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CA FIRMS

Invitation for Expression of interest

Office of Industries Commissioner, Government of Gujarat invites expression of interest from practicing CA firms of Gujarat for carrying out audit of VAT Incentive claim availed by Textile units under the Textile Policy 2012 from Govt. of Gujarat.

For more details login: [ic.gujarat.gov.in](http://ic.gujarat.gov.in) and apply before 10<sup>th</sup> August 2016.

## Annexure -2

### EMPANELMENT OF VAT AUDITORS FOR TEXTILE POLICY VAT REFUND & REIMBURSEMENT CLAIMS AUDIT

Government of Gujarat has introduced a new policy for the overall development of the Textile Industry under this. An Incentive Scheme has been introduced vide Resolution No. TEX/102012/65117/T dated 05.09.2012. The scheme and detailed procedure for availment of benefits / assistance have been prescribed and placed on web site [ic.gujarat.gov.in](http://ic.gujarat.gov.in) Under the above scheme, Office of the Industries Commissioner is sanctioning and disbursing various incentives to the eligible enterprises. One of the Incentives being granted is Re-imburement of VAT collected on the finished goods by the eligible unit. To ensure correct amount of the refund and Reimbursement and to avoid any revenue leakage or irregularity, the Office of Industries Commissioner intends to avail services of Chartered Accountants for carrying out VAT Audits.

In view of the above, Office of Industries Commissioner, Industries Department, Govt. of Gujarat invites expression of interest from practicing CA firms of Gujarat for carrying out audit of VAT Incentive claim disbursed by the department under TEXTILES INCENTIVE SCHEME 2012-17. Eligibility criteria and scope of the work is narrated in brief as under:

#### ELIGIBILITY CRITERIA FOR AUDITOR

1. The Chartered Accountants being Fellow Member of The Institute of C.A. of India (FCA) are eligible for this professional assignment.

2. The concerned C.A. firm should be having five years of experience in the field of VAT audit in the state of Gujarat.
3. The applicant C.A.firm will have to provide proof / confirmation of having conducted VAT Audit of at least 10 companies / firms in the state of Gujarat.
4. The applicant C.A.firm or its associate firm should not be professionally connected with the company of which VAT Benefit Certification Job is to be conducted.
5. The applicant C.A.firm will have to claim remuneration and reimbursement of expenses from **IC Office**. The incentive beneficiary will submit amount of fees with the IC Office in the name of C.A.

#### SCOPE OF WORK AND REMUNERATION

The firm appointed for the VAT Certification Job is required to cover following specific issues besides the other issues as per normal audit / certification practice followed as C.A. Professional.

1. To ensure that the claim for the VAT Subsidy is of eligible activity only.
2. The claim is for the VAT payment for the item of production of the unit only and not for the VAT payment of trading activities/re-sale / Job Work.
3. The claim is to be checked with production data and VAT records also of eligible activity and production from eligible plant and machinery.
4. Quantity records to be verified with yield.
5. To verify and ensure that the Value and Rate of the product is appropriate.
6. The amount of claim for the VAT recovered on finished product along-with Input credit of material used should not exceed 1/8<sup>th</sup> limit and carried forwarded unutilized benefit per year.

7. Certify the details of VAT Subsidy claim in prescribed format and also to certify total VAT refundable by industries department on finished goods sold.
8. To certify that total refund on raw-material credit and finished goods (by IC Office) does not exceed total eligible VAT benefit for relevant period.
9. There should be 100% checking. No random / test check or similar qualification is acceptable

### **REMUNERATION**

Audit remuneration:- The Auditor will be eligible for Professional Fee of Rs. 5,000/- per Claim for the assistance amount up to Rs. 1.00 Crore and part there of. Minimum fees payable will be Rs.5,000/- and Maximum Rs.50,000/- All the actual expenditure will be reimbursed by the unit.

### **HOW TO APPLY**

The practicing CA firms are requested to submit expression of interest to Additional Commissioner of Industries (Extension) Gandhinagar with detailed resume with specific mention of VAT audit experience with necessary details of client and size of the same. Application has to reach the above address latest by 10<sup>th</sup> August 2016. On receipt of application, meeting of CA firms will be convened and firms will be shortlisted.

