



My Dear Friend

I am presenting ***Thursday Publication for 71 FAQ's on Tax Audit Report (TAR) + Accounting Standards (ASs) in India***

- 1. This publication released under our awareness mission to help public under transparency of laws mechanism in India already inspired from thought process of Honorable Prime Minister***
- 2. Any kind of offences attracting Penalty + imprisonment (both).***
- 3. It's humbly suggested to stop committing offence.***
- 4. I trust that you will be enriched by reading this article***

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● *With best wishes from CA. Satish Agarwal, New Delhi* ●



71 FAQ's on Tax Audit Report (TAR) + Accounting Standards (ASs) in India

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(A) Obligations for preparing of information's by taxpayer + auditing by auditor

1. Briefs on TAR's Applicability

- (i) *When resident taxpayer in India (Taxpayer) carrying business + having sales + turnovers + gross receipts (all together) exceeding 1 crore in previous year under section 44AB of Income Tax Act (ITA), 1961*
- (ii) *When taxpayer carrying business + having sales + turnovers + gross receipts (all together) exceeding 10 crore in previous year + aggregate amount received for sales + turnovers + gross receipts in cash not exceeding 5% + aggregate payment amount for purchases in cash not exceeding 5% (both together) under section 44AB of ITA, 1961*
- (iii) *When taxpayer carrying profession + having gross receipts exceeding 50 lac in previous year under section 44AB of ITA, 1961*
 - *List of professions:*
 - (a) *Legal profession*
 - (b) *Medical profession*
 - (c) *Engineering profession*
 - (d) *Architectural profession*
 - (e) *Accountancy profession*
 - (f) *Technical consultancy profession*
 - (g) *Interior decoration profession*
 - (h) *Company Secretary profession*
 - (i) *Film Artist + Actor profession*
 - (j) *Cameraman profession*
 - (k) *Director profession + assistant director + music director + assistant music director + art director + assistant art director + dance director + assistant dance director (all).*



- (l) *Singer profession*
 - (m) *Story-writer profession*
 - (n) *Screen-play writer profession*
 - (o) *Dialogue writer profession*
 - (p) *Editor profession*
 - (q) *Lyricist profession*
 - (r) *Dress designer profession*
 - (s) *Information Technology (IT) profession*
- (iv) (a) *When taxpayer carrying business + having sales + turnovers + gross receipts (all together) not exceeding 2 crore*
+ (plus)
- (b) *Also net profit not 8% or 6% (case may be) under section 44AD of Income Tax Act (ITA), 1961*
- (v) (a) *When taxpayer carrying profession + also gross receipts not exceeding 50 Lac*
+ (plus)
- (b) *Also net profit not 50% under section 44ADA of ITA, 1961*
- (vi) (a) *When taxpayer carrying business + having sales + turnovers + gross receipt (all together) not exceeding 1 crore*
+ (plus)
- (b) *Also net profit not 8% or 6% (case may be) under section 44AD(1) of ITA, 1961*
- (vii) (a) *When co-operative society (taxpayer) carrying business activities + having sales + turnovers + gross receipt (all together) exceeding 1 crore beside co-operative society already obtained audit report under provisions of Co-operative Societies Act, 1865.*
+ (plus)
- (b) *Also clarification already notified vide CBDT's circulars no. 03 dated May 21st, 2009*



2. Briefs on TAR's Non Applicability

- (i) (a) When Partner of partnership firm + also LLP (both) taxpayer not required to obtain TAR (individually) for remuneration's receipt beside amount exceeding 1 crore under section 44AB
+ (plus)
- (b) Also partnership firm + LLP (both) already obtained TAR for sales + turnovers + gross receipts (all together) when exceeding 1 crore
+ (plus)
- (ii) Also concluded by Bombay's high court through reported case in 139 taxmann.com 164 on March 9th 2022

3. Meaning for Business + Sales + Turnovers + Receipts + Accounting Methods (all)

- (i) Meaning for business (section 2(13) of ITA 1961)
- To include 100% trades + commerce's + manufactures + adventures in nature of trades + commerce's + manufactures (all).
- (ii) Meaning for sales + turnover + gross receipts (section 2(91))
- To include 100% (aggregate) value for realizations from sales + supplies + distributions of goods + services (all) during previous year.
- (iii) Meaning for sales + turnover + gross receipts under ICDS of ITA, 1961
- To include 100% cash + receivables + consideration in course of ordinary activities of taxpayer for sale of goods + services (both) under Income computation disclosure Standards (ICDS) during previous year.
- (iv) Meaning for sales + turnover + gross receipts under GST, 2017
- (a) To include 100% values for outward supplies in state + union territory (both)
but
 - (b) Excluding 100% values for inwards supplies under Reverse Charge Mechanism (RCM) of GST, 2017
- (v) Meaning for sales + turnover + gross receipts under Guidance Note (GN) issued by ICAI



- To include *aggregate amount for sale of goods + sale of services – sale returns – trade discounts (all)* under GN issued by Institute of Chartered Accountants of India (ICAI)
- (vi) *Meaning for sales + turnover + gross receipts under speculative transactions*
- To include *aggregate positive's + negative's differences be considered turnover for speculative transactions* for computing turnover against TAR's liability under section 44AB when *contract for sales + purchases of commodities + stocks + shares to be settled without actual delivery* of transactions + transfers of commodity + scripts (all).
- (vii) *Meaning for sales + turnover + gross receipts under actual delivery*
- To include *100% transactions when purchases + sales of commodities + stocks + shares (all) actually intended to be delivered* beside actual delivery not completed due to some unavoidable circumstances.
- (viii) *Meaning for specified date*
- To include *date for TAR to be filed with Income tax's Centralized Processing Centre (CPC) at Bangalore before 1 month* from due date for furnishing Income Tax Return (ITR) under section 139(1) of ITA, 1961 like TAR be filed up to *September 30th* when due date for filling ITR is *October 31st*
- (ix) *Meaning for Books of accounts + documents (both)*
- (a) To include *certain books of accounts for business specified* under section 145 of ITA, 1961 to enable *to compute taxable incomes by Assessing Officer (AO) for taxpayer.*
- + (plus)
- (b) To include *certain books of accounts for profession specified* under section 44AA of ITA, 1961 to enable *to compute taxable incomes by AO for taxpayer*
- + (plus)
- (c) *List for professions included for books of accounts specified under section 44AA*
- (ca) For *Legal* profession
- (cb) For *Medical* profession



- (cc) For *Engineering + architectural* (both) profession
- (cd) For *Accountancy* profession
- (ce) For *Technical consultancy* profession
- (cf) For *Interior decoration* profession
- (cg) For *other profession* to be notified by CBDT in future.

(x) *Meaning for accounting methods for chargeable incomes (section 145(1) + 145(2))*

(a) To include *incomes chargeable to Income tax from profits and gains of business or profession + incomes from other sources (both) be computed under section 145(2) on cash basis or on mercantile basis + also accounting method be employed by taxpayer consistently without frequent changes.*

+ (plus)

(b) Central Government (*Govt.*) *permitted to notify through official gazette from time to time for specific ICDS to be used for notified class of taxpayer for notified class of incomes.*

+ (plus)

(c) (ca) *AO permitted to make assessment under section 144 which commonly known ex-party assessment when AO not satisfied with 100% correctness + completeness of books of accounts (both) of taxpayer*

or

(ca) *When taxpayer not followed method for accounting specified under section 145(1)*

or

(cb) *When taxpayer not computed chargeable incomes specified under ICDS notified under section 145(2).*

(xi) *Meaning for method for special case's accounting (section 145(A))*

(a) To include to *compute incomes chargeable from profits and gains for business or profession in special cases specified under section 145(A).*

+ (plus)

(b) To include *100% values for purchases + sales of goods + sales of services +*



inventories + amount for taxes + duties + cesses + fees *actually paid* + incurred *to bring goods + services up to place of location* + also in agreed conditions (*all*).

