M/s. Villa Orchids LLP

GST Review Report – Jul’17 to Mar’18

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Background of M/s. Villa Orchids LLP

- We understand that M/s. Villa Orchids LLP (hereinafter referred as the "auditee") is a partnership firm engaged in the business of construction/development of villas.
- Our audit covers only the GST registration of Telangana.
- The ongoing project of the auditee which is covered in our scope is "Villa orchids" located in Ranga Reddy district.

Scope of service

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.

Acknowledgement

- We acknowledge the support extended by the staff of the auditee:
  - Accounting department
  - Customer Relationship Management
  - Purchase department

  for cooperating in providing the data and explanations required by us.

Segments of report

The points arising out of the review are discussed under the following segments –

1. **List of abbreviations-** This segment covers the list of abbreviations and their extended words used in the report;
2. **Executive summary-** This segment covers a summary of issues, which have high risk and is aimed for the top management of the company.
3. **Return filing status-** This segment gives brief idea about the GST returns filed by the auditee;
4. **Conceptual report-** This segment covers aspects relating to the legal position as prevailing under law that should be noted by the company**.**
5. **Systems report-** This segment contains the points pertaining to areas where weaknesses were observed in terms of internal control, some of which may have ramifications on legal compliance in future if not complied.
6. **Transactional report-** This segment contains the specific transactions noted by us which may have impact in the long run if not complied with**.**
7. **Key assumptions and limitations of the review -** This segment list out the assumptions and limitations which are observed during the review.
8. **Annexure to the report -** In this segment, annexure to the points discussed under aforesaid heads are provided. Unless otherwise mentioned, the instances given in the annexure are illustrative only as the audit was based on test check. The same are given in the ***"Villa orchids_Annexures_Jul'17 to Mar'18_RB"*** attached.

1. List of abbreviations

Abbreviation	Meaning
Auditee	Villa orchids LLP
GST	Goods and Services Tax
CGST	Central GST
SGST	State GST
IGST	Integrated GST
RCM	Reverse Charge Mechanism
Ongoing project	Villa orchids
w.r.t	With respect to
URD	Unregistered dealer
ST	Service Tax

Abbreviation	Meaning
GSTIN	GST Identification Number
ITC	Input Tax Credit
BOA	Books of Accounts
Ref.	Reference
OC	Occupancy Certificate
Approx.	Approximately
AOS	Agreement of sale
TOS	Time of Supply
GSTR	GST Return
HSN	Harmonized System of Nomenclature

2. Executive summary

2.1 Risk Compliance

Observation	Risk	Ref.	Amount(in Rs.)
Consideration of land value as 50% of the total consideration in AOS is improper	High	4.1	Not quantified
GST needs to be paid under RCM on unregistered procurements from 1st Sep'17 to 12th Oct'17	High	4.9	Rs. 43,74,092/-
Material supplied to contractors should be treated as a separate supply	High	4.5	Rs. 3,24,153/-
ST collected from the customers needs to be paid to the government	Medium	4.3	Rs.55,854/-

2. Executive summary

2.2 Value addition

Observation	Ref.	Amount (in Rs.)
Reconciliation of ITC availed as per GSTR 3B and GSTR 2A	5.1	**Rs. 8,85,777**
Suggestions for improvements to be made w.r.t accounting and other procedural aspects of system	5.15	**No quantification**

3. Return status

During the course of our review we observed that the auditee has filed all the returns under GST both GSTR 3B and GSTR 1 within the due dates except for few as given below. We suggest to file returns under due date to avoid payment of interest. Following are the returns which were filed after the due date. ***(Refer annexure "Return status" for details)***

Month	Type of return	Due date	Date of Filing	Delay
July'17	GSTR-3B	25-Aug-17	02-Sep-17	8
Aug'17	GSTR-3B	20-Sep-17	03-Oct-17	13
Sep'17	GSTR-3B	20-Oct-17	31-Oct-17	11
Oct'17	GSTR-3B	20-Nov-17	17-Dec-17	27
Nov'17	GSTR-3B	20-Dec-17	22-Dec-17	2
Mar'18	GSTR-3B	20-Apr-18	02-May-18	12

4. CONCEPTUAL REPORT

4.1 Consideration of land value as 50% of the total consideration in AOS i liable to GST

Area	Description
Observation	It was noted that auditee has entered into AOS for the entire consideration. After receiving 50% of the consideration, auditee will enter into sale deed and for the remaining 50% of the value, construction agreement will be entered. GST is paid only on the agreement of construction value ie., on 50% of the value @18%. On the remaining 50% of the value, no GST is being paid.
Provisions under GST	As per Entry no. 5(b) of Schedule II of CGST Act, 2017, construction of a complex, building, civil structure or a part thereof is treated as supply of service.
Impact	As initially, AOS is entered for the villa without the bifurcation of land and construction, GST will be liable to be paid on the entire value of AOS and not only on the construction services.
Recommendations	It is suggested to the auditee, to discharge GST on the balance 50% of the value.

