

DISCLOSURES FOR GST AUDIT REPORT (18-19)

S. no	Qualification Heading	Observation/Qualifications
1	Para 2 : List of Documents not maintained	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, the taxpayer has maintained proper records of books and documents listed in Sec 35 read with Rule 56 to 58 of CGST Act, except Stock of goods wherein memorandum stock statement is prepared . Partially maintained documents of supplies attracting payment of tax on reverse charge mechanism along with relevant documents such as invoices, credit notes, debit notes, refund vouchers, bill of supply etc. Partially some E-way Bills and/or Delivery Challans were not prepared in some cases. According to information and explanation given by the management and in our opinion the same are not material. Cash Flow Statement is not required to be prepared by the entity as per applicable laws.
2	Para 5 : Observation/ qualification in Form 9C Basis of GST Audit	Maintenance of books of accounts, GST related records and preparation of financial statements are the responsibilities of the entity's management. Our responsibility is to express an opinion on their GST related records based on our audit. We have conducted our audit in accordance with the standard auditing principles generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the GST related records and financial statements are free from material misstatement(s). The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion on Reconciliation Statements in Form 9C.
3	Para 5 : Observation/ qualification in Form 9C Deemed Supply (Table 5D)	The term "deemed supply" is not defined under GST Law. Section 7(1)(c) of the CGST Act provides that the activities specified in Schedule I is to be treated as a supply, when it is made without consideration. It has list out certain transactions / activities which is deemed as a supply in absence of consideration. The systems and processes adopted by the entity with a view to identifying such transactions have been assessed. We have obtained management representation letter regarding the same.
	Para 5 : Observation/ qualification in Form 9C Unbilled Revenue at year end of financial year (Table 5H)	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, reliance has been placed on the audited financial statements and reconciliation provided by the management for determining the unbilled revenue and no separate exercise is conducted to validate the same.
	Para 5 : Observation/ qualification in Form 9C Adjustments in turnover u/s 15 and rule thereunder (Table 5M)	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, there is no adjustment warranted as per Sec 15 and rule thereunder on taxable value of outward supply reported in GSTR-9. The management is of the opinion that there is no material impact on GST liability.
	Para 5 : Observation/ qualification in Form 9C Value of Exempted,	Value of exempted, nil rated, non-GST and no supply turnover has been declared in Table 7B of GSTR 9C. The turnover reported is after adjustments of credit notes, debit notes and amendments. The total amount of Exempted, Nil

	Nil Rated, Non-GST supplies, No-Supply turnover (Table 7B)	Rated, Non-GST supplies and No-Supply turnover depends upon the management representation letter as received from register person.
	If RCM is NOT paid even by a single amount	As per the information and explanation given to us, inward supplies on which tax is to be paid by the recipient on reverse charge basis has been identified (as far as applicable) and disclosed by management and those charged by governance. Further, the taxpayer has not complied with tax invoice rule 46(p) and the taxpayer has also not complied with ITC reversal u/s 17 of CGST Act, wherever required.
Rule 54(3) For GTA supplier	Para 5 : Observation/ qualification in Form 9C Reporting of RCM to be paid by the recipient (in Table 7D)	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, inward supplies on which tax is to be paid by the recipient on reverse charge basis are disclosed herewith. Further, the taxpayer has not/partially complied with tax invoice rule 46(p), rule 54(3) and as per the assessee, he/it has also complied with ITC reversal u/s 17 of CGST Act, wherever required.
	Para 5 : Observation/ qualification in Form 9C Rate-wise tax liability on outward supplies (Table 9)	GST rate wise details of taxable value and GST as applicable thereon, for outward supply are disclosed in Table 9 of GSTR 9C. The auditor has relied on information as provided by management in absence of availability of tax rate-wise ledgers in the books of accounts maintained by the taxpayer.
	Para 5 : Observation/ qualification in Form 9C Reporting of payment of interest (Table 9L)	The details of total tax payable for the period April, 2018 to March, 2019 as declared in GSTR 9 i.e. under the Annual Return is disclosed. The calculation of interest cannot be done by management and those charged with governance in view of complexities and non-clarity with regard to liability of interest as per Sec 50 of the CGST Act 2017, whether to be computed on gross basis or on net basis to be decided by the appropriate judicial authority. We have relied on the same and interest on gross basis is not quantified by the management. As per the opinion of management interest should be paid according to net liability is prudent interpretation of Sec 50 of CGST Act based on amendment proposed in Sec 50 in Union Budget, 2019 and even the clarification issued by CBIC via twitter (but still no notification has been issued for the same).
	Para 5 : Observation/ qualification in Form 9C Reporting of penalty (Table 9N)	As per the information available and based on the management representation, no penalty notices are received from the Tax Authorities. Hence, our disclosure of penalty is based on above facts mentioned by the management.
	Para 5 : Observation/ qualification in Form 9C ITC reversal and 180 days	ITC availed and reversal, if any, is being reported on the basis of available records and information provided by the management. We have test checked the ITC availed and payments made to taxpayer. Accordingly, the management is of the view that no ITC reversal arises u/s 16(2) of CGST Act. As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, our audit report is subject to the above non-disclosure of correct and complete compliance of ITC provisions by the taxpayer.
	Para 5 : Observation/ qualification in Form 9C Ineligible ITC and exempt turnover	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, the exempt turnover of the taxpayer comprises of interest from bank, etc. The ITC availed is of taxable turnover, thus reversal of ITC on proportionate basis is not applicable as per rule 42 of the CGST Rules, 2017.
	Para 5 : Observation/ qualification in Form 9C	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, there is some amount which is not