(xii) *Meaning for Gross Receipts*

- (a) To include *100% receipts from business* or profession + etc. + sales of goods + sales of services - *100% receipts against loans* - *100% receipts against capital items = gross receipts*

+ (plus)
- (b) Also needed for computing *turnover specified* under section *44AB* for obtaining *TAR*.

4. Briefs on role for Taxation Audits Quality Review Board (TAQRB) of ICAI

- *ICAI* already *constituted* Taxation Audits Quality Review Board (*TAQRB*) for *reviewing* audit reports issued by Practicing Chartered Accountant (*PCA*) under *ITA, 1961* + also *GST, 2017* (*both*)
- (i) *TAQRB permitted for reviewing* audit reports issued under *ITA, 1961* + *GST 2017* (*both*) issued by *PCA* that audit reports prepared with *100% compliances* + reporting requirements *specified* under various sections of *ITA, 1961* + *ITR, 1962* + *GST, 2017* + also *GST Rules, 2017* (*all*).
- (ii) *TAQRB permitted for reviewing* audit reports issued under *ITA, 1961* + *GST 2017* (*both*) issued by *PCA* that audit reports prepared with *100% pronouncements* + *GN* + technical guides (*all*) issued by *ICAI*.

5. Briefs on role for SA-700 for preparation of TAR by Tax auditors

- (i) (a) Tax auditor required to prepare *TAR* in form no. *3CA* or form no. *3CB* specified in *SA-700*.

+ (plus)
- (b) Also *TAR* in *3CA* + *3CB* (*both*) be filed online in *preset form* when *not prepared as specified* in *SA-700*



- (ii) Tax auditor being advised to write about responsibility of taxpayer + also responsibility of tax auditor in specified space provided for observations under form 3CA(3) + 3CB(5) (all) when GN's requirements specified in SA-700 not complied.
- (iii) (a) Tax auditor being advised to write qualifications + observations in specified space provided in form no. 3CA + 3CB (both).
+ (plus)
- (b) Also additional information's be written in separate attached note.
+ (plus)
- (c) Also additional information's should not be qualifications + observations (both)

6. Briefs on responsibility for preparation of financial statements by taxpayers

- (i) (a) Taxpayer responsible for preparation of financial statements + to give true and fair view for financial positions + financial performances specified in applicable ASs issued by ICAI.
+ (plus)
- (b) **Meaning of Responsibility**
- To include designing + implementing + maintaining internal controls for preparations + presentations of financial statements to give true and fair view + free from material misstatement due to fraud + also error (all).
+ (plus)
- (c) Also include overseeing financial reporting's process.
- (ii) (a) Also for preparing financial statements + statement of particulars in Form 3CD
+ (plus)
- (b) Also for assessing ability to continue as going concern + also disclosing (both) when applicable through using going concern basis for accounting except when taxpayer has intention to liquidate or to cease operation or no realistic alternative.
- (iii) (a) Taxpayer responsible for preparing particulars to be furnished in Form 3CD under section 44AB of ITA, 1961 + rule 6G(l)(b) of ITR, 1962 to give



true and correct particulars specified under ITA, 1961 + rules + notifications + circulars + etc (*all*).

+ (*plus*)

(b) To include *designing* + implementing + maintaining Internal controls for operating effectively *for preparation* + presentation of particulars *to be furnished in* Form No. 3CD with *free from* material misstatement due to fraud + also *errors* (*both*).

7. *Responsibility for opinion's expression on financial statements by tax auditors*

(i) (a) Tax auditor responsible *for expressing his opinion on financial statements* based on audit conducted under Auditing Standards issued by ICAI.

+ (*plus*)

(b) Also tax auditor responsible *for complying ethical requirements* + to plan + to perform audit to obtain reasonable assurance *for free from material misstatements* about financial statements.

+ (*plus*)

(c) Also tax auditor responsible *for performing procedures to obtain audit evidences* for amounts + also disclosures (*both*) in financial statements.

+ (*plus*)

(d) Also tax auditor responsible *for selecting procedures based on his judgment* + assessment *for risks* of material misstatements about financial statements *due to fraud* + also error (*all*)

(ii) (a) Tax auditor responsible *for performing risk's assessment* after considering internal financial controls for preparation of financial statements *to give true and fair view*.

+ (*plus*)

(b) Also tax auditor responsible *for designing* appropriate audit *procedures*.

+ (*plus*)

(c) Also tax auditor responsible *for designing* audit *procedures* which should not be *for expressing opinion* in place of adequate internal financial controls system *on financial reporting's* + operating effectiveness of controls (*both*).



+ (plus)

(d) Also tax auditor responsible for appropriateness of used accounting policies + reasonableness of accounting's estimates made by management + also evaluating overall (all).

(iii) (a) Tax auditor responsible for ensuring compliances of relevant ethical requirements for Independence + to communicate about his relationships + matters which reasonable to bear on independence + also to safeguard himself (all).

+ (plus)

(b) Also tax auditor responsible for verifying statements of particulars to be furnished by taxpayer under section 44AB of ITA, 1961 + also to be filled in Form No. 3CD of Rule 6G(l)(b) of ITR, 1962 (both).

+ (plus)

(c) Also tax auditor responsible for verifying + also filling statement under GN issued by ICAI for tax audit under section 44AB of ITA, 1961 (both).

8. Monetary penalty for delay in filling TAR + also not filling TAR by taxpayers

(i) Taxpayer required to pay monetary penalty minimum @ 0.5% on total sales + turnovers + gross receipts (all together) or maximum 1.5 lac whichever lower under section 271B of ITA, 1961 for delay filling + non filling of TAR (both) under section 44AB of ITA, 1961.

(ii) Taxpayer required to pay monetary penalty for late filling + also for not filling of TAR (both) after September 30th each year.

9. Briefs on responsibility to prepare Form No. 3CA or 3CB (Rule 6G of ITR, 1962)

(i) Form 3CA

(a) Form No. 3CA be filed by tax auditor when incomes under business or profession + also mandatory required for maintenance of books of accounts (both) for audit under any law like under Companies Act (CA) 2013.

+ (plus)



(b) Also taxpayer permitted to appoint 2 or more than 2 tax auditors separately for each TAR + also mandatory audit (both) under any law like under CA, 2013

(ii) Form 3CB

(a) Form No. 3CB be filed by tax auditor when incomes under business or profession + also not mandatory required for maintenance of books of accounts (both) for audit under any law like under Partnership Act, 2013 (updated).

+ (plus)

(b) Also Form No. 3CB be filed by tax auditor when incomes under business or profession + also not mandatory required for maintenance of books of accounts under any law like under Partnership Act, 2013 + also different accounting years in previous year (all).

● Notified vide Circular: No. 561, dated May 22, 1990

10. Briefs on responsibility to qualify in Form 3CA or 3CB (Rule 6G of ITR, 1962)

(i) Tax auditor required to write for qualifications in TAR to enable user of audited financial statements for computing qualification's effect.

