

Hiregange & Associates
Chartered Accountants

Draft GST Review Report
April'19 – January'20

M/s. Vista Homes



Private and Confidential



GST Review Report for the period April'19 – January'20

Hiregange & Associates
Chartered Accountants

Date of Report: 26/03/2020

To
Mr. soham modi,
Managing partner,
Soham Mansion,
5-4-187/3and4,
Secundrabad.
500003.

Dear Sir,

Sub: GST Review Report for the period April 2019 to January 2020

Ref: Your confirmation provided in this regard vide email Dated 21.06.2019

Please find herewith our detailed report, the scope of our review is as per the offer letter sent and your confirmation in this regard. We hereunder provide you with our observations and suggestions, which are based on the checks conducted by us, records made available and as per explanations and information are given to us. The limited review is carried out as per the principles laid down by the standards on review engagement as issued by the Institute of Chartered Accountants of India from time to time. The review is carried out on a sample basis and our observations are subject to the records furnished, explanations and information are given to us.

Thanks & Regards,

For M/s. Hiregange & Associates
Chartered Accountants

CA Subba Reddy,
Partner

Abbreviations

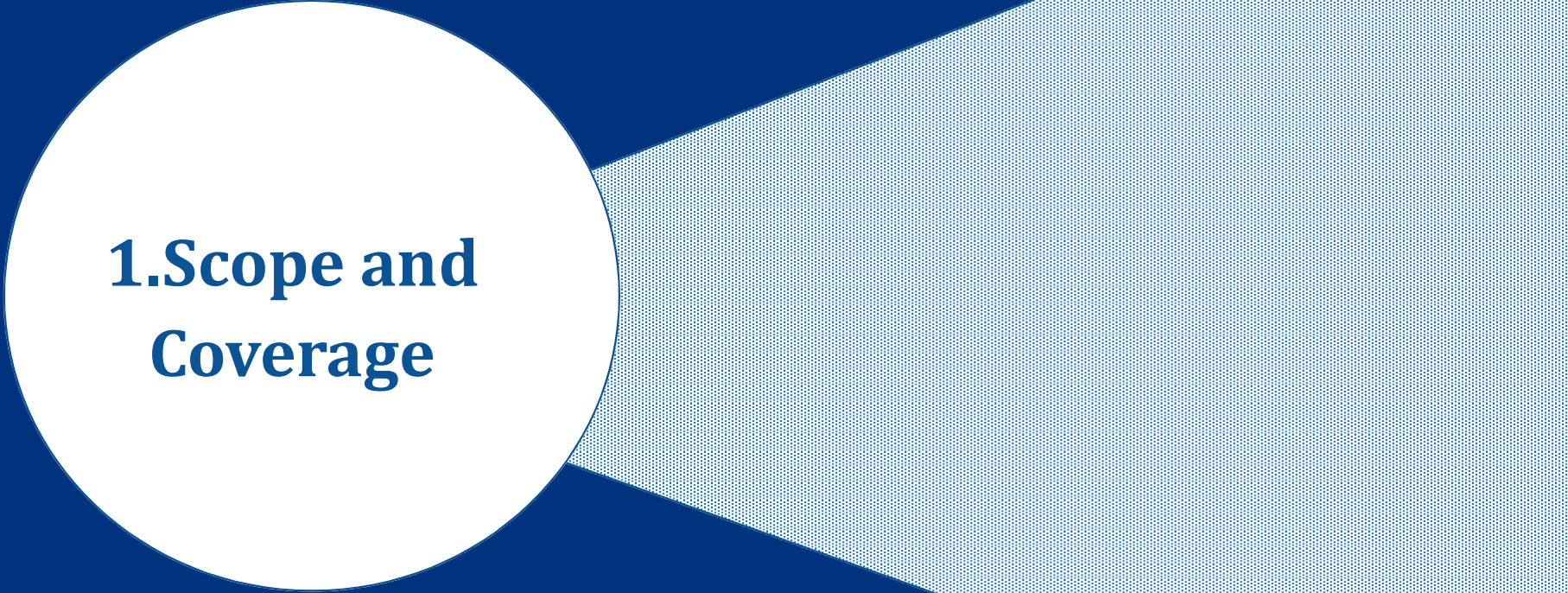
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Abbreviation	Description
Auditee	Vista Homes
Current period	Apr'19 to Jan'20
RCM	Reverse charge mechanism
Act	CGST Act, 2017
BOA	Books of Account
ITC	Input tax credit
ST	Service Tax
AoS	Agreement of sale.
w.r.t	With respect to