4.2 GST needs to be discharged on amount forfeited from the customers at the time of cancellation

Area	Description
Observation	It was observed that auditee is in practice of retaining some amount towards cancellation charges when customer cancels the flat and refund the balance amount to the customer. The amount retained towards cancellation charges will be credited to Forfeit a/c in the books.
Provisions under GST	As per the provisions of GST, amount retained towards cancellation charges will amount to supply and GST need to be paid on the same.
Impact	The total of such flat cancellation on which GST has not been discharged amounts to ***Rs.25,000/-*** and the GST on the same amounts to ***Rs.3,814/-*** on inclusive basis @18%. ***(Refer Annexure 'GST on cancellation charges' for details).***
Recommendation	We advise the auditee to discharge GST on amount retained as cancellation charges along with applicable interest at the earliest.

4.3 ST collected from the customers needs to be paid to the department

Area	Description
Observation	Auditee has collected ST from the customer and the same has not been paid to the department. Further, ST collected from the customer has been transferred to 'Maintenance & Security Deposit A/c'.
Provisions under GST	Any amount collected as taxes from the customers shall be paid to the respective government.
Impact	The amount of VAT and ST collected but not paid amounts to ***Rs. 55,854/-***
Recommendations	It is recommended to pay the ST to the department at the earliest.

4.4 Interest shall be paid for delay in payment of tax

Area	Description
Observation	Auditee in few cases has not filed the returns within the due date. However, no interest is discharged for such delay in payment of tax.
Provisions under GST	As per Sec. 50 of CGST Act, 2017, every registered person who has failed to make payment of GST to the government within the prescribed time period, shall be liable to pay applicable interest @18% from the due date of filing such return and the actual date of filing of such return. Under GST, the date of filing of return is considered as the date of discharging of the liability..
Impact	The amount of Interest to be discharged by the auditee is amounting to ***Rs. 27,285/- (Refer annexure "Interest payable for delay" for details)***
Recommendations	It is recommended to discharge interest at the earliest for such delay in payment of tax.

4.5 Material supplied to contractors should be treated as a separate supply

Area	Description
Observation	Auditee in few cases, auditee is supplying the material to the contractors by debiting them in the BOA. Auditee is reversing the ITC availed on such material at the time of purchase.
Provisions under GST	As per Sec. 7 of CGST Act, such amounts debited to the customers will amount to supply and GST shall be discharged on the same. Further, as per Entry No. 1 of Schedule I of CGST Act, 2017, permanent transfer or disposal of business assets without consideration, where ITC has been availed on such assets, will be treated as supply.
Impact	Instead of reversing the ITC, the same shall be treated as outward supply and GST shall be paid on the same. Total of such GST to be paid is ***Rs.3,24,153/- (Refer annexure "material supplied to subcontractor" for details)***
Recommendations	It is suggested to issue a separate invoice for the goods supplied and discharge GST instead of reversing the ITC on inward supplies.

4.6 Amount refunded to the customers at the time of cancellation should be in line with the AOS

Area	Description
Observation	It was observed that as per clause 10.5 of AOS entered with the customers, at the time of cancellation of flat auditee will refund the amount excluding taxes. However, at the time of refunding auditee is refunding the amount including taxes in few instances.
Provisions under GST	As per Sec.34(2) of CGST Act, 2017 a registered person cannot adjust the credit note issued for the supplies made in any FY after the September month of the subsequent FY.
Impact	Flats booked in a year and cancelled after Sep'18, then no GST credit note can be issued accordingly the GST paid on the same cannot be adjusted against subsequent liability. Hence, the GST portion on the amount refunded will result in cost to the auditee.
Recommendations	It is recommended to not to refund the GST portion in such cases to the customers if not auditee has to bear the cost.

