# APPROACH TO TAX AUDIT
# UNDER SECTION 44AB OF THE INCOME TAX ACT, 1961

# (CHECKLIST)

**Direct Taxes Committee and**
**Taxation Audits Quality Review Board**
**The Institute of Chartered Accountants of India**
*(Set up by an Act of Parliament)*
**New Delhi**

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# Foreword

Our members have always been instrumental in developing and proactively making our country most sought after economic destination in the world. The developments that are happening in the area of taxation are quite intriguing and regular. Every year major and minor changes are brought in the tax audit forms. Our members having expertise in the area can analyze these forms & ensure compliances to avoid litigation.

Despite the fact that the profession of Chartered Accountancy has diversified in many ways, tax audit is still one of the pre-dominant areas for the Chartered Accountants. Our members keep themselves abreast with ever changing taxation laws and thus are assuming commanding heights in this area and are complying with the professional obligations in an effective manner.

The Institute of Chartered Accountants of India (ICAI) too has always been proactive in disseminating the knowledge and honing the skills of its members. I am really happy to note that yet another step in this direction has been taken by the Direct Taxes Committee of ICAI along with Taxation Audits Quality Review Board of ICAI as they have come out with a checklist w.r.t tax audit so as to assist the members in the effective performance of their professional commitments.

I appreciate the efforts of CA. Tarun Jamnadas Ghia, Chairman, Direct Taxes Committee, CA. Ranjeet Kumar Agarwal, Chairman, Taxation Audits Quality Review Board, CA. Pramod Jain, Vice-Chairman, Direct Taxes Committee and CA. Rajesh Sharma, Vice-Chairman, Taxation Audits Quality Review Board who have worked selflessly for bringing out this checklist in a timely manner.

I am sure this publication will help the members in discharging their professional commitments in a better manner.

**Date:** 21.10.2020
**Place:** New Delhi

**CA. Atul Kumar Gupta**
**President, ICAI**

# Preface to the First Edition

Taxation continues to be one of the pre dominant areas of engagements for chartered accountants. Provisions requiring mandatory audit of persons carrying on business or profession and having total turnover, sales, gross receipts exceeding prescribed threshold are primarily contained in section 44AB of the Income Tax Act, 1961. By this important section, the Government of India has entrusted the onerous task of auditing books of accounts of such persons with reference inter alia to the provisions of income tax law to assist the revenue to determine total income from business or profession.

Although the tax audit provisions are in place since 01.04.1985 but as the dynamic and ever evolving income tax law undergoes regular changes and the reporting requirements also get updated and amended quite frequently, therefore even though the exercise is yearly but it has kept the tax audit fraternity quite engaged and more busy in the last few months reaching to the prescribed due dates. The fraternity has been putting its best efforts to remain updated on the subject and discharge the responsibilities in a manner that justifies the confidence reposed in it with the result that revenue is enabled with timely and correct reports for its further processes.

Tax Audit Guidance Note of the Institute as supplemented by various supplementary guidance notes from time to time have been found quite useful to the fraternity in discharging its duties more efficiently. But tax audit requirements are time bound and due to frequent changes in the reporting requirements including late changes and as the tax payers take time to compile accounts and reporting requirements and therefore, for various such reasons more and more tasks get carried out towards the fag end of the deadlines.

Under the circumstances, we at the Direct Taxes Committee and the Taxation Audits Quality Review Board of ICAI thought of bringing out a Tax Audit Checklist as an additional handy tool to assist the fraternity to complete the assignments in more objective manner and with consciousness towards related documentations.

I am pleased to place on record my sincere gratitude for the involvements and contributions by the Chairmen and Vice Chairmen of both the committees and the technical secretariat and with the support of all committee members and the valued encouragement and support provided by Hon'ble President and Hon'ble Vice President of the ICAI.

**CA. Pramod Jain**
**Vice-Chairman, Direct Taxes Committee, ICAI**

**CA. Tarun Jamnadas Ghia**
**Chairman, Direct Taxes Committee, ICAI**

**Date:** 21.10.2020
**Place:** New Delhi

# Preface to the First Edition

Tax Audit under section 44AB of the Income tax Act, 1961 is one of the core areas of practice for Chartered Accountants. Considering the expertise and domain knowledge of Chartered Accountants, the onerous responsibility of Tax Audit was casted on Chartered Accountants through the Finance Act, 1984 to ensure the correct computation of income of the assessee so that loss to the exchequer can be prevented.

The dynamic nature of taxation laws, time and again, led to changes in the reporting requirements of tax audit report which not only widened the scope of audit but also reflected the trust of the Revenue authorities on our members.

ICAI too from time to time provided guidance to its members through Guidance Notes and Technical guides through its Direct Taxes Committee. Apart from providing guidance, ICAI has also a regulatory role to play. Continuing with its commitment to serve the nation and in order to improve the reporting of compliances under various taxation laws (both Direct as well as Indirect), the Council of the Institute has constituted the Taxation Audits Quality Review Board (TAQRB) in the year 2018. It was envisaged that the reviews carried out by the Board will help the members to exercise greater diligence while certifying various reports prescribed under the taxation laws and in long run would improve the overall reporting and certification done by them.

In furtherance to the objective of the Board, that is to bring awareness amongst the members so as to improve the quality, it was thought fit by the Direct Taxes Committee and the Taxation Audits Quality Review Board to prepare a checklist which will assist the member in effective performance of their duties.

This checklist has been broadly based on the text of the Guidance Note on Tax Audit under section 44AB of the Income tax Act, 1961/ Implementation Guide w.r.t. Notification No. 33/2018 dated 20.7.2018 effective from 20.8.2018/ Technical Guide on Income Computation and Disclosure Standards (ICDS).The detailed guidance given in these publications of Direct Taxes Committee of ICAI should be duly referred while conducting the Tax Audit. Members are requested to go through the general instructions thoroughly which have been given in the initial pages of this checklist.

We are sincerely thankful to CA. Atul Kumar Gupta, President, ICAI and CA. Nihar Niranjan Jambusaria, Vice-President, ICAI for being guiding force behind all initiatives being taken by the Board.

We whole heartedly acknowledge the contribution of CA. Tarun J. Ghia, Chairman, Direct Taxes Committee & CA. Pramod Jain,Vice-Chairman, Direct Tax Committee for taking up this project jointly with the TAQRB. We are sure that this joint effort of DTC and TAQRB of ICAI would go a long way in assisting our members in conducting an effective tax audit.

We are extremely thankful to our Council Colleague CA. Satish Kumar Gupta (Convenor), CA. Sanjeev Kumar Singhal (Dy Convenor) & CA. Shriniwas Yashwant Joshi (Member) of the Group, who worked selflessly and dedicatedly to prepare the first draft of this checklist after taking all inputs from various sub-groups formed in this regard.We also appreciate the efforts of our following Central Council Colleagues who formed groups in their respective regions and provided valuable inputs for this checklist; CA. Pramod Jain, CA. Prasanna Kumar D, CA. Aniket Sunil Talati, CA. Pramod Kr. Boob. We are also grateful for the unstinted support provided by the other Board members namely, CA. Babu Abraham Kallivayalil, CA. M.P. Vijay Kumar, CA. Dheeraj Kumar Khandelwal, Dr. Ravi Gupta and Mr. Neelesh Kumar Sah, Principal Director, C & AG (Direct Taxes).

We also appreciate the untiring efforts made by CA. Mukta Kathuria Verma, Secretary, TAQRB and CA. Divya Mongia, Project Associate for providing technical and administrative assistance in preparation of this publication.

**CA. Rajesh Sharma**
**Vice-Chairman**
**Taxation Audits Quality Review Board of ICAI**

**CA. Ranjeet Kumar Agarwal**
**Chairman,**
**Taxation Audits Quality Review Board of ICAI**

**Date:** 21.10.2020
**Place:** New Delhi

# Acknowledgement

The Direct Taxes Committee and the Taxation Audits Quality Review Board of ICAI acknowledge the contribution made by the following members of the study groups constituted for the purpose of developing this Checklist on tax audit. We place on record our gratitude for their contribution in enrichment of knowledge of the members:

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# General Instructions

**(To be read in conjunction with the Checklist)**

**1.** This document is a joint effort of the Direct Taxes Committee and the Taxation Audit Quality Review Board of ICAI. This checklist is designed to assist the members in enhancing the quality of tax audit under section 44AB of the Income tax Act, 1961. This document is only recommendatory in nature.

**2.** This checklist has been broadly based on the text of the Guidance Note on Tax Audit under section 44AB of the Income tax Act, 1961/ Implementation Guide w.r.t. Notification No. 33/2018 dated 20.7.2018 effective from 20.8.2018/ Technical Guide on Income Computation and Disclosure Standards. The detailed guidance given in these publications of Direct Taxes Committee of ICAI should be duly referred while conducting the tax audit. This document is not to be considered as a replacement / gist of these publications but should be read along with them.

**3**. The above-mentioned publications may be revised from time to time depending on the changes in the Act/ Tax Audit Report Format. In case, there is any conflict between the text of the above mentioned publications of ICAI and this document, the text mentioned in publications Guidance Note on Tax Audit under section 44AB of the Income tax Act, 1961/ Implementation Guide w.r.t. Notification No. 33/2018 dated 20.7.2018 effective from 20.8.2018/ Technical Guide on Income Computation and Disclosure Standards shall prevail.

**4.** While giving the tax audit report the tax auditor will have to use his professional skill and expertise and apply such audit tests as the circumstances of the case may require, considering the contents of the audit report. The tax Auditor will have to conduct the audit by applying the generally accepted auditing procedures which are applicable for any other audit. He is advised to refer to the Standards on Auditing (SAs) as may be relevant, issued by ICAI. In case, there is any conflict between the texts of the Standards on Auditing (SAs) issued by ICAI and this document, the text mentioned in SAs issued by ICAI shall prevail.

**5.** Where the auditor issues Form No. 3CB, as the audit of financial statements is being done under section 44AB of the Income tax Act, 1961, the auditor should in relation to audit of the financial statements ensure compliance of:

- Accounting Standards issued by ICAI
- Standards on Auditing
- Framework for presentation of Financial Statements issued by ICAI

**6. Commonly found Errors**

The Taxation Audits Quality Review Board of ICAI has come across certain commonly found errors/ non-compliances while conducting review of Tax Audit Reports. Some of them, which need specific attention of members, have been mentioned, below for reference:

**a) Revised SA 700, Forming an Opinion and Reporting on Financial Statements (*Para 11.9 of the Guidance Note on Tax Audit under Section 44AB of the Income-Tax Act, 1961)***

ICAI had pursuant to the issuance of the Revised SA 700, Forming an Opinion and Reporting on Financial Statements, prescribed a revised format of the auditor's report on financial statement. Since Form No. 3CA and Form No. 3CB are required to be filed online in a preset form and the same are not in line with the requirements of SA 700, there is no specifically allocated field for providing information relating to the respective responsibilities of the assessee and the tax auditor as required in terms of the principles laid out in SA 700. However, having regard to the importance of these respective responsibility paragraphs from the perspective of the readers of the tax audit report, it is suggested that these respective responsibility paragraphs relating can be provided in the space provided for giving observations, etc., under clause (3) of Form No.3CA or Clause (3) and Clause (5) of Form No.3CB as the case may be.

The illustrative Assessee's responsibility paragraph and Tax Auditor's responsibility paragraphs in respect of Form No.3CB has been given in the Guidance Note. The same are to be suitably reworded to meet the situation envisaged in Form No.3CA.