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1.Scope and Coverage

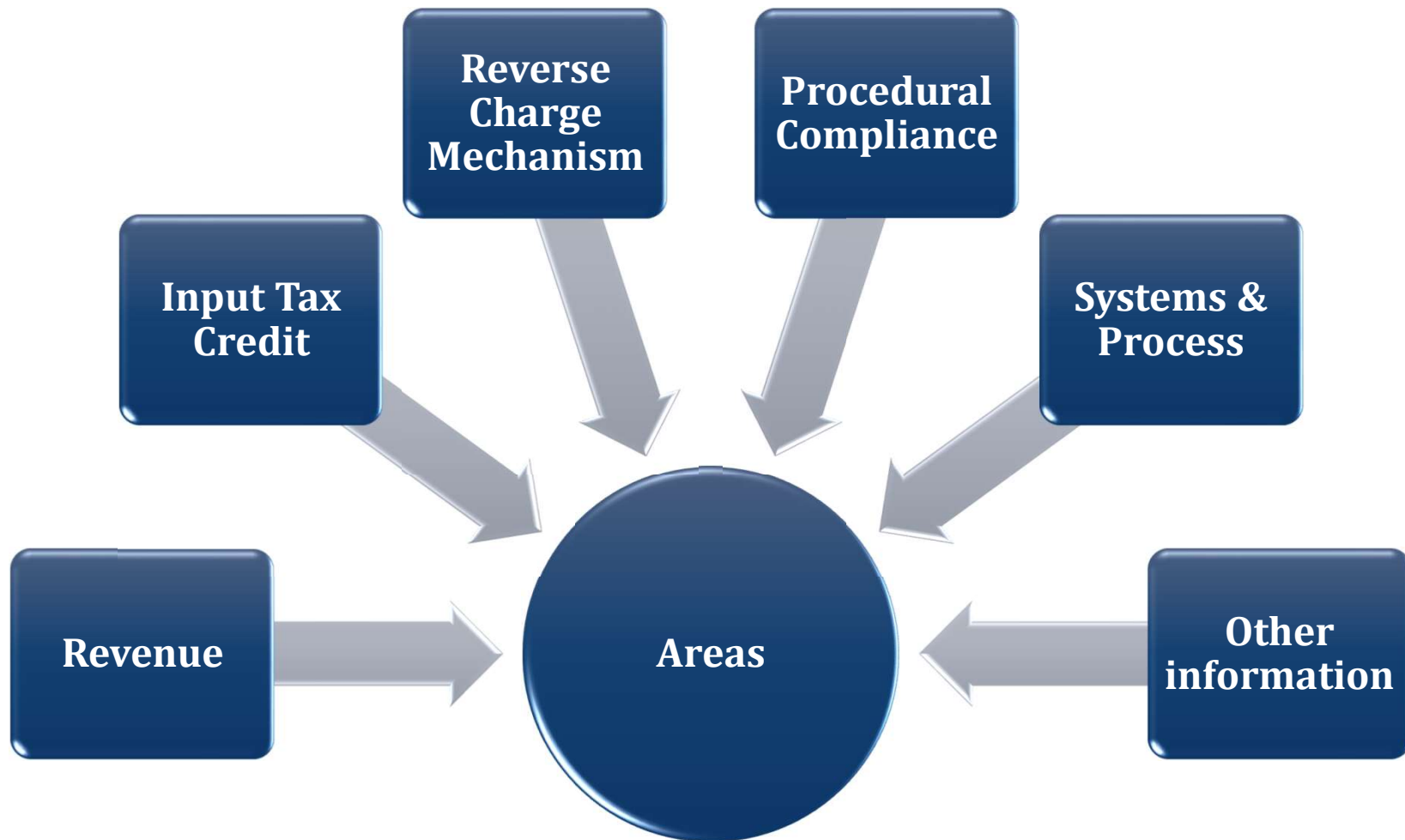
1.Scope of Work

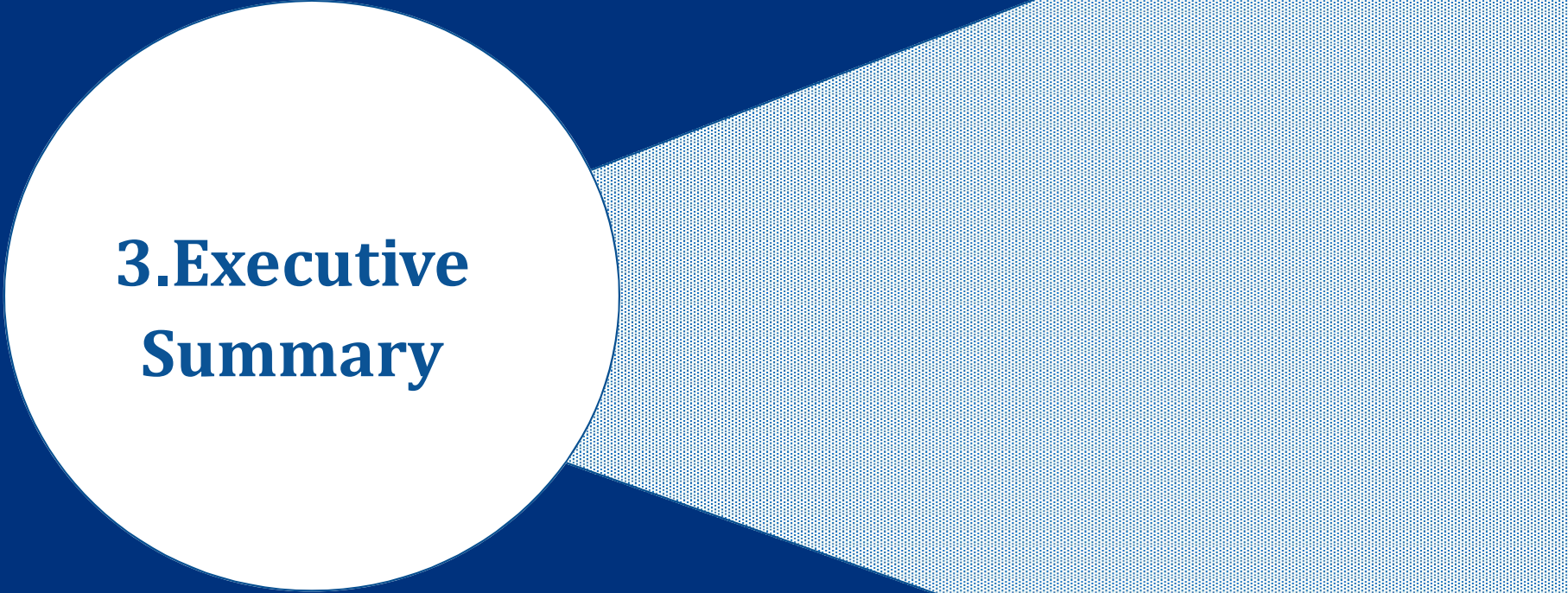
The scope of the assignment is as per the offer sent to you and confirmation received, which is as follows:

- Test check of books of accounts and other GST records for checking the compliance, reporting the deviation in the system and transactional errors.
- Suggestion on areas of weaknesses; [Verification will be conducted on the sample basis].
- Verification of various streams of income by scrutiny of Books of Accounts and ascertaining the taxability under GST
- Review of documentation and reconciliation etc. Suggesting the modifications required in accounting.
- Review of disclosure in returns

2.Areas of Coverage

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3.Executive Summary

3.Executive Summary

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Areas	Observations	Ref.	Amount – Tax (in Rs)	Level of impact
Revenue	GST needs to be paid on amount received in excess of milestones.	10.4.3	10,43,588	High
Input	2A vs 3B reconciliation has to be performed	5.1	1,19,421	High
Other Information	Material supplied to contractors should be treated as separate supply	10.9.2	89,655	High
Systems and processes	Various reconciliations to be maintained	10.5.2	Quantified in annexure	High
Input	Ineligible ITC availed needs to be reversed	10.6.3.1	47,900	High
Other Information	Proper rectification shall be made in returns	9.2	17,242	Medium



4. Revenue

4.1 Mile stone report shall be prepared on standard basis.

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Observation:

As a practise, auditee discharges GST on all taxable supplies based on monthly mile stone report received from project manager. However, on sample verification, the following are noted:

1. Mile stone achieved but tax has not been discharged (*Refer annexure "Mile stone" for details*)
2. Mile stone has not been achieved, but GST has been discharged. (Ex. In the month of Apr'19 - E 208, E 302)
3. In the month of Jan'20, certain flats have achieved mile stone event where GST on the same are discharged in Feb'20. However, on later verification of latest mile stone report, such dates have been updated to Feb'20. There should be a consistency in preparation of mile stone report.

Impact: -

Level of Impact:
High

Recommendation:

We Suggest auditee to prepare a standard mile stone report without any modifications at later point.

4.2 Extra specs can be considered as composite supply of flat and tax @ 12% can be paid

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Observation:

Auditee is paying GST@18% for extra specifications provided to the customers. However, the same can be considered as composite supply of sale of flat, being principle supply in terms of section 2(30) of the Act and GST@12% can be discharged on the same.

Further, Auditee is also paying tax on extra specification provided to sales made after OC which is not required. (e.g. Flat H-106)

Impact:

Excess collection and payment of tax will result in encashment of accumulated ITC, if such tax has paid through utilisation of ITC.