4.7 Transitional credit wasn't availed for the ongoing project

Area	Description
Observation	It is observed that the auditee has not availed transitional credit of closing stock as on 30th June'2017 due to some ambiguity with respect to its eligibility and non-availability of proper workings.
Provisions under GST	As per transitional provisions, Section 140 (3) of CGST Act'2017, a registered person can avail input on closing stock or semi finished goods provided such goods are purchased after 30th June'16.
Impact	Missed to avail eligible credit. Couldn't quantify the same as the details of stock/semi finished goods for the project are not provided.
Recommendations	The auditee can quantify the same and approach the department for availing the credit.

4.8 GST to be discharged under RCM on specified services received

Area	Description
Observation	It was observed that auditee has incurred certain expenditure towards sponsorship services. Further, auditee has also received legal services during the current review period.
Provisions under GST	As per Sec 9(3) of CGST Act, 2017 GST on services such as sponsorship services & legal services shall be paid by service recipient.
Impact	The RCM services received during this period amounts to **Rs. 5,15,000/-** and the amount of GST to be paid by the auditee under RCM amounts to **Rs. 92,700/-.*(Refer Annexure 'GST on specified services under RCM' details).***
Recommendations	We suggest the auditee to discharge GST under RCM at the earliest. As the due date of filing September'18 month return is elapsed, the credit of the same cannot be taken.

4.9 GST needs to be paid under RCM on unregistered procurements

Area	Description
Observation	Auditee has discharged GST under RCM on the unregistered inward supplies only for the months of July'17 and Aug'17. For the period 1st Sep 2017 to 12th Oct 2017, GST is not discharged on the assumption that GST is not required to be paid on the same.
Provisions under GST	As per Sec.9(4) of the CGST act,2017, up to ***12th Oct'17*** GST shall be payable under RCM for the supplies received from unregistered persons irrespective of the quantum of transaction. Exemption has been provided only for the cases where total amount of procurements in a day are less than Rs. 5,000/-.
Impact	This lead to short payment of GST under RCM. The probable amount of GST to be discharged is ***Rs.43,74,092/-(Refer annexure "RCM_URD" for details)***
Recommendation	Discharge GST on all the supplies received from the unregistered persons at the earliest along with the interest. As the due date of September'18 return has elapsed, the same cannot be availed as credit.

4.10 Ineligible ITC availed needs to be reversed

Area	Description
Observation	Auditee has availed ITC on cab and food expenses on which ITC is restricted
Provisions under GST	As per sec.17(5) of CGST Act,2017, ITC of food expenses and rent-a-cab are ineligible.
Impact	The total amount of ineligible ITC availed by the auditee amounts to ***Rs.4,728/-*** **(*Refer annexure "Ineligible ITC" for details for details*)**
Recommendations	It is advised to reverse such ineligible ITC along with interest at the earliest. Further, steps shall be taken to ensure that ITC is not taken on ineligible items.

5.SYSTEMS REPORT

5.1 Various reconciliations to be maintained

- As per Sec 35(5) of CGST act, 2017, auditee is liable to get their BOA audited and get the certification done in GSTR-9C.
- It was observed there are differences between, BOA and returns and also among diff. returns of the auditee.
- Hence, we suggest the auditee to reconcile BOA and returns to avoid adverse remarks in GSTR-9C.

S.No	Differences
1	Taxable value as per BOA and GSTR-1 for the period Jul’17-Mar’18. ***(Refer annexure “BOA vs Returns-Payable” for details)***
2	Taxable value as per BOA and GSTR-3B for the period Jul’17-Mar’18 ***(Refer annexure “BOA vs Returns-Payable” for details)***
3	Taxable value as per GSTR-3B and GSTR-1, for the period Jul’17-Mar’18. ***(Refer annexure “BOA vs Returns-Payable” for details)***
4	ITC availed as per BOA and GSTR-3B. Net short availment in returns for the review period is **Rs.1,92,908/-.** ***(Refer annexure “GSTR-2A and GSTR-3B “Comparison for details)***
	ITC availed as per GSTR-2A and GSTR-3B. Net short availment for the review period is **Rs. 8,85,777/-.** ***(Refer annexure “GSTR-2A and GSTR-3B “Comparison for details)***