***Commonly Found Errors:***

*a) Many of the Tax Audit reports do not have the paragraphs relating to Assessee's responsibility and Tax Auditor's responsibility as required by the Guidance Note in respect of SA 700.*

*b) Some of the tax audit reports contained a reference about the attached physically signed tax audit reports which mention these Paragraphs thereby complying with the requirement of SA 700. However, as per the Guidance Note on Tax Audit the same are specifically required to be mentioned / reported under clause (3) of Form No.3CA or Clause (5) of Form No.3CB, as the case may be.*

**b) Observations/Comments/ Discrepancies/Inconsistencies by Auditor (*Para 14.5 of the Guidance Note on Tax Audit under section 44AB of the Income-tax Act,1961*)**

"Where any of the requirements in this form is answered in negative or with qualification, the report shall state the reasons thereof. The tax auditor should state this qualification in the audit report so that the same becomes a comprehensive report and the user of the audited statement of particulars can realize the impact of such qualifications."

Also as per Para 15.5 of the Guidance Note *on Tax Audit under section 44AB of the Income-tax Act, 1961*:

Under clause (a) of paragraph 3 of Form No.3CB, the tax auditor has to report his "observations/comments/ discrepancies/inconsistencies," if any. The expression "Subject to above" appearing in clause (b) makes it clear that such observations/comments/ discrepancies/ inconsistencies which are of qualificatory nature relate to necessary information and explanations for the purposes of the audit or the keeping of proper books of

accounts or the true and fair view of the financial statements, respectively to be reported on in paragraphs (A), (B) and (C) under clause (b) of paragraph 3. While reporting on clause (a) of paragraph 3 of Form No. 3CB the tax auditor should report only such of those observations/comments/ discrepancies/ inconsistencies which are of qualificatory nature which affect his reporting about obtaining all the information and explanations which were necessary for the purposes of the audit, about the keeping of proper books of account by the head office and branches of the assessee and about the true and fair view of the financial statements. Further, only such observations/comments/ discrepancies/inconsistencies which are of a qualificatory nature should be mentioned under clause (a). Any other observations/comments/ discrepancies/inconsistencies, which do not affect the reporting on the matters specified above may form part of the notes to accounts forming part of the accounts. In case the tax auditor has no observations/comments/ discrepancies/ inconsistencies to report which are of qualificatory nature, "NIL" should be reported in this part of paragraph 3.The tax auditor may then give his report as required by sub-paragraphs (A), (B), and (C) of paragraph 3 and paragraph 4.

***Commonly Found Error:***

*In certain tax audit reports that were examined, it has been observed that the qualification paragraph i.e. clause (3) of Form No.3CA or Clause (5) of Form No.3CB, as the case may be, contained a reference to Notes to Form No. 3CD. These notes did not mainly contain the qualifications but also contain general additional information.*

*As per the Guidance Note (paragraphs mentioned above) only qualifications/ observations should be reported in the space provided in the form No. 3CA/3CB itself while the additional information which are not in the nature of qualification could be attached as notes.*

## 7. Tax Audit and UDIN

While issuing the tax audit report under section 44AB of the Income tax Act, 1961, the Auditor should generate appropriate UDIN and refer the same in its Report. For detailed Frequently Asked Questions (FAQs) on UDIN kindly refer: https://udin.icai.org/faqs

## 8. Code of Ethics

A member of the Institute in practice shall not accept, in a financial year, more than the "specified number of tax audit assignments" under Section 44AB of the Income Tax Act, 1961. For details the Tax Auditor may refer to Chapter VI Tax Audit Assignments under Section 44 AB of the Income Tax Act, 1961 in Volume-II of Code of Ethics 2020 at: https://resource.cdn.icai.org/60018code-of-ethics-2020vol2.pdf

