

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
--------	------------------------	------------------	--------	----

Client / Unit	Completed by	Detailed review by
Year end	Date	Date

FORM 3CD

PART - A

1	Name of the Assessee	:	Check from Company Master Data / Partnership Deed/LLP Agreement		
2	Address	:	<ul style="list-style-type: none"> Check the address as per Income Tax record and obtain any evidence available in this regard. If there is any change in the address till the date of signing of the report, check that new address is mentioned in Form 3CD. Check Company Master Data in case of the Company. 		
3	Permanent Account Number	:	Verify from the PAN Card		
4	Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, customs duty, etc. if yes, please furnish the registration number or any other identification number allotted for the same	:	<ul style="list-style-type: none"> Take a list of indirect tax applicable to the Company from the Management. Match the number from Registration certificate. 		
5	Status	:	Company/Firm/AOP/LLP etc.		
6	Previous Year Ended	:			
7	Assessment Year	:			
8	Indicate the relevant clause of section 44AB under which the audit has been conducted	:	Check applicable clause base on nature - Business / Profession / Others		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
--------	------------------------	------------------	--------	----

P A R T - B

9	(a)	If firm or Association of Persons, indicate names of partners/ members and their profit sharing ratios.	:	Verify from the Partnership Deed/AOP/LLP agreement.		
	(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.	:	- do -		
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 of profession).	:	<ul style="list-style-type: none"> In respect of each class of business, it is necessary to mention whether assessee is manufacturer, dealer, service provider, etc. (check from sales details) 		
	(b)	If there is any change in the nature of business or profession, the particulars of such change.	:	<ul style="list-style-type: none"> Review audited Balance Sheet and other relevant records to ascertain whether there is any apparent change in the business carried out by the assessee, which may need to be highlighted under this clause. In particular, examine whether any business or activity has been discontinued, any new activity has been commenced or whether there has been any expansion of the existing business. Additional activity started with in the same business carried on by the assessee does not mean change in nature of business or profession e.g. if the assessee is in the business of manufacturing shirts also starts manufacture of trousers. Obtain management representation. Go through the following : <ul style="list-style-type: none"> Any notes given in Notes to Accounts. Any notes given by Board 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
11	<p>(a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.</p> <p>(b) Books of account maintained. (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 accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.)</p> <p>(c) List of books of account and nature of relevant documents examined.</p>	<p>of Directors in their report.</p> <ul style="list-style-type: none"> • Compare the Segment Reporting of this year with last year. • Compare quantitative details of this year with last year. <p>: Applicable for assessee carrying profession for the time being.</p> <ul style="list-style-type: none"> • Check complete list of all primary books of accounts maintained by the assessee. • Check whether books of accounts have been generated from computer system or not. • Obtain management representation. • Check the place/location where books of accounts maintained. <p>: Disclose the list of books of account and nature of relevant documents examined.</p>		
12	<p>Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section).</p>	<p>: Generally Not applicable. However go through the consolidated Profit & Loss account to see whether it includes any such profit.</p>		
13	<p>(a) Method of accounting employed in the previous year.</p>	<ul style="list-style-type: none"> • Review Accounting policies from audited accounts. Check whether assessee is following Mercantile or Cash method of accounting. • While following Mercantile basis of accounting, check whether any item of income or expense is accounted for on cash basis. Since Hybrid method of accounting is not allowed, state the nature and 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(b) Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.</p>	<p>amounts of such items.</p> <ul style="list-style-type: none"> • Compare accounting policies followed during the year with previous year. • Check for note for change in accounting policy in notes to accounts. • Ensure that following heads of accounts are scrutinized thoroughly and compared with earlier year to check whether accounting is on same basis as in earlier years.; <ul style="list-style-type: none"> – Refund for income-tax, sales tax, etc. – Export incentives – Claims for loss or damage – Grants/Subsidies – Interest on delayed payments • Determine whether there has been any change in the method of accounting employed vis-à-vis the method employed in the immediately preceding year. 		
	<p>(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.</p>	<ul style="list-style-type: none"> • Ensure that any change in the method of accounting employed is appropriately disclosed and the effect thereof on the profit/loss is also disclosed. • Obtain management representation. 		
	<p>(d) Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145 and the effect thereof on the profit or loss.</p>	<ul style="list-style-type: none"> • Check whether there is any deviation from the Accounting Standard (IT) - I & Accounting Standard (IT) - II notified under section 145(2) of Income Tax Act. • Ensure that deviation from such standards is appropriately disclosed and the effect thereof on the profit/loss is also indicated. 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
14	(a) Method of valuation of closing stock employed in the previous year.	: <ul style="list-style-type: none"> • Closing stock would include raw material, finished goods, work in progress, stores, spare and loose tools and shares/units in case of investment companies.. • Compare the method mentioned with accounting policy of inventory given in Financial Statements. 		
	(b) Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.	: Deviation normally occurs in case of stock of Raw Material, Stores, WIP etc. only and in case of finished goods to the extent of cost of raw material etc. comprised therein which are valued net of VAT/CENVAT. Although there may not be any impact due to netting of Cenvat and VAT, give appropriate note/working.		
15	Give the following particulars of the capital asset converted into stock-in-trade: (a) Description of capital asset; (b) Date of acquisition; (c) Cost of acquisition; (d) Amount at which the asset is converted into stock-in-trade	Verify any fixed asset converted into stock in trade. Give the necessary details.		