5.2 Discrepancies in filing returns

S.No	Observation	Recommendation
1	Documents issued is not disclosed in the returns	We suggest the auditee to disclose the documents issued during the month in the GSTR-1
2	Credit notes issued to customer(unregistered) are not disclosed	We suggest the auditee to disclose the credit notes issued by decreasing the current month liability of B2C in GSTR-1
3	Exempted income like bank interest is not disclosed in the returns	Must be disclosed in ***(a) Table-3 of GSTR-3B*** ***(b) Table- 8 of GSTR-1***
4	Ineligible ITC was not being disclosed (Eg. Cab charges, food charges)	Must be disclosed in ***Table-4B of GSTR-3B***

5.2 Discrepancies in filing returns

S. No	Observation	Recommendation
5	Disclosure of ITC on supplies other than ISD, RCM	Must be disclosed in ***Table-4A(5) of GSTR-3B***
6	HSN summary is not disclosed in the returns	We suggest the auditee to update the HSN summary in the GSTR-1
7	Sale of land needs to be disclosed as "Non-GST supplies"	Must be disclosed in ***(a) Table-3 of GSTR-3B*** ***(b) Table- 8 of GSTR-1***

5.3 Display of registration certificate and GSTIN

Area	Description
Observation	It was observed that, auditee has neither disclosed registration certificate nor displayed GSTIN number on the name board exhibited at the entry of principal place of business.
Provisions under GST	Registration certificate need to be displayed in a prominent place of business and GSTIN needs to be displayed on the name board installed at the principal place of business.
Impact	Non compliance of the same may attract a general Penalty of **Rs.25,000/-.**
Recommendations	Display the registration certificate and GSTIN at the earliest to ensure compliance with the provisions of the GST law.

5.4 Registration certificate needs to be amended to add new authorized signatory

Area	Description
Observation	It was observed that, the authorized signatory mentioned in the GST registration certificate has resigned from his post.
Provisions under GST	Authorized signatory needs to authorize every outward supply invoice issued.
Impact	Non compliance of the same may attract a general Penalty of ***Rs.25,000/-.***
Recommendations	It is recommended to amend the registration and add a new authorized signatory.

5.5 Site premises needs to be added as additional place of business

Area	Description
Observation	Auditee is registered only in the state of Telangana. Further, auditee has added its corporate office as principal place of business in the registration certificate but has not added site premises as additional place of business.
Provisions under GST	Sec. 2(85) of CGST Act'2017, defines place of business and which includes the place where business is ordinarily carried on.
Impact	Non compliance of the same may attract a general penalty of Rs. 25,000/-.
Recommendations	We suggest the auditee amend the registration w.r.t place of business and add the site premises under additional place of business.

5.6 Proper invoice needs to be issued for outward supplies made

Area	Description
Observation	It was observed that, invoice issued by the auditee is not in accordance with Rule 46 of CGST Rules, 2017 ie. HSN, POS, address of the customer, signature of authorised signatory has not been mentioned on the invoice.
Provisions under GST	Invoice issued by a registered person should be in accordance with Rule 46 of CGST Rules, 2017.
Impact	Issuing improper invoices may attract a general penalty of Rs. 25,000/-
Recommendations	It is recommended to issue a proper outward invoice for all the output supplies made.

5.7 Self invoice needs to be raised for the supplies received under RCM

Area	Impact/Recommendation
Observation	There is no self invoice raised for the supplies received from unregistered person on which GST is liable to be paid under RCM.
Provisions under GST	A registered person receiving supplies from a unregistered person in terms of Section 9(3) or 9(4) of CGST Act, shall issue a self invoice in respect of such supplies received
Impact	Auditee shall be liable to a penalty which may extend to **Rs.25,000/-** for not raising such self invoice.
Recommendations	It is suggested to the auditee to issue a self invoice for the supplies received by them.

5.8 Vendor compliance must be ensured

Area	Description
Observation	Few of the Vendors of the auditee have added the invoices but not filed their GSTR-1. ***(Refer annexure "Vendor compliance" for more details)***
Provisions under GST	As per Sec 16 of CGST Act,2017 one of the condition for availing credit by the recipient is that supplier has to pay tax amount and file his returns.
Impact	As the vendors of the auditee have not filed their GST returns, then the credit in the hands of the auditee will not be allowed.
Recommendations	Non compliance by vendors in filing returns may result in denial of credit and interest, penalties may attracts to auditee. Hence, we recommends auditee to take appropriate measures and follow up with the vendors to file their returns.

