

Department of Commercial Tax
Government of Jharkhand



DIPP Point No. 208

Question	Remarks
8c. Tax enablers Q: Implement a system for risk based audit related to tax compliance	Risk based Audit process is implemented Hard copy supporting available (The Jharkhand Gazette dated 08/07/11)
The department has put in place an online system for the same. Through 'admin login', the officer can set weightage and priority for each parameter	



**THE
JHARKHAND GAZETTE
EXTRAORDINARY
PUBLISHED BY AUTHORITY**

No 493

17 Ashad, 1933 (S)
Ranchi, Friday 8th July, 2011

COMMERCIAL TAXES DEPARTMENT

NOTIFICATION
The 8th July, 2011

S.O. 130, dated the 8th July, 2011—In exercise of the powers Conferred under Sections 34 and 37 of the Jharkhand Value Added Tax Act, 2005 (Jharkhand Act 05, 2006), read with Sub rule (1) of the Rule 33 of the Jharkhand Value Added Tax Rules, 2006, the Commissioner of Commercial Taxes hereby determines the following criteria and guidelines for selection of the dealers for conducting the VAT Audit and Audit Assessment under the Act :-

Part (I) CRITERIA FOR SELECTION OF DEALERS FOR THE PURPOSE OF AUDIT ASSESSMENT AND TAX AUDIT THEREOF

(a) Subject to other clauses, where volume of turnover of such dealers exceeds Rs. ten Crores and;

Risk based audit
for tax compliance

**Department of Commercial Tax
Government of Jharkhand**



2

Jharkhand Gazette (Extraordinary), Friday 8th July, 2011

- (b) Where the Taxable goods are consigned by the dealers to outside the State as well as within the State by a reason, "otherwise than by way of sale";
- (c) Where the refund claims are arising due to "Input Tax" exceeding "Output Tax" Payable or;
- (d) Where dealers, either manufacturer/trader/works contractor are involved in purchasing the inputs taxable @ 4% or 5% as well as 10%/ 12.5% / 14% and reflecting the closing stock of the goods taxable @ 10%/ 12.5% / 14% or;
- (e) Where dealers engage in substantive changes in trade practices- e.g. excessive stock transfers, material decline in inter-state purchases, material increase in exports/sales to exporters or;
- (f) Where dealers have claimed monthly input tax of Rs. 50 thousand and above in respect of evasion-prone commodities such as timber, plywood, glass, rubber iron and steel, spare parts, electrical and electronic goods, readymade garments, footwear, home appliances, etc. or;
- (g) Where dealers have collected output tax of 1 lakh and above, but have paid tax either Nil or below 75% of the output tax collected every month or;
- (h) Where the returns filed show sharp fall in taxable turnover, in spite of increase in purchase continuously for two tax periods or;
- (i) Where there are 'NIL' sales, but a credit is arising from inputs or;
- (j) Where newly registered dealers are claiming credit against the Output Tax payable or;
- (k) Where for the purpose of trading dealers, the Input Tax is exceeding Output Tax or;
- (l) Where Input Tax Credit claims appear peculiar - e.g. Rs. One lakh (a round figure) without any fraction of an amount or;
- (m) Where claims are identical or similar to previous credit return or;
- (n) Where dealers deal in evasion prone commodities such as edible oil, civil construction goods, electronic goods, electrical goods, mobile phones, readymade garments, timber, plywood, motor parts, paper, kirana goods, liquors of all varieties and descriptions, cement, marble, tiles, sanitary fittings etc or;

**Department of Commercial Tax
Government of Jharkhand**



(o) Where specific information regarding attempted evasion of tax has been gathered from other agencies like Central Excise, Customs, Income Tax, or information gathered from other big manufacturing/trading dealers, located inside or outside the State or through vehicle checking or;

(p) Where attempts of evasion of tax have been detected through vehicle checking or inspection of business premises or through verification of extracts taken from the aforesaid sources or;

(q) Where dealers against whom departments like Central Excise, Income Tax etc have also booked cases or;

(r) Where dealers are having substantial and continuous transit sales u/s 3(b) read with Section 6(2) of the Central Sales Tax Act 1956 or;

(s) Where the dealer's total turnover for the current year is below the admitted turnover during the corresponding period of the previous year under the VAT provisions or;

(t) Where history of the dealers reflect previous offences or;

(u) Where dealers have been given notice under Section 30 to file return or have filed revised return or have failed to file the same.

(v) Notwithstanding anything contained in this part, the Commissioner may determine any other criteria as he/she may deem appropriate.

SUPPORTING DOCUMENT



सत्यमेव जयते

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**Part (I) CRITERIA FOR SELECTION OF DEALERS FOR THE
PURPOSE OF AUDIT ASSESSMENT AND TAX AUDIT
THEREOF**

(a) Subject to other clauses, where volume of turnover of such dealers exceeds Rs. ten Crores and;