(ii) Tax auditor required to write for qualifications under clause 3(a) of Form 3CB as observations + comments + discrepancies + inconsistencies in qualification's nature like for not obtaining 100% information's + explanations which necessary for conducting audit + for keeping books of accounts by head office + by branches of taxpayer + also to give true and fair views on financial statements (all).

(iii) Tax auditor permitted to qualify TAR

(a) When necessary books of accounts not properly maintained by taxpayer

+ (plus)

(b) When necessary information's + also explanations for tax audit not provided by taxpayer.

(c) When necessary documents for verifying reportable transactions not provided by taxpayer.



- + (plus)
- (d) When necessary *stock records not properly maintained* by taxpayer
+ (plus)
- (e) When necessary *valuation of closing stock not possible (Feasible)*
+ (plus)
- (f) When necessary *yield + also percentage of wastage not ascertainable*
+ (plus)
- (g) When necessary *records for verifying personal expenses not maintained.*
+ (plus)
- (h) When necessary *TDS returns could not be verified with books of accounts*
+ (plus)
- (i) When necessary *records produced for verification of payments through account payee cheque's not available.*
+ (plus)
- (j) When necessary *amount of expenses against exempted incomes under section 14A of ITA, 1961 not ascertainable.*
+ (plus)
- (k) When *identification of creditors under Micro, Small and Medium Enterprises (MSME) Development Act, 2006 not ascertainable*
+ (plus)
- (l) When necessary *identification of prior period expenses not ascertainable from books of accounts*
+ (plus)
- (m) When necessary *Fair Market Value (FMV) of shares under section 56(2)(viiia) + 56 (2)(viib) (both) not ascertainable.*
+ (plus)
- (n) When necessary *reports for audits carried by Excise + Service tax Department (now GST, 2017) (both) not provided by taxpayer.*
+ (plus)
- (o) When necessary *GP Ratio not ascertainable from financial statements prepared by taxpayer*



11. Responsibility for verifications in form 3CD's information's by tax auditors

- (i) Tax auditor required to verify for true + also correctness (both) about information's filled in form 3CD
- (ii) Tax auditor permitted to rely on judicial (courts) judgments for taking any view under his observations
- (iii) Tax auditor permitted to take his suitable cross references for specific item of incomes + expenditures already covered under more than 1 clause in form 3CD
- (iv) Tax auditor permitted to consider his own views when differences existed between views given by tax auditor and by taxpayer

12. Briefs on basic information's (Clause 1 to 8)

- Taxpayer required to fill information's in form no. 3CD
 - (i) Name of taxpayer
 - (ii) Address of taxpayer
 - (iii) PAN of taxpayer
 - (iv) GST number of taxpayer
 - (v) Status of taxpayer
 - (vi) Previous year for tax audit
 - (vii) Assessment year for tax audit
 - (viii) Relevant clause of section 44AB for tax audit
 - (viii-A) Section opted for taxation under section
 - 115BA/115BBA/115BAB/115BAC/ 115BAD

- Tax auditor required to check information's + to report in TAR for deficiency if any

13. Briefs on Partnership Firm + AOP + LLP information's (Clause 9)

- Taxpayer required to fill information's in form no. 3CD
 - (i) Positive + Negative profit sharing Ratio.....



- (ii) *100% changes* occurred during previous year.....
- (iii) *Applicability of section 9B + 45 (4) of Income Tax Act (ITA), 1961*.....
- *Verification of documents by tax auditor*
- (i) *Supplementary + Admission + Retirement deeds*.....
- (ii) *Document filings with ROF or ROC*.....
- (iii) *Minutes of meetings for recording changes*.....
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

14. Briefs on Nature of business or profession + change if any (Clause 10)

- *Taxpayer required to fill information's in form no. 3CD*
- (i) *Taxpayer required to fill information's in form no. 3CD like nature of every business + profession (both) carried during previous year*
- (ii) *Taxpayer required to furnish changes in business + profession (both) if carried during previous year.*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

15. Briefs on books of accounts prescribed (Clause 11)

- *Taxpayer required to fill information's in form no. 3CD*
- (i) *Taxpayer required to fill information's in form no. 3CD for books of accounts prescribed under Section 44AA Yes or No*.....
- (ii) (a) *Taxpayer required to furnish list of books of accounts maintained + also address (both) where books kept*.....

+ (plus)
- (b) *Taxpayer required to write that books of accounts maintained on computer systems*.....

+ (plus)
- (c) *Taxpayer required to write that books of accounts kept at more than 1*



location + also to provide address for more than 1 location (both) where books of accounts kept

(iii) *Taxpayer required to write list of books of accounts + also nature of documents (both) examined by tax auditor*

(iv) *List of prescribed books of accounts for medical professional (Rule 6F of ITR, 1962)*

(a) *Cash book*

(b) *Journal book when books of accounts kept on mercantile basis*

(c) *Ledger book*

(d) *Serial numbered on carbon copies of bills + also receipts issued (both)*

(e) *Original purchase bills + also payment vouchers (both)*

(f) *Daily case register (in Form No. 3C)*

(g) *Stock of drugs + medicines + also consumable accessories (all)*

● *Tax auditor required to check information's + to report in TAR for deficiency if any*

16. Briefs on nature of business (Clause 12)

● *Taxpayer required to fill information's in form no. 3CD*

(i) *Presumptive basis Business (Section 44AD)*

(ii) *Presumptive basis Profession (Section 44ADA)*

(iii) *Presumptive basis Transport business (Section 44AE)*

(iv) *Shipping business by Non-Resident (NR) (Section 44B)*

(v) *Business of exploration + business of mineral oils (Section 44BB)*

(vi) *Operation of aircraft by NR (Section 44BBA)*

(vii) *Civil construction + also turnkey power projects by NR (Section 44BBB)*

(viii) *Shipping business by shipping companies (Chapter XII-G)*

(ix) *Insurance Business (Section 44 of 1st schedule)*

(x) *Specified Business (Section 44D + 115A(1)(b))*

● *Tax auditor required to check information's + to report in TAR for deficiency if any*



17. Briefs on method of accounting employed (Clause 13)

- Taxpayer required to fill in 3CD + to make adjustments in P&L account under ICDS
 - (i) Taxpayer required to fill changes in absolute terms
 - (ii) Taxpayer required to compute incomes chargeable under Profits and Gains from Business or Profession (PGBP) + also Incomes from other sources (both) on cash basis or mercantile basis for accounting being used by taxpayer.
 - (iii) Taxpayer not permitted to use mixture of cash basis + also mercantile basis (hybrid basis) for accounting.
 - (iv) (a) Taxpayer required to use mercantile basis for accounting (only) under section 145(2) ICDS.
+ (plus)
(b) Also cash basis not permitted for accounting under section 145(2) ICDS.
- Mandatory Reporting by tax auditor:
 - (i) (a) Tax auditor not required to write for changes in accounting policies.
+ (plus)
(b) Also changes in accounting policies not treated changes in method of accounting therefore tax auditor not required to include in TAR.
 - (ii) (a) Tax auditor not required to write for changes in method of stock valuations.
+ (plus)
(b) Also changes in method of stock valuations not treated changes in method of accounting therefore tax auditor not required to include in TAR.
 - (iii) (a) Tax auditor required to write for changes in method of accountings which already employed in last year by taxpayer.
+ (plus)
(b) Also tax auditor required to write effect of increases or decreases in profits due to changes in method of accountings.
- Tax auditor required to check information's + to report in TAR for deficiency if any