	ITC as per GSTR-2A and GSTR-9C	appearing in GSTR 2A which has been claimed as credit and vice versa, as the case may be, also based on confirmation of payment of such tax obtained by the management. Further, the management is of the opinion that no liability of ITC reversal/excess claim arises due to difference in information of ITC as per GSTR-2A and GSTR-9, as the case may be.
	Para 5 : Observation/qualification in Form 9C Reporting of RCM	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer and on the basis of test-check of the Books of Accounts and Inward supplies related ledgers, we have reported the compliance of Reverse Charge, if required, u/s 9(3) of CGST Act and 5(3) of IGST Act, as the case may be, for the concerned period under audit. We have relied on management representation for ascertaining the RCM liability.
	Para 5 : Observation/qualification in Form 9C Reporting of RCM	During the year as per Books of Accounts and based on test-check, liability of RCM u/s 9(4)/9(3) for the year 2017-18 for Rs._____ has been paid during the year 2018-19. <u>The amount paid in 2018-19 is shown in GSTR 9 and GSTR-9C based on the press release issued by CBEC in July 2019. Accordingly, ITC has been claimed on payment basis in the year of payment by the taxpayer.</u>
	Para 5 : Observation/qualification in Form 9C Reporting of RCM	As per the information and explanation given to us and on the basis of our examination of records, the taxpayer has not maintained complete record of inward supplies on which RCM is applicable u/s 9(3). Thus, we are unable to comment on the liability of the taxpayer under reverse charge for the year 2018-19.
	Para 5 : Observation/qualification in Form 9C Expense head-wise ITC (Table 14)	As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, we have received management representation letter for obtaining details of expense head-wise ITC availed and taxable value in Table 14 of GSTR 9C. We have test-checked with books of accounts and reported the figures on which ITC is availed. The classification of various expenses under various expense head are taken from the audited financial statements.
	Para 5 : Observation/qualification in Form 9C Valuation on Inventories	For Accounting purchases other than capital goods, the taxpayer has followed Para 6-13 of AS-2 "Valuation on Inventories" where "Cost of Purchases" includes only those taxes, which are not subsequently recoverable by the enterprise from the taxing authorities." Accordingly a separate ledger for ITC has been mentioned.
	Para 5 : Observation/qualification in Form 9C Accounting Treatment and disclosure of Capital Goods and ITC thereof	The taxpayer has followed Para 17 of AS-10 (revised) "Property, Plant & Equipment", which provides that : "The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. (b) (c)"
	Para 5 : Observation/qualification in Form 9C Misc. Inward Supplies (other than taxable) not included in taxable value of Inward Supplies	The taxpayer has not included inward supplies for administrative use in the returns filed. However, details in respect of administrative Expenses involving inward supplies are not ascertainable as the taxpayer has not maintained records in respect of the same and the same have not been included in the taxable value of inward supplies. Consequently, the taxpayer has not claimed ITC of the tax paid on such inward supplies in the returns filed.

APPOINTMENT LETTER

LETTER HEAD OF CLIENT

To
ABC and Co.,
Chartered Accountants

Dear Sirs,

Sub: Appointment of GST Auditors under Section 35(5) and Section 44(2) of the CGST Act, 2017 read with Rule 80(3) of the CGST Rules, 2017 [read with the corresponding provisions of the Rajasthan Goods and Services Tax Act, 2017] for the previous year ending on 31st March 2019

We are pleased to inform you that vide (Resolution of the Board of Directors) dated your firm has been appointed GST Auditors of our Firm* / Company* (other entities viz., Trust), carrying the business under the name and style as **(Name of the client and address and GSTIN)** for conducting the audit under Section 35(5) and Section 44(2) of the CGST Act read with Rule 80(3) of the CGST Rules [read with the corresponding provisions of the State / Union Territory Goods and Services Tax Acts] for the previous year ending on 31st March 2019.