5.9 GST workings needs to be prepared

Area	Impact/Recommendation
Observation	It was observed that auditee is not in practice of preparing any workings for filing GST returns.
Provisions under GST	-
Impact	Non finalising of computations after the return filed will assure no reliability and in order to fix the figures disclosed auditee shall prepare monthly input and output computations, convert them into PDF and get the same signed by concerned person.
Recommendations	It is suggested to have proper computations before filing of returns and the same should be authenticated which will help the auditee to have a base on which the amounts are disclosed in the returns, to have a proper track for the transactions missed to pay GST /avail the ITC and ensures reliability.

5.10 Improvements required in documentation

S.No	Observation / Suggestion	Impact/Recommendation
(a)	Proper receipt vouchers to be issued for advances received. [*Ref. Sec 31(2) read with Rule 50*]	The receipt issued is not containing the fields prescribed under the law. Hence, We suggest the auditee to raise proper receipt voucher for advances in accordance with rules specified to avoid payment of penalty. ***(Refer annexure "Receipt Voucher_Format" for details)***
(b)	Refund vouchers to be issued for the advance refunded at the time cancellation of flats	Non-compliance of the same would attract penalty ***(Refer annexure "Refund Voucher_Format" for details)***
(c)	Payment voucher to be issued for the payments made to vendors of RCM transactions	Though the auditee is discharging GST under RCM for specified supplies under sec 9(3) of CGST Act'2017, it is also required as per section 31(3)(g) of CGST Act'2017, to issue a payment voucher to suppliers for payment made under RCM for unregistered dealers. ***(Refer annexure "Payment voucher Format" for details)***

5.11 Other compliances required

Sl. No.	Observation/ Recommendation	Description
(a)	Data required for annual returns must be captured	The auditee is in the practice of capturing all the required data to file GSTR-1 and GSTR-3B. However, to file annual return some additional data is required, which is not captured by the auditee. Suggest the auditee to work on the same immediately for the period so that last minute rush can be avoided. ***(Refer annexure "Annual returns" for details)***

5.12 Suggested changes in the system

Sl. No.	Observation/ Recommendation	Description
(a)	Changes required in GST workings	▪ In case of auditee, it is difficult to retrieve the source of GST workings and the adjustments made thereto.GST workings must be self explanatory with proper notes and links to the base file from where they are taken. ▪ A "Reconciliation statement" must be prepared for incomes and expenses at the end of every month.***(Refer annexure " Reconciliations" for details)*** ▪ Finalized monthly computation sheets must be printed, dated, the name & designation of the person authenticating it must be mentioned on them and filed separately for future reference. ▪ Expenses register capturing all the expenditure made by the auditee needs to be maintained in the format prescribed ***(Refer annexure "Inward register" for details)***

5.12 Suggested changes in the system *...Contd.*

Sl. No.	Observation/ Recommendation	Description
(b)	Proper maintenance of departmental correspondence file.	Auditee is not in practice of maintaining such file, it is suggested to maintain such file with a proper index and also document even the communications made through e-mails in such file.
(c)	MIS must include the information relating to GST	The MIS sent to top management must include the following data relating to GST ▪ GST liability, % of credit availed to total revenue ▪ Credit availed, % of credit availed to total expenses ▪ Tax paid in cash, % of total liability ▪ Date of filing returns, reasons for delay in filing return(if any) ▪ Interest and late fees discharged

5.12 Suggested changes in the system ...Contd.

Sl. No.	Observation/ Recommendation	Description
(d)	Appropriate training to be given to employees in order to comply with law	Upon discussion, we observed that the employees looking after compliance are not being trained at regular intervals. The training empowers the employees to comply with the law in a better manner. We suggest the auditee to take appropriate action in this regard.
(e)	Terms of purchase order and work order needs to be modified	Clause needs to be inserted stating that the responsibility lies with the vendor till the goods reaches the auditee premises to safeguard the interest of the auditee.

5.13 ITC utilization entries needs to be passed in the BOA

Area	Description
Observation	It was noted that auditee has utilized the ITC for discharging GST liability however, such utilization entries was not passed in the BOA for the month of July’17 to Mar’18.
Provisions under GST	-
Impact	Non-passing of utilisation and reversal entries leads to difference in ITC balance as per books and returns.
Recommendations	Therefore, we recommend the auditee to pass the ITC utilization month of July’17 to Mar’18 at the earliest.