18. Briefs on method of valuation of closing stock (Clause 14)

- (i) (a) Taxpayer required to fill information's in form no. 3CD to compute valuation of closing stock under Accounting Standards-2 (AS-2) for preparing financial statements like under CA, 2013 when AS-2 already mandatory.
- + (plus)
- (b) Also taxpayer required to compute valuation of closing stock under prescribed exclusive method when taxes like GST not to be added in valuation of closing stock.
- (ii) Taxpayer required to compute valuation of closing stock under ICDS of section 145A of ITA, 1961 for computing taxable incomes for previous year when prescribed inclusive method to be used for inclusion of taxes (mandatory) like GST to be added in valuation of closing stock.
- (iii) Taxpayer required to fill in form no. 3CD under section 44AB of ITA, 1961 + to re-compute taxable incomes for previous year through adding or subtracting effect of adjustment against difference between exclusive method and inclusive method for valuations of closing stock under ICDS + AS-2 (both)
- Tax auditor required to check information's + to report in TAR for deficiency if any

19. Briefs on capital asset converted into stock-in-trade (Clause 15)

- (i) Taxpayer required to fill information's in form no. 3CD to compute FMV for capital asset already converted into stock-in-trade on date of conversion for accounting purpose under section 28 (via) of ITA, 1961
- (ii) Taxpayer required to fill in form no. 3CD for FMV + also to pass book entry in books of accounts at FMV (both)
- Tax auditor required to check information's + to report in TAR for deficiency if any

20. Briefs on Amount not credited to Profit and Loss account (Clause 16)

- Taxpayer required to fill information's in form no. 3CD for incomes not credited to profit and loss account



- (i) *Clause 16(a)*
 - *Items covered under scope of section 28 of ITA, 1961 but not credited to profit and loss account.....*
- (ii) *Clause 16(b)*
 - *Amount of Performa credits + drawbacks + refund of duty of custom + excise + service tax + refund of sales tax + value added tax (now GST, 2017) (all) when credits already admitted by govt. deptt. but not credited to profit and loss account*
- (iii) *Clause 16(c)*
 - *Amount of escalation claims accepted by counter-party but not credited to profit and loss account*
- (iv) *Clause 16(d)*
 - *Amount of any income accrued but not credited to profit and loss account.....*
- (v) *Clause 16(e)*
 - *Amount shown capital receipts instead of revenue receipts + also not credited to profit and loss account.....*
 - *Tax auditor required to check information's + to report in TAR for deficiency if any*

21. Briefs on Land + Building (both) transferred below FMV (Clause 17)

- *Taxpayer required to fill information's in form no. 3CD for any transfer of land + also building (both) below FMV being adopted for stamp duty purpose under section 43CA or 50C.*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

22. Briefs on allowable depreciation's particulars - ITA, 1961 (Clause 18)

- *Taxpayer required to fill information's in form no. 3CD for calculations of allowable depreciation under section 32 of ITA, 1961.*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*



23. Briefs on admissible amount under different sections (Clause 19)

- Taxpayer required to fill information's in form no. 3CD for admissible amounts:

S.No	Section	Amount debited to profit and loss account	Amounts admissible as per provisions of Income-tax Act, 1961 and also fulfils conditions, if any specified under relevant provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any or guidelines, circular, etc., issued in this behalf.
(i)	32AC	.....	.....
(ii)	32AD	.....	.....
(iii)	33AB	.....	.....
(iv)	33ABA	.....	.....
(v)	35(1)(i)	.....	.....
(vi)	35(1)(ii)	.....	.....
(vii)	35(1)(iia)	.....	.....
(viii)	35(1)(iii)	.....	.....
(ix)	35(1)(iv)	.....	.....
(x)	35(2AA)	.....	.....
(xi)	35(2AB)	.....	.....
(xii)	35ABB	.....	.....
(xiii)	35AC	.....	.....
(xiv)	35AD	.....	.....
(xv)	35CCA	.....	.....
(xvi)	35CCB	.....	.....
(xvii)	35CCC	.....	.....
(xviii)	35CCD	.....	.....
(xix)	35D	.....	.....
(xx)	35DD	.....	.....
(xxi)	35DDA	.....	.....
(xxii)	35E	.....	.....

- Tax auditor required to check information's + to report in TAR for deficiency if any



24. Briefs on bonus + commission + EPF contribution (all) (Clause 20)

- Taxpayer required to fill information's in form no. 3CD
- (i) Clause 20(a)
 - Payments made under bonus + commission in place of profits + dividends (all)
 - Tax auditor required to check information's + to report in TAR for deficiency if any
- (ii) Clause 20(b)
 - Contribution received under Employee Provident Fund (EPF) specified under section 36(1)(va) of ITA, 1961.
 - Tax auditor required to check information's + to report in TAR for deficiency if any

25. Briefs on Expenditures debited to profit and loss account (Clause 21(a))

- Taxpayer required to fill information's in form no. 3CD
- (i) For capital expenditures
- (ii) For personal expenditures
- (iii) For advertisement expenditures in souvenirs + brochures + pamphlets + also etc (all) published by political parties
- (iv) For club entrance fees + also subscription expenditures (both)
- (v) For cost for club services + also facilities used by taxpayer (both)
- (vi) For penalty + also fine (both) for violation of enforceable law
- (vii) For any other penalty + also fine (both) not covered above
- (viii) For expenditures incurred for prohibited offences like Bribes + Smuggling + also etc. (all)
- Tax auditor required to check information's + to report in TAR for deficiency if any



26. Briefs on Disallowable payments without depositing TDS (Clause 21(b))

- Taxpayer required to fill information's in form no. 3CD for payments disallowable + also which already debited in profit and loss account (both) like:
 - (i) 100% payments to NR therefore disallowable under section 40(a)(i) when TDS not deducted + which also not deposited (both)
 - (ii) 100% payments to resident therefore disallowable under section 40(a)(ia) when TDS not deducted + which also not deposited (both)
 - (iii) 100% payments to NR for Equalization Levy (EL) therefore disallowable under section 40(a)(ib) when equalization levy not collected + which also not deposited
 - (iv) 100% payments for Fringe Benefit Tax (FBT) therefore disallowable - section 40(a)(ic)
 - (v) 100% payments for Wealth Tax (WT) therefore disallowable under section 40(a)(iia)
 - (vi) 100% payments for Royalty + license fee + service fee + which also etc. (all) without TDS therefore disallowable under section 40(a) (iib)
 - (vii) 100% payments for salary payable outside India to NR without TDS therefore disallowable under section 40(a) (iii)
 - (viii) 100% payments for PF + also other fund (both) therefore disallowable under section 40(a) (iv)
 - (ix) 100% payments for tax paid by employer for perquisites therefore disallowable under sec. 40(a)(v)
- Tax auditor required to check information's + to report in TAR for deficiency if any

27. Briefs on disallowable expenses + deemed incomes (Clause 21(c) to 21(i))

- Taxpayer required to fill information's in form no. 3CD for payments disallowable + which also already debited in profit and loss account (both) like:
 - (i) Clause 21(c)
 - 100% amounts debited to profit and loss account for interest + salary + bonus + commission + also remuneration therefore disallowable under section 40(b) + 40(ba)