16	Amounts not credited to the profit and loss account, being - (a) The items falling within the scope of section 28;	: <ul style="list-style-type: none"> • Enquire whether any item of income chargeable under 'Profit and Gains of Business of Profession' has not been credited to the profit and loss account. Section 28 covers : <ul style="list-style-type: none"> - Profits and gains of business or profession - Compensation received on termination of employment, agency, etc. - Income of trade or professional or similar association from specific 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(b) The proforma credits, drawbacks, refunds 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;</p>	<p>services to members</p> <ul style="list-style-type: none"> - Export incentives - Perquisites received during the course of business - Interest, salary, bonus, remuneration, etc. received by a partner from firm, which is allowable under section 40B. - Amount received under key man's insurance policy <ul style="list-style-type: none"> • Thus, if any such item is taken to any account directly in the Balance Sheet, it will be covered under this clause. • Review the audited schedules and financial statements to determine whether such income has been credited directly to reserves or retained as a credit under the head 'current liabilities and provisions' or any other head. • Obtain management representation. • Obtain a schedule indicating the details of the following claims admitted as due by the concerned authorities but not credited to the statement of profit and loss. The schedule should also indicate the year in which it was admitted as due. <ul style="list-style-type: none"> - Proforma credits - Duty drawbacks - Excise/Custom duty refunds - Sales tax refunds - Service tax refunds - VAT refunds • Obtain an understanding of the relevant accounting policies. • Agree the schedule with the claim papers and relevant correspondence files. Further 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(c) Escalation claims accepted during the previous year;</p> <p>(d) Any other item of income;</p>	<p>ensure that the claims have been admitted as due by the concerned authorities.</p> <ul style="list-style-type: none"> • Review the relevant assessment orders to determine whether any such claims are due. • Obtain management representation. <p>• Obtain a schedule indicating details of escalation claims accepted during the year but not credited to the profit and loss account. The schedule should also indicate the year in which it was accepted as due. Certain instances of escalation claims may be in relation to contract with government customers and other sales to customers having escalation clause in contracts.</p> <ul style="list-style-type: none"> • Obtain an understanding of the relevant accounting policies. • Agree the claims accepted with contracts and other relevant documents and ensure that claims have been accepted by the concerned authorities. • Obtain management representation. <p>• Enquire whether any item of income chargeable to tax under heads of income other than 'Profits and Gains of Business or Profession' has not been credited to profit and loss account.</p> <ul style="list-style-type: none"> • Report all items of income which are credited to expense heads with a note that this has no impact on the net profit. • Review the audited schedules and financial statements to determine whether such income has been credited 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	(e) Capital receipt, if any.	<p>directly to reserves or retained as a credit under the head 'current liabilities and provisions' or any other head.</p> <ul style="list-style-type: none"> • Obtain management representation. 		
17	<p>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 :</p> <p>a) Details of property b) Consideration received or Accrued</p>	<p>:</p> <ul style="list-style-type: none"> • Enquire whether any capital receipt has not been credited to profit and loss account. For instance, capital receipts may be in the nature of grants/subsidies, <i>Note:</i> In case of non-competee fees directly taken to reserves or capital account report the same in clause 13(a) also. • Obtain details of the amount of capital nature received or receivable on transfer of technology, knowhow, and patent during the financial year and treatment thereof in accounts. • Obtain an understanding of the relevant accounting policies. • Review the audited schedules and financial statements to determine whether such capital receipt has been credited directly to reserves or retained as a credit under the head 'current liabilities and provisions' or any other hand. • Obtain management representation. <p>:</p> <ul style="list-style-type: none"> • Obtain details of Land or Building or both transferred during the previous year. • Check consideration whether less than stamp duty valuation. • In case of real estate (in case revenue recognition on percentage completion method), transfer to be considered in the year of allotment not in the year of 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
18	<p>c) Value adopted or assessed or assessable</p> <p>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 :-</p> <p>(a) Description of asset/block of assets</p> <p>(b) Rate of depreciation.</p> <p>(c) Actual cost or written down value, as the case may be.</p> <p>(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-</p> <p>(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,</p> <p>(ii) Change in rate of exchange of currency, and</p> <p>(iii) Subsidy or grant or reimbursement, by whatever name called.</p> <p>Depreciation allowable.</p> <p>(e) Written down value at the end of the year.</p> <p>(f)</p>	<p>revenue recognition.</p> <ul style="list-style-type: none"> • If there is variation provide details in requisite format. • Obtain a schedule providing the relevant details indicated in the aforesaid clause in respect of each asset or block of assets. In particular, ensure that the following have been included : <ul style="list-style-type: none"> - Written down value at the beginning of the year. - Assets acquired during the year have been segregated between the assets put to use for less than 180 days and those used for more than 180 days - Deductions during the year represent the sale proceeds of assets sold - Rates of depreciation. <ul style="list-style-type: none"> (i) Refer Appendix 1 and Appendix 1A as the case may be. (ii) Appendix 1A is applicable in respect of Power Generation companies. - Even in a case where the auditee has decided not to claim depreciation in part or full, give full details of depreciation allowable. • Review assessments completed/ prior year tax returns to examine the basis adopted in earlier years for determination of depreciation allowable. Also ascertain whether any aggressive positions have been adopted by the client and examine implications thereof. • For additions during the year ensure that the classification of assets or block of assets and the rates of depreciation is in accordance with the 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
