

FORM NO. 6B

[See rule 14A]

Audit report under section 142(2A) of the Income-tax Act, 1961

I/We have examined the balance sheet of _____ [name and address of the assessee] Permanent Account No. _____ as at _____ and the profit and loss account for the year ended on that date which are in agreement with the books of account maintained at the head office at _____ and branches at _____

I/We have obtained all the information and explanations which to the best of my/our knowledge and belief were necessary for the purposes of the audit. In my/our opinion, proper books of account have been kept by the head office and the branches of the assessee visited by me/us so far as appears from my/our examination of books, and proper returns adequate for the purposes of audit have been received from branches not visited by me/us subject to the comments given below :

In my/our opinion and to the best of my/our information and according to explanations given to me/us, the said accounts give a true and fair view.

- (i) in the case of the balance sheet, of the state of the abovenamed assessee's affairs as at _____, and
- (ii) in the case of the profit and loss account, of the profit or loss of the abovenamed assessee for the accounting year ending on _____

The prescribed particulars and such other particulars as were required by the Assessing Officer _____ by his order No. _____ dated _____ are annexed hereto. In my/our opinion and to the best of my/our information and according to explanations given to me/us, these are true and correct.

Place _____

Date _____

Signed
Accountant

Notes :

1. Delete whichever is not applicable.
2. This report has to be given by the accountant nominated by the Chief Commissioner or Commissioner of Income-tax under section 142(2A)
3. Where any of the matters stated in this report is answered in the negative or with a qualification, the report shall state the reasons therefor.

ANNEXURE

Statement of particulars

1. Books of account maintained
2. Method of accounting employed. Indicate whether there is any change from the method of accounting employed in the immediately preceding previous year
3. (i) Method of valuation of opening and closing stock of
 - (a) Raw materials
 - (b) Stores
 - (c) Work-in-progress
 - (d) Stock-in-trade

(ii) State whether there is any change in the method of valuation of any of the aforesaid items as compared to the method employed in the immediately preceding previous year

(iii) If the answer to (ii) above is in the affirmative, specify the amount by which the profit or loss for the year has been affected by such change
4. In respect of items manufactured full quantitative details of raw materials and finished products as indicated below:
 - Raw materials
 - (a) Opening stock
 - (b) Purchases during the year
 - (c) Consumption during the year
 - (d) Sales during the year
 - (e) Closing stock
 - (f) Yield of finished products
 - (g) Percentage of yield
 - (h) Shortage
 - Finished products
 - (a) Opening stock

- (b) Purchases during the year
- (c) Quantity manufactured during the year
- (d) Sales during the year
- (e) Closing stock at the end of the year
- (f) Shortage and percentage thereof

Notes :

1. Separate quantitative details on the above lines should be given in respect of by-products, if any.
2. Where the assessee is a dealer in goods, quantitative details on the above lines should be given in respect of the goods dealt in?
5. (i) Has the assessee conducted physical verification of raw materials, stores and finished products, or the goods dealt in?
(ii) Details of discrepancies, if any
6. (a) Amount of expenditure incurred by the assessee in respect of :
(i) Advertisement
(ii) Maintenance of accommodation in the nature of guest house
(iii) Travelling
(iv) Entertainment [including the amount of entertainment allowance paid to any employee or other person]
(b) Whether the expenditure incurred by the assessee in respect of any of the items referred to in (a) above exceeds the amount admissible under the Income-tax Act/Rules? If so, give details.
7. Where the assessee is a firm, details of payments by way of interest, salary, bonus, commission or remuneration to the partners of the firm
8. Where the assessee is a company, give details of-
(i) Any expenditure which has resulted directly or indirectly in the provision of any remuneration, benefit or amenity to (a) a director ; (b) a person who has a substantial interest in the company ; and (c) a relative of the director or of such person
(ii) Any expenditure or allowance in respect of assets of the company used wholly or partly for the purposes or benefit of any of the persons referred to in (i) above [state whether any such person is an employee of the assessee or not]
9. Details of amounts not deductible under section 40A :
(a) Particulars of payments which appear to be excessive or unreasonable in terms of section 40A(2)(a)
(b) Particulars of payments in excess of Rs. 2,500 made otherwise than by a crossed cheque or draft - section 40A(3)
(c) Particulars of expenditure or allowance in excess of the limits specified in section 40A(5)(c)
(d) Particulars of expenditure incurred by way of fees and salary to an ex-employee in excess of Rs. 60,000 - section 40A(6)
(e) Provisions for payment of gratuity not allowable - section 40A(7)
(f) Where the assessee is a company, the amount of interest on deposits not allowable under section 40A(8)
10. Whether any amount is borrowed on a hundi from, or any amount due thereon (including interest on the amount borrowed) is repaid to, any person otherwise than through an account payee cheque? If so, give details.
11. (a) Particulars of proforma credits/drawback/refund of

duties of customs or excise or both/refund of sales tax. Whether they have been credited to the profit and loss account?

(b) Particulars of expenditure/income of any earlier year debited/credited to the profit and loss account of the relevant previous year

(c) Particulars of any liability of a contingent nature debited to the profit and loss account

12. Particulars of each loan taken by the assessee (other than any loan taken from a bank or financial institution) in the following form :

(i) Name, address and permanent account number of the lender

(ii) Whether amount borrowed on hundi?

(iii) Whether loan account squared up during the year?

(iv) Maximum amount outstanding at any time during the year and rate of interest paid

(v) Details of security including collateral security offered, if any

(vi) Name and address of the guarantor, if any

13. Particulars of each loan/overdraft taken from a bank or financial institution in the following form :

(i) Maximum amount outstanding at any time during the year

(ii) Details of security including collateral security offered, if any

(iii) Name and address of the guarantor, if any

14. Whether the assessee has deducted tax at source and paid the amount so deducted to the credit of the Central Government in accordance with the provisions of Chapter XVIIIB? If not, give details of defaults committed

15. (a) Details of taxes, duties, etc., paid by the assessee during the previous year

(b) Whether any discrepancy has been noticed in the respective dates of payments and the entries in the books of account? If so, give particulars thereof

The limits need upward revision in view of section 40A(3), as it stands now.

Section 40A(5)/(6) have been omitted by the Direct Tax Laws (Amdt.) Act, 1987, w.e.f. 1-4-1989.

Section 40A(8) has been omitted by the Finance Act, 1985, w.e.f. 1-4-1986.