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# Tax Audit and Annual Accounts — Documents Checklist for Businesses

Tax audit applies where turnover exceeds ₹1 crore (₹10 crore if cash receipts and payments are within 5%), or professional receipts exceed ₹50 lakh, or presumptive income is declared below the deemed rate. The report is due by 30 September.

## Books and bank

- ☐ Trial balance, ledgers and journal from the accounting software (Tally, Zoho, QuickBooks backup or access)
- ☐ Bank statements for every account for the full year, including loan and credit-card accounts
- ☐ Cash book, with the cash balance on 31 March
- ☐ Fixed-asset register with purchase invoices for additions and details of disposals
- ☐ Closing stock valuation with the method and quantity records

## Sales, purchases and GST

- ☐ Sales and purchase registers matching GSTR-1 and GSTR-3B
- ☐ GST reconciliation — GSTR-2B versus books for input credit; GSTR-9 workings
- ☐ Export invoices, LUT, shipping bills and FIRCs
- ☐ Debit and credit notes issued and received

## TDS and payroll

- ☐ TDS returns filed (24Q, 26Q, 27Q) with challans; TRACES justification reports
- ☐ Salary register, Form 16s issued, PF and ESI challans, profession tax payments
- ☐ Contractor and professional ledgers to check TDS on every payment above the threshold

## Loans, related parties and compliance

- ☐ Loan sanction letters, statements and interest certificates; unsecured loans with confirmations and the mode of receipt (cash loans above ₹20,000 attract penalty)
- ☐ Related-party transactions — list with amounts (section 40A(2)(b)); transfer-pricing documentation for foreign affiliates
- ☐ Details of payments above ₹10,000 in cash, and cash receipts above ₹2 lakh (sections 40A(3) and 269ST)
- ☐ MSME supplier list with payment dates — payments beyond 45 days are disallowed until paid
- ☐ Advance tax challans and last year's audit report and return

## Company-specific

- ☐ Board and general meeting minutes, share register, statutory registers
- ☐ Previous year's audited financials and the auditor's appointment letter
- ☐ Details of directors' remuneration, deposits and loans to directors (section 185/186 compliance)
- ☐ CSR spending, if turnover, net worth or profit crosses the CSR thresholds

## Before you send

- Reconcile GST and books before the audit starts — the 3CD asks for turnover as per GST returns against books.
- Cash transactions are where most audit qualifications arise; keep every cash receipt and payment under the limits.
- Tax audit and the income tax return are separate filings: report by 30 September, return by 31 October.