**X-X-X**

# CHECKLIST FOR TAX AUDIT U/S 44AB OF THE INCOME TAX ACT, 1961

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **1.** | **1** | **17.1** | **Name of the assesse** | | | | | | |
| (i) | | | Whether name of the assessee whose accounts are being audited under section 44AB has been reported? | | | | | | Permanent File |
| (ii) | | | If the tax audit is in respect of a branch, whether name of such branch has been mentioned along with the name of the assessee? | | | | | | Permanent File |
| | | | | | | | | | |
| **2.** | **2** | **17.2** | **Address** | | | | | | |
| (i) | | | Whether the address reported under this clause is same as has been communicated by the assessee to the Income-tax Department for assessment purposes or that of the principal place of business? | | | | | | Permanent File |
| (ii) | | | Whether addresses of all the branches have been obtained and reported? | | | | | | Permanent File |
| (iii) | | | Whether the address mentioned tallies with the address mentioned in PAN? If not, whether address change application filed? | | | | | | Permanent File + Current year File |
| | | | | | | | | | |
| **3.** | **3** | **17.3** | **Permanent Account Number/Aadhaar** | | | | | | |
| (i) | | | Whether the permanent account number (PAN) as allotted to the assessee has been indicated? | | | | | | Permanent File |
| (ii) | | | Where the assessee (being individual) does not have PAN, whether the AADHAAR no. has been mentioned? | | | | | | Permanent File |
| | | | | | | | | | |
| **4.** | **4** | **17.4 to 17.8 GN** | **Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, goods and services tax, customs duty, etc. If yes, please furnish the registration number or GST number or any other identification number allotted for the same.** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (i) | **4 Cont.** | **Pg.3-4 Imp. Guide** | Whether the auditor has obtained from the assesse details of all indirect tax's registration (applicable to the assessee)?<br>GST<br>VAT<br>Sales Tax<br>Excise<br>Local Entry Tax<br>Others (Specify) | | | | | | Permanent File |
| (ii) | | | Where an assessee has multiple GSTIN numbers, being registered under different states as well as under Central GST, whether all the GSTIN numbers allotted to the assessee have been mentioned? | | | | | | Permanent File |
| | | | | | | | | | |
| **5.** | **5** | **17.9** | **Status** | | | | | | |
| (i) | | | Whether the correct status of the assesse as included in the definition of "person" in section 2 (31) of the Act is mentioned? | | | | | | - |
| | | | | | | | | | |
| **6.** | **6** | **17.10** | **Previous Year** | | | | | | |
| (i) | | | Since the previous year under the Act now uniformly begins on 1st April and ends on 31st March, whether the relevant previous year is mentioned? | | | | | | - |
| (ii) | | | In case of amalgamations, demergers, conversions, reconstitution, new business, closure of existing business etc. the date of beginning/ ending of the previous year may be different, whether the auditor accordingly mentions the relevant date of beginning and ending of the previous year in this clause? | | | | | | Permanent File |
| | | | | | | | | | |
| **7.** | **7** | **17.11** | **Assessment Year** | | | | | | |
| (i) | | | Whether the assessment year relevant to the previous year for which the accounts are being audited has been mentioned? | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **8.** | **8** | **17.12** | **Indicate the relevant clause of section 44AB under which the audit has been conducted** | | | | | | |
| (i) | | | Check whether the relevant clause of 44AB has been reported or not? | | | | | | - |
| (ii) | | | In the case where audit is being conducted in any other law, whether "*Third proviso to sec 44AB*" is considered while reporting under this clause? | | | | | | - |
| | | | **(a) Whether the assessee has opted for taxation under section 115BA/115BAA/115BAB?*** | | | | | | |
| | | | *Inserted vide CBDT Notification No. 82/2020 dated 01.10.2020 from AY 2020-21 | | | | | | |
| (iii) | | | Check whether the assesse is a company. | | | | | | Permanent File |
| (iv) | | | If yes, whether the company has opted for taxation regime under section 115BA/ 115BAA/ 115BAB and report accordingly? | | | | | | Permanent File |
| (v) | | | If yes, whether the copy of Form 10-IB / 10-IC /10-ID filed online has been obtained from the assessee? | | | | | | Permanent File + Current year File |
| | | | | | | | | | |
| **9.** | **9** | **18.1 to 18.6** | **(a) If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios.**<br><br>**In case of AOP, whether shares of members are indeterminate or unknown?** | | | | | | |
| (i) | | | Whether the tax auditor has obtained certified copies of the deeds, agreement (in case of LLP), documents, understanding, notice of changes etc. including certified copies of the acknowledgment, if any? | | | | | | Permanent File |
| (ii) | **9 Cont.** | | Whether the names of partners of the firm or members of the association of persons or body of individuals and their profit (or loss) sharing ratios (%) have been stated? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iii) | **9 Cont.** | | Where the partner of a firm or the member of AOP/ BOI acts in a representative capacity, whether the name of the beneficial partner/member has been stated? | | | | | | - |
| (iv) | | | In certain cases of association of persons or body of individuals, where it is possible that the shares of the members are not precisely ascertainable during the previous year resulting in a situation whereby the shares of the members are indeterminate or unknown. In such circumstances, whether the relevant fact has been stated? | | | | | | - |
| | | | **(b) If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change.** | | | | | | |
| (v) | | | Whether the particulars of all the changes occurred during the entire previous year relating to partners of the firm or members of the association of persons/ body of individuals or their profit or loss sharing ratio since the last date of the preceding year have been stated? | | | | | | Permanent File |
| (vi) | | | Whether the tax auditor has obtained latest certified copies of the deeds, agreement (in case of LLP), documents, understanding, notice of changes etc. including certified copies of the acknowledgment, if any? | | | | | | Permanent File |
| | | | | | | | | | |
| **10.** | **10** | **19.1 to 19.6 of GN** | **10(a) Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession)** | | | | | | |
| (i) | **10 Cont.** | **Pg. 4 to 8 (Impl. Guide)** | In regard to the nature of business, whether the principal line of each business is determined and stated in this clause along with relevant code? | | | | | | Permanent File+ Current year File |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **10 cont.** | | **10(b) If there is any change in the nature of business or profession, the particulars of such change.** | | | | | | |
| (ii) | | | Whether the tax auditor has obtained a declaration from the assessee regarding change in the nature of business, if any? | | | | | | Permanent File |
| | | | | | | | | | |
| **11.** | **11** | **20.1 to 20.10** | **(a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.** | | | | | | |
| (i) | | | Whether books of account have been prescribed for the assessee under section 44AA? The list so prescribed should be stated against this clause. | | | | | | - |
| | | | **(b) List of books of account maintained and the address at which the books of account are kept**<br><br>**(In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of account are not kept at one location, please furnish the addresses of locations along with the details of books of account maintained at each location.)** | | | | | | |
| | | | **(c) List of books of account and nature of relevant documents examined. [Clause 11(a) to (c)]** | | | | | | |
| (ii) | | | Whether complete list of books of account and other documents maintained by assesse have been obtained along with the address and examined? | | | | | | Current year file |
| (iii) | | | Whether list of books of account generated by assessee's computer system have been obtained? | | | | | | Current year file |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **12.** | **12** | **21.1 to 21.9** | **Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant sections (44AD, *44ADA, 44AE, **44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section).**<br>*** To be included once included in the notified form**<br>**** To be deleted once deleted from the notified form** | | | | | | |
| (i) | | | Whether assessee has opted for any presumptive Taxation Scheme as per section referred in above clause?<br>If yes, whether the amount and the section have been obtained? | | | | | | Current year file |
| (ii) | | | Whether such profits and gains (as per scheme) have been included in the profit and loss account? | | | | | | - |
| | | | | | | | | | |
| **13.** | **13** | **22.1 to 22.10** | **(a) Method of accounting employed in the previous year** | | | | | | |
| (i) | | | Whether the method of accounting employed in the previous year under audit is cash/mercantile is ascertained? | | | | | | - |
| (ii) | | | Whether any management letter has been received in this regard? | | | | | | Current year file |
| | | | **(b) - Whether any change in the method of accounting** | | | | | | |
| (iii) | | | Whether ascertained any change in the method of accounting employed by the assessee? If yes, whether the same been reported? | | | | | | Current year file |
| | | | **(c) - Effect of change in method of accounting** | | | | | | |
| (iv) | | | If yes in clause 13(b), whether the details of change in the method of accounting reported? | | | | | | - |
| | | | - Details of such change; and | | | | | | - |
| | **13 Cont.** | | - The effect thereof on the profit or loss. | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **13 Cont.** | **Refer TG on ICDS** | **(d) - Whether any adjustment is required to profit or loss to comply with the ICDSs notified u/s 145(2)** | | | | | | |
| | | | **(e) If answer to (d) above is in the affirmative, give details of such adjustments:** | | | | | | |
| | | | **(f) Disclosures as required by ICDSs** | | | | | | |
| (v) | | | Whether the applicability of ICDS has been checked? | | | | | | Current year file |
| (vi) | | | Whether the statement of adjustments required to profit or loss as per P&L in the tabular format given in clause 13(e) has been obtained? | | | | | | Current year file |
| (vii) | | | In your opinion, for a particular ICDS, if no adjustment is required, whether the management representation in this regard has been obtained? | | | | | | Current year file |
| (viii) | | | Whether the accounting policies followed by the assessee have been tested to see any divergence vis-a-vis ICDS? | | | | | | - |
| (ix) | | | Whether disclosures as required by ICDS have been given in tabular form in clause 13(*f*)? | | | | | | Current year file |
| | | | | | | | | | |
| **14.** | **14** | **23.1 to 23.24** | **(a) Method of valuation of closing stock employed in the previous year.** | | | | | | |
| (i) | | | Whether the procedure followed by the assesse for the valuation of inventory of closing stock in respect of every item has been checked and verified (like raw material, WIP, finished goods, etc)? | | | | | | - |
| | | | **(b) Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish:** | | | | | | |
| (ii) | **14 Cont.** | | Whether there has been any change in the method of valuation from the method as prescribed under section 145A? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iii) | **14 Cont.** | | Whether the adjustments in effect of difference between generally accepted accounting principles and section 145A has been made only in the statement of computation of total income accompanying the return and not been made in the books of account has been verified? | | | | | | Current year file |
| (iv) | | | Whether deviation, if any, from from the method of valuation prescribed under section 145A has been ascertained and its impact on profit and loss has been reported? | | | | | | Current year file |
| (v) | | | Whether adjustments under section 145A have been made in all cases where "exclusive method" is followed? | | | | | | Current year file |
| | | | | | | | | | |
| **15.** | **15** | **24.1 to 24.12** | **Give the following particulars of the capital asset converted into stock-in-trade:**<br>**(a) Description of capital asset;** | | | | | | |
| (i) | | | Whether details of all capital assets converted into stock-in-trade has been obtained and checked? | | | | | | Current year file |
| | | | **(b) Date of acquisition** | | | | | | |
| (ii) | | | Whether the tax auditor has ascertained the correct date of acquisition from the records of the financial year in which the asset was acquired and stated the same against sub-clause (b)? | | | | | | - |
| | | | **(c) Cost of acquisition** | | | | | | |
| (iii) | | | Whether the original costs of acquisition as per books of account have been reported? | | | | | | - |
| | | | **(d) Amount at which the asset is converted into stock-in-trade** | | | | | | |
| (iv) | **15 Cont.** | | Whether the amount recorded in books of account in respect of the converted asset is stated under this clause? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (v) | **15 Cont.** | | Whether the necessary accounting entries have been passed in the books of account at the time of conversion or treatment of capital asset into stock-in-trade? | | | | | | - |
| | | | | | | | | | |
| **16.** | **16** | **25.1 to 25.3** | **Amounts not credited to the profit and loss account, being,- (a) the items falling within the scope of section 28** | | | | | | |
| (i) | | | Whether a management letter with regard to the amount of income falling under the scope of section 28 and not credited to profit and loss account has been obtained? | | | | | | Current year file |
| (ii) | | | Whether income as reflected in Form No. 26AS is fully accounted for or reconciled for in Profit and Loss account? In case of items appearing in Form 26AS does not belong to the assessee, whether the necessary representation in this regard has been obtained? | | | | | | Current year file |
| | | **25.4 to 25.7** | **(b) the proforma credits, drawbacks, refund of duty of customs or excise or service tax, or refund of sales tax or value added tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned** | | | | | | |
| (iii) | | | Whether all relevant correspondence, records and evidence have been examined in order to determine that any particular refund/claim has been admitted as due and accepted during the relevant financial year? | | | | | | - |
| (iv) | | | Whether Management representation has been obtained in this regard? | | | | | | Current year file |
| | | **25.8 to 25.9** | **(c) escalation claims accepted during the previous year** | | | | | | |
| (v) | **16 Cont.** | | Whether there is any escalation claim made/ accepted during the year has been checked and reported accordingly? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **16 Cont.** | **25.10 to 25.11** | **(d) any other item of income** | | | | | | |
| (vi) | | | Whether any management letter has been obtained to the effect of any other income not credited to profit and loss account? | | | | | | Current year file |
| | | **25.12 to 25.15** | **(e) capital receipt, if any** | | | | | | |
| (vii) | | | Where auditor finds that certain income (e.g. income referred to in section 41(1)) has not been credited to profit and loss account, whether the particulars of the same along with the amount have been reported under this clause? | | | | | | Current year file |
| | | | | | | | | | |
| **17.** | **17** | **26.1 to 26.7** | **Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish:** | | | | | | |
| (i) | | | Whether the assesse has transferred any land or building or both during the year under consideration? | | | | | | - |
| (ii) | | | Whether the copy of registered sale deed has been obtained? | | | | | | Current year file |
| (iii) | | | Whether the consideration shown in the registered sale deed is in accordance with the provisions of section 43CA or 50C? | | | | | | - |
| | | | | | | | | | |
| **18.** | **18** | **27.1 to 27.23** | **Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form:-**<br>**(a) Description of asset/block of assets.**<br>**(b) Rate of depreciation.** | | | | | | |
| (i) | **18 Cont.** | | Whether the reconciliation has been obtained in respect of addition to fixed assets of the preceding year as per books and as per Income tax Act, 1961? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (ii) | **18 Cont.** | | Whether the list of additions/ deletions made during the year has been obtained? | | | | | | Current year file |
| (iii) | | | Whether management representation letter has been obtained in respect of the additions of assets which have been put to use during the year? | | | | | | Current year file |
| (iv) | | | Whether bifurcation has been made and verified in respect of purchases made during of the year for a period of less than 180 days from the end of the financial year? | | | | | | Current year file |
| (v) | | | Whether the classification of asset into Tangible and Intangible Assets and its addition to an appropriate block as per the rate of depreciation has been checked, verified, and made in consonance with legal principles? | | | | | | - |
| (vi) | | | Whether suitable disclosure depending upon the facts and circumstances of the earlier disputes between the assessee and the Department regarding classification, rate of depreciation etc. has been given? | | | | | | - |
| | | | **(c) Actual cost or written down value, as the case may be** | | | | | | |
| | | | **(ca) Adjustment made to the written down value under section 115BAA (for assessment year 2020-21 only)*** | | | | | | |
| | | | **(cb) Adjusted written down value*** | | | | | | |
