TABLE OF CONTENTS

Particulars	Paragraph	Page		
Preface		iv		
Overview		v		
CHAPTER-I : INTRODUCTION				
Introduction	1.1	1		
Organisational set up	1.2	2		
Audit objectives	1.3	2		
Scope and methodology of audit	1.4	2		
Acknowledgement	1.5	3		
Results of audit	1.6	3		
CHAPTER-II: FINANCIAL ANALYSIS				
Pre-VAT and post-VAT tax collection	2.1	5		
Variation between budget estimates and actuals	2.2	5		
Comparison between the VAT/sales tax receipts vis-à-vis the total (tax and non tax) receipts of the State	2.3	6		
Comparison between the VAT/sales tax receipts vis-à-vis the tax receipts of the State	2.4	7		
Post VAT collection of ST, CST and VAT	2.5	8		
Cost of collection	2.6	9		
Receipt per dealer	2.7	10		

CHAPTER-III : PREPAREDNESS AND TRANSITIONAL PROCESS

Preparation of VAT Act/Rules, Vetting of the Act and Rules by the Government of India and approval of the Legislature	3.1	13		
Creation of awareness among the stake holders	3.2	13		
Analysis of staff requirement and Re-organisation of the Taxation Department	3.3	13		
Computerisation of the Taxation Department and the check posts and their interlinking	3.4	14		
Creation of manuals and training of the staff	3.5	15		
Completion of KGST/CST assessments	3.6	15		
Collection of arrears of taxes due under KGST and CST Acts	3.7	16		
CHAPTER-IV : REGISTRATION AND DATABASE OF DEALERS				
Creation of database of dealers	4.1	19		
Carrying forward of the database of dealers under KGST Act and confirmation of the securities provided by them	4.2	19		
Registration of new dealers	4.3	20		
Detection of unregistered dealers	4.4	21		
Cancellation / suspension of registration of dealers	4.5	25		
Periodic analysis of registration certificates to detect dormant registrations	4.6	26		
to detect dormant region attons	4.0			

CHAPTER-V: RETURNS, THEIR SCRUTINY AND AUDIT ASSESSMENT				
Returns	5.1	29		
Scrutiny and verification of the returns	5.2	33		
Audit Assessment	5.3	40		
CHAPTER-VI : MISCELLANEOUS PROVISIONS				
Input tax credit	6.1	45		
Provisions for grant of exemption to certain class of dealers	6.2	47		
Provisions for cross verification	6.3	49		
Tax deduction at source	6.4	51		
Acceptance and disposal of appeal cases	6.5	52		
Deterrent measures	6.6	53		
Refund	6.7	55		
Claim for compensation of loss of revenue due to introduction of VAT	6.8	56		
Other points of interest	6.9	58		
CHAPTER-VII: INTERNAL CONTROLS AN	D INTERNAI	AUDIT		
Internal controls	7.1	63		
Internal audit	7.2	64		
CHAPTER-VIII : CONCLUSION AND SUMMARY OF RECOMMENDATIONS				
Conclusion	8.1	67		
Summary of recommendations	8.2	68		