- (b) Where the Taxable goods are consigned by the dealers to outside the State as well as within the State by a reason, "otherwise than by way of sale";
- (c) Where the refund claims are arising due to "Input Tax" exceeding "Output Tax" Payable or;
- (d) Where dealers, either manufacturer/trader/works contractor are involved in purchasing the inputs taxable @ 4% or 5% as well as 10%/ 12.5% / 14% and reflecting the closing stock of the goods taxable @ 10%/ 12.5% / 14% or;
- (e) Where dealers engage in substantive changes in trade practices- e.g. excessive stock transfers, material decline in inter-state purchases, material increase in exports/sales to exporters or;
- (f) Where dealers have claimed monthly input tax of Rs. 50 thousand and above in respect of evasion-prone commodities such as timber, plywood, glass, rubber iron and steel, spare parts, electrical and electronic goods, readymade garments, footwear, home appliances, etc. or;
- (g) Where dealers have collected output tax of 1 lakh and above, but have paid tax either Nil or below 75% of the output tax collected every month or;
- (h) Where the returns filed show sharp fall in taxable turnover, in spite of increase in purchase continuously for two tax periods or;
- (i) Where there are 'NIL' sales, but a credit is arising from inputs or;
- (j) Where newly registered dealers are claiming credit against the Output Tax payable or;
- (k) Where for the purpose of trading dealers, the Input Tax is exceeding Output Tax on account of any post sale discount or;
- (l) Where Input Tax Credit claims appear peculiar - e.g. Rs. One lakh (a round figure) without any fraction of an amount or;
- (m) Where claims are identical or similar to previous credit return or;
- (n) Where dealers deal in evasion prone commodities such as edible oil, civil construction goods, electronic goods, electrical goods, mobile phones, readymade garments, timber, plywood, motor parts, paper, kirana goods, liquors of all varieties and descriptions, cement, marble, tiles, sanitary fittings etc or;

- (o) Where specific information regarding attempted evasion of tax has been gathered from other agencies like Central Excise, Customs, Income Tax, or information gathered from other big manufacturing/trading dealers, located inside or outside the State or through vehicle checking or;
- (p) Where attempts of evasion of tax have been detected through vehicle checking or inspection of business premises or through verification of extracts taken from the aforesaid sources or;
- (q) Where dealers against whom departments like Central Excise, Income Tax etc have also booked cases or;
- (r) Where dealers are having substantial and continuous transit sales u/s 3(b) read with Section 6(2) of the Central Sales Tax Act 1956 or;
- (s) Where the dealer's total turnover for the current year is below the admitted turnover during the corresponding period of the previous year under the VAT provisions or;
- (t) Where history of the dealers reflect previous offences or;
- (u) Where dealers have been given notice under Section 30 to file return or have filed revised return or have failed to file the same.
- (v) Notwithstanding anything contained in this part, the Commissioner may determine any other criteria as he/she may deem appropriate.

Part (II) GUIDELINES/ MANNER OF VERIFICATION IN COURSE OF AUDIT ASSESSMENT, TAX AUDIT AND AUDIT VERIFICATION

All such dealers, who have been identified for audit assessment/audit/audit verification based on the said criteria should be served upon a notice in Form JVAT 304 for the purpose of conducting an audit assessment/tax audit/ audit verification.

Where under Section 18 of the Act, input tax credit is allowed against output tax payable for any return period, and if input tax is not fully set off against output tax, the amount of input tax remaining unadjusted against output tax is carried over to the subsequent return period and if the returns filed show excess input tax over output tax, it could be indicative of sales suppression or reduction of sale price through post sale discounts.

The prescribed authorities, before conducting any tax audit/audit assessment must acquire basic knowledge about the nature of the trade or industry. In the

case of a manufacturing concern, the officers should study the manufacturing activities involved, the raw materials used and consumed, the input output ratio etc; and

ascertain whether the dealer is maintaining computerized accounts, the systems of accounting, the software which has been declared by the dealers; and

Further ascertain whether there is any change in the system subsequent to such declaration; and

The actual procedure to be followed, during audit visit may vary from trade to trade and from industry to industry depending on the purpose of the visit, size of the business, manufacturing process involved, complexity of the accounts, reputation of the dealer etc, which the officers may finalise, in consultation with the Commissioner/ Additional Commissioner/ Joint Commissioner of Commercial Taxes, on the basis of the guidelines specified below:-

(A) (i) Before selecting such dealers for the purpose of audit, the authorities must verify the details of the returns, where Input Tax is exceeding Output Tax on account of any post sale discounts. In this situation all such discounts other than for "goods returned or supplied free of price under any incentive scheme/ price adjustment" require careful examination;

(ii) The officers must examine whether the deductions claimed as discounts are actually permissible.

(iii) The definition of "sale price" u/s 2(xlviii) specifically mentions "Sale price means the amount payable to a dealer as valuable consideration in respect of the sale or supply of goods, and shall not include tax paid or payable under this Act, by a person in respect of such sales."

The explanation-II of the definition of "sale price" u/s 2(xlviii) specifically stipulates that "Sale price shall include any amount charged by the dealer for anything done in respect of the goods at the time of, or before delivery thereof to the buyer;"

In view of this, while granting any such post sale discount, such discount can be applicable to the "Sale price" component only and not on the "Tax component". [Refer Section 24(4)]

(Any increase/ decrease in the input tax paid or claimed and output tax paid and claimed should be entered in Annexure "A" attached to the Audit Form appended to this notification)

(B) When the Taxable goods are consigned by the dealers to outside the State, as well as within the State by a reason, "otherwise than by way of sale", the officers must examine such transactions and verify the volume of eligible Input Tax Credit, in the light of -

(i) Section 18(8)(ix);

(ii) Rule 2(vii);

(iii) Rule 26(5) - which enumerates the formula for calculating the Input Tax Credit. $[(AxB)/C]$

The calculation of eligible Input Tax Credit must be undertaken for each rate of Input Tax separately. Further, for the purpose of 'B' such value of turnover should be taken into consideration, which are eligible for ITC u/s 18(4) of the Act. Any transfer of stock within the State does not qualify for ITC.