(Refer Annexure "Less GST" for details)

Impact:9,180

***Level of Impact:
Medium***

***Recommendation:
Suggested to amend
the AOS to include
these clauses and
can pay GST @12%.***

4.3 Agreements need to be amended

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Observation:

Auditee maintains a standard agreement which will be entered with customers at the time of AoS. On verification, it is found that there is no clause mentioning that GST would not be refunded for flats cancelled after September returns of the succeeding financial year.

For instance, E 401 G. Nagarjuna has cancelled his flat where an amount of **Rs.2,50,000/-** has been charged as cancellation charges where only an amount of **Rs.1,49,956/-** is transferred as forfeit income. The net difference of **Rs.1,00,044/-** is due to tax portion on instalment due of FY 18-19, which cannot be reduced through credit note option, which will be a cost to the company.

Impact:

Non issue of GST credit note along with refund of GST portion to customers will lead to additional cost to the company.

Impact: 1,00,044

Level of Impact:
High

Recommendation:

Suggested to issue financial credit notes for such scenarios and go for refund of excess paid taxes.

Suggested to put a clause in agreement stating that GST would not be refunded for flats cancelled after Sep returns.

II. Reconciliation of Taxable Turnover

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ACCOUNT HEAD	AMOUNT in Rs.
Installments Receivable 19-20@12%	7,32,97,678
Extra specs@18%	34,289
Forfeited	84,746
Total Taxable Income as per Books	7,33,85,853
Total Taxable Income as per GST Returns	7,42,79,445
Difference	8,93,592

III. Reconciliation of GSTR 3B vs GSTR 1(Revenue)

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Month	TAXABLE SUPPLIES			EXEMPT SUPPLIES		
	AS PER GSTR-3B	AS PER GSTR-1	DIFF.	AS PER GSTR-3B	AS PER GSTR-1	DIFF.
Apr'19	73,96,093	73,96,093	-	44,94,535	44,94,535	-
May'19	75,52,651	75,52,651	-	-	11,24,055	(11,24,055)
Jun'19	33,69,581	33,69,581	-	-	1,59,418	(1,59,418)
Jul'19	1,85,67,179	1,85,67,179	-	1,29,341	83,108	46,233
Aug'19	93,56,777	78,87,127	14,69,650	2,54,281	2,54,281	-
Sep'19	1,14,69,982	1,04,44,507	10,25,475	1,56,747	1,56,747	-
Oct'19	29,17,091	29,17,091	-	1,48,151	1,48,151	-
Nov'19	-	-14,62,150	14,62,150	3,66,825	3,66,825	-
Dec'19	77,94,927	77,94,927	-	-	-	-
Jan'20	58,55,165	58,55,165	-	24,371	24,371	-
Total	7,42,79,446	7,03,22,171	39,57,275	55,74,251	68,11,491	(12,37,240)

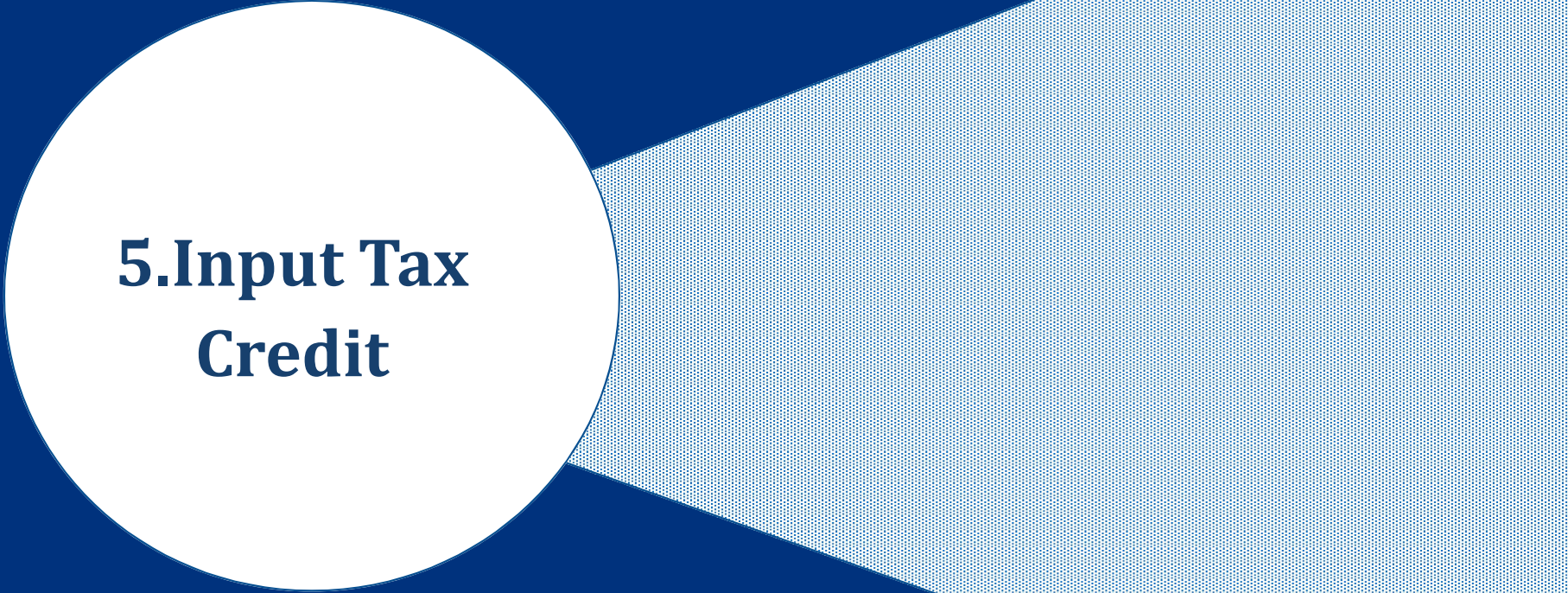
Note: Positive figure indicates excess disclosure and negative figure indicates short disclosure made in GSTR 3B when compared with GSTR 1