		<p>requirements of the Income Tax Act, 1961.</p> <ul style="list-style-type: none"> • Check the written down value at the beginning of the year to the return of income of the immediately preceding year. • Check the additions with the audited schedules and ensure that adequate tests have been carried out for 'actual cost' capitalized and the dates the assets were 'put to use'. Obtain a reconciliation to the additions as per the audited schedules, where necessary. Certain instances of such reconciling items may be capital expenditure on scientific research, leasehold improvements, etc. • Ensure that the policies followed are consistent with the requirements of the Income Tax Act, 1961. • For assets acquired during the year, obtain an understanding of the accounting policy for the following : <ul style="list-style-type: none"> - Modvat credit - Exchange fluctuation including in respect of realized gains/ losses, unrealized gain/losses and treatment of forward exchange contracts. - Subsidy or grant or reimbursement. • Depreciation capitalized. • Any expenditure which does not relate to acquisition of P&M but capitalized as part of preoperative expense. • Ensure capitalisation of interest in respect of borrowed capital as per Section 36(1)(iii). • Check the amounts included as adjustments on account of modvat, change in exchange rates and subsidy/grant with the audited schedules and 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
19	<p>Amounts admissible under sections-</p> <p>(a) 33AB (b) 33ABA (c) 33AC (wherever applicable) (d) 35 (e) 35ABB (f) 35AC (g) 35CCA (h) 35CCB (i) 35D (j) 35DD (k) 35DDA (l) 35E''</p> <p>(a) Debited to the profit and loss account (showing the amount debited and deduction allowable under each section separately);</p> <p>(b) not debited to the profit and loss account.</p>	<p>other relevant supporting documents.</p> <ul style="list-style-type: none"> • Check the implications of section 43A of Income Tax Act. • Check the deductions during the year with audited schedules and ensure that such amount reconciles with the amount considered for determining the profit/loss on assets sold, discarded etc. • Review the depreciation computation and ensure the arithmetical accuracy of the depreciation allowable and the written down value at the end of the year. • Ensure that additional depreciation u/s 32(ii)(a) is compiled and reduced from WDV. <ul style="list-style-type: none"> • Obtain a schedule giving details of deduction admissible under the relevant sections, indicating separately, the amounts debited to profit and loss account and not debited to profit and loss account. The relevant sections are as follows: <ul style="list-style-type: none"> - 35 Expenditure on scientific research - 35CCA Expenditure by way of payment to associations and institutions for carrying out rural development programmes. - 35CCB Expenditure by way of payment to associations and institutions carrying out programmes of conservation of nature resources. - 35D Amotisation of certain preliminary expenses. - 35DD Amortization of expenditure in case of amalgamation or 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
20	<p>(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)].</p> <p>(b) Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(x) and due date for payment and the actual date of payment to the concerned authorities under section 36(1)(va).</p>	<p>demerger</p> <ul style="list-style-type: none"> - 35DDA Amortization of expenditure incurred under voluntary retirement scheme • Review the computation of the amounts admissible under the aforesaid sections and agree the same with the audited schedules, financial statements and other relevant supporting documents. • Obtain management representation. • Obtain details of bonus or commission, if any, to an employee for services rendered which otherwise was payable as profits or dividend. • Normal bonus or commission to employees including directors even as percentage of profits is not covered under this sub-clause unless the same was otherwise payable as profits or dividend. • Obtain details of any sum received from the employees towards the contribution to: <ul style="list-style-type: none"> a) Provident Fund b) ESI Fund c) Superannuation Fund d) Any other fund for the welfare of employees. • Obtain details of due date of payment and actual dates of payment for the amount received from employees towards various funds stated in above para. • The due date of PF Contribution is 15 days and in case of ESI Contribution is 21 days from the end of the month to which salary relates. 		
21	<p>(a) Please furnish the details of amounts debited to the profit and loss account, being in the</p>			

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	nature of capital, personal, advertisement expenditure etc. :- (a) expenditure of capital nature;	<ul style="list-style-type: none"> • Obtain detail of following expenditure debited to Profit & Loss Account: <ul style="list-style-type: none"> a) Capital Expenditure; b) Capital Items which are fully or partly written off in P&L Account; c) Scientific Research Expenses & Technical Know How Fees; d) Write off of advance paid for capital expenditure/ capital project. e) Fees or Expenditure connected with increase in authorised capital, issue of bonus shares, travelling & other expenses connected with purchase of capital assets, loss on sale of Fixed Assets/Investment. f) Amount debited on account of preliminary expenses (35D), VRS expenses (35DDA), Merger/Demerger expenses (35DD). • Check the following head of accounts minutely: <ul style="list-style-type: none"> a) Store & spare parts consumed b) Repair & Maintenance c) Misc. Expenses d) Legal & Professional • Check whether any item of expenditure debited to the P&L Account is not of capital nature but there is possibility of holding such a view, furnish details with your views on the same. • Obtain an understanding of the capitalization policy followed by the client. • Loss on sale of fixed Assets/Investment. • Obtain management representation letter. 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(b) expenditure of personal nature;</p>	<ul style="list-style-type: none"> • The auditor is required to enquire whether personal expenses have been charged to the revenue account. If there is any such comment in the auditor's statutory report then obtain a schedule of personal expenses debited to the profit and loss account. • In case of expenditure incurred at club the same are to be reported under clause 17(d). However, to the extent of personal element in the said expenditure, the same should be reported here also. • Expenses of personal nature paid under a contractual obligation need not be disclosed. • Check with the audited schedules supporting the comments in the auditor's statutory report. • Review the relevant accounts (staff welfare, vehicle expenses, travelling expenses, miscellaneous expenditure etc) to ensure that no other expenditure of personal nature has been charged to the profit and loss account. • Obtain management representation. 		