(iv) Rule 26(9), 26(10)

(The eligible input tax credit as computed should be entered in Annexure "B" attached to the Audit Form appended to this notification.)

Note - Annexure B should not be filled up where the transactions are not covered by the aforesaid provisions of the Act and the Rules:

(C) Input tax credit under section 18(4) was provided in order to prevent cascading effect on account of goods already subjected to tax u/s 8 and 9 of the Act. Transactions of such dealers should be examined in detail.

(D) The authorities should do random verification of the declarations/invoice filed at the check posts or those collected during checking of goods/ vehicles at places other than check posts and see whether the sales declared are commensurate with the import of goods into the state.

(E) Bureau of Investigation should gather information regarding unregistered dealers having large volume of business.

(F) Consumers get first hand information regarding the evasive tactics of dealers and can be of help to the department in arresting evasion of tax. They should be encouraged to inform the department about dealers who follow evasive tactics (failure to issue bills for sales, under value the sales, show the sale bills as estimates, maintain undeclared godowns, smuggling goods into or out of the state etc.)

- (G) Returns where there are mathematical errors in calculation of tax.
- (H) Returns where the dealers have claimed rebate on capital goods without the Application under Form JVAT 118 and certificate under Form JVAT 406;
- (I) Returns where the dealers have claimed incorrect transition relief on opening stock as compared to the entitlement certificate, issued in Form JVAT 402;
- (J) Details available with the officer should be cross verified with reference to the records maintained by the dealer to see whether the statements already furnished tally with their accounts.
- (K) The officers should ensure that the returns and other statements submitted before the circles have been signed by a person duly authorised in this behalf.
- (L) The audit team should verify the invoices to see whether the correct rates of taxes are applied.
- (M) The team may take extracts from the accounts or other records which, in the opinion of the officer, are to be included in the dealer's folder.
- (N) The officer should verify whether the dealer is adopting any dubious methods for evading tax which, in the opinion of the officer, would necessitate a further detailed investigation or inspection. In such cases the officer should not seek any clarification from the dealer (as evidences may be lost) nor should he mention anything in the reports. This should be kept confidential for further confidential investigation or for making any surprise inspection. However, such matters must be reported in writing to the Commissioner / Additional Commissioner/ Joint Commissioner of Commercial Taxes for further action.
- (O) The Audit officer should also inspect the stock of goods, verify the receipt, and consumption of raw materials and records relating to placing and receipt of orders for goods etc.
- (P) If goods are appropriated for non-business purposes but no reverse tax has been applied, the transaction should be verified.
- (Q) All cases of audit may not lead to Audit Assessment. Section 37 of the Act provides for audit assessments only when any discrepancy is noticed in audit. In the event of no irregularities being detected, copy of the audit certificate to this effect must be furnished to the dealer in the Prescribed Form or Proforma appended to these guidelines/ notification.
- (R) In course of the audit assessment, if the prescribed authorities are satisfied that there is no malafide intention to evade or avoid payment of taxes, no coercive action should be initiated.

(S) On conclusion of audit the Audit officer should inform the dealer about the defects noted during audit and steps to be taken for rectification.

(T) Indications about malpractices, forgery etc noticed should not, however, be given, since further verification or investigation may be adversely affected.

(U) The prescribed authorities must furnish the report to the Commissioner / Additional Commissioner/ Joint Commissioner of Commercial Taxes, the very next day of such audit or audit assessment or verification thereof in the Form appended to this notification.

(V) Notwithstanding anything contained in this notification, the Commissioner may determine any other guideline/manner as he/she may deem appropriate.

Part III Form of Audit verification appended to this notification

By the Order of the Governor of Jharkhand,

Alka Tiwari,
Secretary-cum-Commissioner,
Commercial Taxes Department,
Jharkhand, Ranchi.

**GOVERNMENT OF JHARKHAND
COMMERCIAL TAXES DEPARTMENT**

Proforma for Audit Assessment, Audit and verification

See Rule 33(1)

(Please enter the respective entries as obtained in course of verification)

Please tick : whether the dealer is manufacturer / trader / works contractor / miner / Others

1 Name & Address of the Dealer:

TIN

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Period covered by this Form							
From	DD	MM	YY	To	DD	MM	YY

2 Please insert the total amount of Input Tax, as reflected by the dealer in their Monthly / Quarterly / Annual Return

1% ₹
4% ₹
5% ₹
10% ₹
12.5% ₹
14% ₹
Total ₹
₹
₹

3 Please insert the amount of Excess Input Tax, as reflected by the dealer in their Monthly / Quarterly / Annual Return

4 Gross Turnover during the Year/ respective tax period as declared by the dealer

Following Boxes should be filled on the basis of verification thereof .

5 Details of Goods Returned / Received by the Purchaser or the Seller, in the 12-Months Period *

(a)	Aggregate of Total amount of goods received by way of Sales Return from the purchaser	₹
(b)	Aggregate of Total amount of goods returned to the purchaser	₹
(c)	Total net increase / decrease in Output Tax on account of Adjustment	₹
(d)	Total net increase / decrease in Input Tax Credit on account of Adjustment	₹

* Calculates the Output Tax Payable during the year, after the adjustment if any by Debit or Credit Notes as per the audit guidelines and please fill the Annexure 'A' attached to this form.