5.14 Suggestions on accounting

S. No	Recommendation	Description
(a)	Liability under reverse charge must be accounted transaction wise	It suggested to account for the RCM liability for each transaction, so as to have better control on the transactions considered/ignored for payment of GST under RCM.
(b)	Sub-group should be created under 'Installment receivable a/c' for identifying before OC and after OC customers	There is no bifurcation for the flats sold after OC and flats sold before OC. Sub-group should be created for identifying before OC and after OC and grouping of the each flat's ledger should be updated accordingly. This helps in avoiding the errors of disbursing GST for the post OC sales.
(c)	Proper narrations to be maintained for all the transactions	In few cases, there are no narrations for accounting entries passed, and in few cases the narrations are not inline with the entry passed.

5.14 Suggestions on accounting *Contd.*

S.No	Recommendation	Description
(d)	ITC ledgers shall be grouped under current assets instead of current liabilities	As Input Tax Credit is a current asset, it shall be grouped under 'Current Assets' in the book of accounts to ensure proper disclosure, control and to give a correct view of book of accounts.
(e)	GSTIN of the creditors to be updated in Tally. Also the correctness of the same to be ensured	We have observed that the GSTINs of all the suppliers are not accounted in Tally. Further, few of the GSTINs updated were incorrect. It is pertinent to note that maintaining all these details in the accounting software will lead to the easy generation of GST reports useful for filing returns. Further GSTIN of all the vendors can be updated with a tool. ***(Refer annexure "GSTINs in Tally" for details)***

5.14 Accounting issues

S.No	Recommendation	Description
(f)	Purchase register needs to be maintained	There is no separate register maintained for recording the procurements. It is advised to maintain such register so as to have a track of details of procurements such as description, HSN, GSTIN, date of invoice ,rate of tax, used for exempt or taxable supplies and to check vendor compliance etc which will help the auditee to file annual returns and to have proper reconciliation.
(g)	Separate ledgers must be maintained	Following separate ledgers needs to be maintained to have proper track - (a) Input receivable and output payable (d) Ineligible ITC (b) Supplies from Composition dealers (e) Interest / Late fees paid (c) Input on RCM (f) RCM Payable

6.TRANSACTIONAL REPORT

6.1 Credit notes needs to be obtained from the vendor instead of accounting debit notes

Area	Description
Observation	It was noted that auditee is reversing some credit based on the accounting debit notes whenever there was a shortage in material received from the vendor and excess billed by the vendor.
Provisions under GST	As per Sec:17(5) of CGST Ac, ITC has been specifically restricted on goods lost. Further, a registered person needs to issue a credit note where the taxable value or tax charged in the invoice exceeds the tax payable or the supply found to be deficient in terms of section 34 of CGST Act.
Impact	If the supplier has reduced his output liability, then only ITC is required to be reversed. If not reversal is not required for any change in the value.
Recommendation	Hence we recommend auditee to get the credit notes from the vendors instead of passing debit notes.

6.2 ITC missed to be availed on telephone charges

Area	Description
Observation	During the course of our review, it was observed that auditee had missed to avail the ITC charged by the vendors on few transaction such as telephone charges which are billed in the name of the employee(which has been reimbursed by auditee)
Provisions under GST	As per Sec. 16 of CGST Act, 2017, read with CGST Rules, a registered person can avail ITC on expenditure incurred in the course or further of business
Impact	Total of such ITC missed to avail amounts to **Rs.843/-. *(Refer annexure "ITC missed" for more details)***
Recommendation	Therefore, we recommend the auditee to get a revised invoice from the vendor on the name of auditee and avail the ITC henceforth.

Key assumptions & limitations

GST compliance review has been conducted with following assumptions:

- Our review is based on CGST Act 2017, IGST Act 2017, SGST Act 2017 and CGST and IGST rules,2017 and other notifications, instructions and circulars issued under GST provisions.
- The limited review was carried out using the principles laid down by the Standards on Auditing issued by the Institute of Chartered Accountants of India from time to time
- Our review was carried out on the Tally access provided to us as on 9^{th} Oct 2018.
- Our observations are subject to the records furnished, explanations and information given to us and certain limitations as set out in this report.
- As the GSTR-2 and GSTR-3 returns have been temporarily deferred, the audit review is carried out based on the GSTR-1 and GSTR-3B returns
- Most of the input invoices are not provided for the review were not provided, hence we are unable to comment ITC eligibility on the same. ***(Refer annexure "No invoices" for details)***

For clarifications
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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.*