REPORTING FORMATS: Reporting formats are enclosed here-with.

### **Office Address**

Industries Commissionerate,  
Block No. 1 & 2, 3<sup>rd</sup> Floor,  
Udyog Bhavan, Sector-11 ,  
Gandhinagar- 382011

The Unit should furnish following information regarding Purchase and Sales, Production, Wastage, Yield, etc. for Claim Period in following format with VAT Concessin Claim

A. MAIN PRODUCT (ELIGIBLE FOR INCENTIVE)

A.1 **TABLE - A**, Purchase of Raw-Material (from date of production to period of claim monthwise)

Sr. No.	Item-wise Raw-Material Purchase					Resale/ Export				For Own Use			
	Month	Quantity	In Rs.			Quantity	In Rs.			Quantity	In Rs.		
			Basic Value	VAT	Total		Basic Value	VAT	Total		Basic Value	VAT	Total
TOTAL													

**NOTE :1\*** (Details should be seperately for item wise. Only for main product which is eligible under the G.R. Packing Material etc to be excluded.)  
**2:** If Raw-Material is Kapas(Raw-Cotton) and it is cinverted in to Cotton Bales, in that case Yield and wastage to be mentioned by adding appropriate columns in above format.

A.2 TABLE - B, Resale of Raw-Material -

Included in Form A-1



A.4 **TABLE - D**, Details of Sales of Main item (Product) produced (from date of production to claim period monthwise)

Sr.No.	Month	Sales of Main produced items from Raw-Material											
		Sale within Gujarat				Sales outside gujarat				Export Sales			
		Quantity	In Rs.			Quantity	In Rs.			Quantity	In Rs.		
			Basic Value	VAT	Total		Basic Value	VAT	Total		Basic Value	VAT	Total
TOTAL													

NOTE: 1. The unit gives undertaking that above Finished Goods is from own production **ONLY**. It does not includes Finished Goods purchased from outside / manufactured by other unit on Job-work by other unit.





A.6 **TABLE - H, Resale of Finished Goods main product (from date of production to claim period monthwise)**

Sr. No.	Month	Sale within Gujarat				Sales outside gujarat				Export Sales			
		Quantity	In Rs.			Quantity	In Rs.			Quantity	In Rs.		
			Basic Value	VAT	Total		Basic Value	VAT	Total		Basic Value	VAT	Total
TOTAL													

A.7 **Table for Wastage and Yield Calculation [For each type of product i.e. Cotton Bales, Cotton Yarn etc]-**

Sr. No.	Input	Finished Goods Output		Wastage Output		Yield
		Qty	%	Qty	%	%
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
TOTAL						

**A.8 Count-wise Production Data-for spinning**

Sr. No.	Month	1	2	3	4	5	6	7	8	9	10	11	12
		30's Carded	30's Combed	30's Compac	30's Weaving								
<b>TOTAL</b>													
<b>GPS</b>													

NOTE: 1. Production data to be given for each count.count mentioned above is illustrative  
 2. Each Count production to be shown seperately for Carded, Combed, Compact etc..

**B. OTHER THAN MAIN PRODUCT (NOT ELIGIBLE FOR INCENTIVE)**

**B.1 TABLE - F. Purchase of Raw-Material for other product (from date of production to period of claim monthwise)**

Sr. No.	Item-wise Raw-Material Purchase for other product				
	Month	Quantity	In Rs.		
			Basic Value	VAT	Total
TOTAL					



**B.3 TABLE - H, Purchase of Finished Goods (from date of production to claim period monthwise)**

Sr. No.	Month	Purchase within Gujarat				Purchase outside gujarat				Import Sales			
		Quantity	In Rs.			Quantity	In Rs.			Quantity	In Rs.		
			Basic Value	VAT	Total		Basic Value	VAT	Total		Basic Value	VAT	Total
TOTAL													

**NOTE :** All the tables to be signed by the Director of the comapy and by Chartered Accountant and VAT Auditor.