	<p>(c) expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party;</p>	<ul style="list-style-type: none"> • Obtain details of the expenses incurred on advertisement if any published for a political party • Obtain details of expenditure incurred on advertisement in souvenir, brochure, tract, pamphlet or journal published by trade union, labour union or any other body formed by political party. • Check the schedule with the relevant supporting documents. 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(d) expenditure incurred at clubs -</p> <p>(i) as entrance fees and subscriptions;</p> <p>(ii) as cost for club services and facilities used;</p>	<p>Note: Political parties would include both national and regional parties, which are approved by the Election Commission.</p> <ul style="list-style-type: none"> • Review the advertisement, sales promotion and other relevant accounts to ensure that all such expenditure has been appropriately disclosed. • Obtain management representation. • Obtain the detail of expenses made to clubs under following heads: <ul style="list-style-type: none"> - Entrance fees - Subscriptions - Catering Bills - Residential Accommodation Charges - Expenditure towards use of club services and facilities i.e. health club. Bar. Conference & entertainment expenses etc. • Reimbursement of club payments to directors/employees should be included in the above statement. • Subscriptions and other payments made to service organizations like Lions Club, Rotary Club, Giants, Jaycees etc. would not be included under this clause. • Payments made to credit agencies like Diners Club would not be included under this clause. • Payments to clubs would include payments to Gymkhanas. • Review the relevant accounts (like state welfare, membership and subscription, sales promotion, 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(e) (i) expenditure by way of penalty or fine for violation of any law for the time being in force;</p> <p>(ii) any other penalty or fine;</p> <p>(iii) expenditure incurred for any purpose which is an offence or which is prohibited by law;</p>	<p>travelling etc) and ensure that all expenditure incurred at clubs has been appropriately disclosed.</p> <ul style="list-style-type: none"> • Obtain management representation. • Obtain the detail of expenditure by way of penalty or fine debited during the financial year. • Obtain detail of compensation debited for breach of contract during the financial year. • Take copies of penalty orders passed during the financial year under relevant laws, which are applicable to assessee. • Obtain detail of gifts given to government officials. • Obtain details of expenditure incurred such as protection money, extortion money, regular <i>hafta</i>, bribe etc. • Obtain detail of penalty debited which are in the nature of interest under any statute. • Review the legal and professional fees, rates and taxes, sales tax paid or any other taxes paid, general charges account and other relevant accounts and ensure that all such expenditure has been appropriately disclosed. • Obtain management representation. • Unsupported expenditure may need to be reviewed to determine whether it needs to be included under 'expenditure, which is an offence or prohibited by law'. 		
(b)	<p>Amounts inadmissible under section 40(a):</p> <p>(i) as payment to non-resident referred to in sub-clause (i)</p> <p>(A) Details of payment on</p>	<ul style="list-style-type: none"> • Obtain detail of Interest, royalty, fees for technical know how, services and other sums, which are payable outside India, on which tax has not been paid or 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>which tax is not deducted: (I) date of payment (II) amount of payment (III) nature of payment (IV) name and address of the payee</p> <p>(B) Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1) (I) date of payment (II) amount of payment (III) nature of payment (IV) name and address of the payee (V) amount of tax deducted</p> <p>(ii) as payment referred to in sub-clause (ia)</p> <p>(A) Details of payment on which tax is not deducted: (I) date of payment (II) amount of payment (III) nature of payment (IV) name and address of the payee</p> <p>(B) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139. (I) date of payment (II) amount of payment (III) nature of payment (IV) name and address of the payer (V) amount of tax deducted (VI) amount out of (V) deposited, if any</p> <p>(iii) under sub-clause (ic) [Wherever applicable] (iv) under sub-clause (iia) (v) under sub-clause (iib)</p>	<p>deducted or deducted and paid at rate less than the prescribed rate in requisite format.</p> <ul style="list-style-type: none"> • Obtain details of payment, which is chargeable under the head salaries payable outside India and on which Tax has not been deducted. • Obtain details of any interest, commission, brokerage, fees for professional services or for technical services, amount paid/payable to contractor and rent, royalty on which tax has not deducted or after deduction of TDS is not deposited within the due date (Ignore late deposit of TDS cases if the same is deposited by the end of financial year). [Section 194C, 194A, 194H, 194I, 194J and section 9(1)(vii) & 9(1)(vi)]. • Obtain details of salary on which tax has not deducted or after deduction of TDS is not deposited within the due date. (Section 192) • Obtain details of purchase of immovable properties (land and building) on which tax has not deducted or after deduction of TDS is not deposited within the due date. (Section 194-IA) • Obtain details of any payment made towards a provident fund or other fund established for the benefit of employees for which tax has not been deducted at source. • Obtain details of Fringe benefit tax (below the line or above the line). • Obtain detail of Securities transaction tax if debited to Profit & Loss account or if not debited to Profit & Loss Account. • Obtain detail of any amount paid on account of rate or tax 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	(vi) under sub-clause (iii) (A) date of payment (B) amount of payment (C) name and address of the payee (vii) under sub-clause (iv) (viii) under sub-clause (v)	levied on profits (including any tax paid on profit outside India). • Obtain details of Income Tax & Wealth Tax (Including interest / Penalty thereon) debited to P&L Account during the year. • Check the details with audited schedules and other relevant supporting documents. • Obtain management representation.		