| | | | *Inserted Vide CBDT Notification No. 82/2020 dated 01.10.2020 from AY 2020-21 | | | | | | |
| (vii) | **18 Cont.** | | Check whether the assessee company has opted for special taxation under section 115BAA during the AY 2020-21? If yes, calculate the adjusted WDV and report. | | | | | | Permanent File |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **18 Cont.** | | **(d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of –**<br>**(i) Central Value Added Tax credits claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March, 1994,** | | | | | | |
| (viii) | | | Whether details of additions (purchases/ acquisitions) and deductions (sale, scrapping etc.) during the year have been obtained? | | | | | | Current year file |
| (ix) | | | Whether these details have been verified with records and documentary evidence such as supplier's invoice, purchase order, sale bill etc.? | | | | | | - |
| (x) | | | Whether a certificate has been obtained from technical person regarding the dates when assets acquired during the year were put to use? | | | | | | Current year file |
| (xi) | | | Whether verified that cashless mode of payment is adopted where expenditure for acquisition of an asset involves payment of Rs. 10,000 or more to a person in a day? | | | | | | Current year file |
| (xii) | | | Whether it is verified with respect to input tax claimed in returns that the amount of input tax credit is deducted from cost of capital goods claimed as addition during the year under Income tax schedule? | | | | | | - |
| (xiii) | | | Whether the amount of credit claimed and allowed and reported under this clause has been cross checked with the data furnished in clause 27(a) of Form No. 3CD? | | | | | | - |
| | | | **(ii) change in rate of exchange of currency** | | | | | | |
| (xiv) | **18 Cont.** | | Whether the adjustments to the cost of fixed assets on account of changes in the rate of exchange | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **18 Cont.** | | of currency in the schedule of fixed assets prepared for computation of depreciation as per Income-tax Rules are in accordance with the provisions of section 43A? | | | | | | |
| (xv) | | | Whether a reconciliation statement has been prepared for any different treatment followed for difference of currency exchange for the purpose of books of account as per applicable accounting treatment under Accounting Standards? | | | | | | Current year file |
| | | | **(iii) subsidy or grant or reimbursement, by whatever name called** | | | | | | |
| (xvi) | | | Whether the provisions of section 43(1) have been followed in deducting subsidy or grant or reimbursement from the cost of asset? | | | | | | - |
| | | | **(e) Depreciation allowable.**<br>**(f) Written down value at the end of the year.** | | | | | | |
| (xvii) | | | Whether the depreciation and additional depreciation (if any) calculated as per the Depreciation rates under the Income tax Act has been checked? | | | | | | Current year file |
| | | | | | | | | | |
| **19.** | **19** | **28.1 to 28.8 GN** | **Amounts admissible under sections:** | | | | | | |
| | | **Pg.4 to8 (Impl. Guide)** | **Section 32AC - Investment in new Plant & Machinery** | | | | | | |
| (i) | | | No amount is admissible w.e.f. AY 2018-19 | | | | | | - |
| | | | **Section 32AD - Investment in new plant and machinery in notified backward areas in certain states.** | | | | | | |
| (ii) | | | Check whether there is a new investment in plant and machinery? | | | | | | Current year file |
| (iii) | **19 Cont.** | | If yes, whether management letter has been obtained with regard to investment made in the notified backward area? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iv) | **19 Cont.** | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (v) | | | Check whether the assessee has obtained a separate audit report for claiming such exemption (if any). | | | | | | Current year file |
| | | | **Section 33AB - Tea development account, coffee development account and rubber development account.** | | | | | | |
| (vi) | | | Whether the Assessee is engaged in business of growing and manufacturing tea or coffee or rubber in India? | | | | | | - |
| (vii) | | | If yes, whether management letter has been obtained with regard to the deposited amount in the NABARD or Tea Board/Coffee Board/Rubber Board in accordance with and for the purpose as specified in the scheme? | | | | | | Current year file |
| (viii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (ix) | | | Check whether the assessee has obtained a separate audit report for claiming such exemption (if any). | | | | | | Current year file |
| | | | **Section 33ABA- Site Restoration Fund** | | | | | | |
| (x) | | | Whether the assessee has entered into an agreement with the Government, for prospecting, or extraction or production of petroleum or natural gas or both? | | | | | | Current year file |
| (xi) | | | If yes, whether management letter has been obtained with regard to the deposited amount in the special account or site restoration account and for the purpose of the specified scheme? | | | | | | Current year file |
| (xii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (xiii) | **19 Cont.** | | Check whether the assessee has obtained a separate audit report for claiming such exemption (if any)? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **19 Cont.** | | **Section 35(1)(i) - Expenditure on Scientific Research** | | | | | | |
| (xiv) | | | Whether the assessee has incurred expenditure on scientific research (not be in the nature of capital expenditure) related to the business? | | | | | | Current year file |
| (xv) | | | Whether any such expenditure has been incurred as per Explanation to sub-section (1) before the commencement of business? | | | | | | Permanent File |
| (xvi) | | | Whether the certificate has been obtained from the Director General (Income Tax Exemptions) in concurrence with the Secretary, Department of Scientific and Industrial Research, Government of India? | | | | | | Permanent File |
| (xvii) | | | **Section 35(1) (ii)-**Whether the assessee has been paid any amount to the research association? | | | | | | - |
| (xviii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xix) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (xx) | | | **Section 35(1) (iia)-** Whether the sum paid to a company to be used by it for scientific research? | | | | | | - |
| (xxi) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xxii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (xxiii) | | | **Section 35(1) (iii)-**Whether the sum paid to a research association which has as its object the undertaking or research in social science or statistical research or to a university? | | | | | | - |
| (xxiv) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xxv) | **19 Cont.** | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xxvi) | **19 Cont.** | | **Section 35(1)(iv)-** Whether the assessee has incurred expenditure of capital nature on scientific research? If yes, the deduction shall be allowed as per the provisions of sub-section (2). | | | | | | - |
| (xxvii) | | | **Section 35(2AA)-** Whether the assessee has paid any sum to national laboratory or university or IIT under this section with specific direction for the use of such sum? | | | | | | - |
| (xxviii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xxix) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| (xxx) | | | **Section 35(2AB)-** Whether the company is engaged in the business of bio-technology or in any business of manufacture of article or things? | | | | | | - |
| (xxxi) | | | If yes, whether the assessee has incurred expenditure on scientific research towards inhouse research as approved by the Secretary, Department of Scientific and Industrial Research, Government of India? | | | | | | - |
| (xxxii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xxxiii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35ABB - Expenditure for obtaining license to operate telecommunication services** | | | | | | |
| (xxxiv) | | | Whether the assessee is in the operation of telecommunication services? | | | | | | Permanent File |
| (xxxv) | | | If yes, whether the assessee has incurred any capital expenditure for acquiring right to operate telecommunication services? | | | | | | - |
| (xxxvi) | **19 Cont.** | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xxxvii) | **19 Cont.** | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35AC -Expenditure on eligible projects and schemes.** | | | | | | |
| | | | *(Not applicable from 1st April 2018.)* | | | | | | - |
| | | | **Section 35AD - Deduction in respect of expenditure on specified business.** | | | | | | |
| (xxxviii) | | | Whether the expenses incurred is of capital nature? | | | | | | - |
| (xxxix) | | | If yes, whether the expenses incurred are wholly and exclusively for the purpose of specified business as given in sub-section (8) (a)? | | | | | | - |
| (xl) | | | Whether the expenditure incurred prior to its operation? | | | | | | - |
| (xli) | | | If yes, whether the amount is capitalized in the books of accounts of the assessee as on the date of commencement of its operations? | | | | | | - |
| (xlii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xliii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35CCA -Expenditure by way of payment to association and institution for carrying out rural development programme.** | | | | | | |
| (xliv) | | | Whether the assessee has incurred expenditure by way of payment to association or institution as specified in sub-section (1)? | | | | | | - |
| (xlv) | | | Whether the assessee has obtained the certificate from the association or institution as per sub-section (2), (2A) or (2B) as the case may be? | | | | | | Current year file |
| (xlvi) | **19 Cont.** | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **19 Cont.** | | **Section 35CCB - Expenditure by way of payment to association and institutions for carrying out programmes of conservation of Natural resources.** | | | | | | |
| (xlvii) | | | Whether the assessee has incurred expenditure by payment to an Association of institution which is undertaking a programme on natural resources or for afforestation as notified by Central Government? | | | | | | - |
| (xlviii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (xlix) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35CCC - Expenditure on agricultural extension project.** | | | | | | |
| (l) | | | Whether the assessee has incurred an expenditure on agriculture extension project as notified by NOTIFICATION NO. 15/2015 [F. NO. 203/30/2014/ITA.II], DATED 16-2-2015? | | | | | | - |
| (li) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (lii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35CCD- Expenditure on skill development project.** | | | | | | |
| (liii) | | | Whether the assessee has incurred an expenditure on skill development project as notified in accordance with the guidelines a prescribed in Rule 6AAF to Rule 6AAH? | | | | | | - |
| (liv) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (lv) | **19 Cont.** | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **19 Cont.** | | **Section 35D- Amortisation of certain preliminary expenses.** | | | | | | |
| (lvi) | | | Whether the assessee is an Indian Company? If yes, whether the expenses incurred by the assessee before the commencement of business or after the commencement, in connection with extension or setting up of an undertaking? | | | | | | - |
| (lvii) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (lviii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35DD - Amortisation of expenditure in case of amalgamation or demerger.** | | | | | | |
| (lix) | | | Whether the assessee is an Indian company? If yes, whether the expenses incurred by the company is wholly and exclusively for the purpose of amalgamation or demerger? | | | | | | - |
| (lx) | | | Whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (lxi) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | **Section 35DDA- Amortisation of expenditure under voluntary retirement scheme.** | | | | | | |
| (lxii) | | | Whether the expenses incurred by the company are related to payment of any sum to an employee in connection with his voluntary retirement? | | | | | | - |
| (lxiii) | | | Whether the assessee has claimed any deduction under this section? If yes, check whether the same has not been claimed as deduction under any other provision of this Act in respect of such expenditure? | | | | | | Current year file |
| (lxiv) | **19 Cont.** | | **Section 35E - Deduction for expenditure on prospecting etc. for certain minerals.** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (lxv) | **19 Cont.** | | Whether the assessee is an Indian Company or a person other than company who is resident of India? If yes, check whether the expenses incurred by the assessee are in relation to prospecting for, or extraction or production of any minerals? | | | | | | - |
| (lxvi) | | | If yes, whether management letter has been obtained with regard to the same? | | | | | | Current year file |
| (lxvii) | | | Check whether all the conditions for deduction under the relevant section are satisfied? | | | | | | - |
| | | | | | | | | | |
| **20.** | **20** | **29.1 to 29.7** | **(a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. (Section 36 (1)(ii))** | | | | | | |
| (i) | | | Whether the detail of commission or bonus paid/ payable during the year has been obtained? | | | | | | Current year file |
| (ii) | | | Whether such commission/bonus includes commission paid/payable to employee(s)? | | | | | | - |
| (iii) | | | If yes, whether such commission/bonus was paid/ payable to the employee in terms of employment agreement or it is paid/ payable to him as profits or dividends? If yes, Report accordingly. | | | | | | - |
| | | | **(b) Details of contributions received from employees for various funds as referred to in section 36(1)(va):** | | | | | | |
| (iv) | | | Whether the assessee has made any deduction from the salaries/wages paid to employees for the purpose of any fund or funds as specified under section 36(1)(va)? | | | | | | - |
| (v) | **20 Cont.** | | If yes, whether the list of such funds has been obtained? After verification, report accordingly. | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (vi) | **20 Cont.** | | Whether copies of evidences i.e. challans etc. have been obtained for record purposes? | | | | | | Current year file |
| | | | | | | | | | |
| **21.** | **21** | **30.1 to 30.27** | **(a) Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc.** | | | | | | |
| | | | **i) Capital Expenditure:** | | | | | | |
| (i) | | | Check whether a management representation letter has been obtained mentioning the details of any capital expenditure / expenditure incurred on installation or acquisition of capital asset has been charged to P& L account/ Manufacturing account/ Trading account/ Income and expenditure account? If yes, report accordingly. | | | | | | Current year file |
| | | | **ii) Personal Expenditure:** | | | | | | |
| (ii) | | | Whether all expenditure heads of Trading/Manufacturing, P&L or I&E account (including purchase account) have been examined to check any Personal expense has been charged/ debited to it? If yes, report accordingly. | | | | | | - |
| | | | **iii) Advertisement expenditure in any souvenir, brochure, tract, pamphlet or the like published by a political party:** | | | | | | |
| (iii) | | | Whether all expenditure heads of P&L or I&E account has been examined to verify if any advertisement expenditure in any souvenir, brochure, tract, pamphlet or the like published by a political party has been charged/debited to it? If yes, report accordingly. | | | | | | - |
| | **21 Cont.** | | **iv) Expenditure incurred at clubs being entrance fees and Subscriptions:** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iv) | **21 Cont.** | | Whether all expenditure heads of P&L or I&E account has been examined to verify if any expenditure is incurred at clubs being cost for entrance fees and subscriptions? If yes, report accordingly. | | | | | | - |
| | | | **v) Expenditure incurred at clubs being cost for club services and facilities used:** | | | | | | |
| (v) | | | Whether all expenditure heads of P&L or I&E account has been examined to verify if any expenditure is incurred at clubs being cost for club services and facilities used? If yes, report accordingly. | | | | | | - |
| | | | **vi) Expenditure by way of penalty or fine for violation of any law for the time being force:** | | | | | | |
| (vi) | | | Whether all expenditure heads of P&L or I&E account have been examined to verify if any expenditure by way of penalty or fine for violation of any law for the time being in force has been charged/debited to it? If yes, report accordingly. | | | | | | - |
| (vii) | | | Whether all the orders/notices received during the year under consideration under various laws like FEMA, GST, Custom and Excise etc. have been verified? | | | | | | Current year file |
| (viii) | | | Whether electronic cash ledger of GST Portal for payment of any fine or penalty has been verified? | | | | | | Current year file |
| (ix) | | | Whether TDS returns/ Traces portal/ Form No. 26AS for any fine/penalty have been verified? | | | | | | Current year file |
| | | | **vii) Expenditure by way of any other penalty or fine not covered above:** | | | | | | |
| (x) | **21 Cont.** | | Whether all expenditure heads of P&L or I&E account have been examined to verify if any expenditure by way of any other penalty or fine not covered above has been charged/debited to them? If yes, report accordingly. | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xi) | **21 Cont.** | | Whether list of pending litigations has been obtained from the management? | | | | | | Current year file |
| (xii) | | | Whether all the orders/notices received during the year under consideration issued by any court or any other forum have been obtained? | | | | | | Current year file |