IV. Reconciliation of GSTR 3B vs GSTR 1 (Tax)

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Month	CGST & SGST			IGST		
	AS PER GSTR-3B	AS PER GSTR-1	DIFF.	AS PER GSTR-3B	AS PER GSTR-1	DIFF.
Apr'19	4,46,166	4,46,166	-	-	-	-
May'19	4,42,777	4,42,777	-	17,242	17,242	-
Jun'19	2,00,961	2,00,961	-	-	-	-
Jul'19	11,18,531	11,18,531	-	-	-	-
Aug'19	5,61,407	4,73,228	88,179	-	-	-
Sep'19	6,88,199	6,35,292	52,907	-	-17,242	17,242
Oct'19	1,75,025	1,75,025	-	-	-	-
Nov'19	-	(87,729)	87,729	-	-	-
Dec'19	4,66,414	4,66,414	-	-	-	-
Jan'20	3,51,310	3,51,310	-	-	-	-
Total	44,50,790	42,21,975	2,28,815	17,242	17,242	17,242

Note: Positive figure indicates excess disclosure and negative figure indicates short disclosure made in GSTR 3B when compared with GSTR 1.



5.Input Tax Credit

Impact: 1,19,421

Level of Impact : High

Recommendation:

Suggested to reverse ITC not reflected in GSTR-2A or follow up with the vendors to file their GSTR-1 returns.

5.1 2A vs 3B reconciliation has to be performed

Observation:

Auditee is not in the practice of reconciling ITC availed in GSTR-3B with that of ITC reflected in GSTR-2A. As per rule 36(4) of CGST Rules, 2017, read with notification no. 49/2019 CT dated 09.10.2019 and notification no.75/2019 CT dated 26.12.2019 ITC availed in Form GSTR-3B should not exceed eligible ITC reflected in GSTR-2A + 20%/10%.

Impact:

Non compliance of rule 36(4) has resulted in excess availment of ITC to the extent of **Rs.1,19,421/-**, which attracts interest and penalty.

(Refer annexure "2A vs 3B" for details)

5.2 Credit to the extent of post OC sales needs to be reversed.

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Observation:

Auditee has not reversed any ITC to the extent of post OC sales in terms of section 17(2) of the Act, read with rule 42 and 43 of the CGST Rules, 2017.

Further, since there is a change in rule 42 and 43 i.e. from reversal computation based on exempted revenue into reversal computation based on carpet area from 01.04.2019 auditee needs to take a decision for such reversal computation as there is no clarity provided in the provisions.

Impact:

Delay in compliance of rule 42 and 43 will attract interest @ 18% from Apr`19 to the date of reversal for the F.Y.2018-19.

Impact: -

Level of Impact : High

Recommendation:

Suggested to discharge interest on ineligible ITC which was availed earlier.

ITC Reconciliation Books Vs. GSTR 3B

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Month	Gross ITC Available as per Returns		
	IGST	CGST	SGST
Apr'19	-	4,05,160	4,05,160
May'19	-	5,07,435	5,07,435
Jun'19	7,668	9,13,491	9,13,491
Jul'19	13,250	4,67,497	4,67,497
Aug'19	-	5,29,435	5,29,435
Sep'19	17,242	4,48,077	4,48,077
Oct'19	-	3,43,187	3,43,187
Nov'19	-	11,14,124	11,14,124
Dec'19	-	4,63,577	4,63,577
Jan'20	-	5,93,602	5,93,602
Total ITC as per Returns	38,160	57,85,584	57,85,584
ITC as per Books	20,918	54,63,293	54,63,079
RCM Credit	-	-	-
Total ITC as per Books	20,918	54,63,293	54,63,079
Difference	17,242	3,22,291	3,22,505

