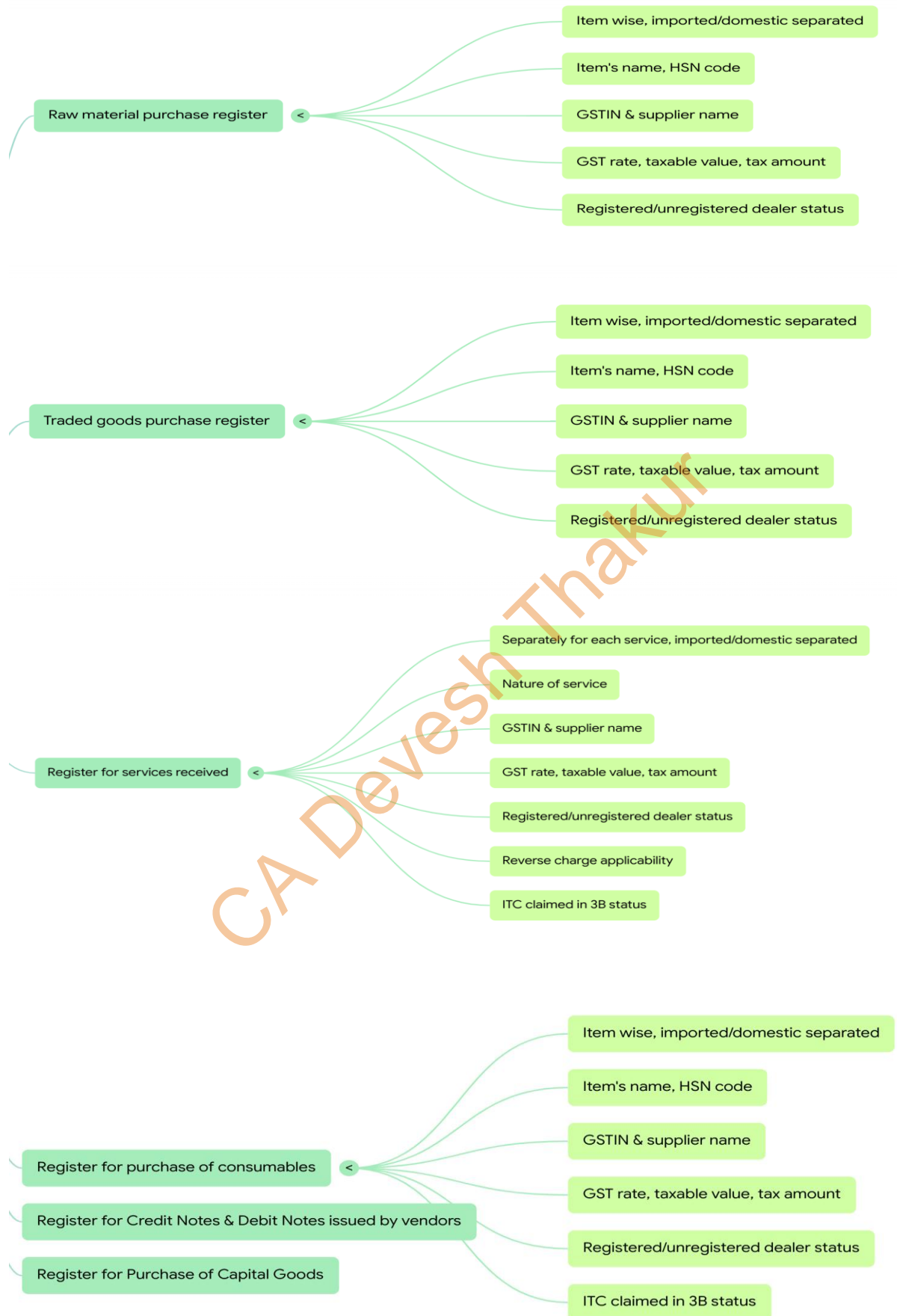