6	Details of Purchases / Arrivals under "Central Sales Tax Act" in the Year/ respective tax Period / tax period for	Value of Turnover (A)	CST Paid (B)
(a)	Aggregate of Inter-State Arrivals by way of Branch Transfers / Consignment Sales	₹	
(b)	Aggregate of "Imports" from Outside the Country	₹	
(c)	Aggregate of Inter-State Purchases u/s 3(a) or 3(b) of the CST Act, from the SEZ/other similar units of other states	₹	

(d)	Aggregate of Inter-State Purchases u/s 3(a) of the CST Act, as the case may be	₹	₹
(e)	Aggregate of Inter-State Purchases u/s 3(b) of the CST Act, as the case may be	₹	₹

Please See Section 8(9), 8(7) and 8(8) of the CST Act 1956 read with Rule 12(11) of the CST Rules 1957.

7.	Details of Turnovers under "Central Sales Tax Act": In the Year/ respective tax period	Value of Turnover (A)	CST Payable (B)
(a)	Aggregate of Inter-State Branch Transfers / Consignment Sales, i.e. "Exempt Transaction"	₹	
(b)	Aggregate of "Inter-State Export Sales"	₹	
(c)	Aggregate of Inter-State Sales to SEZ/similar units	₹	
(d)	Aggregate of Inter-State Sales to persons referred in Section 6(3) & 6(4) of the Act	₹	
(e)	Aggregate of Inter-State sales u/s 3(b) read with Section 8(2) of the CST Act,	₹	
(f)	Aggregate of "Inter-State Sales" u/s 8(1)(a) - Ex from the State	₹	₹
(g)	Aggregate of "Inter-State Sales" u/s 8(1)(b) - Ex from the State	₹	₹

B.	Details of Purchases/Arrivals under the VAT Act; on which "Input Tax" has been paid/eligible: In the Year/ respective tax period	Purchase price excluding Tax/Transfer Value (A)	Input Tax Paid / computed (B)
(a)	Aggregate of Arrivals by way of Stock Transfers from Branches within State	₹	
(b)	Aggregate of Arrivals by way of Stock Transfers from Principal to his Agent within State	₹	
(c)	Aggregate of purchases for goods specified u/s 9(2) on which tax has been levied and paid at the first stage of sale within the State: applicable for resellers	₹	
(d)	Aggregate of value of the goods specified u/s 9(2); which has been received by way of free supply or any other manner or price adjustment or incentives for resellers	₹	
(e)	Aggregate of purchases from unregistered dealers / persons	₹	
(f)	Aggregate of purchases from exempted persons / dealers	₹	
(g)	Aggregate of purchases of goods mentioned in Schedule-I	₹	
(h)	Aggregate of goods received by way of free supply/ incentives/ price adjustment or by any manner ***	₹	
(i)	Aggregate of Eligible ITC on Purchase of "Capital Goods"		₹
(j)	Aggregate of Purchases of Goods on which "Entry Tax" Paid	₹	₹
(k)	Aggregate of 1% Rate Purchases	₹	₹
(l)	Aggregate of 4% Purchases	₹	₹
(m)	Aggregate of 5% Purchases	₹	₹
(n)	Aggregate of 10% Purchases	₹	₹
(o)	Aggregate of 12.5% Purchases	₹	₹
(p)	Aggregate of 14% Purchases	₹	₹
(q)	Total Amount of "Input Tax" Paid		₹
(r)	"Apportion" of eligible Input Tax Credit as computed please fill the annexure 'B' for computation of eligible ITC **		₹

9.	Details of Turnovers under the VAT Act, where "Output Tax" Payable: In the Year/ respective tax period	Sale Price excluding Tax (A)	Output Tax Payable (B)
(a)	Aggregate of turnovers by way of Stock Transfers to the Branches within State	₹	
(b)	Aggregate of turnovers by way of Stock Transfers by the Principal to his Agent within State	₹	
(c)	Aggregate of turnovers to exempted persons / dealers	₹	

(d)	Aggregate of Turnover of Sales of Goods Taxable @ 4% for the goods specified u/s 9(2) for the resellers, on which tax has been levied at the first stage of sale on MRP*	₹	
(d)	Aggregate of Turnover of Sales of Goods Taxable @ 5% for the goods specified u/s 9(2) for the resellers, on which tax has been levied at the first stage of sale on MRP*		
(e)	Aggregate of Turnover of Goods received by way of free supply or any other price adjustment / incentives for the resellers, on which tax has been levied at the first stage of sale on MRP *	₹	
(f)	Aggregate of MRP of Goods Taxable @ 4% for the goods specified u/s 9(2) for the first sellers / manufacturers.	₹	
(g)	Aggregate of MRP of Goods Taxable @ 5% for the goods specified u/s 9(2) for the first sellers / manufacturers.		
(h)	Aggregate of goods disposed by way of free supply/ incentives/ price adjustment or by any other manner ***.	₹	
(i)	Aggregate of Tax due on Purchase of Goods: where 'Purchase Tax' Payable u/s 10 of the Act	₹	₹
(j)	Aggregate of Turnover of Sales of Goods Taxable @ 1%	₹	₹
(k)	Aggregate of Turnover of Sales of Goods Taxable @ 4% [excluding goods specified u/s 9(2)]	₹	₹
(l)	Aggregate of Turnover of Sales of Goods Taxable @ 5% [excluding goods specified u/s 9(2)]		
(m)	Aggregate of Turnover of Sales of Goods Taxable @ 10%	₹	₹
(n)	Aggregate of Turnover of Sales of Goods Taxable @ 12.5%		
(o)	Aggregate of Turnover of Sales of Goods Taxable @ 14%		
(p)	Total Amount of 'Output Tax'		₹
(q)	Total Amount of VAT payable Box 9(p) - 8(g)		₹
(r)	Total Amount of VAT payable Box 9(p) - 8(r)**		₹