The remuneration for conducting the said audit is fixed at Rs. _____. All applicable taxes, out of pocket expenses such as travelling, conveyance etc., shall be extra, at actuals.

Kindly confirm your acceptance for the above appointment.

For M/s _____

Authorised Signatory

Place:

Date

ACCEPTANCE LETTER

LETTER HEAD OF AUDITOR

To,

Name of organisation (GST No.)

Dear Sir,

Sub: Our appointment of GST Auditors under Section 35(5) and Section 44(2) of the CGST Act, 2017 read with Rule 80(3) of the CGST Rules, 2017 [read with the corresponding provisions of the Rajasthan Goods and Services Tax Act, 2017] for the previous year ending on 31st March 2019

Ref: Your appointment letter dated _____

We are in receipt of your appointment letter dated _____, in relation to the captioned matter. We are pleased to confirm our acceptance and our understanding of this engagement, by means of this letter.

1. The Management is responsible for compliances with the GST laws, comprising the Union Territory Goods and Services Tax / Central Goods and Services Tax / State Goods and Services Tax Act, 2017* and Integrated Goods and Services Tax Act, 2017 and the respective rules framed thereunder, and for the preparation of the GSTR 9C in compliance of those laws.
2. The responsibility of the Management also includes the maintenance of adequate accounting records and internal controls for safeguarding of the assets of the Entity / Firm / Company* and for preventing and detecting fraud or other irregularities. As part of our audit process, we will request from the Management written confirmation concerning representations made to us in connection with the audit.
3. Our responsibility is to audit the particulars included in the GSTR 9C to ensure that they are free of any material misstatement.

4. Our audit will be conducted in accordance with the auditing standards generally accepted in India and in line with the requirements under the GST laws. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the relevant GSTR 9C is free of material misstatements. An audit includes examination on a test basis, using the concept of materiality, evidence supporting the amounts and disclosures in GSTR 9C. The audit may also include assessing the accounting principles used and significant estimates made by the Management in the presentation of financial statements.
5. In addition, we will consider, solely for the purpose of planning of our audit and determining the nature, timing, and extent of our audit procedures, the enterprise's internal control. This consideration will not be sufficient to enable us to provide assurance on internal control or to identify all reportable conditions.
6. Having regard to the test nature of an audit, persuasive rather than conclusive nature of audit evidence, together with inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements, resulting from fraud, and to a lesser extent error, if either exists, may remain undetected.
7. As required by auditing standards generally accepted in India, we will make specific inquiries of Management about the representations contained in the financial statements and other reports as may be applicable and the effectiveness of internal control over financial reporting. Auditing standards generally accepted in India also require that, at the conclusion of the audit, we obtain representation letters from certain members of management about these matters. The responses to those inquiries, the written representations, and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the GSTR 9C or other reports. Owing to the importance of Management's representations to an effective audit and review, the enterprise agrees liability and costs relating to our services under this letter attributable to any misrepresentations by Management. Management is responsible for providing us with all financial records and related information / documents on a timely basis, and its failure to do so may cause us to delay our report, modify our procedures, or even terminate our engagement.
8. The working papers prepared in conjunction with our audits are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures. However, we acknowledge that the details or data received from you for preparation of these working papers are confidential information of the enterprise and will not be disclosed by us to any third party, except as set out in paragraph 9 below or when required by legislation, without the prior written consent from the Company.
9. In accordance with the Statement on Peer Review issued by the Institute of Chartered Accountants of India, our attest services may be subject to a peer review to be conducted by

an independent reviewer who can inspect, examine or take abstract of our work papers including those provided by you.

10. If these arrangements are acceptable, please sign one copy of this letter and return it to us. We very much appreciate the opportunity to serve you and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. We trust that our association will be a long and mutually beneficial one.

For Chartered Accountants
(FRN :)

Proprietor/Partner
Membership no

Place:

Date:

Suggested format of Draft letter of Management Representation to be obtained from the client in respect of each registered person separately viz., State wise / GSTIN wise

(suitable modifications may be made as required)

ON THE LETTER HEAD OF CLIENT

Dear Sir,

Sub: Letter of Management Representation - GST Audit for the financial year ended March 31, 2019

With reference to the audit conducted by you / your firm, and as required under the provisions of Section 35(5) and Section 44(2) of the Goods And Service Tax Act, 2017 (in short "GST Act") read with rule 80(3) of the Goods and Service Tax Rules (In short "GST Rules, 2017") for the financial year ended March 31, 2019 we acknowledge our responsibility for the maintenance of books of accounts, related documents, relevant registers in accordance with the requirements of the GST laws and as per the recognized accounting standards and practices as issued by the ICAI.