| | | | **viii) Expenditure incurred for any purpose which is an offence or which is prohibited by law:** | | | | | | |
| (xiii) | | | Whether all expenditure heads of P&L or I&E account have been examined to verify if any expenditure is incurred for any purpose which is an offence or which is prohibited by law? If yes, report accordingly. | | | | | | - |
| (xiv) | | | Whether the necessary documents in this regard have been obtained? | | | | | | Current year file |
| | | **31.1 to 31.18** | **21 (b) Amounts inadmissible under section 40(a):-** | | | | | | |
| | | | ***(i)-as payment to non-resident referred to in sub-clause (i)*** | | | | | | |
| (xv) | | | Whether any payment of interest, royalty and fee for technical services or any other sum chargeable under Income Tax Act, 1961 (other than salary) is paid/ payable outside India to any person or to non-resident/ foreign company in India? | | | | | | - |
| (xvi) | | | If yes, whether TDS has been deducted on said payments as per chapter XVII-B of Income Tax Act, 1961? | | | | | | Current year file |
| (xvii) | | | Whether TDS deducted has been paid on said payments as per chapter XVII-B of Income Tax Act, 1961? | | | | | | Current year file |
| (xviii) | | | Whether Form no. 15CA/15CB filed during the year has been obtained? | | | | | | Current year file |
| (xix) | | | Whether TDS challans and TDS returns in form no. 26Q and form no. 27Q has been obtained? | | | | | | Current year file |
| (xx) | **21 Cont.** | | Whether TDS payable account has been verified from the books of account and reconciled with TDS challans and returns? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **21 Cont.** | | ***(ii) -as payment referred to in sub-clause (ia)*** | | | | | | |
| (xxi) | | | Whether TDS challans, TDS returns, and Form 26AS has been obtained? | | | | | | Current year file |
| (xxii) | | | Check whether there has been any sum paid / payable to a resident on which tax is deductible, but no tax has been deducted and if deducted, has not been paid on or before due date as section 139(1)? If yes, report accordingly. | | | | | | - |
| (xxiii) | | | In case, if TDS not deducted or after deduction not deposited, then whether assessee has obtained Form 26A along with annexure A (CA certificate) from the recipient? If yes, report accordingly. | | | | | | Current year file |
| | | | **(iii)- under sub-clause (ic) [Wherever applicable]** | | | | | | |
| (xxiv) | | | Whether any old demand of FBT has been paid during the year? If yes, report accordingly. | | | | | | - |
| | | | **(iv) -under sub-clause (iia)** | | | | | | |
| (xxv) | | | Whether any old demand of wealth tax has been paid during the year? If yes, report accordingly. | | | | | | Current year file |
| | | | **(v)- under sub-clause (iib)** | | | | | | |
| (xxvi) | | | Check whether assessee is a State Government Undertaking? | | | | | | - |
| (xxvii) | | | Whether such State Government undertaking has paid any royalty, license fee, service fee, privilege fee, service charge or any other fee or charge to State Government? If yes, report accordingly. | | | | | | Current year file |
| | | | **(vi) -under sub-clause (iii)** | | | | | | |
| (xxviii) | | | Whether the assessee has paid any sum chargeable under the head salary to any person outside India or to any non-resident? | | | | | | - |
| (xxix) | **21 Cont.** | | If yes, whether the TDS under chapter XVII-B has been deducted and paid? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **21 Cont.** | | **(vii) -under sub-clause (iv)** | | | | | | |
| (xxx) | | | Whether the assessee has established a provident fund or any other fund for the benefit of its employees? | | | | | | Permanent File |
| (xxxi) | | | Whether the assessee has appointed any person responsible for deduction of tax at source from any payments made from the fund which are chargeable to tax under the head salaries? | | | | | | - |
| (xxxii) | | | Whether the assessee has made any payments from the funds which are chargeable to tax under the head salaries during the year and tax has actually been deducted at source? | | | | | | Current year file |
| | | | **(viii)- under sub-clause (v)** | | | | | | |
| (xxxiii) | | | Whether the assessee has paid and debited the P&L/I&E account, on account of any income tax on non-monetary perquisites accrued to employees during the year as referred to in section 10(10CC)? If yes, report accordingly. | | | | | | - |
| | | **32.1 to 32.9** | **21(c) Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;** | | | | | | |
| (xxxiv) | | | Whether the latest duly attested copy of partnership deed applicable to related financial year has been obtained? | | | | | | Permanent file |
| | | | Whether the clauses of interest, salary, bonus, commission or remuneration in the partnership deed has been checked & verified? | | | | | | - |
| (xxxv) | **21 Cont.** | | Check whether such payments are allowable under the Income tax Act, 1961? If not, report accordingly. | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xxxvi) | **21 Cont.** | | Whether any interest, salary, bonus, commission or remuneration has been paid to member in representative capacity and charged to P&L/I&E account of an assessee being AOP/ BOI? If yes, report accordingly. | | | | | | Current year File |
| | | **33.1 to 33.6** | **21(d) Disallowance/deemed income under section 40A(3):** | | | | | | |
| (xxxvii) | | (A) | Check whether there is any payment or aggregate payments for any expenditure to a person by mode otherwise than by account payee cheque or bank draft or through other such electronic mode in excess of Rs. 10,000/- (or Rs. 35,000/- in case of transportation), in a day? | | | | | | - |
| (xxxviii) | | | If yes, check whether such payments are falling under Rule 6DD? | | | | | | - |
| (xxxix) | | | If such payments are not falling under rule 6DD, the same are not deductible and whether the same has been reported? | | | | | | - |
| (xl) | | | Where the payments in excess of Rs. 10,000/- (or Rs. 35,000/- in case of transportation), has been made by account payee cheque or draft or through electronic mode, whether the same has been verified with available evidence? | | | | | | Current year file |
| (xli) | | | Where the reporting has been done on the basis of the certificate of the assessee, whether the fact has been reported as an observation in clause (3) of Form No. 3CA and clause (5) of Form No.3CB, as the case may be? | | | | | | - |
| (xlii) | **21 Cont.** | (B) | Check whether there is any payment or aggregate payments for any liability incurred during any earlier previous year, as referred to in section 40A(3A) were made otherwise than by account payee cheque or bank draft or through other such electronic mode in excess of Rs. 10,000/- (or Rs. 35,000/- in case of transportation), in a day? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xliii) | **21 Cont.** | | If yes, check whether such payments are falling under Rule 6DD? | | | | | | - |
| (xliv) | | | Where the payments in excess of Rs. 10,000/- (or Rs. 35,000/- in case of transportation), has been made by account payee cheque or draft or through electronic mode, whether the same has been verified with available evidence? | | | | | | Current year file |
| (xlv) | | | Whether certificate from the assessee to the effect that the payments for expenditure referred to in section 40A(3) and section 40A(3A) were made by account payee cheque drawn on a bank or account payee bank draft, as the case may be has been obtained? | | | | | | Current year file |
| (xlvi) | | | Where the reporting has been done on the basis of the certificate of the assessee, whether the fact has been reported as an observation in clause (3) of Form No. 3CA and clause (5) of Form No.3CB, as the case may be? | | | | | | - |
| | | **34.1 to 34.3** | **21(e) Provision for payment of gratuity not allowable under section 40A(7);** | | | | | | |
| (xlvii) | | | Whether the assessee has made provision for the purpose of payment to any contribution towards approved gratuity fund? | | | | | | - |
| (xlviii) | | | Whether order of the Commissioner of Income-tax granting approval to the gratuity fund has been obtained and its validity has been examined? | | | | | | Permanent File |
| (xlix) | | | Whether the assessee has made any provision (other than referred above i.e. approved fund) for payment of gratuity to its employees during the year and charged in P&L/I&E account? | | | | | | - |
| (l) | **21 Cont.** | | If yes, whether the same has been reported under this clause (except those provision which has actually become payable during the year)? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **21 Cont.** | **35.1 to 35.2** | **21 (f) Any sum paid by the assessee as an employer not allowable under section 40A(9);** | | | | | | |
| (li) | | | Whether the assessee has paid any sum by way of setting up or formation of or a contribution to any fund, trust, company, AOP, BOI, Society or other institution? | | | | | | Current year file |
| (lii) | | | Whether such sum paid is covered under the provisions of clauses (iv), (iva) or (v) of section 36(1)? | | | | | | - |
| (liii) | | | If no, whether the same has been reported as not allowable? | | | | | | - |
| | | **361.1 to 36.3** | **21(g) Particulars of any liability of a contingent nature;** | | | | | | |
| (liv) | | | Whether assessee has debited the P&L/I&E account for any liability of contingent nature? | | | | | | Current year file |
| (lv) | | | Whether the accounting policies followed and disclosed in financials has been examined for ascertaining and verifying details? | | | | | | - |
| | | **37.1 to 37.12** | **21 (h) Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income;** | | | | | | |
| (lvi) | | | Whether the assessee has any income which does not form part of total income (i.e. exempt income)? | | | | | | - |
| (lvii) | | | If yes, whether the assessee has debited the P&L/I&E account with the expenditure in relation to earning the income which does not form part of total income? | | | | | | Current year file |
| (lviii) | | | Whether amount of inadmissible expenditure as estimated by the assessee with reference to established principles of allocation of expenditure based on logical parameters, has been verified? | | | | | | - |
| (lix) | **21 Cont.** | | If yes, whether the expenditure so debited to P&L/I&E has been disallowed? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (lx) | **21 Cont.** | | Whether Management Representation has been obtained in this regard in accordance with Standard on Auditing (SA) 580, Written Representations? | | | | | | Current year file |
| | | **38.1 to 38.7** | **21(i) Amount inadmissible under the proviso to section 36(1)(iii)** | | | | | | |
| (lxi) | | | Whether the assessee has paid any interest on borrowed capital for acquisition of an asset or for extension of existing business or profession (whether capitalized in the books of account or not)? | | | | | | - |
| (lxii) | | | If yes, whether there is time gap between date of borrowing and date of asset being put to use? If yes, report accordingly. | | | | | | Current year file |
| | | | | | | | | | |
| **22.** | **22** | **39.1 to 39.11** | **Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.** | | | | | | |
| (i) | | | Whether the assessee is obtaining goods or services from the persons who are registered as Micro and Small Enterprises under MSME Act? | | | | | | - |
| (ii) | | | Whether the auditor has collected the list of suppliers registered under MSME Act or not? | | | | | | Current year file |
| (iii) | | | Whether the auditor has obtained ageing analysis of such suppliers so as to ascertain the delay in payment beyond appointed date to ascertain interest liability? | | | | | | Current year file |
| (iv) | | | Whether the copies of arrangement from such suppliers have been obtained? | | | | | | Current year file |
| (v) | | | Whether the interest amount inadmissible under section 23 MSMED Act, 2006 has been verified from agreements and account statement? Report accordingly. | | | | | | - |
| (vi) | | | If no interest is paid/ provided in statement of profit and loss, whether appropriate qualification has been given? | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **23.** | **23** | **40.1 to 40.4** | **Particulars of payments made to persons specified under section 40A (2)(b).** | | | | | | |
| (i) | | | Check whether the auditor has obtained the list of all the specified persons as contemplated in this section? | | | | | | Current year file |
| (ii) | | | Check whether assessee has incurred any expenditure (including purchases) as contemplated in section 40A(2)(b)? Report accordingly. | | | | | | - |
| (iii) | | | In case of corporate assessee, whether the copies of the Ledger Accounts related to such parties has been obtained and examined the same with AS-18 transactions as reported in audited financial statements? | | | | | | Current year file |
| | | | | | | | | | |
| **24.** | **24** | **41.1 to 41.5 GN** | **Amounts deemed to be profits and gains under section 32AC, 32AD, 33AB or 33ABA or 33AC** | | | | | | |
| (i) | | **Pg. 8 to 9 (Impl. Guide)** | **Section 32AC** Whether any asset (Plant & Machinery) has been sold during the year? | | | | | | Current year file |
| (ii) | | | If yes, whether the assessee has claimed deduction under section 32AC in respect of such asset in preceding five previous years? | | | | | | - |
| (iii) | | | If yes, whether the amount of deduction allowed in preceding year(s) in respect of such asset has been reported under this clause? | | | | | | - |
| (iv) | | | **Section 32AD** Whether any asset (Plant & Machinery) has been sold during the year? | | | | | | Current year file |
| (v) | | | If yes, whether the assessee has claimed deduction under section 32AD in preceding five previous years in respect of such asset? | | | | | | - |
| (vi) | **24 Cont.** | | If yes, whether the amount of deduction allowed in preceding year(s) in respect of such asset has been reported under this clause? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (vii) | **24 Cont.** | | **Section 33AB**<br>Whether the Assessee is engaged in the business of growing and manufacturing Tea, Coffee or Rubber in India? | | | | | | Permanent File |
| (viii) | | | If yes, whether the Assessee has claimed deduction under section 33AB in earlier years (by depositing amount in special account or deposit account with NABARD or Tea/Coffer/Rubber board)? | | | | | | Current year file |
| (ix) | | | If yes, whether any amount is withdrawn during the year, for the purposes as specified in clause (a) and (d) of sub-section (3) of section 33AB? | | | | | | Current year file |
| (x) | | | If yes, whether the amount which is relatable to the deduction claimed earlier has been reported under this clause? | | | | | | - |
| (xi) | | | Whether the amount released/withdrawn has been utilized for purchase of assets specified under clause (a), (b), (c) or (d) of section 33AB(4)? | | | | | | - |
| (xii) | | | If yes, whether the amount which is relatable to the deduction claimed earlier has been reported under this clause? | | | | | | - |
| (xiii) | | | Whether any asset is sold during the year which was acquired with the amount standing in the special account/deposit account within preceding eight preceding year in accordance with the specified scheme? | | | | | | - |
| (xiv) | | | If yes, whether the amount which is relatable to the deduction claimed earlier under section 33AB(1) has been reported under this clause? | | | | | | - |
| (xv) | | | Whether there is any amount which has been released/ withdrawn from Special Account / Deposit account and remained unutilized? | | | | | | Current year file |
| (xvi) | **24 Cont.** | | If yes, whether the amount which is relatable to the deduction claimed earlier has been reported under this clause? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xvii) | **24 Cont** | | **Section 33ABA**<br>Whether the Assessee is engaged in business of prospecting for or extraction or production of, petroleum or natural gas or both in India? | | | | | | Permanent File |
| (xviii) | | | If yes, whether the Assessee has claimed deduction under section 33ABA in earlier years (by depositing amount in special account)? | | | | | | Current year file |
| (xix) | | | If yes, whether any amount is withdrawn during the year for the purposes other than specified in the scheme? | | | | | | Current year file |
| (xx) | | | If yes, whether the amount relatable to the deduction claimed earlier has been reported under this clause? | | | | | | - |
| (xxi) | | | Whether the amount released/withdrawn has been utilized for purchase of assets specified under clause (a), (b), (c) or (d) of section 33AB(4)? | | | | | | - |
| (xxii) | | | If yes, whether such amount is reported under this clause which is relatable to the deduction claimed earlier? | | | | | | - |
| (xxiii) | | | Whether any asset is sold during the year which was acquired with the amount standing in the special account within preceding eight preceding year in accordance with the specified scheme? | | | | | | - |
| (xxiv) | | | If yes, whether the amount which is relatable to the deduction claimed earlier under section 33ABA(1) has been reported under this clause? | | | | | | - |
| (xxv) | | | Whether there is any amount which has been released/withdrawn from Special Account and remained unutilized? | | | | | | Current year file |
| (xxvi) | | | If yes, whether such amount is reported under this clause which is relatable to the deduction claimed earlier? | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **25.** | **25** | **42.1 to 42.9** | **"Any amount of profit chargeable to tax under section 41 and computation thereof** | | | | | | |
| | | | **Section 41(1)- Recovery against any Allowance or Deduction Allowed earlier** | | | | | | |