** Attach Annexure 'B'

*** Please see Section 9(5)

10.	For goods such as Liquors or IMFL, Molasses, Narcotics and Methylated & Rectified Spirit: "PURCHASES"	Purchase Price excluding Tax (A)	(B)
(i)	(a) Aggregate of Taxable Purchases of Goods specified in Part-E of Schedule-II: IMFL		
	(b) Aggregate of Taxable Purchases of Goods specified in Part-E of Schedule-II: Country liquor	₹	
	(c) Aggregate of Taxable Purchases of Goods specified in Part-E of Schedule-II: Other goods	₹	
	(d) Aggregate of purchase turnovers from (a) to (c)	₹	
			Tax Paid (In the preceding stage of Sale in the State)
(ii)	(a) Aggregate Tax Paid Purchases of Goods specified in Part-E of Schedule-II: IMFL	₹	₹
	(b) Aggregate Tax Paid Purchases of Goods specified in Part-E of Schedule-II: Country liquor	₹	₹
	(c) Aggregate Tax Paid Purchases of Goods specified in Part-E of Schedule-II: Other goods	₹	₹
	(d) Aggregate of Tax Paid Purchases from (a) to (c)	₹	₹

11	For goods such as Liquors or IMFL, Molasses, Narcotics and Methylated & Rectified Spirit "SALES"	Sale Price excluding Tax (A)	Output Tax Payable (at the first stage of Sale in the State) (B)
(i)	(a) Aggregate of Taxable Sales of Goods specified in Part-E of Schedule-II: IMFL	₹	₹

	(b) Aggregate of Taxable Sales of Goods specified in Part-E of Schedule-II : Country liquor	₹	₹
	(c) Aggregate of Taxable Sales of Goods specified in Part-E of Schedule-II : Other goods	₹	₹
	(d) Aggregate of Taxable Sales from (a) to (c)	₹	₹
(ii)	(a) Aggregate Tax Paid Sales of Goods specified in Part-E of Schedule-II : IMFL	₹	
	(b) Aggregate Tax Paid Sales of Goods specified in Part-E of Schedule-II : Country liquor	₹	
	(c) Aggregate Tax Paid Sales of Goods specified in Part-E of Schedule-II : Other goods	₹	
	(d) Aggregate Tax Paid Sales from (a) to (c)	₹	

12	(i) Total Amount of Value Added Tax Payable/ determined by box 9 and 10	₹	
	OR		
	(ii) Total Amount of Value Added Tax Payable	₹	
	(iii) Total Amount of Tax Payable : Adjust the amount payable for goods return as per Debit & Credit Note and as per the Annexure 'A'	₹	

13	(i) In the circumstances, Input Tax exceeding Output Tax : enter the amount of exceeded "Input Tax"	₹	
	(ii) In the circumstances, Zero Rated Sales or Export Sales : enter the amount of Input Tax paid, which is refundable (See Section 53 read with Rule 19(7), 19(8), 19(9))	₹	
	(iii) In the circumstances, CST is payable : enter the CST amount payable	₹	
	(iv) Adjust the exceeded Input Tax	₹	
	(v) Balance Payable by way of CST transaction	₹	

14. Details of Transactions executed by the Works Contractor (in case the Dealer being a Works Contractor)

(a)	Total amount of valuable consideration for which Works/Job as awarded by the Contractor	₹	
(b)	Total amount of valuable consideration transferred to the sub-contractors	₹	
(c)	Total amount of valuable consideration on "Non-Taxable Heads of Expenses"	₹	
(d)	Total amount of value of goods: Transfer of Property in Goods in the same or in other Formis	₹	
(e)	Total amount of value of goods involved in the execution of Contract in course of Inter-State purchases	₹	
(f)	Total amount of value of goods involved in the execution of Contract, purchased within the State	₹	

For prescribed deductions see Section 9(4)(c) read with Rule 22 and 23

15.	Total amount of deferred Tax admissible as per Form JVAT 40B	Validity date of Revised Eligible Certificate	Total Amount of Output Tax Payable in this Tax Period	Total Amount of Output Tax deferred for this tax-period

16. Details of the Refunds claimed

(a)	Total amount of Refunds admissible under the provisions of the Act and Rules	₹	
(b)	Total amount of Refunds claimed during the year	₹	

17. Total Tax determined

₹

18.	(a)	Add the amount of Interest Payable, if any u/s 30(1) of the Act	₹
	(b)	Add the amount of Penalty Payable, if any under the Act	₹
	(c)	Add the amount payable and determined u/s 37(6)	₹

19.	Adjust the amount of Tax deducted at source as shown & issued in JVAT 400	₹
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20.	Indicate the Reverse Tax Amount (See section 2(xvi) & 18(9) read with Rule 26(15))	₹
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21.	Balance Net Payable determined	₹
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22. Details of Tax deposited.