This letter is provided to you in connection with the conduct of audit by you / your firm under the GST Laws, and for the purpose of carrying out the attest function in GSTR 9C based on letter of engagement dated _____ and your acceptance letter dated _____.

We confirm to the best of our knowledge and belief that:

I. PLACE OF BUSINESS

We do not have other place of business inside the State other than those stated in the Registration Certificate. We confirm that each of the places of business stated in the said Registration Certificate is duly registered under the GST Laws within the State.

II. OUTWARD SUPPLY

- (a) We have not affected any supply of goods or services or both from places other than those declared in the certificate of registration and the returns filed from time to time. All kinds (inter-State and intra-State) of supplies / supply returns* including sale of assets, if any, have been duly classified and properly accounted for in the Outward Supply Register or duly recorded in the appropriate books of accounts. They have been properly reflected in the returns filed under the GST laws.

- (b) The Classification of data in respect of B2B and B2C outward supplies have been correctly classified and accounted in our Returns.
- (c) The Deemed supply transactions viz., supplies to Related Parties or supplies between distinct entities / distinct persons (if any) are valued as per Valuation Rules as prescribed.

III. INWARD SUPPLY

We have not affected any intra-State, inter-State inward supplies or imports into the State other than those declared in GSTR 9 and GSTR 9C and the returns filed as prescribed. All inward supplies of goods and / or services / inward supply returns including inward supplies of assets, if any, have been duly classified and properly accounted in the relevant register/s. They have been properly reflected in the returns filed from time to time.

IV. TRANSITIONAL CREDITS

- (a) We have claimed transitional credits as per the provisions of the GST laws.
- (b) We have reconciled the data of Trans-1/ Trans-2 with the data as declared in Books of Accounts.
- (c) We confirm having complied with the provisions of Section 171 of the CGST Act, 2017 in respect of Anti-profiteering.

V. DOCUMENTATION

- (a) We confirm that we have issued the E-way bill/Delivery note as per the provisions of the GST law.
- (b) We confirm that the goods cleared to / by / from Job workers (if any) by way of stock transfers, sale on approvals and supplies to agents, if any, have been reconciled with the transactions as declared in Books of Accounts.
- (c) We confirm that we have obtained the statutory Forms / declarations like LUT, etc (wherever required) from the GST Authority as per the provisions of the GST law.
- (d) The Entries in Electronic Liability Ledger, Electronic Credit ledger and Electronic Cash Ledger for the financial year are reconciled with the transactions in Returns and the Books of Accounts.
- (e) We have issued the Self-Invoice and payment vouchers in respect of transactions that are liable to tax on reverse charge in case of inward supplies effected from unregistered suppliers.
- (f) We have maintained relevant records in respect of goods sent to / received from job workers and correctly accounted for those transactions. We confirm that all goods sent to job workers have been received back within the timelines prescribed.

- (g) We have not raised any tax invoices or supply bills other than the series reported in the supply ledgers. However, in respect of deemed supply, Advances, if any, the Invoice series differ and are duly accounted.
- (h) We confirm we have maintained appropriate stock records as required under the GST laws.
- (i) We have issued only ONE ORIGINAL Tax Invoice / Bill of Supply / Debit Note or credit Note as the case may be, and all other copies are marked as DUPLICATE / TRIPLICATE etc.
- (j) We have prepared the monthly returns based on the books of accounts maintained. The copies of the returns filed with the authorities were submitted / furnished to you for the purpose of your GST audit.

VI. CLASSIFICATION

- (a) We have classified the goods/Services supplied by our concern and charged the rate of tax, in accordance with the applicable schedules and/ or notifications/ Advance Rulings etc., under the GST Act 2017.
- (b) We confirm that we have correctly classified the activities as supply of goods and / or supply of services as per Second Schedule of GST law.
- (c) The turnovers of inward and outward supplies relating to classification of goods and / or services based on HSN affected by us and as shown on the invoices, books and records and in the financial statement are correct.
- (d) During the year, application for Advance Ruling has been sought and the same is pending before the Authority.

VII. RECONCILIATION

- (a) We understand that reconciliation of data provided to you based on the books and records, returns, relevant registers etc., have been matched with financials and relevant returns filed by us from time to time in terms of the GST laws. ~~We reiterate and confirm that in respect of auditors appointed by us to carry out the attest function under the GST Laws in respect of other States / Union Territories have been provided the relevant data from the very same books and records maintained by us.~~ We confirm that the inward and outward supplies including non-GST transactions, deemed supplies (transactions without consideration) and such other transactions have been duly consolidated and matched with the financials.

~~(b) We confirm that we have internally derived the turnover from the Audited financial statement in case of Multi GSTIN units under same PAN and reconciled the total turnover as arrived in 5A of Form GSTR 9C.~~

(c) We have taken adequate care to reconcile the data with books, records and financial statements in respect of the first quarter of the financial year 2017-18 since; such data relates to the erstwhile indirect tax laws.