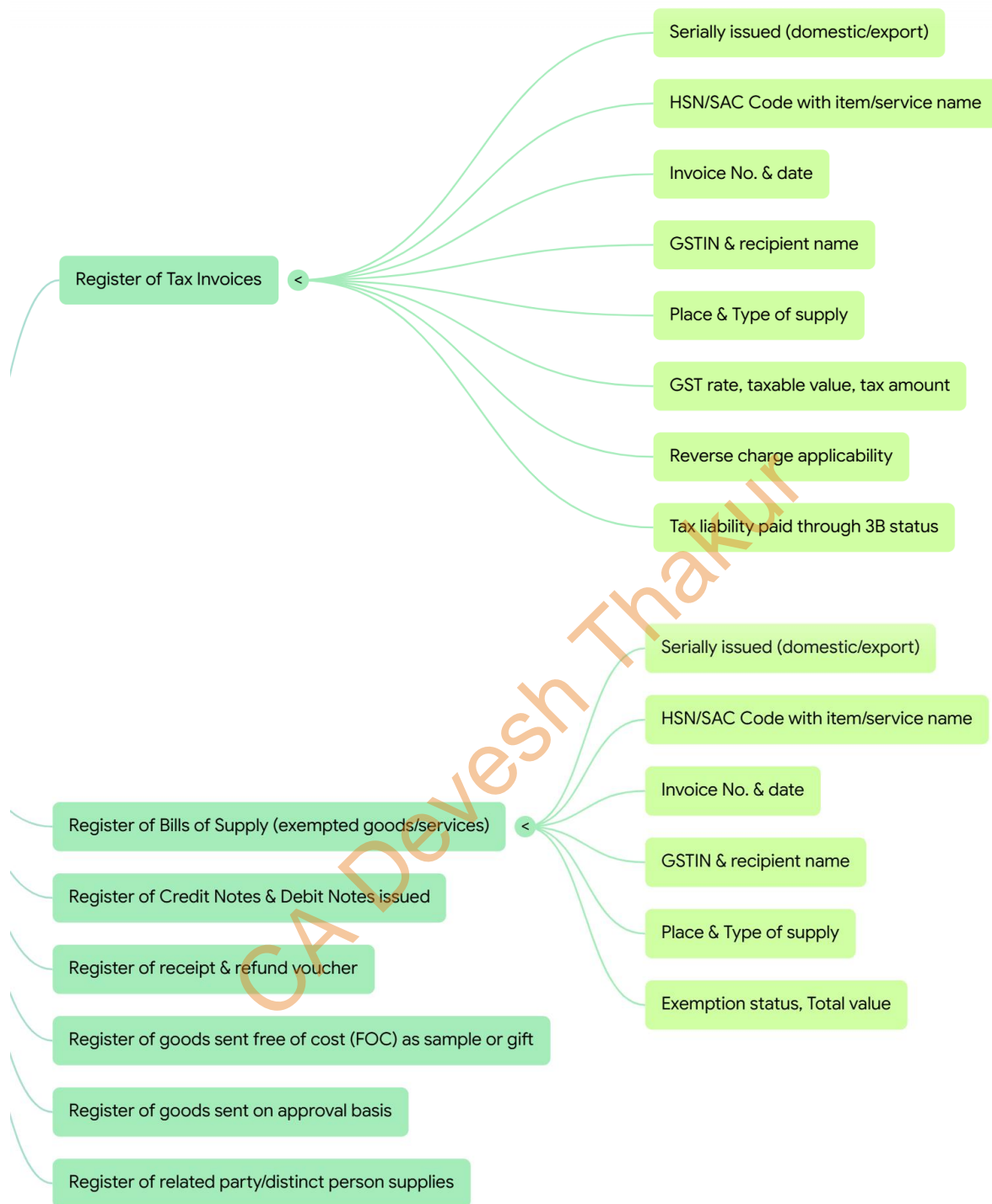