(a) Attach the list of Challans in Form JVAT 205 by which the VAT was deposited into the Government Treasury.

(b) In case of Deduction of Advance Tax u/s 44 or 45 of the Act, attach the copies of Certificate in Form JVAT 400.

Signature of the dealer/person
Authorized in this behalf

Signature(s) of the Officers
Conducting audit/audit assessment

Memo No: dated

Copy forwarded to the Commissioner of Commercial Taxes, Jharkhand, Ranchi for information.

Signature of JCCT/DCCT/ACOT
Conducting audit/audit assessment

Annexure - 'A'

**GOVERNMENT OF JHARKHAND
COMMERCIAL TAXES DEPARTMENT**

TO BE ATTACHED WITH THE AUDIT REPORT IN THE CIRCUMSTANCES OF ADJUSTMENT IN PRICES

[Refer Section 24(4) and Rule 30]

(i)

Nature of Adjustment	Increase in purchase price (A)	Decrease in purchase price (B)
Goods Sold and Returned		
Other adjustments, if any (specify)		

Total Net Increase / (Decrease) in purchase prices : [A (-) B]

(ii)

Nature of Adjustment	Increase in purchase price (C)	Decrease in purchase price (D)
Receipt of Debit Note from the seller		
Receipt of Credit Note from the seller		
Goods purchased and returned		
Change in use of goods, for purposes other than for which credit was allowed (Reverse Tax Credit)		
Change in use of goods, for purposes for which credit is allowed		
Other adjustments, if any (specify)		

Total Net Increase / (Decrease) in prices : [C (-) D]

Signature of the dealer/person
Authorized in this behalf.

Signature(s) of the Officers
Conducting audit/audit assessment

Annexure - 'B'

**GOVERNMENT OF JHARKHAND
COMMERCIAL TAXES DEPARTMENT
COMPUTATION OF INPUT TAX PAID AND CLAIMED**

- (1) Computation of Input Tax Credit of VAT dealers having any of the following Transactions, -
- a) Sales of Exempt Goods (goods mentioned in Schedule I of the Act);
 - b) Stock Transfers / Branch Transfers / Consignment Sales: "Exempt Transactions"
 - c) Sales in course of Export out of Country
- (2) Tax Period

(I) Details of Turnovers for the Tax Period

(3)	Total amount of "Sales", eligible for "Input Tax Credit"	
(4)	Total amount of Sales of "Exempt Goods"	
(5)	Total amount of "Exempt Transactions"	
(6)	Total amount of "Export Sales"	
(7)	Total amount of Stock transfer within the State	

(II) Details of Input Tax Paid and claimed in the Tax Period

	Inputs	VAT paid on specific inputs 'x'	VAT Paid on common inputs	ITC eligible on common inputs 'y'	Total eligible ITC 'x(-) y'
(6)	1% Rate Purchases				
(7)	4% / 5% Rate Purchases				
(8)	10% / 12.5% / 14% Rate Purchases -				
	4% portion of 5%, 10%, 12.5% & 14%				
	Balance 1%, 6%, 8.5%, 10% portion				
(9)	Total				

- (1) Specific Input Tax means: the Input Tax Paid on Specific Taxable Purchases and sold specifically in the same Rate, i.e. if purchases are for @5%, the Goods in question are also sold against 5% Taxable Sales. [See Rule 26(7)]
- (2) Common inputs means: Inputs Tax Paid and consumed commonly for "Taxable Sales" as well as for "Exempt Transactions" and "Export sales". [See Rule 26(8), (9), (10) & (11) and compute the eligible ITC accordingly]
- (3) Apportion of 5%, 10%, 12.5%, 14% tax into 4% and (-) 1%, 6%, 8.5%, 10% "Portions", as well as of 4% only, if you have any "Exempt Transactions" or / and "Export Sales".
- (4) The total eligible Input Tax Credit as computed, by the aforesaid formula shall be entered in Box 8(r). The eligible Input Tax Credit, as arrived and entered in Box 8(r), shall stand adjusted against the total of Output Tax as entered in Box 9(p).

Note:

1. To claim eligible Input Tax Credit Tax Rates of 1%, 4%, 5%, 10%, 12.5% and 14% the 1%, 6%, 8.5% and 10% portion - the following calculation is to be made:

$$\frac{A \times B}{C} \quad \text{For abbreviations please see sub-rule (5) of Rule 26.}$$

2. Where there are no "Exempt Transactions" and "Export Sales" in the Tax Period, apply the above Formula for entire 5%, 10%, 12.5%, 14% for arriving at ITC eligible.