VIII. INPUT TAX CREDIT

(a) We have paid CGST / SGST and IGST as per GST laws. In case of wrong payment or wrong declaration, if any, we have repaid the correct taxes and claimed/will claim refund of the wrong payment of taxes.

(b) We confirm that we have not availed input tax credits in respect of inward supplies affected by us where we have not paid the supplier within a period of 180 days in terms of proviso to Section 16(2) of the CGST Act, 2017. In such of those cases (if any) where we have availed input tax credits we confirm we have reversed such credits incorrectly availed together with interest.

(c) None of the goods on which we have claimed input credit are subsequently lost or destroyed or disposed of by way of gift, free samples, etc., requiring reversal of input credit and we understand the responsibility of preservation of various documents under the GST Act.

(d) We confirm that we have not taken any input tax credit in respect of goods/Services restricted in terms of Section 17(5) of the CGST Act, 2017.

(e) We confirm that we have availed input tax credits in line with the law laid down in terms of Section 49 of the CGST Act, 2017.

(f) In respect of inward supplies of goods and / or services we confirm we have not expensed the taxes and claimed input tax credit of the very same transactions.

(g) During the year, we have not affected any inward supplies from unregistered persons other than those supported by valid self-purchase bills / Payment Vouchers declared in GSTR 9C and the returns filed. Input tax credit for GST paid / payable on Inward supplies affected from such unregistered suppliers (up to 12th October 2017) has been availed in terms of the GST laws.

(h) We have claimed input tax credit on the following basis on fulfillment of the relevant conditions stipulated under the relevant provisions of the GST laws.

(i) We confirm that input tax credit availed by us are in respect of use in course or furtherance of business.

- (j) We are in possession of all the original tax invoices of inward / outward supplies. We confirm having produced such original invoices for your verification during the course of your audit proceedings. We reiterate that we have availed input tax credits based on such original invoices relating to inward supplies.
- (k) We have verified the calculations for reversal of credits, if any, as applicable under rule 37, 42 and 43 as at the end of the year.

IX. GENERAL

- (a) The accounting policies adopted by us are set out and elaborated in Notes to Accounts attached to the financial statements.
- (b) None of the business premises were a subject matter of inspection by GST Department Officers during the year.
- (c) We confirm that we have adhered to the provisions relating to time of supply of goods and time of supply of services in terms of Section 12 and Section 13 of the GST Act, 2017. We confirm we have furnished to your firm a policy document in respect of time and place of supply of goods and / or services.
- (d) We confirm and reiterate that while we have our books and records in compliance with the applicable statutes. We are not in a position to furnish the State-wise financial Statements for review / audit purposes.
- (e) In respect of certain transactions on which the valuation Rules stand applicable under the GST laws we confirm that such transactions have been recorded in the books and records appropriately while reiterating that such valuations would not stand to scrutiny under other Statutes.
- (f) We have noted the observations made in by you / your firm during the course of your audit and we hereby confirm that we shall be solely responsible for the impact, if any, on our tax liability by virtue of such observations.
- (g) We certify that the following statements, among others, submitted to you to be true and correct:
 - (i) Statement of monthly summaries of outward supplies and Inward supplies (with tax analysis);
 - (ii) Statement of debit note and credit note, if any, as also journal entries (with tax analysis);
 - (iii) Statement of goods received inside the State and sent outside the State, if any;
 - (iv) Outward Supplies and Inward supplies of fixed assets, if any;
 - (v) Details of Other income / Miscellaneous income, if any;
 - (vi) Details of expenses on which input tax credit is claimed together with tax analysis thereof;
 - (vii) Reconciliation of outward supply and Inward supply with ledger.

For M/s _____
Partner / Proprietor / Director / Authorized Signatory

GST AUDIT CHECKLIST

Checked By Yes No NA Remarks

GST Registration Certificate

Check the registration details of : Registered Person, Business Verticals, Factory / Warehouse / Godown and in respect of Other place of business?					
Whether GSTIN is displayed in Name Board viz., Godown /Branches / other places of business?					
Whether the additional place of business within the State is incorporated in the Registration Certificate?					
Whether any amendment is required to be made to the Registration Certificate?					
Whether all the directors name are entered in registration certificate?					
Whether all the partners name are entered in registration certificate?					
Whether 2 or more firms are operating from same address? If yes, then check whether stock is being segregated or not.					