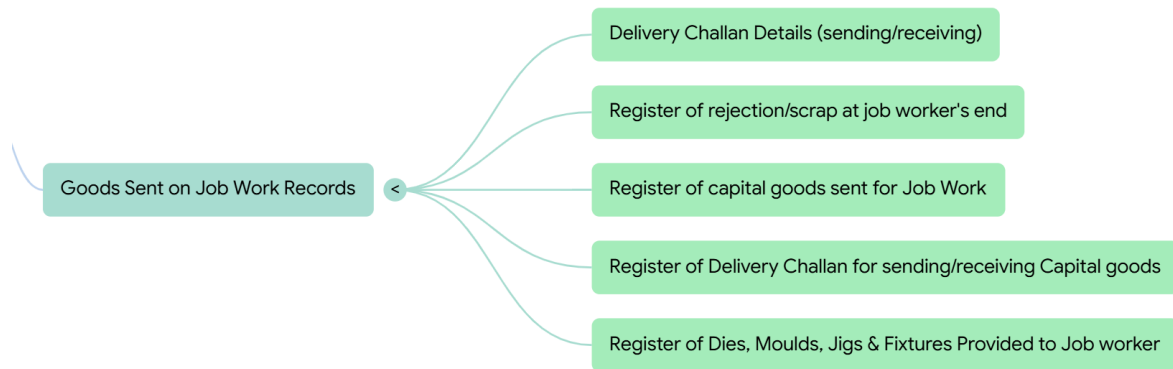
# Inward Supply Records (Input Tax Credit)