- (ii) *Clause 21(d)*
 - 100% amounts *not debited* in profit and loss account *still be treated deemed incomes* under section 40A (3) + 40A (3A) (both)
- (iii) *Clause 21(e)*
 - 100% amounts *debited* to profit and loss account *for gratuity's provisions* therefore *disallowable* under section 40A (7)
- (iv) *Clause 21(f)*
 - 100% amounts *debited* to profit and loss account which *paid* by taxpayer *to employee* therefore *disallowable* under section 40A (9)
- (v) *Clause 21(g)*
 - 100% amounts *debited* in profit and loss account *for contingent liability* therefore *disallowable*.
- (vi) *Clause 21(h)*
 - 100% amounts *debited* in profit and loss account *for expenditures incurred on exempted incomes* therefore *disallowable* under section 14A
- (vii) *Clause 21(i)*
 - 100% amounts *debited* in profit and loss account *for interest paid on borrowed capital* therefore *disallowable* under section 36(1)(iii)
 - *Tax auditor required to check information's + to report in TAR for deficiency if any*

28. Briefs on disallowable expenses + deemed incomes (Clause 22 to 25)

- Taxpayer required *to fill information's in form no. 3CD for payments disallowable + which also already debited in profit and loss account (both) like:*
 - (i) *Clause 22*
 - 100% amounts *debited* in profit and loss account *for Interest paid to MSME vendors* therefore *disallowable* under section 23 of MSME Act, 2006 *when not paid in 45 day from due date for payment.*



(ii) *Clause 23*

- (a) 100% particulars of *payments made to specified persons (relatives) specified under section 40A(2)(b) of ITA, 1961.*
+ (plus)
- (b) Also AO *permitted to determine quantum for disallowances on best judgment basis*

(iii) *Clause 24*

- 100% amounts *not debited in profit and loss account still treated profits and gains specified under section 32AC + 32AD + 33AB + 33ABA + 33AC of ITA, 1961 (all)*

(iv) *Clause 25*

- 100% amounts *not debited to profit and loss account still treated deemed incomes + also chargeable to Income tax under section 41 of ITA, 1961 (both)*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

29. Briefs on disallowable against not paid statutory dues (Clause 26)

- *Taxpayer required to fill information's in form no. 3CD for statutory dues which not paid + also already debited in profit and loss account (both) therefore disallowable.*
- *Taxpayer required to fill that sales tax + customs duties + excise duties + other indirect taxes + levies + cesses + also etc. (all) passed or not passed through profit and loss account*
- *Clause No. 26 applicable on certain expenditures specified under section 43B (a) + (b) + (c) + (d) + (e) + (f) + (g) of ITA, 1961 (all) like:*
 - (i) 100% amounts already *existed on April 01st of previous year + also not disallowed in assessment of preceding previous year like:*
 - (a) *Which also paid in previous year.....*
 - (b) *Which also not paid in previous year.....*



- (ii) *Expenses already incurred in previous year:*
 - (a) Which also *paid on or before due date for furnishing return of incomes for previous year under section 139(1)*
 - (b) Which also *not paid on or before due date above mentioned*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

30. Briefs on GST credited + utilized + account treatment (all) (Clause 27(a))

- *Taxpayer required to fill information's in form no. 3CD for Input Tax Credit (ITC) of GST + utilized GST + also accounting treatments in profit and loss account (all).*
- *Taxpayer required to fill amount of ITC of GST + utilization of ITC + treatments in profit and loss account + also outstanding of ITC on March 31st each year (all).*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

31. Briefs on Prior period Incomes + expenses (both) (Clause 27(b))

- *Taxpayer required to fill information's in form no. 3CD for Incomes + expenditures for prior period credited + also debited in profit and loss account (all)*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

32. Briefs on Shares purchased at Zero value + inadequate value (Clause 28)

- *Taxpayer required to fill information's in form no. 3CD for purchase of public company's shares + public not substantially interested + shares purchased without consideration + with inadequate consideration specified under section 56(2) (viii).*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

33. Briefs on issue of shares above Fair Market Value (FMV) (Clause 29)

- *Taxpayer required to fill information's in form no. 3CD for receipt of sales consideration above FMV specified under section 56(2)(viib) of ITA, 1961.*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*



34. Briefs on incomes not included but chargeable to tax (Clause 29A)

(i) *Clause 29A (a)*

- Taxpayer required to fill information's in form no. 3CD for nature of incomes + amount of incomes to be included for incomes chargeable to income tax under incomes from other sources specified under section 56(2)(ix) (Yes/No).....

(ii) *Clause 29A (b)*

- Taxpayer required to fill information's in form no. 3CD:

(a) *Nature of incomes*.....

(b) *Amount of incomes (in Rs)*

- Tax auditor required to check information's + to report in TAR for deficiency if any

35. Briefs on incomes to be included but chargeable to tax (Clause 29B)

(i) *Clause 29B (a)*

- Taxpayer required to fill information's in form no. 3CD for nature of incomes + amount of incomes to be included for incomes chargeable to income tax under income from other sources specified under section 56(2)(x) of ITA, 1961. (Yes/No).....

(ii) *Clause 29B (b)*

- Taxpayer required to fill information's in form no. 3CD:

(a) *Nature of incomes*.....

(b) *Amount of incomes (in Rs)*

- Tax auditor required to check information's + to report in TAR for deficiency if any

36. Briefs on amount borrowed + outstanding on Hundi (both) (Clause 30)

- Taxpayer required to fill information's in form no. 3CD for amount borrowed on hundi + outstanding for hundi + also interest paid (all) through other than account payee cheque specified under section 69D of ITA, 1961.

- Tax auditor required to check information's + to report in TAR for deficiency if any



37. Briefs on primary adjustment to Transfer Pricing (TP) (Clause 30A)

- Taxpayer required to fill information's in form no. 3CD for primary adjustments to Transfer Price (TP) in previous year specified under section 92CE (1) of ITA, 1961 (Yes/No).....
- (i) Number of clause of sec. 92CE (1) covering for primary adjustments
- (ii) Amount for primary adjustments
- (iii) Amount for primary adjustments to be repatriated to India from Associate Enterprise (AE) located outside India.
- (iii) Amount for primary adjustment from AE not repatriated within prescribed time.
- (iv) Amount for interest on primary adjustment from AE not repatriated within prescribed time.....
- Tax auditor required to check information's + to report in TAR for deficiency if any

38. Briefs on interest + similar expenses (both) exceeding 1 cr. (Clause 30B)

- Taxpayer required to fill information's in form no. 3CD for expenditures under interest + also similar in nature exceeding 1 crore during previous year specified under section 94B (1) of ITA, 1961:
 - (i) Amount for expenditures incurred for interest + also similar in nature
 - (ii) Earnings before interest + tax + depreciation + also amortization (EBITDA)
 - (iii) Amount of expenditures for interest + also similar in nature (both) exceeding 30% of EBITDA.....
 - (iv) Details of interest expenditures brought forwarded under section 94B(4) of ITA, 1961
- Tax auditor required to check information's + to report in TAR for deficiency if any



