

## VOICE OF CHARTERED ACCOUNTANT (NGO)

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To  
The Chairman  
Central Board of Direct Taxes  
Ministry of Finance  
Government of India  
New Delhi.

Date: 1<sup>st</sup> August, 2014



**Subject: Representation for extension of the applicability of New Form No. 3CA, 3CB and 3CD for furnishing Tax Audit Report u/s 44AB of the Income Tax Act, 1961 for AY 2015-2016 and onwards**

Respected Sir,

At the outset, the Team Voice of CA would like to congratulate you on taking over the charge of Chairmanship of the CBDT.

The Voice of CA, is a NGO found, existing and working solely for the fraternity of Chartered Accountants and has been raising our 'VOICE' time and again and as warranted by the circumstances. We have strong membership, as on date of about 40000 Chartered Accountants across all streams and places in India. We feel extremely delighted for you being one of the recipients of the contributions of Team Voice of CA.

In reference to the captioned matter, we would like to respectfully submit that the Central Board of Direct Taxes vide Notification No.33 dated July 25<sup>th</sup>, 2014 has recently notified new Form No. 3CA, Form No. 3CB and Form No. 3CD for furnishing Tax Audit Report u/s 44AB of the Income Tax Act, 1961 (*hereinafter referred to as "the Act"*) with immediate effect.

It is provided that the old Forms are invalid even for the previous AYs thereby necessitating the filing of Tax Audit Report u/s 44AB of the Act in revised format for any such Report filed for any Assessment Year after the date of Notification. Further, the schema and the revised utility for e-filing have not been updated at the website of Income Tax department till date.

The introduction of new Forms in the end of the month of July just before 2 months prior to the due date for furnishing Audit Report has mainly generated practical difficulties for the Tax Auditors and the Assessees, especially Government and semi-Government tax payers as the amendments, as much as 18 in numbers as compared to previous report, made in new form and the newly inserted clauses are not merely observations but requires detailed working and examination by the Tax Auditors. Also, the Tax payers are required to furnish additional

information. Consequently, fresh tax audit has to be conducted so as to comply with the additional requirements of the new Forms.

The detailed reasons warranting the extension of the applicability of new form for AY 2015-2016 and onwards are as under:

1. The majority of the Auditors have already completed Tax Audits except uploading the Report on e-filing portal and in order to comply with these amendments and additional requirements, fresh examination and enquiry is to be conducted by the Tax Auditors.
2. The furnishing of Tax Audit report in new format at this point of time would increase burden on the Government in terms of revised Audit fees and allowances like travelling, lodging, boarding and other such expenses where:
  - a. the Audits are allotted by CAG of Government entities, Public Sector entities, Banks, Insurance companies, etc. and the Auditors are appointed from the States other than the State in which the entity is set up.  
The Tax Auditors will be required to again visit the place of Audit in order to comply with the requisites of amended forms which in turn will increase the burden on the Government in terms of costing.
  - b. the entities have large number of branches situated in different regions of the country such as Banks.  
In such cases, most of the Tax Audits have been duly completed by the branch auditors and have been handed over to the Auditor of Head Office for consolidation. In view of this Notification, the Tax Audit report of such entity will have to be furnished in revised forms and fresh audit will have to be conducted for all the branches thereby increasing burden on the Government in terms of costing.
3. The issues mentioned above are applicable for most of the cases in the private sector also.
4. The Guidance Note on Tax Audit under Section 44AB of the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India (ICAI) also needs revision so as to provide guidelines for the Professionals conduction such Audit.

In view of the above, it is humbly submitted that the applicability of new Forms for those Audits would lead to hardship of the Auditors as well as the tax payers and would result in increase of financial burden on the Government of India.

We would request you to kindly consider the aforementioned issues and extend the applicability of the revised Form No. 3CA/3CB & 3CD to AY 2015-2016 and onwards.

Thanking You.

Yours faithfully,

**For Voice of CA (NGO)(Regd.)**

  
**(Sanjay Agarwal)**

**Founder**