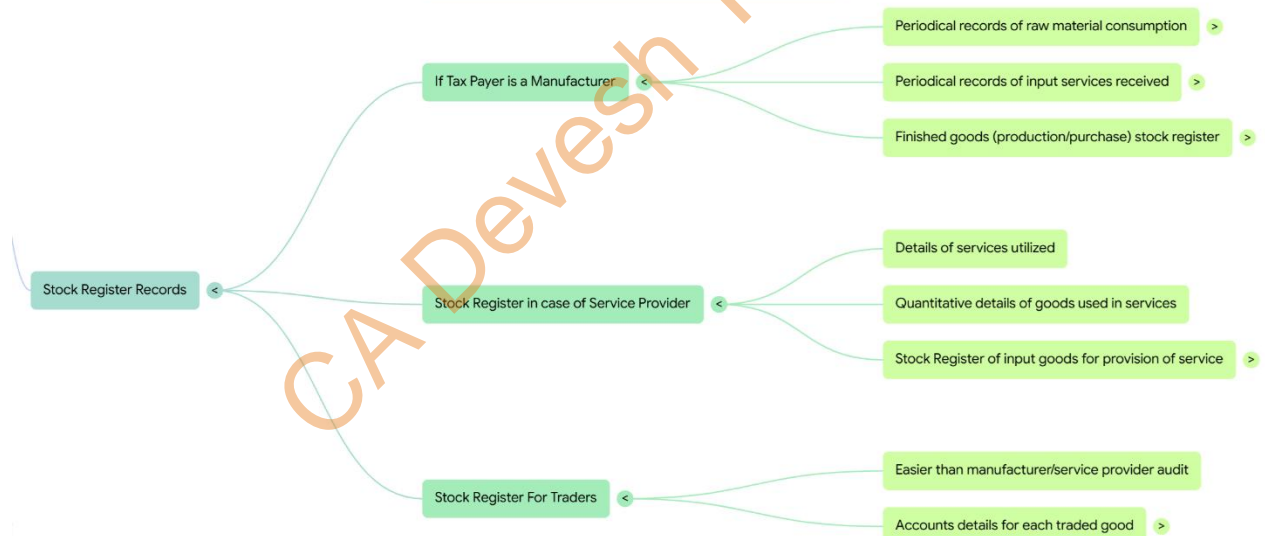
# Outward Supply Records (Tax Liability)