39. Briefs on General Anti Avoidance Rule (GAAR) provisions (Clause 30C)

- Taxpayer required to fill information's in form no. 3CD for Impermissible Avoidance Arrangements (IAAs) under GAAR provisions specified under section 96 of ITA, 1961:
 - (i) Nature of IAAs executed by taxpayer.....
 - (ii) Amount of Income Tax Benefits (ITBs) on 100% IAAs executed by taxpayer
- Tax auditor required to check information's + to report in TAR for deficiency if any

40. Briefs on loans + deposits (both) received or accepted (Clause 31(a))

- Taxpayer required to fill information's in form no. 3CD for particulars of loans + deposits (both) in amount received or accepted exceeding monetary limits specified under section 269SS:
 - (i) Name + address + Permanent Account Number (PAN) or Aadhaar Number of lender + depositor
 - (ii) Amount of loan + deposit (both) taken or accepted
 - (iii) Squared up account for loans + deposits (both) taken or accepted.....
 - (iv) Maximum amount outstanding in account at any time during previous year
 - (v) Loans + deposits (both) taken or accepted through bank account
 - (vi) Loans + deposits (both) taken or accepted not through account payee cheque + banker's cheque.....
- Tax auditor required to check information's + to report in TAR for deficiency if any

41. Briefs on amount taken + accepted (both) exceeding limit (Clause 31(b))

- Taxpayer required to fill information's in form no. 3CD for particulars of specified sum exceeding monetary limits specified under section 269SS for amount taken + accepted (both) during previous year:



- (i) *Name + address + PAN or Aadhaar Number of person from whom specified sum received*
- (ii) *Amount of specified sum taken + accepted (both)*
- (iii) *Specified sum taken + accepted (both) through bank account*
- (iv) *Loans + deposits taken + accepted not through account payee cheque + draft (all)*
- *Particulars at (i) + (ii) not needed when taken + accepted by govt. company + banking company + corporation established by Central Govt.'s Act + State Govt.'s Act + Provincial Act (all).*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

42. Briefs on amount received exceeding specified limit (Clause 31(ba))

- *Taxpayer required to fill information's in form no. 3CD for particulars of receipts in amount exceeding monetary limits specified under section 269ST during previous year:*
- *Taxpayer not permitted to receive amount exceeding monetary limits specified under section 269ST in aggregate from single person + in single day + for single transaction + for single event + single occasion during previous year without through bank account of receiver + also payer (all) like:*
 - (i) *Name + address + PAN or Aadhaar Number of payer*
 - (ii) *Nature of transactions for receipts*
 - (iii) *Amount of receipts (in Rs)*
 - (iv) *Date of receipts*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*



43. Briefs on amount received exceeding specified limit (Clause 31(bb))

- Taxpayer required to fill information's in form no. 3CD for particulars of receipt in amount exceeding monetary limit specified under section 269ST during previous year:
- Taxpayer not permitted to receive amount exceeding monetary limit specified under section 269ST in aggregate from single person + in single day + for single transaction + for single event + also single occasion during previous year without account payee cheque or draft (all) like:
 - (i) Name + address + PAN or Aadhaar Number of payer
 - (ii) Amount of receipts (in Rs)
- Tax auditor required to check information's + to report in TAR for deficiency if any

44. Briefs on amount paid exceeding specified limit (Clause 31(bc))

- Taxpayer required to fill information's in form no. 3CD for particulars of payments in amount exceeding monetary limit specified under section 269ST during previous year:
- Taxpayer not permitted to payment amount exceeding monetary limit specified under section 269ST in aggregate from single person + in single day + for single transaction + for single event + single occasion during previous year without through bank account of receiver + also payer (all) like.
 - (i) Name + address + PAN or Aadhaar Number of payee.....
 - (ii) Nature of transactions
 - (iii) Amount of payments (in Rs)
 - (iv) Date of payments
- Tax auditor required to check information's + to report in TAR for deficiency if any



45. Briefs on amount paid exceeding specified limit (Clause 31(bd))

- Taxpayer required to fill information's in form no. 3CD for particulars of payments in amount exceeding monetary limits specified under section 269ST during previous year:
- Taxpayer not permitted to payment amount exceeding monetary limits specified under section 269ST in aggregate from single person + in single day + for single transaction + for single event + also single occasion during previous year without account payee cheque + also draft (all) like:
 - (i) Name + address + PAN or Aadhaar Number of payee.....
 - (ii) Amount of payments (in Rs)
- Particulars furnished under clause 31 (ba) + (bb) + (bc) + (bd) not needed to be given when repayment against loan + deposit + specified advance received by govt. company + banking company + post office savings bank + cooperative bank + transaction referred under section 269SS + also person specified in Notification No. S.O. 2065(E) dated July 03rd 2017
- Tax auditor required to check information's + to report in TAR for deficiency if any

46. Briefs on amount paid in cash exceeding specified limit (Clause 31(c))

- Taxpayer required to fill information's in form no. 3CD for particulars of repayment of loan + deposit + also specified advance in amount exceeding monetary limits specified under section 269T during previous year:
 - (i) Name + address + PAN or Aadhaar Number of payee
 - (ii) Amount of repayments (in Rs)
 - (iii) Maximum amount outstanding in account at any time during previous year.....
 - (iv) Repayment made without bank account of receiver + payer (both)



- (v) *Repayment without account payee cheque + banker cheque (both).....*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

47. Briefs on repayment of loan + deposit + specified advance (Clause 31(d))

- *Taxpayer required to fill information's in form no. 3CD for particulars of repayment of loans + deposits + specified advances exceeding monetary limits specified under section 269T during previous year:*
- (i) *Name + address + PAN or Aadhaar Number of receiver.....*
- (ii) *Repayment of loan + deposit + specified advance made without account payee cheque + banker cheque (both)*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

48. Briefs on repayment of loan + deposit + specified advance (Clause 31(e))

- *Taxpayer required to fill information's in form no. 3CD for particulars of repayment of loans + deposits + specified advance exceeding monetary limits specified under section 269T during previous year without account payee cheque + banker cheque (all) like:*
- (i) *Name + address + PAN or Aadhaar Number of receiver.....*
- (ii) *Repayment of loan + deposit + specified advance made without account payee cheque + banker cheque.*
- *Particulars furnished under clause 31 (c) + (d) + (e) not needed to be given when repayment of loans + deposits + specified advances taken + accepted from govt. + govt. company + banking company + corporation established by Central Govt.'s Act + State Govt.'s Act + Provincial Act (all).*
- *Tax auditor required to check information's + to report in TAR for deficiency if any*

49. Briefs on brought forward loss + dep. Allowance (Clause 32(a) to 32(e))

- *Taxpayer required to fill information's in form no. 3CD for brought forward losses + depreciation allowances + speculative losses + deemed speculative business by company under section 73 + 73A + 79 (all).*



(i) *Clause 32(a)*

- *Details of brought forward loss + depreciation allowance:*

<i>Sl No</i>	<i>Assessment Year</i>	<i>Nature of loss/ allowance (in rupees)</i>	<i>Amount returned* + ** (in rupees)</i>	<i>All losses/ allowances not allowed under section 115BAA/ 115BAC/ 115BAD</i>	<i>Amount adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAC/115BAD</i>	<i>Amounts assessed (give reference to relevant order)</i>	<i>Remarks</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>	<i>(8)</i>
...
...