Invoicing documentation

Whether Tax Invoice or Bill of supply is issued as per GST law? Whether it contains all the relevant particulars as required under law?					
Whether Tax Invoice for supply of goods is issued on or before the removal / delivery of goods?					
Whether Tax Invoice for supply of services is issued within 30 days from date of supply of service?					
Whether bill of supply is issued for exempt supplies/ non- GST supplies?					
Whether the E way Bills are complete in all respects for all the invoices?					
Whether correct details are being entered in all the EWBs or not?					
Whether correct details are being entered in EWB or not? Also check the same on sample basis from EWB portal.					
Whether the Revised Invoice is issued in case of New Registration?					
Whether Receipt voucher is issued for receipt of advance?					
Whether Self-invoice and payment voucher is issued in case of RCM transactions under Section 9(4)?					
Whether refund voucher is issued for refund of advance received?					
Whether Credit note/ Debit notes are issued as per the provisions of the GST law as per Section 34?					
Whether Credit note/Debit Note is issued before 30th September of the Subsequent Financial Year?					
Have you checked correctness of Tax Invoice /Bill of supply with the appropriate Supply Register/ GSTR 1?					
Whether the Tax Invoice/Bill of supply is cancelled for genuine reasons, if any like Name of party /details where applicable?					
Whether any invoice cum Bill of supply is raised for specific transactions?					
Whether the transport documents are maintained and verified?					
Whether any copies of Credit Note and Debit Note are raised otherwise than as specified in Section 34?					
Whether the Delivery challans/Eway bill Register is maintained?					
Whether Series of documents issued as per clause 13 of GSTR 1 matches with the Books of Account from July 2017 to March 2018?					

Goods Sent to Job Work (NOT applicable for TRADERS or SERVICE PROVIDER)	Checked By	Yes	No	NA	Remarks
Whether the conditions are fulfilled for claiming input tax credit on goods (including capital goods) sent for job work?					
Whether the Principal has sent goods to the job worker under the cover of delivery challans?					
Whether the registered person has furnished FORM ITC 04 for the quarters in which goods were sent out for job work?					
In case the registered person has supplied goods directly from the place of business of job worker, whether he has satisfied the conditions laid down in proviso to Section 143 (1) of GST Act?					
In case the job worker is unregistered, and such job worker has supplied any waste/ scrap generated during the job work from his place of business directly, whether the registered person has paid tax on such supply?					
Whether the Delivery challans/Eway bill Register is maintained?					
Whether there is movement of machines also for the purpose of Job Work?					
Have you checked any goods are sent for job work and returned within specified time? If NO, then check whether it classified for supply.					

Supply	Checked By	Yes	No	NA	Remarks
Whether the kind of outward supplies like Taxable supply, Exempted supply, Zero-rated supply, NIL rated supply, Supplies to SEZ unit /developers / Deemed Export and Merchant Export etc. are appropriately classified under GST law?					
Whether any transaction which falls within the scope of supply has not been identified by the Registered Person? (Commercial Rent, Interest charged from customers, Sale of Scrap, Sale of FA whether ITC was availed on such FA or not, Adjustment of Discount....)					
Have you checked Interstate supply as per Section 7(5) of the IGST Act 2017?					
Have you checked Intra State supply as per Section 8 of the IGST Act 2017?					
Whether the Zero-rated supply is verified as per the provisions of the law?					
Whether the supplies made by a registered person falls within the meaning of Composite /noncomposite/ Mixed supply? If yes, whether the same has been offered to tax as per Section 8 of the CGST Act?					
Have you checked for sale of capital goods and the GST charged and as to whether they are included in the returns filed?					
Whether Interstate supply is regarded as Intra state supply and vice versa?					
Whether abatement provisions, if any, are applicable (like one third for land) is complied with?					
Whether the transactions are correctly classified as supply of goods or supply of services?					
Have you checked the deemed supply as per schedule I? (Inter state Branch transfer)					
Are there any transactions wherein the goods sent for job work not received back are treated as supply?					
Check whether there are any transactions in relation to RELATED PARTIES.					
Check the valuations specifically in the cases of deemed supply as per Schedule I.					
Whether there are any OTHER INCOMES in the computation of income of client on which GST liability is to be incurred?					

Time of supply					
Whether Time of supply provisions have been complied as per Section 12 and 13 of the CGST Act?					
In case of change in rate of tax in respect of goods or services, whether the time of supply has been determined as per Section 14 of the CGST Act?					
Whether time of supply is compiled for continuous supply of goods/Continuous supply of services should be verified?					
Whether time of supply is compiled for Reverse charge?					
Whether time of supply is compiled for goods sent on approval?					
Where Supply has been recorded/recognised late, whether interest has been paid by parties or not?					