**6.Reverse
Charge
Mechanism**

No reporting points

XII. RCM Payment Vs. RCM Credit Availment

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Company Level – As per Form GSTR-3B

Month	CGST & SGST			IGST		
	RCM PAID	RCM Gross Availed	DIFF.	RCM PAID	RCM Gross Availed	DIFF.
Apr-2019	-	-	-	-	-	-
May-2019	-	-	-	-	-	-
Jun-2019	-	-	-	-	-	-
Jul-2019	-	-	-	-	-	-
Aug-2019	-	-	-	-	-	-
Sep-2019	-	-	-	-	-	-
Oct-2019	-	-	-	-	-	-
Nov-2019	-	-	-	-	-	-
Dec-2019	-	-	-	-	-	-
Jan-2020	-	-	-	-	-	-



7.Procedural Compliances

7.1 Issues w.r.t extra specs

Observation:

- ❖ Customer brings his own tiles or do plumbing works for which auditee refunds an amount to such portion by issuing GST credit note.
- ❖ However, there is no such bifurcation of amount mentioned in the AoS to provide refund to the extent of work done by customer.

Impact:

As per section 15(2)(b), extent of supplies which are in the scope of Auditee but the same has been incurred by the customers needs to be included in the value of supply and GST to be discharged on the same. Otherwise, specific bifurcation of scope to be mentioned in the AoS, to avoid conflict with the department.

(Refer annexure “extra specs” for details)

Impact: 8,974

Level of Impact:
High

Recommendation:

Suggested to clearly demark the scope between the auditee and the customers.



8. Systems & Processes

8.1 Proper GST Output invoices need to be raised

Observation:

Auditee is into the business of providing flats to the customers. While verification of GST tax invoice raised by auditee, the following points were identified.

- Accounting is done in the name of particular customer, where invoice is raised in the name of another customer.
- For few invoices, HSN code has not been mentioned.

(Refer annexure “improper output invoice” for details)

Impact:

Any output tax invoice raised by auditee shall be in accordance with rule 46 of the CGST rules.

Impact: -

Level of Impact: low

Recommendation:

Suggested to issue output invoice in accordance with the provisions of the Act.



9. Other Information

9.1 Wrong grouping of transactions

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Observation:

Auditee is maintaining separate ledgers for recording input tax and output tax. However, the following were identified:

1. In Dec'19, for recording output tax, CGST@6% input ledger has been considered and entries have been passed accordingly.
2. In Oct'19, for purchase transaction CGST@9% output ledger has been considered.

However, there is no rectification regarding the same.

Impact:

Posting of entries in other ledgers will leads to reconciliation issues.

Impact: -

Level of Impact :Low

Recommendation:

Suggested to rectify the said error at the earliest possible.

9.2 CGST+ SGST paid as IGST

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Observation:

Auditee has paid Rs.17242 as IGST instead of CGST +SGST in May`19. This results in wrong type of tax has been paid to the Government. Further, such wrongly paid tax has been availed as ITC in the month of in Sep`19 returns.

Impact:

It results in improper availment of input tax credit without receipt of any goods or services, which is an ineligible credit .

(Refer ledger "IGST Old" ,voucher no.8 dated 30-Sep-19 for details)

Impact: 17,242

**Level of Impact
:Medium**

Recommendation:

Suggested to reduce IGST input now and discharge correct tax and go for refund of wrongly paid tax at the time when department intervenes. (Sec 19 of IGST Act, 2017 and section 77 of CGST Act).

Other issues

Area	Observation	Ref.	Impact	Description
Systems	Utilization entries shall be passed in BOA	9.3	Medium	Auditee is availing input tax credit in returns and utilising the same against tax liability during the month. However, no utilisation entries were passed in BOA. Non passing of Utilisation entries results in mismatching of balances as per BOA and returns. We suggest auditee to make it as a practise to pass utilisation entries on monthly basis.
Systems	Unique series shall be maintained for journal vouchers	9.4	Medium	Auditee considers same set of voucher numbers for passing journal vouchers which leads to duplication of voucher numbers within the same month. Multiple vouchers are passed with same voucher number which should be avoided. We suggest auditee to pass vouchers with unique series of numbers for easy identification of transaction and avoidance of duplication

Other issues

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Area	Observation	Ref.	Impact	Description
Systems	Excess rate charged by supplier	9.5	Medium	Auditee is receiving transportation services from M/s. SSLLP logistics where GST@18% has been charged. As per entry no.19 under notification 9/2017 IGST dated 28.06.2017, transportation of goods by road would be exempt except the services of goods transport agency, courier agency. As supplier does not fall under restricted category, there is no need for GST to be charged by supplier. We suggest auditee recheck the classification of services received. <i>(Refer ledger "Goods transportation charges@18%" for details)</i>