| (i) | | | Whether a statement of trading liabilities written back (including unilateral act of remission or cessation of liability) during the year which was claimed as a deduction in any earlier assessment year has been obtained? | | | | | | Current year file |
| (ii) | | | If yes, whether any amount or benefit was received by the assessee during the year for loss or expenditure which was claimed as allowance or deduction in tax returns of any earlier assessment year? | | | | | | Current year file |
| (iii) | | | Check whether the successor of business has also been taxed on the above referred amount. | | | | | | Current year file |
| | | | **Balancing Charge on sale/discard of Fixed Assets of an undertaking engaged in Generation and/or Distribution of Power** | | | | | | |
| (iv) | | | **Section 41(2)**<br>Whether the assessee has sold any building, machinery, plant or furniture used for the purpose of business and on which depreciation is claimed under section 32(1)(i) and any money payable on the Fixed Assets sold, discarded, demolished or destroyed became due? | | | | | | Current year file |
| (v) | | | Whether the amount of money payable in respect of such fixed assets along with scrap value in excess of WDV of such fixed assets subject to maximum of difference between actual cost and WDV of such fixed assets reported? | | | | | | - |
| | **25 Cont.** | | **Profit on sale of capital assets used in scientific research** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (vi) | **25 Cont.** | | **Section 41(3)**<br>In case of sale of capital assets used for scientific research within the meaning of 35(1)(iv) or 35(2B)(c) read with section 43(4) report in this clause the least of the following if assets was not used for any other purpose:<br>(i) Sum total of sale proceeds of such assets and the amount of deduction allowed under section 35 in excess of the capital expenditure;<br>(iii) The amount of deduction allowed under section 35, | | | | | | - |
| (vii) | | | Whether management representation that such sold asset was not used for any other purposes is obtained? | | | | | | Current year file |
| | | | **Recovery out of Bad Debts allowed earlier as a deduction** | | | | | | |
| (viii) | | | **section 41(4)**<br>Whether assessee has recovered any bad debt which was claimed as deduction in earlier years? | | | | | | - |
| (ix) | | | Whether a statement of recovery of debts, which were earlier allowed as deduction, for write off as bad debts has been obtained? | | | | | | Current year file |
| | | | **Amount withdrawn from special reserve** | | | | | | |
| (x) | | | **Section 41(4A)**<br>Whether the assessee has withdrawn any amount from special reserve created under section 36(1)(viii) on which deduction was allowed in earlier years? | | | | | | Current year file |
| | | | **Adjustment of loss** | | | | | | |
| (xi) | | | **Section 41(5)**<br>Whether the assessee has any income as mentioned in section 41(1), (3), (4) and (4A) from a business or profession which is no longer in existence and for that business there are business losses which could not be set off during the previous year in which the business or profession ceased to exist? | | | | | | Current year file |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **26.** | **26** | **46.1 to 43.15-GN Pg.9 to 11- Impl. Guide** | **In respect of sum referred to in clause (a),(b),(c), (d), (e), (f) or (g) of section 43B, the liability for which**<br>**A) Pre-existed on the first day of the Previous year but was not allowed in the assessment of any preceding previous year and was:**<br>**a) Paid during the previous year**<br>**b) Not paid during the previous year**<br>**B) Was incurred in the previous year and was**<br>**a) Paid on or before the due date for furnishing the return of income of the previous year under section 139(1);**<br>**b) Not paid on or before the aforesaid date.** | | | | | | |
| (i) | | | **Section 26(i)(A)(a)-** Whether there are any dues pertaining to clause (a) to (g) of section 43B on the first day of previous year, which was not allowed in the assessment for any preceding previous year? (Reference can be made to clause 26(i)(A)(b) and 26 (i)(B)(b) of the form no. 3CD of last year) | | | | | | - |
| (ii) | | | Whether any amount is paid towards such dues during the previous year? | | | | | | Current year file |
| (iii) | | | If yes, whether the same has been reported in clause 26(i)(A)(a)? | | | | | | - |
| (iv) | | | Whether proof of payments pertaining to above has been verified? | | | | | | - |
| (v) | | | **Section 26(i)(A)(b)-**Whether there are any dues pertaining to clause (a), (b), (c), (d), (e), (f) or (g) of section 43B that preexisted on first day of the previous year which are still pending for payment on the last day of the previous year? | | | | | | Current year file |
| (vi) | **26 Cont.** | | If yes, whether the same have been reported in clause 26 (i)(A)(b)? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (vii) | **26 Cont.** | | **Section 26(i)(B)(a)-** Whether there are any dues pertaining to clause (a), (b), (c), (d), (e), (f) or (g) of section 43B incurred during the previous year and are due at the last day of the previous year (Section wise details to be checked)? | | | | | | - |
| (viii) | | | If yes, whether the said amount was paid on or before the due date for furnishing the return of income of the previous year under section 139(1)? | | | | | | Current year file |
| (ix) | | | If yes, whether same has been reported in clause 26(i)(B)(a)? | | | | | | - |
| (x) | | | Whether proof of payments pertaining to above taken has been verified? | | | | | | - |
| (xi) | | | Whether outstanding balances have been mapped with Balance Sheet on the closing date? | | | | | | Current year file |
| (xii) | | | **Section 26(i)(B)(b)-** Whether there are any dues pertaining to clause (a), (b), (c), (d), (e), (f) or (g) of section 43B which were incurred and due on the last day of the previous year, not paid on or before the due date for furnishing the return of income of the previous year under section 139(1)? | | | | | | Current year file |
| (xiii) | | | If yes, whether same has been reported in clause 26(i)(B)(b)? | | | | | | - |
| (xiv) | | | **Section 26 (ii)-Whether, goods & service tax, customs duty, excise duty or any other indirect tax, levy, cess, impost etc. has been passed through the profits and loss account?** | | | | | | Current year file |
| (xv) | | | If yes, whether the same has been reported? | | | | | | - |
| | | | | | | | | | |
| **27.** | **27** | **44.1 to 44.9** | **Amount of Central Value Added Tax credits availed of or utilized during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **27 Cont.** | | *(Not applicable after enactment of GST Acts. Separate details are required in clause 44 of Form 3CD regarding GST)* | | | | | | - |
| | | **45.1 to 45.5** | **Particulars of income or expenditure of prior period credited or debited to the profit and loss account.** | | | | | | |
| (i) | | | Whether assessee is following mercantile system of accounting? | | | | | | - |
| (ii) | . | | If yes, whether any expenditure or income of any earlier year debited or credited to the profit and loss account of the relevant previous year? | | | | | | Current year file |
| (iii) | | | If yes, whether the same is reported under this clause? | | | | | | - |
| (iv) | | | In case of company, whether disclosure of prior period items in financial statements has been tallied? | | | | | | Current year file |
| | | | | | | | | | |
| **28.** | **28** | **46.1 to 46.6** | **Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(viia), if yes, please furnish the details of the same.** | | | | | | |
| | | | This clause is not applicable from the Assessment year 2018-19. Reporting is required under clause 29B (a). | | | | | | - |
| | | | | | | | | | |
| **29.** | **29** | **47.1 to 47.8** | **Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(viib), if yes, please furnish the details of the same.** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (i) | **29 Cont.** | | Whether the assesse is a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares? | | | | | | Current year file |
| (ii) | | | Whether Share capital schedule and ROC records such as Forms PAS-3, MGT-14 and MGT-01 have been obtained and verified? | | | | | | Permanent File+ Current year File |
| (iii) | | | Whether the Valuation report as per Rule 11U/ 11UA has been obtained? | | | | | | Current year file |
| | | | | | | | | | |
| **30.** | **29A** | **Pg. 11 to 14 Impl. Guide** | **(a) Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in section 56(2)(ix)?** | | | | | | |
| (i) | | | Whether any change in the balances of the advances received against sale of capital assets has been verified? | | | | | | - |
| (ii) | | | Is there any sum of money forfeited which is received as an advance or otherwise in the course of negotiations for transfer of a capital asset? | | | | | | Current year file |
| (iii) | | | Whether the Management representation letter explaining in details of the nature of the forfeiture has been received? | | | | | | Current year file |
| (iv) | | | **29A(b) If yes, please furnish the following details: (i) Nature of income : (ii) Amount thereof:** | | | | | | |
| | | | | | | | | | |
| **31.** | **29B** | **Pg. 14 to 19 Impl. Guide** | **(a) Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in section 56(2)(x)?** | | | | | | |
| (i) | **29B Cont.** | | Whether Assessee is in receipt of money other than from the relatives (as per section 56(2)) which exceeds Rs. 50,000? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (ii) | **29B Cont.** | | Whether there is an addition to the immovable properties or investments (being immovable property) in the books of account? If so, check the mode of acquisition and consideration paid. Also, whether the same has been cross examined with SFT details in Form 26AS? | | | | | | Current year file |
| (iii) | | | Whether the mode of acquisition of the assets is provided in the exceptions such as will, gift from relatives, on occasion of marriage, from trust registered U/s 12A etc as mentioned in Fourth Proviso to Section 56(2)(x)? | | | | | | Current year file |
| (iv) | | | Whether there is any addition to property being capital asset such as shares and securities, jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion is present in the books of Accounts? | | | | | | Current year file |
| (v) | | | Whether the necessary agreement and sale deeds have been obtained for verification? | | | | | | Current year file |
| (vi) | | | Whether the assesee has disputed the stamp duty valuation and report accordingly? | | | | | | Current year file |
| (vii) | | | Whether the FMV valuation report as per Rule 11U/11UA been obtained in the case of other assets other than immovable property? | | | | | | Current year file |
| (viii) | | | Whether the fair value of the amount chargeable to tax, if such money/property received is in excess of Rs 50,000/- from the fair value has been computed? Report accordingly. | | | | | | - |
| (ix) | | | Whether the Management representation letter explaining in detail of all the transactions relating to receipt of money/property has been received? | | | | | | Current year file |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **32.** | **30** | **48.1 to 48.4** | **Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque. [Section 69D]** | | | | | | |
| (i) | | | Whether a complete list of borrowings on Hundi and its repayment (including interest) by the assesse has been obtained? (Obtain Management Representation as regards details & compliance.) | | | | | | Current year file |
| (ii) | | | Whether the loan balances confirmations has been obtained? Also check the bank book and bank statements. | | | | | | Current year file |
| (iii) | | | Whether the evidence of acceptance/repayment through an account payee cheque has been obtained? | | | | | | Current year file |
| (iv) | | | In the absence of conclusive or satisfactory evidence whether the auditor has obtained suitable certificate/ management representation in this regard? | | | | | | Current year file |
| | | | | | | | | | |
| **33.** | **30A** | **Pg. 20 to 25 Impl. Guide** | **(a)Whether primary adjustment to transfer price, as referred to in sub-section (1) of section 92CE, has been made during the previous year?**<br>**(b) If yes, please furnish the following details:**<br>**(i) Under which clause of sub-section (1) of section 92CE primary adjustment is made?**<br>**(ii) Amount (in Rs.) of primary adjustment:** | | | | | | |
| (i) | | | Whether the primary transfer pricing adjustments are in relation to international transactions or in respect of specified domestic transactions? | | | | | | - |
| (ii) | **30A Cont.** | | Whether the amount of primary adjustment made in any previous year exceeds Rs. 1 crore? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iii) | **30A Cont.** | | Whether a certificate from the assessee, as to what transfer pricing adjustments have been made in the return/(s) of income filed during the previous year has been obtained? | | | | | | Current year file |
| (iv) | | | Whether any advance pricing agreement was entered into during the previous year? | | | | | | Permanent File+ Current year File |
| (v) | | | Whether any transfer pricing adjustment was made/ confirmed in an assessment order/appellate authority order passed during the previous year? | | | | | | Current year file |
| (vi) | | | Whether any agreement has been arrived at under a Mutual Agreement Procedure during the previous year? | | | | | | Permanent File+ Current year File |
| | | | **(iii) Whether the excess money available with the associated enterprise is required to be repatriated to India as per the provisions of sub-section (2) of section 92CE? (Yes/No)**<br>**(iv) If yes, whether the excess money has been repatriated within the prescribed time (Yes/No)** | | | | | | |
| (vii) | | | Whether the excess money received within the prescribed time has been verified? | | | | | | Current year file |
| | | | **(v) If no, the amount (in Rs.) of imputed interest income on such excess money which has not been repatriated within the prescribed time:** | | | | | | |
| (viii) | | | Whether the certificates of the relevant SBI/LIBOR interest rates, and the computation of the imputed interest income has been obtained from taxpayer? | | | | | | Current year file |
| (ix) | | | Whether correctness of such calculation of interest, on the basis of the certificates regarding the SBI/LIBOR rates plus the incremental interest, as per rule 10CB has been verified? | | | | | | - |
| (x) | **30A Cont.** | | Whether the amount of interest imputed till the end of the previous year has been furnished? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xi) | **30A Cont.** | | In case the interest up to the date of filing of the tax audit report is given, whether a break-up of the amount of interest imputed till end of the relevant previous year and for the period post the end of the relevant previous year ending with the date of filing tax audit report has been provided? | | | | | | Current year file |
| (xii) | | | Whether the interest income arising from primary adjustment made in earlier year has been furnished by the taxpayer to the tax auditor, and the information pertaining to such primary adjustments in respect of interest income which is chargeable u/s. 92CE(2) has been verified and reported? | | | | | | - |
| | | | | | | | | | |
| **34.** | **30B** | **Pg. 26 to 30 Impl. Guide** | **(a) Whether the assessee has incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B?** | | | | | | |
| (i) | | | Check whether interest expenditure incurred exceeds Rs. 1 crore? If yes, report accordingly in part (b) of the clause. | | | | | | - |
| | | | **(b) If yes, please furnish the following details: -**<br>**(i) Amount (in Rs.) of expenditure by way of interest or of similar nature incurred:** | | | | | | |
| (ii) | | | Whether details of expenditure by way of interest or of similar nature that needs to be provided in this sub- clause has been verified? | | | | | | - |
| | | | **(ii) Earnings before interest, tax, depreciation, and amortization (EBITDA) during the previous year (in Rs.)** | | | | | | |
| (iii) | **30B Cont.** | | Whether while computing the EBITDA, the figures as per the final audited stand-alone accounts of the company have been considered? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **30B Cont.** | | **(iii) Amount (in Rs.) of expenditure by way of interest or of similar nature as per (i) above which exceeds 30% of EBITDA as per (ii) above:** | | | | | | |
| (iv) | | | Check whether the EBITDA is negative? If yes, the entire interest and other similar expenditure as per item (i) need to be given here. | | | | | | - |
| | | | **(iv) Details of interest expenditure brought forward as per subsection (4) of section 94B:** | | | | | | |
| (v) | | | Check whether brought forward excess interest has been disallowed in earlier years(which has not been allowed as a deduction, and which is available for deduction during the year under audit)? | | | | | | - |
| | | | **(v) Details of interest expenditure carried forward as per subsection (4) of section 94B:** | | | | | | |
| (vi) | | | Check whether there is carried forward excess interest? If yes, report accordingly. | | | | | | - |
| | | | | | | | | | |
| **35.** | **30C** | | **(a) Whether the assessee has entered into an impermissible avoidance arrangement, as referred to in section 96, during the previous year?**<br><br>**(b) If yes, please specify: —**<br>**(i) Nature of impermissible avoidance arrangement:**<br><br>**(ii) Amount (in Rs.) of tax benefit in the previous year arising, in aggregate, to all the parties to the arrangement:** | | | | | | |
| | | | This clause is not applicable for Assessment Year 2020-21 vide Circular no. 10/2020 dated 24.04.2020. | | | | | | |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **36.** | **31** | **49.1 to 51.6-GN** | **Acceptance/Repayment of Loan/Deposit / Specified Sum under Sections 269SS / 269ST and 269T** | | | | | | |