Signature of the dealer/person
Authorized in this behalf

Signature(s) of the Officers
Conducting audit/audit assessment

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Payment | Assessment | Refunds | Recovery | Penalty | Monitoring and Inspection | Statutory Forms | My Message Box | PR Logger | Dealer Search

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Select Risk Parameters for Audit

Year: 2016 Change Year

	Risk Parameter	Module Reference	Weightage	Impact Rate	Priority	Score	Final Priority (Weightage Value * Priority Value)
J1	Annual Total Turnover Exceeds (Part 1 a)						
<input checked="" type="checkbox"/>	Annual Total Turnover is greater or equal to 1 Crore and less than or equal to 2 Crores	RETURNS			--Select--	0	0
<input checked="" type="checkbox"/>	Annual Total Turnover is greater than 2 Crores and less than equal to 10 Crores		High	8	--Select--	0	0
<input checked="" type="checkbox"/>	Annual Total Turnover is greater than 10 Crores				--Select--	0	0
J2	Branch Transfer / Consignment Sale Is More Than 20% Of Gto. Part 1 b						
<input checked="" type="checkbox"/>	Stock Transfer is greater than 20% and less than or equal to 25% of GTO	RETURNS			Low	2	16
<input checked="" type="checkbox"/>	Stock Transfer is greater than 25% and less than or equal to 50% of GTO		High	8	Medium	5	40
<input checked="" type="checkbox"/>	Stock Transfer is greater than 50% of GTO				High	8	64
J3	Penalty Imposed During Financial Year						



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- Payment ▾
- Assessment ▾
- Refunds ▾
- Recovery ▾
- Penalty ▾
- Monitoring and Inspection ▾
- Statutory Forms ▾
- My Message Box ▾
- PR Logger ▾
- Dealer Search

<input checked="" type="checkbox"/>	Stock Transfer is greater than 50% of GTO				High	8	64
J3 Penalty Imposed During Financial Year							
<input checked="" type="checkbox"/>	Penalty Amount is less than or equal to Rs.25,000/-	PENALTY			Low	2	16
<input checked="" type="checkbox"/>	Penalty Amount is greater than Rs.25,000 less than or equal to Rs.50,000/-		High	8	Medium	5	40
<input checked="" type="checkbox"/>	Penalty Amount is greater than Rs.50,000/-				High	8	64
J4 Dealers Against Whom Penalty And Interest Are Imposed In The Previous 2 Years							
<input checked="" type="checkbox"/>	Penalty Amount is less than Rs.25,000/-	PENALTY			Low	2	16
<input checked="" type="checkbox"/>	Penalty Amount is between Rs.25,000/- - Rs.50,000/-		High	8	Medium	5	40
<input checked="" type="checkbox"/>	Penalty Amount is greater than Rs.50,000/-				High	8	64
J5 Submission Of Revised Returns							
<input checked="" type="checkbox"/>	Revised Return filed is less than or equal to 2	RETURNS			Low	2	4
<input checked="" type="checkbox"/>	Three Revised Return is filed		Low	2	Medium	5	10
<input checked="" type="checkbox"/>	Revised Return filed is greater than or equal to 4				High	8	16



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- [Payment](#)
- [Assessment](#)
- [Refunds](#)
- [Recovery](#)
- [Penalty](#)
- [Monitoring and Inspection](#)
- [Statutory Forms](#)
- [My Message Box](#)
- [PR Logger](#)
- [Dealer Search](#)
- [Comparative Dealer Profile](#)
- [Dealer Profile](#)
- [ITC Ledger](#)
- [Scrutiny](#)
- [View Notice List](#)
- [Execute Procedure](#)

J7 Status Of Business (Proprietorship, Partnership, Private Ltd. Co. Ltd. Co. Etc.)

<input checked="" type="checkbox"/>	Private Limited Company			Low	2	4
<input checked="" type="checkbox"/>	Partnership	REGISTRATION	Low	2	Medium	10
<input checked="" type="checkbox"/>	Proprietorship/ Limited Company			High	8	16

J8 A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year Exceeds

<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is less than or equal to 15%			Low	2	4
<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is greater than 15% and less than or equal to 30%	RETURNS	Low	2	Medium	10
<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is greater than 30%			High	8	16

J9 Refund claims are arising due to 'Input tax' exceeding 'Output tax' payable. (Part 1c)

<input checked="" type="checkbox"/>	Refund amount is less than or equal to Rs. 10,000/-			Low	2	16
<input checked="" type="checkbox"/>	Refund amount is greater than Rs. 10,000/- or less than or equal to Rs. 20,000/-	REFUNDS	High	8	Medium	40




Department of Commercial Taxes Government of Jharkhand

- Payment ▾
 - Assessment ▾
 - Refunds ▾
 - Recovery ▾
 - Penalty ▾
 - Monitoring and Inspection ▾
 - Statutory Forms ▾
 - My Message Box ▾
 - PR Logger ▾
 - Dealer Search
- Comparative Dealer Profile Dealer Profile ITC Ledger Scrutiny ▾ View Notice List Execute Procedure ▾

J7 Status Of Business (Proprietorship, Partnership, Private Ltd. Co. Ltd. Co. Etc.)							
<input checked="" type="checkbox"/>	Private Limited Company	REGISTRATION			Low	2	4
<input checked="" type="checkbox"/>	Partnership		Low	2	Medium	5	10
<input checked="" type="checkbox"/>	Proprietorship/ Limited Company				High	8	16
J8 A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year Exceeds							
<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is less than or equal to 15%	RETURNS			Low	2	4
<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is greater than 15% and less than or equal to 30%		Low	2	Medium	5	10
<input checked="" type="checkbox"/>	A Dealer In Whose Case Input Tax Credit Claimed Compared To The Previous Year is greater than 30%				High	8	16
J9 Refund claims are arising due to 'Input tax' exceeding 'Output tax' payable. (Part 1c)							
<input checked="" type="checkbox"/>	Refund amount is less than or equal to Rs. 10,000/-	REFUNDS			Low	2	16
<input checked="" type="checkbox"/>	Refund amount is greater than Rs. 10,000/- or less than or equal to Rs. 20,000/-		High	8	Medium	5	40