Other issues

Area	Observation	Ref.	Impact	Description
Revenue	GST may be demanded on the legal charges collected from customers	9.6	Medium	Auditee is collecting some amount from the customers towards stamp paper charges which are credited to legal expense a/c. Such amounts debited to the customers will amount to supply and GST shall be discharged on the same if no pure agent terms has been entered. We suggest auditee to have a proper documentation regarding the services provided to customers.
Systems	Anti profiteering measures are to be taken	9.7	Low	As per Sec 171, the benefit of input tax credit has to be passed on to the recipient by way of commensurate reduction in prices. In recent times, certain notices were also issued to the entities engaged in construction and hotel industry. As a suggestion, we recommend auditee to maintain proper documentation and workings which can act as a defence in case any notice, if any received by auditee.

Other Information – Overall Tax compliance

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Month	Total Tax Liability	Paid in Credit	Paid in Cash	Penalty/ Late fee	Interest
Apr'19	8,92,333	8,92,332	0	0	0
May'19	9,02,796	9,02,796	0	0	0
Jun'19	4,01,922	4,01,922	0	0	0
Jul'19	22,37,062	22,37,062	0	0	0
Aug'19	11,22,814	11,22,814	0	0	0
Sep'19	13,76,398	13,76,398	0	0	0
Oct'19	3,50,051	3,50,050	0	0	0
Nov'19	-	-	0	0	0
Dec'19	9,32,828	9,32,828	0	0	0
Jan'20	7,02,620	7,02,620	0	0	0

Other Information – GSTR 3B Return filing status

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Month	Due Date	Date of filing	Delay in days
September'19	20-10-2019	21-10-2019	1

Electronic Credit Ledger Balance as on 20/02/2020	Rs.50,36,285/-
Electronic cash Ledger Balance as on 20/02/2020	Rs.1,11,108/-

Other Information – GSTR 1 Return filing status

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There is no delay in filing of returns



10. Compliance with Previous Reports

10.Previous report non compliance(Apr'18 to Mar'19)

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Area	Ref.	Observation	Impact	Current Status
Revenue	4.1	Credit note pertaining to F.Y.2017-18 cannot be adjusted after Sep'18 return.	High	Not complied. Even during the current audit period, auditee has issued credit notes pertaining to FY 18-19 regarding extra specs refund and PMAY scheme. Amount of tax wrongly adjusted against tax liability is Rs.1,55,368/- <i>(Refer annexure "Credit notes" for details)</i>
Revenue	4.2	Discounts given for prompt payment of consideration can be reduced from the taxable value.	High	Not complied. Even during the current audit period, auditee has provided on time discounts to various customers for which tax liability has not been adjusted. Amount of tax liability which can be reduced is Rs17,040/- .Suggested to adjust the same in the subsequent return. <i>(Refer annexure "Discount allowed" for details)</i>

10.Previous report non compliance(Apr'18 to Mar'19)

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Area	Ref.	Observation	Impact	Current Status
Revenue	4.3	GST needs to be paid on amount received in excess of milestones.	High	Not complied. Even during the current audit period, certain closing balances of debtors are appearing as credit amounts. Suggested to reconcile the same if such amount amounts to advance, then GST shall be discharged on the same. Amount of GST calculated on such closing credit balance amounts to Rs.10,43,588/- (Approx.) <i>(Refer annexure "GST on advance" for details)</i>
Revenue	4.4	GST needs to be paid on the forfeited amount.	Medium	Not complied. Management decision is pending in this regard. Amount of GST to be discharged is Rs.39,217/- <i>(Refer annexure "GST on forfeited</i>

10.Previous report non compliance(Apr'18 to Mar'19)

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Area	Ref.	Observation	Impact	Current Status
Reverse Charge Mechanism	6.1	RCM needs to be discharged on specified services	High	Not complied. Auditee needs to discharge GST under RCM on Advocate services and security services and amount of GST to be paid is Rs.20,370/- . <i>(Refer annexure "GST under RCM" for details)</i>

10.Previous report non compliance(Apr'18 to Mar'19)

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Area	Ref.	Observation	Impact	Current Status
Other Information	9.2	Material supplied to contractors should be treated as separate supply	High	Not complied. Even during the current audit period, auditee has supplied cement bags to his contractors for which GST has not been discharged. Amount of GST to be discharged is Rs.89,655/- . Suggested to discharge the same at the earliest possible (<i>Refer annexure "GST on cement supplied" for details</i>)