| (i) | | **Pg. 30 to 41 Impl. Guide** | Check whether there are new acceptance/ repayment of any Loan/ deposit and transactions of specified sum during the year under consideration. | | | | | | - |
| (ii) | | | Whether the complete list of borrowings and repayments as envisaged under Sec.269SS and 269T & 269ST has been obtained from the Assessee? | | | | | | Current year file |
| (iii) | | | Whether Certificate/ Declaration (MRL) obtained from the Assessee in respect of sum exceeding the limit as specified in the above sections? | | | | | | Current year file |
| (iv) | | | Whether advance against property received or repaid during the year has been checked from the Fixed Assets or investments or stock in trade & Advance related ledgers? | | | | | | - |
| (v) | | | Check whether the assesse has received an amount of Rs.2 Lakhs or more in aggregate from a person in a day or in respect of a single transaction or in regard to one event or occasion from a person in violation of the provisions of section 269ST? If yes, report accordingly. | | | | | | Current year file |
| (vi) | | | Whether Loan confirmations from parties of Secured/ Unsecured loans, obtained or not? | | | | | | Current year file |
| (vii) | | | Whether Auditor has suitably commented in his report about non-availability of evidences, if circumstances require? *(Suggested comment as per Guidance Note*: "It is not possible for me/us to verify whether the receipts/payments have been accepted/made otherwise than by an account payee cheque or an account payee bank draft, as necessary evidence is not in the possession of the assessee") | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **37.** | **32** | **52.1 to 52.6** | **(a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available:** | | | | | | |
| (i) | | | Whether there is any brought forward loss or unabsorbed depreciation allowance? | | | | | | - |
| (ii) | | | If yes, whether the same has been examined and reconciled with previous Income tax return (ITR), Assessment orders, ITD website and Form 3CD? | | | | | | Current year file |
| (iii) | | | Whether the management representation letter/ assessment orders/ appeal orders, if any has been obtained? Report accordingly. | | | | | | Current year file |
| (iv) | | | Whether there is any loss other than Depreciation that cannot be carried forward for more than 8 years/ 4 years as the case may be, has been checked? | | | | | | - |
| (v) | | | Whether all the conditions referred to in section 115BAA has been fulfilled?* | | | | | | - |
| (vi) | | | Whether there is any amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAA and accordingly reported?* | | | | | | - |
| | | | *Inserted Vide CBDT Notification No. 82/2020 dated 01.10.2020 from AY 2020-21 | | | | | | |
| | | **53.1 to 53.5** | **(b) Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79** | | | | | | |
| (vii) | | | Whether the list of shareholders and Annual report of the last year and preceding year has been obtained? | | | | | | Current year file |
| (viii) | **32 Cont.** | | If yes, whether the brought forward losses not eligible for claim are reduced and reported accordingly? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| | **32 Cont.** | **54.1 to 54.8** | **(c) Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same.** | | | | | | |
| (ix) | | | Check whether there is any speculation loss in terms of section 73? If yes, report accordingly. | | | | | | Current year file |
| | | **55.1 to 55.4** | **(d) Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, if yes, please furnish details of the same.** | | | | | | |
| (x) | | | Check whether there is any loss in terms of section 73A? If yes, report accordingly. | | | | | | Current year file |
| | | **56.1 to 56.3** | **(e) In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year** | | | | | | |
| (xi) | | | Is the company, deemed to be carrying on any speculation business as referred in explanation to section 73? | | | | | | - |
| (xii) | | | If yes, whether the relevant information and carried forward of eligible losses and report in clause (e) has been obtained and reported accordingly? | | | | | | Current year file |
| | | | | | | | | | |
| **38.** | **33** | **57.1 to 57.7** | **Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA)** | | | | | | |
| (i) | **33 Cont.** | | Whether the eligibility of deduction as per the provisions of the relevant section has been checked, verified from relevant evidence and reported accordingly? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (ii) | **33 Cont.** | | Where independent certificates/ reports as required for claiming the deduction, whether a copy of the same along with necessary evidence has been obtained from the assesse? | | | | | | Current year file |
| (iii) | | | Check whether the same have been filed online with Income Tax Department? | | | | | | |
| (iv) | | | Whether the Management representation letter has been obtained from the client in respect of full and complete details and documentary evidences and the eligibility criteria of the client regarding the claim of deductions made by the client? | | | | | | Current year file |
| (v) | | | Check Whether the Income tax return of the client is filed within the due date specified u/s. 139(1) of the I.T. Act for the eligibility of the claim of deduction in respect of Part-C - Deductions in respect of certain Incomes under Chapter-VIA? | | | | | | - |
| | | | | | | | | | |
| **39.** | **34** | **58.1 to 58.13** | **(a) Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:** | | | | | | |
| (i) | | | Whether the copies of all TDS / TCS returns / Challans and management representation letter regarding deductibility/ collectability and deposit of TDS/ TCS have been obtained? | | | | | | Current year file |
| (ii) | | | Whether various heads of expenses from the books of the assessee where there is a likelihood of TDS liability has been identified and scrutinized those accounts to ensure that wherever TDS was liable to be deducted, is deducted and deducted correctly? | | | | | | - |
| (iii) | **34 Cont.** | | Whether the TDS/ TCS deduction/ collection have been checked and verified from relevant vouchers/challans / copy of accounts etc? | | | | | | - |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iv) | **34 Cont.** | | Whether the ledger to obtain instances where tax is deductible, but it is not deducted or there is short deduction/ not deposited has been scrutinized? Report accordingly. | | | | | | - |
| (v) | | | If there is any default in collection/ deposit whether the same have been checked in terms of section 40(a)(ia). | | | | | | - |
| (vi) | | | In case of non- deduction/ non-deposit, whether assessee has obtained Form 26A from the deductee? If yes, report accordingly. | | | | | | - |
| | | **59.1 to 59.2 -GN** | **(b) Whether the assessee is required to furnish the statement of tax deducted or tax collected. If yes, please furnish the details:** | | | | | | |
| (vii) | | **Pg. 41 to 43 Impl. Guide** | Whether the receipts/ acknowledgements of the various TDS returns/ correction statements filed by the assessee during the year have been obtained? | | | | | | Current year file |
| (viii) | | | Whether the returns are filed within the due dates specified under the Act? | | | | | | - |
| | | **60.1 to 60.2** | **(c) Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish:** | | | | | | |
| (ix) | | | Whether the returns and challans have been obtained and interest calculation been checked? Report accordingly. | | | | | | Current year file |
| (x) | | | If there is a difference in calculation vis-a-vis the amount reflected in Form. No. 26AS, whether the observation and reason of difference have been reported accordingly. | | | | | | Current year file |
| | | | | | | | | | |
| **40.** | **35** | **61.1** | **(a) In the case of a trading concern, give quantitative details of the principal items of goods traded:** | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (i) | **35 Cont.** | | Whether the details in the format specified in clause 35(a) for items which constitute 10% of the aggregate value of purchases, has been obtained? | | | | | | Current year file |
| (ii) | | | Whether the details given above have been cross checked with the Books of account and any deviation noticed? | | | | | | - |
| (iii) | | | In case of shortage, whether the reason for shortage has been checked? Whether the insurance claims made, stock lost, theft etc., have been correlated with GST returns for the period? | | | | | | Current year file |
| (iv) | | | Whether Management Representation has been obtained in this regard? | | | | | | Current year file |
| | | **62.1 to 62.5** | **(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products:**<br><br>**(A) Raw materials:**<br><br>**(B) Finished products/By-products:** | | | | | | |
| (v) | | | Whether the details in the format specified in clause 35(b) A & B for items which constitute 10% of the aggregate value of purchases, Turnover, Consumption, and production has been obtained? | | | | | | Current year file |
| (vi) | | | Whether the details given above has been cross checked with the Books of account, Consumption records, production records and closing stock and any deviation noticed? | | | | | | - |
| (vii) | | | Whether the consumption and yield details has been checked with production records and yields obtained for the Finished Goods, Raw materials, By-products, Scrap etc. has been reported accordingly? | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **41.** | **36** | **63.1 to 63.5** | **In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form** | | | | | | |
| | | | **(a) total amount of distributed profits;** | | | | | | |
| (i) | | | Whether the company has declared or distributed any dividend before 31.03.2020? | | | | | | Current year file |
| (ii) | | | Whether the gross amount of dividend distributed is reported here without any deductions? | | | | | | - |
| (iii) | | | Whether Dividend represented by section 2(22)(e) included here? | | | | | | - |
| (iv) | | | Whether the Resolution has been passed for the proposing and payment of Dividend obtained? | | | | | | Current year file |
| (v) | | | Whether disclosure has been made in the financial statements about the proposed dividend? | | | | | | - |
| (vi) | | | Whether the Bank statement of the escrow account for dividend obtained and verified? | | | | | | Current year file |
| (vii) | | | Whether Company's internal MIS for the said transaction has been checked? | | | | | | - |
| | | | **(b) amount of reduction as referred to in section 115-O(1A)(i)** | | | | | | |
| (viii) | | | Whether the amount of reduction as referred to in section 115-O(1A)(i) i.e dividend received by the company from its subsidiary which is also domestic and have paid the tax on such dividend has been checked? | | | | | | Current year file |
| (ix) | | | If the subsidiary is foreign company whether the tax is paid by the domestic company U/s 115BBD? | | | | | | Current year file |
| | | | **(c) amount of reduction as referred to in section 115-O(1A)(ii)** | | | | | | |
| (x) | **36 Cont.** | | Whether the amount of dividend, if any, paid to any person for, or on behalf of, the New Pension System Trust referred to in clause (*44*) of section 10 has been reported? | | | | | | Current year file |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (xi) | **36 Cont.** | | Whether the working papers of how such reduction has arrived have been kept in the file by the auditor? | | | | | | Current year file |
| | | | **(d) total tax paid thereon; Or**<br>**(e) dates of payment with amounts.** | | | | | | |
| (xii) | | | Whether the date of payment of tax has been ascertained from the duly received challan and books of account etc? | | | | | | Current year file |
| (xiii) | | | Check whether DDT amount is correctly calculated as per section 115-O? | | | | | | - |
| (xiv) | | | Check whether DDT amount has been deposited within 14 days of declaration, distribution or payment of dividend whichever is the earliest? | | | | | | Current year file |
| (xv) | | | Whether TDS U/s 194 has been deducted if dividend declared after 01.04.2020? | | | | | | Current year file |
| | | | | | | | | | |
| **42.** | **36A** | **Pg. 43 to 49 Impl. Guide** | **(a) Whether the assesse has received any amount in the nature of dividend as referred to in section 2(22)(e)? (Yes/No.)** | | | | | | |
| | | | **(b) If yes, please furnish the following details:—**<br>**(i) Amount received (in Rs.):**<br>**(ii) Date of receipt:** | | | | | | |
| (i) | | | Whether the assesse is a company in which public is not substantially interested? | | | | | | Permanent File |
| (ii) | | | Whether assessee has received any payment, by way of advance or loan from a company in which the assesse is a shareholder/ member/ partner having a substantial interest? Whether shareholder is registered shareholder having more than 10% shares in the said company? | | | | | | Current year file |
| (iii) | | | Check whether company possessed accumulated profits on the date of payment of such loan/ advance to the assessee and report accordingly. | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **43.** | **37** | **64.1 to 64.3** | **Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/ quantity as may be reported/identified by the cost auditor.** | | | | | | |
| (i) | | | Check whether cost audit provisions are applicable to the assessee during the year as per provision of section 148 of Companies Act, 2013? | | | | | | - |
| (ii) | | | Check whether a copy of cost audit report have been obtained from the assessee? | | | | | | Current year file |
| (iii) | | | Check, is there any disqualification or disagreement on any matter/item/value/quantity reported/identified by the cost auditor in above report? | | | | | | - |
| (iv) | | | If yes, check what further information is available with the assessee with regard to above till the date of tax audit report and incorporate that subsequent information in the report. | | | | | | Current year file |
| | | | | | | | | | |
| **44.** | **38** | **65.1 to 65.3** | **Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported / identified by the auditor.** | | | | | | |
| (i) | | | Whether any audit was conducted under the Central Excise Act, 1944 for any year has been ascertained from the management? If yes, whether copy of the report from the assesse has been obtained and reported accordingly? | | | | | | Current year file |
| | | | *(Not applicable now as Central Excise Act, 1944 has been replaced by Goods and Service Tax.)* | | | | | | |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **45.** | **39** | **66.1 to 66.3** | **Whether any audit was conducted under section 72A of the Finance Act, 1994 in relation to valuation of taxable services, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/ quantity as may be reported/identified by the auditor** | | | | | | |
| (i) | | | Whether any audit conducted under the section 72A of the Finance Act 1994, in relation to value of taxable service of any year has been ascertained from the management? If yes, whether copy of the report from the assesse has been obtained and reported accordingly? | | | | | | Current year file |
| | | | *(Not applicable now as Service Tax have been replaced by Goods and Service Tax.)* | | | | | | |
| | | | | | | | | | |
| **46.** | **40** | **67.1 to 67.9** | **Details regarding turnover, gross profit, etc., for the previous year and preceding previous year** | | | | | | |
| (i) | | | Whether the details of turnover, gross profit etc for the preceding year and the previous year have been obtained. Whether the same have been checked, verified and accordingly calculated the ratios to report under this clause? | | | | | | Current year file |
| (ii) | | | Check whether relevant previous year figures are taken from previous year's audit report? | | | | | | Current year file |
| (iii) | | | In case the preceding previous year is not subject to audit, whether the reporting has been done as per Guidance note in Para 3 or Para 5 of Form 3CA/3CB, as the case may be? | | | | | | - |
| | | | | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| **47.** | **41** | **68.1 to 68.3** | **Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 along with details of relevant proceedings.** | | | | | | |
| (i) | | | Whether the List of Applicable Tax Laws other than Income tax Act and Wealth tax Act has been prepared? Whether a management representation has been obtained in this regard? | | | | | | Permanent File |
| (ii) | | | Whether copies of all the demand/ refund orders issued by the governmental authorities during the previous year under any tax laws other than Income Tax Act and Wealth Tax Act have been obtained? | | | | | | Current year file |
| (iii) | | | Whether the bank statements of the assesse have been checked to ascertain any refund has been received under any tax laws? | | | | | | Current year file |
| (iv) | | | Whether the details provided by the assesse have been verified with the relevant portal of the tax law? | | | | | | - |
| (v) | | | Whether the demand/refund order issued during the previous year is reported under this clause? | | | | | | - |
| (vi) | | | If the demand / refund is actually paid/ received, whether the fact is mentioned in the report? | | | | | | - |
| | | | | | | | | | |
| **48.** | **42** | **Pg. 49 to 68 Impl. Guide** | **(a) Whether the assessee is required to furnish statement in Form No.61 or Form No.61A or Form 61B? (Yes/No)**<br>**(b) If yes, please furnish :** | | | | | | |
| (i) | | | Whether the books of account have been verified and transactions which are required to be reported under the rules 114B, 114E, 114F, 114G and 114H have been identified? | | | | | | - |
| (ii) | **42 Cont.** | | Whether the returns have been checked and matched with the ITDREIN of the assessee on the Income Tax Portal? | | | | | | |