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Payment ▾
Assessment ▾
Refunds ▾
Recovery ▾
Penalty ▾
Monitoring and Inspection ▾
Statutory Forms ▾
My Message Box ▾
PR Logger ▾
Dealer Search

Comparative Dealer Profile
Dealer Profile
ITC Ledger
Scrutiny ▾
View Notice List
Execute Procedure ▾

J10 Dealers whose nature of business is Works Contractor/ Manufacturers Part 1d							
<input checked="" type="checkbox"/>	Annual Turnover is greater or equal to Rs.10 lakhs and less or equal to Rs. 20 lakhs	REGISTRATION	Medium	5	Low	2	10
<input checked="" type="checkbox"/>	Annual Turnover is greater than Rs.20 lakhs and less or equal to Rs. 50 lakhs				Medium	5	25
<input checked="" type="checkbox"/>	Annual Turnover is greater than Rs.50 lakhs				High	8	40
J11 Dealer is return non-filer during the F.Y.							
<input checked="" type="checkbox"/>	Previous FY's GTO less than 50 lakh	RETURNS	High	8	Low	2	16
<input checked="" type="checkbox"/>	Previous FY's GTO is between 50 lakh to 2 crore				Medium	5	40
<input checked="" type="checkbox"/>	Previous FY's GTO more than 2 crore				High	8	64
J13 Dealer deals in evasion prone activities/commodities							
<input checked="" type="checkbox"/>	Timber, plywood, edible oils, civil construction goods, electronic goods, electrical goods, mobile phones, readymade garments, motor parts, paper, kirana, liquor, cement, marble, tiles, sanitary fittings, rubber, Iron and Steel, Footwear, Home appliances, etc.	REGISTRATION	High	8	High	8	64
J12 The VAT payable by a dealer is less than 10% of the total output VAT collected by him							

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Government of Jharkhand

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Pending Hearings(0) | Select Theme | Pending Tasks | MIS | DMS | Dealer Search | Change Password | Release Notes

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Payment | Assessment | Refunds | Recovery | Penalty | Monitoring and Inspection | Statutory Forms | My Message Box | PR Logger | Dealer Search

Comparative Dealer Profile | Dealer Profile | ITC Ledger | Scrutiny | View Notice List | Execute Procedure

Secondary Hearings, Rubber, Iron and Steel, Footwear, Home appliances, etc.									
J12 The VAT payable by a dealer is less than 10% of the total output VAT collected by him									
<input checked="" type="checkbox"/>	>= 8 % and <= 10 %					Low	2	16	
<input checked="" type="checkbox"/>	>= 5 % and < 8 %	RETURNS	High	8		Medium	5	40	
<input checked="" type="checkbox"/>	< 5 %					High	8	64	
J14 Dealers are having substantial and continuous transit sales u/s 3(b) read with section 6(2) of the Central Sales Tax Act 1956 compared as percentage of Total Turnover outside the state (Part 1 r)									
<input checked="" type="checkbox"/>	<= 10 %					Low	2	16	
<input checked="" type="checkbox"/>	> 10 % and <= 20 %	RETURNS	High	8		Medium	5	40	
<input checked="" type="checkbox"/>	> 20 %					High	8	64	
J15 Gap Between Two Audits									
<input checked="" type="checkbox"/>	Last Audit is between 12-24 months					Low	2	16	
<input checked="" type="checkbox"/>	Last Audit is between 24-36 months	ASSESSMENT	High	8		Medium	5	40	
<input checked="" type="checkbox"/>	Last Audit is greater than 36 months					High	8	64	



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- [Payment](#) ▼
 - [Assessment](#) ▼
 - [Refunds](#) ▼
 - [Recovery](#) ▼
 - [Penalty](#) ▼
 - [Monitoring and Inspection](#) ▼
 - [Statutory Forms](#) ▼
 - [My Message Box](#) ▼
 - [PR Logger](#) ▼
 - [Dealer Search](#)
- [Comparative Dealer Profile](#) |
 [Dealer Profile](#) |
 [ITC Ledger](#) |
 [Scrutiny](#) ▼ |
 [View Notice List](#) |
 [Execute Procedure](#) ▼

<input checked="" type="checkbox"/>	ITC from such non-filer less than Rs.5,000/-			--Select--		20
<input checked="" type="checkbox"/>	ITC from such non-filer between Rs.5,000/- to Rs.25,000/-	RETURNS	--Select--		--Select--	50
<input checked="" type="checkbox"/>	ITC from such non-filer more than Rs.25,000/-			--Select--		80
J21 Works-contractor claiming more than 30% of his GTO as non taxable charges received u/s 9(4)(c)						
<input checked="" type="checkbox"/>	30%-40%			--Select--		16
<input checked="" type="checkbox"/>	40%-50%	RETURNS	--Select--		--Select--	40
<input checked="" type="checkbox"/>	above 50%			--Select--		64
Total		--	--	--	--	2074

Total

Risk Zones	Risk Factor Min %	Risk Factor Max %	Total Number of Dealer %
Low Risk*	<input type="text" value="0"/>	<input type="text"/>	<input type="text"/>
Medium Risk*	<input type="text"/>	<input type="text"/>	<input type="text"/>
High risk*	<input type="text"/>	<input type="text" value="100"/>	<input type="text"/>