Input Tax Credit	Checked By	Yes	No	NA	Remarks
Have you checked the input tax credit availed with invoices from vendors like Bill of Entry, Tax Invoice, Debit Note, Self-Invoice...?					
Have you checked entries in Inward supplies records for input tax and reconciled with Invoices from the vendors?					
Have you checked the inward supplies records with Monthly return and ascertained reasons for variations, if any?					
Have you made a list of restricted input tax credit items as per the GST law?					
Have you tallied monthly return with input tax credit receivable, if any?					
Have you reconciled tax collections with payments and transfer of the balance to appropriate accounts?					
Have you checked adjustment of tax set-off by relevant journal entries?					
Have you checked that input tax credit on capital goods is correctly availed?					
Whether Input Tax credit is reversed for the sale of capital goods as specified in GST law?					
Any Reversal of input tax credit for the goods sent for job work?					
Whether the recipient of supply has effected payment for such inward supply within 180 days from the date of Invoice?					
Whether input tax credit availed is debited to recoverable account for availing re-credit?					
Whether the supplier has availed both benefits of depreciation and input tax credit?					
Whether the documents (tax invoice/ debit note) on the basis on which input tax credit is claimed contains the mandatory details of the recipient such as Name, GSTIN, Address and all other particulars as prescribed?					
Whether input tax credit is reversed against the receipt of Credit Note?					
Whether input tax credit is bifurcated in to eligible, ineligible, blocked and common credits?					
Whether the common credits are reversed as per Rule 42 of the CGST Rules?					
Whether input tax credit is availed on capital goods? If yes, whether credit is reversed as per Rule 43 of the CGST Rules?					
Whether reconciliation of input tax credit between GSTR 3B and GSTR 2A is done?					
Whether transitional Credit is availed as per the provisions of the law?					
Whether any ineligible transitional credit is reversed as per the law?					
Have you tallied monthly return with Input tax credit receivable?					
Any Reversal of Input Tax Credit for change in scheme from composition to Regular?					
Check whether all the 4 conditions of Sec 16(2) are being complied with to avail ITC.					
Whether any ITC is being availed later than time limits as specified u/s 16(4)?					
Whether any payment to supplier is done after the time period as specified in 2nd proviso of Sec 16(2)? (Beyond 180 days)					

Classifications					
Whether the classification of goods/ services is in conformity with Schedules / Notifications?					
Whether the HSN classification is verified to confirm the rate of tax on goods and services?					
Whether the HSN details for inward and outward supply are verified?					
Whether the SAC code/HSN code is as per the law?					
Whether the HSN/SAC classification is the same as was followed in the erstwhile law if applicable?					
Is there any specific Advance Ruling applicable?					
Whether there has been any change in rate of tax during the period by way of amendment in therate of tax notification or exemption notification?					

Returns					
Whether the copies of the GST returns filed by the registered person are reviewed?					
Whether reconciliation of GSTR 9 with GSTR1 and GSTR 3B is done?					
Whether interest which was due, has been paid while filing the Return?					
Whether any late fee which is due is paid while filing the return or any late fee which was waived?					
Whether transitional credit Returns are filed within the due date?					
Whether transitional credit Returns are not filed due to technical glitches?					
Whether the amendment details are filed correctly in the Returns?					

GST collections and payment verification	Checked By	Yes	No	NA	Remarks
Have you checked whether tax payable is paid within the prescribed time as per the GST law?					
Have you checked whether tax is being collected beyond tax payable? If yes, whether Sec. 76 is complied.					
Whether the tax payer charged wrongly IGST in place of CGST/SGST or vice versa?					
Have you followed the provisions of Rule 35 of the CGST Rules in respect of collection of taxes?					
Is there any excess collection of taxes? Others if any specify					

Reverse Charge					
Whether Reverse charge tax is paid under 9(4) of the CGST Act 2017 up to 12th October 2017? If not, whether that was adjusted in FY 18-19? If yes, check the payments and treatment in GSTR 9 of 17-18 and 18-19.					
Whether Reverse charge tax on notified supplies under Section 9(3) and 9(5) of the CGST Act 2017 is duly paid?					
Whether Reverse charge tax has been paid wrongly in lieu of CGST/SGST as IGST or viceversa?					
Whether corresponding input tax credit is availed on Reverse charge?					
Whether conditions of paying tax for RCM are fulfilled? Others if any specify					

Value of Supply					
Whether all the inclusions to the value of supply as per Section 15 of the Act have been verified?					
Whether discount offered to customers (pre/ post supply) is not included in the value of supply after fulfillment of conditions under Section 15(3) of the Act?					
Whether valuation rules have been applied as per the GST law?					
Whether the registered person has claimed any pure agent deduction as per Rule 33?					
In case the value of supply is inclusive of the GST, whether the taxable value and tax amount is determined as per Rule 35 of the CGST Rules, 2017?					
In case of exports, whether the rate of exchange of currency is determined as per Rule 34 of the CGST Rules, 2017?					
Whether the rate of tax charged for the supplies is as per the GST rate notifications issued/ amended from time to time?					
Whether CGST/SGST/IGST is charged in accordance with place of supply provisions?					
Whether the tax collected from the customers has been entirely remitted to Government?					