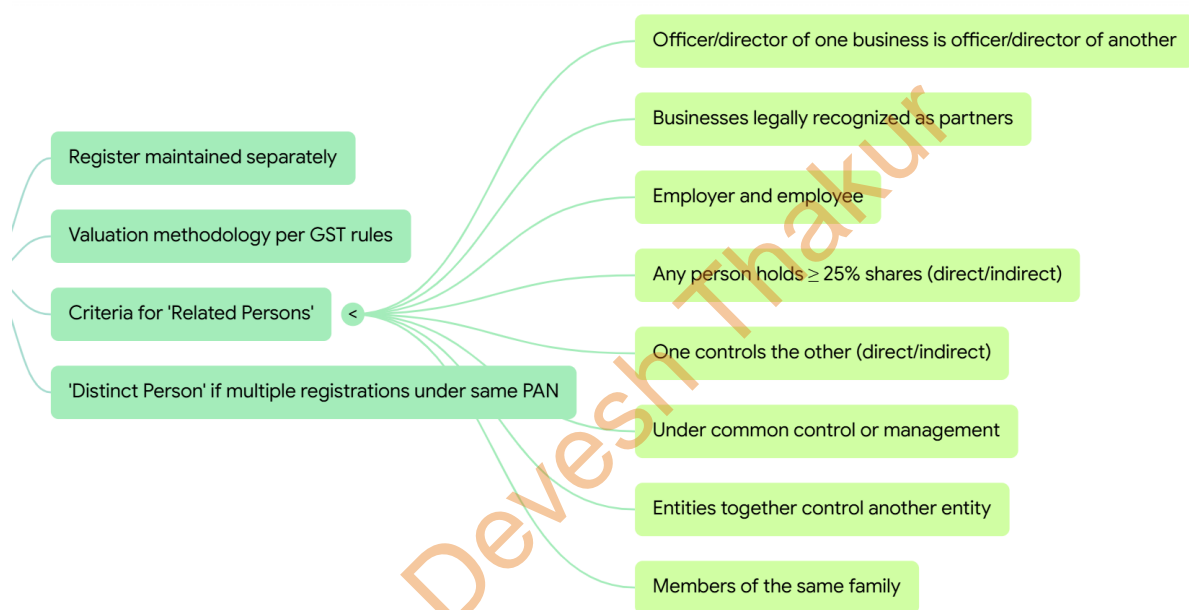
# Goods Sent on Job Work Records



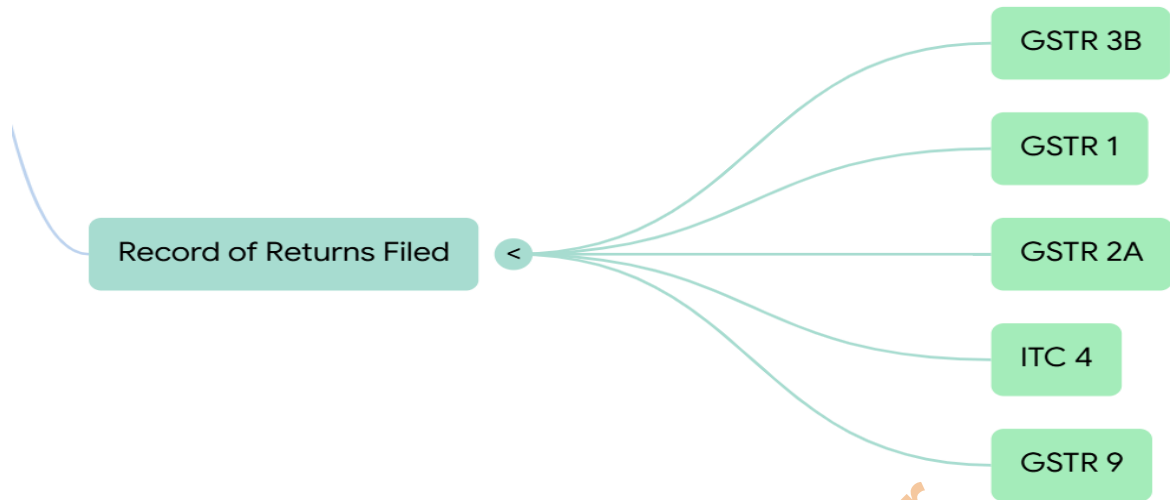
# Stock Register Records



## Related Party/Distinct Person Transaction Record



## Record of Returns Filed



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# Procedure of Audit

## Inward Supplies

>

Verify register item/service-wise for ITC eligibility

Verify reverse charge applicability & payment via cash ledger

Verify register with purchase invoices (GSTN, GST Law compliance)

Verify pro-rata credit for short receipt/partial rejection (no ITC on rejected/destroyed/short received)

Verify lists/credit notes from vendors to reverse ITC

Verify ITC reversal if supplier not paid within 180 days (Rule 37, aging report)

Verify ITC reversal as per Rule 39 (reduction in ISD credit)

Check ITC reversal as per Rule 42 (exempt supplies/non-business use of input goods/services)

Check ITC reversal as per Rule 43 (exempt supplies/non-business use of capital goods)

No ITC on inputs for exempted goods/services; pro-rata disallowance if not identifiable

Verify blocked credit (Section 17(5)) not availed (e.g., cab services, food, life insurance)

Check reversal of ITC on excess credit from CENVAT balances (TRAN I)

Check reversal of ITC on excess credit for unregistered persons (TRAN II - stock on 01.07.2017, not older than 1 year)

Expenses booked under identifiable heads for ITC verification

## Outward Supply



Verify classification (HSN/SAC) and applicable tax rate (uniformity check)

Verify invoicing procedure

Verify correct GST type based on place of supply

Review exempted goods/services, exports, reverse charge supplies

Verify related party/distinct person transactions & valuation

Check valuation as per Rule 27 to 35

Verify delivery challan details (SKD, FOC, samples, gifts, branch transfer)

Verify non-returnable gate passes (testing, scrap, sample) & GST liability payment/ITC reversal

Cross verify outward supplies with GSTR 1 and GSTR 3B for tax liability

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## Goods Sent on Job Work

Check delivery challan

Verify ITC-04 filing regularity

Ensure pending challans not exceeding 360 days (manufacturing) or 3 years (capital goods)

Verify stipulated return time not expired; list pending challans for GST liability & interest calculation

## Goods Sent on Approval Basis

Goods accepted/returned within one year (180 days if previous regime)

Verify supply on delivery challan

Ensure challans not pending > 1 year (or 180 days for previous regime)

List challans for tax liability & interest (18% p.a. / 1.5% p.m. from tax due date)



## Stock Register



Verify maintenance for each traded good (HSN, UOM, Qty, GST Rate, Value)

Verify separate maintenance of FOC samples/gifts/lost/stolen/destroyed/written off goods

Verify ITC reversal on such goods

Verify authenticity of disclosures for lost/stolen/destroyed/written off goods

## Related Party/Distinct Person Transaction



Verify transactions & compliance with valuation rules

Verify cost of production/procurement if supplied as per Rule 30 (cost + 10%)

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## Returns Filed



Verify GST liability & ITC availed in GSTR 3B

Verify GSTR 1 (invoice-wise) matching GSTR 3B (summary) & books of accounts

Verify all amendments in Invoices in GSTR 1

Verify Invoice & Challan Serial Numbers in GSTR

Verify ITC in GSTR 3B claimed correctly & reconciled with books/GSTR 2A

Verify no ineligible inputs claimed in GSTR 3B

Verify all reverse charge liability paid through cash ledger

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