(c)	interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/ 40(ba) and computation thereof;	: Applicable only for partnership firms.		
(d)	(A) whether a certificate has been obtained from the assessee regarding payments relating to any expenditure covered under section 40A(3)/(3A) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be, (Yes/No) (B) amount inadmissible under section 40A(3), read with rule 6DD [with break-up of inadmissible amounts]	: • Obtain a schedule of all payments made in excess of Rs.20,000 made in cash. If such payments are exempt under any of the clauses (a) to (l) of Rule 6DD, indicate in the schedule. Ensure that the conditions for specific exemption under any of the clauses (a) to (l) of Rule 6DD are satisfied. • Payments exceeding Rs.20,000 otherwise than by Account payee cheque or draft will attract 100% disallowance. • Obtain details of Outstanding Expenses of the financial year for which payments are made in subsequent year at the time in excess of Rs. 20,000/- otherwise than by a Account payee cheque/draft. • This should include payments to staff by way of salary, travel allowance etc. • Only revenue payments would be covered. Purchase of fixed assets for which cash payments are made in excess of Rs.20,000 would not be covered.		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	(e) provision for payment of gratuity not allowable under section 40A(7);	<ul style="list-style-type: none"> • Payment for purchase of raw materials and stocks would be covered. • As per the ICAI, in case no proper evidence for verification of the payments by Account payee cheque or draft is available the report should comment that it is not possible for us to verify whether the payments in excess of Rs.20,000 have been made otherwise than by Account payee cheque or bank draft as the necessary evidence is not in the possession of the assessee. • Review the payments in the cash book and adjustments to advances/deposits to ensure that all cash payments exceeding Rs.20,000 have been included in the schedule. • Obtain certificate from auditee that all payments exceeding 20,000/- for expenses if made by cheque/ draft are made by Account payee cheque or Account payee draft. • Obtain a copy of the order of the Commissioner of Income Tax granting recognition to the gratuity fund. • Take certificate that the contribution made does not exceed permissible limit as per rules 103 & 104 of Income Tax Rules. • Obtain a schedule indicating the provision for payment of gratuity not allowable under section 40A(7). • Check the amounts provided with the audited schedules, financial statements and other relevant supporting documents and ensure that all such expenditure has been 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
(f)	any sum paid by the assessee as an employer not allowable under section 40A(9);	<p>appropriately disclosed.</p> <ul style="list-style-type: none"> • Whether contributions have been made to approved gratuity fund, review the copy of the trust deed and rules. • Obtain management representation. • Enquire whether CIT or RPFC has withdrawn the exemption during the year. • Verify that the PF Trust recognized by CIT is also recognized by PF authorities. 		
(g)	particulars of any liability of a contingent nature.	<ul style="list-style-type: none"> • Obtain a schedule indicating the sum paid by the assessee as an employer, not allowable under section 40A(9) i.e. towards setting up or formation or contribution to any fund, trust, company, etc. other than ; <ul style="list-style-type: none"> - Recognised provident fund - Any PF for exemption is withdrawn by CIT. - Recognised gratuity fund - Recognised superannuation fund - As required by or under any other law. • Check the details with audited schedules and other relevant supporting documents. • Review the staff welfare and other relevant accounts to ensure that all such sums not allowable under section 40A(9) have been appropriately disclosed. • Obtain management representation. 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(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.</p>	<ul style="list-style-type: none"> • Review the audited accounts, in particular the notes to the accounts to ensure that all liabilities of a disputed nature have been identified for further discussion. Note : As per the ICAI these are normally expenses connected with disputed claims which will be revealed only on the basis of the scrutiny of correspondence relating to cases pending in a court of law. i) Go through the return filed and assessment order for last 2 to 3 year to verify details and categories of exempt income. ii) Obtain management representation as to income which it is going to claim as exempt in this year. iii) Go through the expenses disallowed in the earlier year. iv) Obtain details of expenses pertaining to exempt income such as interest on funds borrowed, personal cost, rent, traveling and other administrative cost. v) In case there are no direct expenses then disallowance has to be worked out as per Rule 8D. vi) If adhoc expenses are stated then give note/disclaimer. vii) In case of company having undertaking of the nature of 10A/10B/10C then the appropriate note be given disclosing both income and expenditure as per the Audit Report issued u/s 10A/10B. 		
	<p>(i) amount inadmissible under the proviso to section 36(1)(iii).</p>	<ul style="list-style-type: none"> (a) Obtain details of fixed asset which are funded out of borrowings. (b) In case of funds of C/C account used and which cannot be correlated 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
22	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	<p>determine interest cost as per AS-16.</p> <ul style="list-style-type: none"> • Obtain list of MSME parties. • Check whether any interest paid to those parties. • Obtain management representation. • Check details from Notes to accounts in case of Companies. 		