Place of supply	Checked By	Yes	No	NA	Remarks
Whether the supply is inter- State/Intra State has been identified based on the policy document of the entity?					
Whether the conditions for inter- State supply are fulfilled as per IGST Act, 2017?					
Whether the conditions for intra- State supply are fulfilled as per IGST Act, 2017?					
Whether the conditions for export of goods are fulfilled?					
Whether the conditions are fulfilled for export of services?					
Whether there are any imports of goods/import of services?					
Whether the Zero-rated supply is with or without payment of taxes?					
Whether the conditions for location of supplier are fulfilled?					
Whether the supplier is intermediary under the GST Act and the conditions are fulfilled?					
Whether the supplier has declared sale in course of Imports, Nonterritory supply, High Sea supply in the Return correctly?					
Whether the conditions for location of the recipient are fulfilled?					
Whether the wrong payment of tax i.e. IGST in lieu of SGST/CGST is claimed as refund?					
Whether the wrong payment of tax i.e. SGST/CGST in lieu of IGST is claimed as refund?					
Whether the Supply by SEZ to DTA is treated as inter-State subject to fulfilment of conditions?					

Refund					
Whether the Supplier is eligible for Refund as per Section 54?					
Whether the supplier has applied for Refund and whether it is sanctioned?					
Whether any Refund is Rejected or pending before the Authority?					
Whether the Refund is Re-credited to Electronic Credit Ledger?					
Whether the Manual /Electronic documents for Refund are verified?					
Whether the Accounting impacts are given for Refund applied, pending rejected or appealed?					
Whether any Refund is wrongly applied like input services/Capital goods credit for inverted duty structure?					
Whether Refund and Input Tax credit is claimed for the same transactions?					
Whether interest on delayed refund is receivable?					

Inward supply					
Have you checked the purchase invoice/ delivery challans with purchase register?					
Have you checked the HSN Classification for inward supplies?					
Have you checked Inward supply with the Monthly returns?					
Have you checked whether any input tax is added to the cost of purchase where input tax credit is not allowable?					
Have you made a list of inward supply invoices for which there are no corresponding entries in inward supply records and GST return?					
Have you checked that inward supplies are classified between intra-State, inter-State, Imports etc.?					
Have you checked that purchases of capital goods are booked as fixed assets and the GST is paid thereon? Have you checked Assets which have depreciated 100%?					
Have you checked sale / deletion of fixed assets?					

Maintenance of Books of Accounts	Checked By	Yes	No	NA	Remarks
Whether books of accounts are maintained as specified in Section 35 r/w Rules 56, 57 and 58 of the GST Law?					
Whether Books of accounts are maintained electronically / Manually?					
Whether books of accounts are maintained at each place of business?					
Whether books of accounts are maintained Manually or Electronically? If the same are maintained Electronically, whether the software used complies with the requirements of the law?					
Whether the copies of Agreements/Agent agreement and other supporting documents are obtained?					
Whether copies of the Audited Financial Statements for each registration have been obtained?					
Whether Transporter/Warehouse keeper has maintained the books of Account as per the law?					
Whether the Register E-way Bill/Delivery challan is maintained as per the law?					
Whether E-Way bills are used for Valid purpose?					
Whether the register of ITC-01, ITC-02, ITC-03 and ITC-04 is maintained as per the GST law?					
Whether the supplier maintains the Cash/Bank Register for recording the transactions entity wise?					
Whether the books of Accounts maintained are centralized or decentralized?					

General					
Whether the registered person has complied with Anti-Profitteering clause?					
Whether reliance is placed on any notifications / clarifications / advance ruling / judgement in respect of rate of tax charged and collected. Whether any conflicting Advance Ruling order is applicable?					
Are there any departmental inspection proceedings for Transitional Credits or any other demands created?					
Have you checked for any adverse points in reports issued by Internal / Statutory auditors or any other such reports?					
Have you checked for any adverse points in reports in the previous year?					
Have you checked that assessment orders / appeal orders/notices issued by the department, if any?					
Is there any judicial pronouncement that could be applicable to the dealer?					
Have you discussed any adverse issues arising out of the audit with the client?					
Have you obtained the letter of appointment / issued the letter of acceptance of audit?					
Have you come across any unusual transactions?					
Have you checked miscellaneous receipts / other income?					
Have you come across any huge or unusual inward or outward supply transactions / tax credits / tax payments etc.?					
Have you noticed any comments on internal controls, periodicity of updating of accounts / records etc.?					
Whether the registered person has availed the facility of digital signature?					
Whether the Auditor has used appropriate Audit tools?					