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Revenue	4.2	ST shall be paid for the milestones occurred in ST regime and amount received in GST regime.	High	Not complied. Management decision is pending in this regard.
Revenue	4.3	GST needs to be paid on amount collected as interest for delay payment.	Medium	Not complied. Auditee, during the current audit period, has collected certain interest income for delayed payment. As per sec 13(6), GST to be payable on interest amount shall be the date on which supplier receives such amount. Amount of GST to be payable on such interest receipts is Rs.30,000/- <i>(Refer annexure “ GST on interest” for details)</i>

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Revenue	4.4	GST needs to be paid for the commission received from investors.	High	Not complied. Management decision is pending in this regard.
Revenue	4.7	Refund of service tax can be claimed for cancellation of flats	Medium	Not complied. Management decision is pending in this regard.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.1	1/3rd value claimed as land deduction shall be disclosed in returns	Medium	Not complied. Suggested to comply the same from April`20 returns.
Systems and processes	5.3	1. Documents issued is not disclosed in the returns. 2. HSN summary is not disclosed in the returns	Low	Partly complied. For few months they have complied, for few months they have not complied. Suggested to comply the same for all months on consistent basis.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.2	Various reconciliations to be maintained	High	Not complied. Even during the current audit period, certain reconciliation differences were identified. •Difference between BOA and GSTR 3B w.r.t Taxable value, tax liability, exempt sales and input tax credit. •Difference between GSTR 1 and GSTR 3B w.r.t taxable value, tax liability and exempt sales. •Difference between HSN table and other relevant tables in GSTR 1. <i>(Refer annexure "Reconciliation differences" for details)</i>

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.4	Separate series needs to be maintained for the credit notes issued	Low	Not complied. Linear series has been maintained during the audit period. Suggested to maintain a proper series so that duplication of the same can be eliminated.
Other information	5.5	Vendor compliance must be ensured.	Low	Not complied. Certain vendors still have not yet filed their GSTR 1. suggested to follow up with the suppliers to file their returns at the earliest. <i>(Refer annexure “vendor compliance” for details)</i>

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Other information	5.6	Data required for annual returns must be captured	Low	Not complied. Explained that the same will be captured at the earliest.
Systems and processes	5.9	Sub-group should be created under flat sales for identifying before OC and after OC	Low	Not complied. Management decision is pending in this regard.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.9	Proper narrations to be maintained for all the transactions	Medium	Partly complied. Though auditee is passing narration for almost all entries, a few are not in line with the nature of transaction. Suggested to comply the same at the earliest.
Systems and processes	5.9	Separate ledgers needs to be maintained for the RCM input and output	Low	Not complied. No separate ledger is maintained to record RCM liabilities and RCM input.
Systems and processes	5.9	Separate ledgers needs to be maintained for the discounts received and discounts allowed	Low	Not complied. Only discounts received ledger is maintained by auditee.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.10	GSTIN of the creditors to be updated in Tally and also the correctness of the same to be ensured.	Low	Not complied. Certain vendors were identified whose GSTIN is still not updated in Tally. Suggested to update the same(<i>Refer annexure "GST vendors" for details</i>)
Systems and processes	5.11	Sites to be added as additional place of business	Low	Not complied. As per sec 2(85) of the Act, the place where the business is ordinarily carried on shall be treated as place of business and the same need to be added as additional place of business in registration certificate.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Systems and processes	5.13	Self invoice needs to be raised for the supplies received under RCM from unregistered persons	Low	Not complied. Suggested to raise the same at the end of the every month.
Systems and procedures.	5.16	1. Changes required in GST workings 2. Proper maintenance of departmental correspondence file. 3. MIS must include the information relating to GST	Low	Partly complied. Departmental correspondence has not been maintained. MIS report should also be include information related to GST.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Other information	6.1	Cross billing needs to be done for the telephone expenses	Medium	Not complied. Explained that the same will be complied at the earliest possible.

10.Previous report non compliance(Jul'17 to Mar'18)

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Area	Ref.	Observation	Impact	Current Status
Input Tax credit	6.2	ITC availed on provision created needs to be reversed	Medium	Not complied. Explained that the same will be complied at the earliest possible.
Input Tax credit	6.3.1	Ineligible ITC availed needs to be reversed	High	Not complied. Auditee has availed ITC on car hire charges, gold purchases and staff medical policy. Amount of ineligible credit availed is Rs.47,883/- . Suggested to reverse the same at the earliest possible. <i>(Refer annexure "Ineligible ITC" for details)</i>
Input Tax credit	6.3.2	ITC cannot be availed on the purchases made from composition dealer	Low	Not complied. Auditee has not reversed the credit wrongly availed. Suggested to reverse the same at the earliest possible.



Note: Our report is based on documents, information and explanation provided to us in writing and also orally. No assurance is given that the revenue and statutory authorities/courts would concur with the view expressed herein. In view of our having opined based on the existing provisions of law and its interpretation, which are subject to change from time to time, we do not assume any responsibility to update the views consequent to such changes.

Our Presence

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