23	Particulars of payments made to persons specified under section 40A(2)(b).	<ul style="list-style-type: none"> • Obtain a schedule from the client indicating the following: <ul style="list-style-type: none"> - List of persons specified under section 40A(2)(b) - Details of payments made to persons specified in above list. • Agree the schedule with ; <ul style="list-style-type: none"> - Relevant contracts/ agreements with specified persons. - Relevant supports for payments made to such specified persons. • Review the relevant accounts to identify any payments made to persons specified under section 40A(2)(b). • Compare the detail shown under Tax Audit with the Related Party Schedule of IGAAP. • Obtain management representation. <p><u>Notes :</u></p> <p>(i) Salaries and perquisites etc paid to directors or persons having substantial interest in the company should be included in the list referred to above.</p> <p>(ii) Since disallowance in this case is at the discretion of the Income Tax Officer the total amount paid to such persons should be indicated in the schedule.</p> <p>(iii) As per the ICAI, in the</p>		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
		<p>case of a large company, it may not be possible to verify the list of all persons covered by this section therefore the information supplied by the assessee can be relied upon. It has further stated that it may be difficult to identify all payments in each and every case where the volume of transactions is rather huge and voluminous, and therefore, it may be necessary to restrict the scrutiny only to such payments in excess of certain monetary limits depending upon the size of the concern and volume of the business of the assessee.</p> <p>(iv) Suggested disclosure where the information is not available with client is as follows :</p> <p>The company does not have necessary information in respect of the following :</p> <p>(a) directors and their relatives of companies having a substantial interest in the company; and</p> <p>(b) any person, in whose business or profession, the directors or their relatives have a substantial interest as defined in the explanation to Section 40A(2)(b).</p>		
24	Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC.	: Go through the relevant sections.		
25	Any amount of profit chargeable to tax under section	: • Obtain a schedule indicating amount of profit chargeable		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
26 *	<p>41 and computation thereof.</p> <p>(i) In respect of any sum referred to in clause (a),(b),(c),(d),(e) or (f) of section 43B, the liability for which;</p> <p>(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</p> <p>(a) paid during the previous year;</p> <p>(b) not paid during the previous year;</p> <p>(B) was incurred in the previous year and was</p> <p>(a) paid on or before the due date for furnishing the return of income or the previous year under section 139(1);</p> <p>(b) not paid on or before the aforesaid date.</p>	<p>to tax under the aforesaid clause and the computation thereof.</p> <ul style="list-style-type: none"> • Check the details with audited schedules and other relevant supporting documents. • Review the relevant accounts to ensure that all such sums have been appropriately disclosed. • Obtain management representation. <ul style="list-style-type: none"> • Obtain a schedule indicating the following information in respect of the items referred to in clause (a), (b), (c), (d), (e) and (f) of section 43B : <ul style="list-style-type: none"> - Liability at the beginning of the year - Amount paid during the year including the date of payment - Amount not paid during the year • Agree the amounts and dates with audited schedules and relevant supporting documents. • Obtain a schedule in respect of the items mentioned above, specifically indicating the following : <ul style="list-style-type: none"> - Liability incurred during the year - Amount paid on or before the due date for furnishing the return of income under section 139(1) along with date of payment. - Amount not paid on or before the aforesaid date. • The expenses, which are 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
		capitalized, would also be covered under this clause.		
		<ul style="list-style-type: none"> • Check that all the figure shown in annexure are in agreement with IGAAP. • In case there is any mismatch of figures with books of accounts, prepare reconciliation for the same. • Take the copies of challan to verify that amounts payable as on last day of the financial year are paid in subsequent year. • To verify if any conversion of interest into loan or funded interest has taken place during the year. • Check the amounts and dates with audited schedules and relevant supporting documents. 		
27	<p>* State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost etc. is passed through the profit and loss account.</p> <p>(a) Amount of Central Value Added Tax credits availed of or utilised 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.</p> <p>(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account.</p>	<p>(i) State the treatment given in the books to Cenvat. Give details w.r.t. opening balance/ credit availed/credit used/ closing balance of all Cenvat account as per Account books and Excise record with reconciliation.</p> <p>(ii) Go through the reconciliation and report the difference under the respective clause of 3CD.</p> <p>(b) Obtain detail of income/expenditure relating to prior period credited/ debited to the profit and loss account during the year.</p> <p>• Check the details with audited schedules and relevant supporting documents.</p>		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
28	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.	<ul style="list-style-type: none"> Review the items under the head prior period adjustment and the notes to the accounts to ensure all such expenditure/income has been disclosed in the above schedule. In order to ascertain the correct meaning of term "Prior Period Item" refer to the text of Accounting Standard- 5 issued by ICAI. Obtain management representation. Obtain list of such shares purchased during the period. Check whether consideration paid is less than fair value as section 56(2)(viia), if yes report those cases. 		
29	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.	<ul style="list-style-type: none"> Check whether any shares issued during the year. Check whether consideration paid is less than fair value as section 56(2)(viib), if yes report those cases. 		