| Sr. No. | Clause | Reference to the GN on tax Audit/ Implementation Guide/ TG on ICDS (Para No./ Page No.) | Particulars | Yes | No | NA | Remarks | Document/ Reference | File |
|---|---|---|---|---|---|---|---|---|---|
| (iii) | **42 Cont.** | | Whether copy of Form 61/61A/61B filed with the Department have been obtained and the transactions reported in such forms have been reconciled with books of accounts? | | | | | | Current year file |
| (iv) | | | If any transaction has not been reported in the prescribed form and manner, whether the same have been reported under this clause? | | | | | | - |
| | | | | | | | | | |
| **49.** | **43** | **Pg. 68 to 73 Impl. Guide** | **(a) Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in section 286(2)? (Yes/No) (b) If yes, please furnish the following details : (i) Whether report has been furnished by the assessee or its parent entity or an alternate reporting entity (ii) Name of parent entity (iii) Name of alternate reporting entity (if applicable) (iv) Date of furnishing of report** | | | | | | |
| (i) | | | Whether the ownership structure of the assessee has been verified and the applicability of section 286 of the Income Tax Act, 1961 has been ensured? | | | | | | Permanent File |
| (ii) | | | If section 286 is applicable to the assessee, whether details / information in respect of an international group duly supported with the relevant documents have been obtained? | | | | | | Current year file |
| | | | | | | | | | |
| **50.** | **44** | | **Break-up of total expenditure of entities registered or not registered under the GST** ***(The reporting under this clause has been dispensed with till FY 2019-20.)*** | | | | | | |
| (i) | | | Head of Expense wise details to be prepared. | | | | | | Current year file |
| (ii) | | | Reconcile with the expense claimed in the Profit & Loss Account in the format. | | | | | | Current year file |
| (iii) | | | Expense details also to be reconciled with the GST returns filed during the year. | | | | | | Current year file |