “Paste” data in any cell of the template.
45. Use the template which is available on the web site [www.mahavat.gov.in](http://www.mahavat.gov.in)
46. Do not key in data in the cells where options are to be selected from drop down menu.