30	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].	<ul style="list-style-type: none"> Obtain a schedule of borrowing and repayments (including interest) of hundi loans otherwise than by account payee cheques. Check the details with the audited schedules and relevant supporting documents. Obtain management representation. Obtain a schedule of borrowing and repayments (including interest) of hundi loans otherwise than by account payee cheques. 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
31	<p>(a)* Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:-</p> <p>(i) name, address and permanent account number (if available with the assessee) of the lender or depositor;</p> <p>(ii) amount of loan or deposit taken or accepted;</p>	<ul style="list-style-type: none"> • Agree the details with the audited schedules and relevant supporting documents. • Obtain management representation. <p>Note : As per the ICAI in the absence of conclusive or satisfactory evidence a suitable comment in the report as suggested in clause 17(h) should be made. : As per the ICAI in the absence of conclusive or satisfactory evidence a suitable comment in the report should be made.</p> <ul style="list-style-type: none"> • Obtain a schedule of loans/ deposits / Advance for immovable property of Rs.20,000 or more taken or accepted during the year giving the relevant details as per the aforesaid clause. • The amount of Rs. 20,000/- or more is to be computed inclusive of opening Balance in the party account and for the purpose of prepayment also, amount credited as interest. • For the purpose of this clause, loan / deposit / Advance for immovable property would include, among others, the following: <ul style="list-style-type: none"> a) Security Deposits from staff, agents, customers with or without interest b) Loans from financial institutions. c) Advance in the nature of loan deposit. d) Fixed deposit from 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(iii) whether the loan or deposit or advance for immovable property was squared up during the previous year;</p> <p>(iv) maximum amount outstanding in the account at any time during the previous year;</p> <p>(v) whether the loan or deposit or advance for immovable property was taken or accepted otherwise than by an account payee cheque or an account payee bank draft.</p> <p>* (These particulars need not be given in the case of a Government Company, a banking company or a corporation established by a Central, State or Provincial Act).</p>	<p>public.</p> <ul style="list-style-type: none"> check the details with the audited schedules and other relevant supporting documents. Review the loan, deposit, advance for immovable property and other relevant accounts to ensure all such particulars have been appropriately disclosed. Obtain certificate from management that loans / advance for immovable property accepted during the year and their repayment has been through an account payee cheques/draft. <p><u>Note :</u></p> <p>(i) As per the ICAI information of each loan or deposit of Rs.20,000 or more alone would be required by this clause and where each such loan or deposit is less than Rs.20,000 and aggregate alone exceeds Rs.20,000, the particulars need not be furnished.</p> <p>(ii) Advance received against agreement of sale of goods is not a loan/deposit.</p> <p>(iii) Loan taken from financial institutions are covered under this clause.</p> <p>(iv) Security deposits against contracts etc. will be covered by the definition of 'deposit' and the information for the same will have to be provided.</p>		
(b)	Particulars of each repayment of loan or deposit or Advance for immovable property in an amount exceeding the limit specified in section 269T made during the previous year :-			

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(i) name, address and permanent account number (if available with the assessee) of the payee;</p> <p>(ii) amount of the repayment;</p> <p>(iii) maximum amount outstanding in the account at any time during the previous year.</p> <p>(iv) whether the repayment was made otherwise than by account payee cheque or account payee bank draft.</p>	<p>: • Obtain a schedule of loans/ deposits/Advance for immovable property of Rs.20,000 or more repaid during the year giving the relevant details as per the aforesaid clause.</p> <p>: • Check the details with the audited schedules and other relevant supporting documents.</p> <p>: • Review the loan/deposit/ Advance for immovable property and other relevant accounts to ensure all such particulars have been appropriately disclosed.</p> <p>: • Obtain management representation.</p> <p>Note : i) Refer note (i) to (v) above. ii) Obtain a certificate from the assessee as prescribed in above clause. iii) This clause is not applicable in respect of loan taken and repaid from/to Bank, Govt., Govt. company.</p>		
(c)	<p>Whether a certificate has been obtained from the assessee regarding taking or accepting loan or deposit or advance for immovable property, are repayment of the same through an account payee cheques or an account payee bank draft (Yes/No)</p> <p>The particulars (i) to (iv) at (b) and the Certificate at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act</p>			

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
32	<p>(a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available :</p> <ul style="list-style-type: none"> - Serial Number - Assessment Year - Nature of loss/allowance (in rupees) - Amount as returned (in rupees) - Amount as assessed (give reference to relevant order) - Remarks <p>(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.</p>	<ul style="list-style-type: none"> • Obtain a schedule indicating the details as per the aforesaid clause. The clause will cover the following : <ul style="list-style-type: none"> - Business loss (Section 72) - Unabsorbed depreciation - Speculation loss (Section 73) - Loss under the head capital gains.(Section 74) • Obtain the information as to when returns of income for which the above brought forward loss/depreciation arises were filed and whether they were filed in time as provided under section 139(1) or late (any extension granted by CBDT to be indicated). • Check the basis and details with the return of income, assessment orders etc. and other relevant supporting documents. • If there are differences in figures as per returns filed and as assessed, also furnish separately reconciliation's and whether matters are pending in appeals and/or rectification or under revision proceedings, etc. if appeal is decided but order giving effect thereof is not received, indicate the same. • Take the copies of all relevant orders. • In case of all unlisted company to see whether there was any change in shareholding affecting the benefit of C/F loss (Section 79). • Details of shareholding be obtained at the end of 31st March of all the years upto 31st March 2006 to verify whether 49% or more shareholding has changed during the period from the 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
33	Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA)..	<p>year for which loss is carried forward and upto 31st March 2006.</p> <ul style="list-style-type: none"> • Any change in shareholding on account of death of a shareholder or gift by the shareholder to the relative and as per second proviso (applicable in case shareholder is a foreign holding company) be ignored. • This is an exhaustive clause to cover all eligible deductions available under chapter VI-A or Chapter III (Section 10A, Section 10AA). of Income Tax Act, 1961. • Obtain a schedule indicating the section-wise details of deductions claimed under Chapter VIA or Chapter III (Section 10A, Section 10AA). • Ensure that deductions claimed by the client are admissible under Chapter VIA. • Check the details with the audited schedules and other relevant supporting documents. • If the assessee is claiming deduction under a particular section for the first time, furnish a note giving reasons as to how the assessee is qualified for such a deduction with due evidence and that the assessee has complied with all the conditions laid down in the relevant section. (with the necessary documentary evidence). • Review assessments completed/ prior year tax returns to examine the basis adopted in earlier years. • Verify the basis and computation of deductions. • Obtain management representation. <p>Important</p>		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
		In case any report u/s 80IA/80IB or any other section of chapter VIA is issued by any other Chartered Accountant then go through the same to verify whether the amount arrived is in accordance with the Provisions of the relevant Section.		