* *When assessed depreciation lower than returned depreciation + also appeal not filed (both) against lower assessed depreciation.*

+ (plus)

** *Also assessed depreciation be treated returned depreciation therefore assessed depreciation to be filled for assessment year 2021-22 (only).*

(ii) *Clause 32(b)*

- *Change in company's shareholding due to losses incurred prior to previous year carried forward of losses which not allowed under section 79.....*

(iii) *Clause 32(c)*

- *Details of speculation losses incurred under section 73*

(iv) *Clause 32(d)*

- *Details of losses for specified business incurred under section 73A*

(v) *Clause 32(e)*

- *Details of deemed speculative business incurred by company + also specified in explanation to section 73 of ITA, 1961*

- *Tax auditor required to check information's + to report in TAR for deficiency if any*



50. Briefs on admissible deductions under chapter VIA + III (Clause 33)

- Taxpayer required to fill information's in form no. 3CD for admissible deductions specified under section 10A + 10AA of Chapter VIA + Chapter III (all)

S.No	Section	Amounts of admissible deductions
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

51. Briefs on deduction + collection under chapter XVII-B+BB (Clause 34(a))

- Taxpayer required to fill information's in form no. 3CD for Tax Deduction at Source (TDS) for purchases made + Tax Collection at Source (TCS) against sales made (both) under Chapter XVII-B or Chapter XVII-BB of ITA, 1961

Tax deduction and collection Account Number (TAN)	Section	Nature of payment	Total amount of payment or receipt of nature specified in column (3)	Total amount on which tax required to be deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of (5)	Amount of tax deducted or collected out of (6)	Total amount on which tax deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected not deposited to credit of Central Government out of (6) and (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

52. Briefs on filling of returns against TDS + TCS (Clause 34(b))

- Taxpayer required to fill information's in form no. 3CD details for TDS + TCS (both)

Tax deduction and collection Account Number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether statement of tax deducted or collected contains information about all details/ transactions which required to be reported. If not, please furnish list of details/ transactions which not reported.
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any



53. Briefs on interest on delay deposit of TDS + TCS (both) (Clause 34(c))

- Taxpayer required to fill information's in form no. 3CD details for interest on delay deposit of TDS + TCS (both) specified under section 201(1A) + 206C(7) both

<i>Tax deduction and collection Account Number (TAN)</i>	<i>Amount of interest under section 201(1A)/206C(7) payable</i>	<i>Amount paid out of column (2) along with date of payment.</i>
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

54. Briefs on quantitative details for trading entity (Clause 35(a))

- Taxpayer required to fill information's in form no. 3CD details in quantitative by trading concern for principal items of goods traded:

- (i) Opening Stock
- (ii) Purchases during previous year
- (iii) Sales during previous year
- (iv) Closing stock
- (v) Shortage + excess (both) if any

- Tax auditor required to check information's + to report in TAR for deficiency if any

55. Briefs on quantitative details for manufacturing entity (Clause 35(b))

- Taxpayer required to fill information's in form no. 3CD details in quantitative by manufacturing concern for principal items of goods manufactured:

A. Raw Materials:

- (i) Opening stock
- (ii) Purchases during previous year
- (iii) Consumption during previous year
- (iv) Sales during previous year
- (v) Closing stock
- (vi) Yield of finished products
- (vii) Percentage of yield



(viii) *Shortage + excess (both) if any.*

B. *Finished products + by-products (both):*

(i) *Opening stock*

(ii) *Purchases during previous year*

(iii) *Quantity manufactured during previous year*

(iv) *Sales during previous year*

(v) *Closing stock*

(vi) *Shortage + excess (both) if any.*

● *Tax auditor required to check information's + to report in TAR for deficiency if any*

56. **Briefs on Deleted (Clause 36)**

57. **Briefs on receipt of deemed dividend (Clause 36A(a) + 36A(b))**

● *Taxpayer required to fill information's in form no. 3CD details for receipt of deemed dividends specified under section 2(22)(e) of ITA, 1961*

(i) *Clause 36A(a)*

● *Details for amount received if any under deemed dividends specified under section 2(22)(e) of ITA, 1961.*

(ii) *Clause 36A (b):*

(a) *Amount received for deemed dividends (in Rs).*.....

(b) *Date of receipts.*.....

● *Tax auditor required to check information's + to report in TAR for deficiency if any*

58. **Briefs on cost audit conducted or not conducted (Clause 37)**

● *Taxpayer required to fill information's in form no. 3CD that cost audit conducted or not conducted + if conducted to fill qualifications + disagreements for matters + items + values + quantities (all) reported by cost auditor*.....

● *Tax auditor required to check information's + to report in TAR for deficiency if any*



59. Briefs on central excise audit conducted or not conducted (Clause 38)

- Taxpayer required to fill information's in form no. 3CD for central excise audit under Central Excise Act, 1944 (now GST, 2017) conducted or not conducted + if conducted to furnish qualifications + disagreements for matters + items + values + quantities (all) reported by central excise auditor.....
- Tax auditor required to check information's + to report in TAR for deficiency if any

60. Briefs on valuation of services audit conduct or not conduct (Clause 39)

- Taxpayer required to fill information's in form no. 3CD for valuation of services audit under section 72A of Finance Act, 1994 (now GST, 2017) conducted or not conducted + if conducted to furnish qualifications + disagreements for matters + items + values + quantities (all) reported by central excise auditor
- Tax auditor required to check information's + to report in TAR for deficiency if any

61. Briefs on turnover + gross profit + ratios (all) for 2 years (Clause 40)

- Taxpayer required to fill information's in form no. 3CD details for turnover + gross profit + ratios (all) for previous year + preceding to previous year (2 year) like:

S.No	Particulars	Previous year (March 31, 2023)	Preceding to Previous year (March 31, 2022)
(i)	Total turnover of assessee	.....	.....
(ii)	Gross profits divided by turnover in %	.....	.....
(iii)	Net profits divided by turnover in %	.....	.....
(iv)	Stock-in-trade divided by turnover in %	.....	.....
(v)	Material consumed divided by finished goods produced in %	.....	.....

- Tax auditor required to check information's + to report in TAR for deficiency if any



62. Briefs on demand raised + refund issued for non ITA, 1961 (Clause 41)

- Taxpayer required to fill information's in form no. 3CD details for demand raised + refund issued during previous year under any tax law other than ITA, 1961 + also Wealth Tax Act, 1957 + details of proceedings (all)
- Tax auditor required to check information's + to report in TAR for deficiency if any

63. Briefs on details of forms number 61 + 61A + 61B (Clause 42(a) + 42(b))

(i) Clause 42(a)

- Taxpayer required to fill information's in form no. 3CD for form No. 61 + 61A + 61B (all) filed (Yes or No)

(ii) Clause 42(b)

- Taxpayer required to fill information's in form no. 3CD for form No. 61 + 61A + 61B (all) filed:

Income tax Department Reporting Entity identification Number	Type of Form	Due date for furnishing	Date of furnishing, if	Where Form contains information about all details/furnished transactions which required to be reported. If not, please furnish list of details/ transactions which not reported
.....
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

64. Briefs on parent company / alternative reporting entity (Clause 43(a) + 43(b))

(i) Clause 43(a)

- Taxpayer required to fill information's in form no. 3CD for parent company or alternative reporting entity liable to furnish report under section 286(2) (Yes or No).....



(ii) **Clause 43(b)**

- Taxpayer required to fill information's in form no. 3CD for parent company or alternative reporting entity under section 286(2) like:

(a) Report filed or not filed by assessee or its parent entity or alternate reporting entity

(b) Name of parent entity.....

