

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
VYAPAR BHAWAN, I.P ESTATE, NEW DELHI-110002
(AUDIT BRANCH)

No. F/V Audit /Spl. Audit /2012/ 4231-39

Dated: 19-12-13

CIRCULAR NO. of 2013-14

Sub: Procedure to be followed by Special Auditor for conducting Special Audit under Section 58A of the DVAT Act, 2004

1. Special Auditor should always mention the name of the dealer, along with its TIN, whose accounts are to be audited and the period of Audit in the covering letter in all communications made in respect of that dealer.
2. The procurement of documents required for Audit would be the joint responsibility of the Special Auditor and the concerned Asst. Commissioner/VATO. In case of difficulty in obtaining the documents, the Special Auditor shall immediately get in touch with the concerned Additional/Joint Commissioner. If required a legal notice will be issued by the Additional/ Joint Commissioner to the dealer who shows reluctance in furnishing the documents within due time.
3. Preliminary discussions between the Special Auditors and the dealer can be held either at the dealer's premise or at the Office of the Addl. Commissioner.
4. Special Auditors are permitted to visit branch offices/back up offices of the dealer for audit verification.
5. During the course of Audit, if there are any queries regarding the classification of goods, taxability or the rate of tax etc. the same may be brought to the notice of the concerned Addl. Commissioner (Zone) and the Addl. Commissioner (Audit) would get them clarified before the submission of final report.
6. All correspondences to the dealer shall also be through email and a copy of the same shall be marked to the zonal Addl. Commissioner and also to the Addl. Commissioner (VAT Audit).
7. Special Auditor shall brief the Addl. Commissioner (Zone) and the Addl. Commissioner (Audit) on any important development/detection during the audit.
8. Special Auditor shall submit a detail audit report in Form AR-1 and shall cover various risk parameters of the dealer provided by the Department. In addition, the auditor shall point out any other significant adverse observations recorded during such audit. Three copies of report shall be submitted (i) Addl. Commissioner (Zone) (ii) Addl. Commissioner (Audit) and (iii) Asst. Commissioner (Ward).

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9. Special Auditor may have to make a presentation on his findings before the Commissioner.
10. Special Auditor will provide necessary professional help during default assessment proceedings by the Asst. Commissioner.
11. The Special Auditors shall submit bill in consonance with Circular dated 06.12.2013 of the Department to the concerned Zonal Addl./Joint Commissioners who would verify and forward the bill to the Addl. Commissioner (Audit).
12. The assignment of further audit work to the Special Auditor would depend on the quality and timeliness of his report.

This issues with the prior approval of Commissioner, Value Added Tax.

C. Arvind
19-12-13

(C. ARVIND)

ADDL. COMMISSIONER (AUDIT)

No..F/V Audit /Spl. Audit /2012/

Dated:

1. PS to Commissioner (T&T), Deptt. of Trade & Taxes.
2. All Spl. Commissioners, Deptt. of Trade & Taxes.
3. All Addl. Commissioners/Joint Commissioners, Deptt. of Trade & Taxes.
4. Dy Director (Policy), Deptt. of Trade & Taxes.
5. Dy Director (R&S), Deptt. of Trade & Taxes.
6. President/ Secretary, STBA, 2nd Floor, Vyapar Bhawan, I.P. Estate, New Delhi.
7. All VATOs/AVATOs, of all Wards of Operations through Zonal In-charge, Deptt. of Trade & Taxes.
8. All the CA/CA Firms empanelled for Special Audit under section 58A of the DVAT Act 2004.
9. Programmer (EDP), Deptt. of Trade & Taxes with the request to upload the circular on the website of the department.
10. Guard File.

P.R. Kaushik
19.12.2013

(P.R KAUSHIK)
A.C. (VAT), HQ,
VAT AUDIT