34	<p>(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: (Refer form for requisite format)</p> <p>(b) whether the assessee has furnished the statement of tax deducted or tax collected within the prescribed time. If not, please furnish the details: (Refer form for requisite format)</p> <p>(c) whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish: (Refer form for requisite format)</p>	<p>• Obtain details in requisite format.</p> <p>• Obtain reconciliation of above details with expenses disclosed in financials and TDS returns filed / Form 26AS.</p> <p>• Check other details / documentation related to TDS / TCS</p> <p>• Check traces default notices.</p> <p>• Obtain list of Quarterly returns filed.</p> <p>• Take receipts of such return filed</p> <p>• Check TDS returns, vendors ledgers and TDS payable ledgers to identify cases where TDS deducted late or deducted but not paid or late paid.</p> <p>• Workout interest payable as referred sections for above identified cases.</p>		
35	<p>(a) In the case of a trading concern, give quantitative details of principal items of goods traded:</p> <p>(i) Opening stock;</p> <p>(ii) Purchases during the previous years;</p> <p>(iii) Sales during the previous year;</p> <p>(iv) Closing stock;</p> <p>(v) Shortage/excess, if any</p>	<p>• Obtain a schedule indicating the details as per the aforesaid clause.</p> <p>• Check the details with audited schedules and the stock records maintained by the company.</p> <p>• Review the relevant accounts to ensure all such particulars have been appropriately disclosed.</p> <p>• Obtain the reasons for short/excess with proper</p>		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
	<p>(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products:</p> <p>A. Raw Material :</p> <p>(i) Opening Stock;</p> <p>(ii) Purchases during the previous year;</p> <p>(iii) Consumption during the previous year;</p> <p>(iv) Sales during the previous year;</p> <p>(v) Closing stock;</p> <p>(vi)* Yield of finished products;</p> <p>(vii)* Percentage of yield;</p> <p>(viii)* Shortage/excess, if any.</p> <p>B. Finished products/By-products :</p> <p>(i) Opening Stock;</p> <p>(ii) Purchases during the previous year;</p> <p>(iii) Quantity manufactured during the previous year;</p> <p>(iv) Sales during the previous year;</p> <p>(v) Closing stock;</p> <p>(vi) Shortage/excess, if any.</p> <p>* Information may be given to the extent available.</p>	<p>explanation and state whether it is normal or abnormal as per industry standards.</p> <ul style="list-style-type: none"> Obtain management representation. <p>Obtain details as required and check with the Books of Account.</p> <p>Obtain details as required and check with the Books of Account.</p>		
36	<p>In the case of a domestic company, details of tax on distributed profits under section 115O in the following form:-</p> <p>(a) Total amount of distributed profits;</p>	<ul style="list-style-type: none"> Obtain details of the date of payment of tax on dividend with the copies of receipted Challans, showing the date, amount and name of the bank. Check the details referred to 		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
37	(b) total tax paid thereon; (c) dates of payment with amounts. Whether any cost audit was carried out, if yes, enclose a copy of the report of such audit [See section 139(9)].	in the audited schedules and relevant supporting documents. : • Check if cost audit is applicable; check whether the audit has been carried out during the year. • If the Cost audit is not carried by the time Tax Auditor gives the report, state the fact accordingly. • Obtain a copy of the report if any cost audit was carried out during the year. • Obtain management representation.		
38	Whether any audit was conducted under the Central Excise Act, 1944, if yes, enclose a copy of the report of such audit.	: Enquire and obtain copy of report of audit conducted by Excise department.		
39	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.	: • Obtain list of Assessment Orders/Notices of Service Tax received during the year. • Check whether any audit carried on u/s 72A. • Obtain management representation.		
40	Accounting ratios with calculations as follows :- (a) Gross Profit/Turnover; (b) Net Profit/Turnover; (c) Stock-in-trade/Turnover; (d) Material consumed/Finished goods produced.	: • Obtain a schedule indicating the aforesaid ratios. • Verify the schedule for arithmetical accuracy and calculations. • Give details of any change on the basis of calculations of ratio as compared to the preceding year. • Agree the values used for calculating the ratios to the audited schedules and relevant supporting documents.		

Tax Audit Checklist for SK Staff

Clause	Clauses under Form 3CD	Step recommended	WP Ref	By
41	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 alongwith details of relevant proceedings.	<ul style="list-style-type: none"> • As different interpretations are possible of the items like gross profit, net profit etc., it is recommended that a note explaining the basis adopted by the company be provided. • Obtain list of Notices / refund Orders received during the year for any other tax laws (Other than Income and Wealth tax). • Obtain management representation. 		