(c) Name of alternate reporting entity if applicable.....

(d) Date of furnishing of report.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

65. Briefs on expenses from registered + non registered dealers (Clause 44)

- Taxpayer required to fill information's in form no. 3CD for break-up of expenditures of entities with registered or not registered under GST, 2017

Sl. No.	Total amount of Expenditure incurred during year	Expenditures in respect of entities registered under GST				Expenditures relating to entities not registered under GST
		Relating to goods or services exempt from GST	Relating to entities falling under composition scheme	Relating to other registered entities	Relating to payment to registered entities	
.....
.....

- Tax auditor required to check information's + to report in TAR for deficiency if any

66. Briefs on suggestive note by tax auditor (Clause 44)

- (i) (a) Informed by assessee that information's reported under clause 44 of form 3CD based on information's extracted from accounting software (GST report)



+ (plus)

(b) Also may not be 100% accurate accounting software used by assessee + not configured to generate report required under clause 44 in absence of prevailing statutory requirement under Income tax Act, 1961, GST, 2017, under any or law + software (system) not capturing information's for entity falling under composition scheme (supply) with ineligible credit.

(ii) (a) We have verified statement prepared by assessee under Auditing Standards generally accepted in India + test checked based on concept of materiality + also concept of reasonable assurance (all).

+ (plus)

(b) Also for every accounting entry passed in accounting software it's not possible to extract desired details to be reported under clause 44 of 3CD.

+ (plus)

(c) Also unable to comment on accuracy for information's provided by assessee.

(iii) Assessee informed that expenditures for entities not registered under GST like import of goods + import of services + also services (all) from unregistered suppliers when GST liability under RCM already discharged.

(iv) Assessee informed that differences between Clause 2 like total expenditures + sum of clause 6 + 7 (both) for depreciation + bad debt + expenditures (all) like salary not supply under GST, 2017 + total expenditures column 2 + also capital expenditures.

(v) Assessee communicated that details under rule 56 of CGST Rules to be furnished during assessment proceedings before AO if demanded.



(B) Obligations for Accounting Standards (AS) by taxpayer + tax auditor (both)

67. Briefs on AS's compliance verifications by tax auditor + Statutory auditors

- Tax auditor + statutory auditors (both) required to ensure compliances of standards issued by Institute of Chartered Accountant of India (ICAI) like:
 - (i) Compliances of Accounting Standards (AS) issued by ICAI
 - (ii) Compliances of Standards on Auditing (SA) issued by ICAI
 - (iii) Compliances of Framework prepared for presentation of Financial Statements issued by ICAI

68. Briefs on AS's summary for preparation of financial statements

- (i) ICAI introduced 4 levels for implementation's preparation for financial statements
- (ii) Presently total 27 AS applicable from AS-1 to AS-29 (29 AS - 2 AS = 27 AS) like AS-6 + AS-8 (both) not applicable

Level	Turnover criteria	Borrowings criteria
Level-I	When Turnover exceeding 250 crore	When Borrowings exceeding 50 crore
Level-II	When Turnover exceeding 50 crore	When Borrowings exceeding 10 crore
Level-III	When Turnover exceeding 10 crore	When Borrowings exceeding 2 crore
Level-IV	When Turnover not exceeding 10 crore	When Borrowings not exceeding 2 crore

- (iii) Abovementioned information's taken from appendix I of Compendium of AS updated on February 01, 2022
- (iv) (a) Applicability from Level-I to Level-IV depends on turnover criteria + borrowing criteria (both).
+ (plus)
(b) Also applicability from Level-I to Level-IV depends on single criteria like either turnover criteria or borrowing criteria.



69. Briefs on AS's applications for Level-I to Level-IV entity

<i>Accounting standards (AS)</i>	<i>Level I Entities</i>	<i>Level II Entities</i>	<i>Level III Entities</i>	<i>Level IV Entities</i>
<i>AS 1- Disclosure of Accounting Policies</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 2- Valuation of Inventories</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 3- Cash Flow</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 4- Contingencies and events occurring after Balance Sheet</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 5- Net profit or loss for period, prior period items and change in accounting policies</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 7- Accounting for Construction Contract</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 9- Revenue Recognition</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 10- Property, plant and equipment</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>
<i>AS 11- effects of change in foreign exchange rate</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>
<i>AS 12- Government Grants</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>
<i>AS 13- Accounting for Investments</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>
<i>AS 14- Accounting for Amalgamations</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Not applicable</i>
<i>AS 15- Employee Benefits</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>
<i>AS 16- Borrowing Costs</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>



<i>AS 17-Reporting on Financial Segments</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 18- Disclosures of Related Party Transaction</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 19-Accounting principles and disclosures on lease accounting</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>
<i>AS 20- Earnings per share (EPS)</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 21- Preparation and presentation of Consolidated Financial Statements (CFS)</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 22-Accounting for Taxes</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Restricted for current tax provisions (only)</i>
<i>AS 23-Accounting for Investment in associates</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 24- Discontinuing operations</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 25- Interim Financial Reporting</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 26- Intangible Assets</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>
<i>AS 27- Joint Ventures (JVs) reporting of interest in Financial Statements</i>	<i>Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>AS 28- Impairment of Assets</i>	<i>Applicable</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>	<i>Not Applicable</i>
<i>AS 29- Contingent Liabilities and contingent assets and provisions</i>	<i>Applicable</i>	<i>Applicable - exemption from disclosure</i>	<i>Exemption from disclosure</i>	<i>Exemption from disclosure</i>

- *Level-I entity required to comply 100% ASs like presently 27 active AS.*



70. Briefs on AS's non-compliances for reporting by tax auditor + Statutory auditors

- (i) Statutory + Tax auditors (both) required to mention in audit reports for observations + comments + discrepancies + also inconsistencies (all)
- (ii) Sample for reporting by Statutory + Tax auditors (both) for non compliances of AS
- In our opinion and to best of our information's and according to explanations given to us that aforesaid financial statements giving true and fair view in conformity with accounting principles generally being accepted in India for state of affairs of company on March 31st, 2023 and Profit for year ended on that date except followings:
 - (a) Accounting policy on fixed assets as per note no. 5(b) required by AS-10 issued by ICAI.
 - (b) Accounting policy on taxation as per note no. 5(c) required by AS-22 issued by ICAI
- (iii) Matter of emphasis
- Without qualifying our audit report stakeholder's attention is invited that note number 25 when company's process of reconciling accounting records with bank's statements of current account no. 50xxxxxxxx7088 maintained with HDFC Bank Pusa Road, New Delhi- 110008



(C) Conclusion on obligations for TAR + AS (both)

71. Conclusion on obligations for TAR + AS (both)

- **Obligations for TAR**
- (i) TAR applicable when resident taxpayer in India (Taxpayer) carrying business + having sales + turnovers + gross receipts (all together) exceeding 1 crore in previous year under section 44AB of Income Tax Act (ITA), 1961
- (ii) TAR applicable when taxpayer carrying profession + having gross receipts exceeding 50 lac in previous year under section 44AB of ITA, 1961
- (iii) TAR not applicable when Partner of partnership firm + also LLP (both) taxpayer not required to obtain TAR (individually) for remuneration's receipt beside amount exceeding 1 crore under section 44AB
- (iv) ICAI already constituted Taxation Audits Quality Review Board (TAQRB) for reviewing audit reports issued by Practicing Chartered Accountant (PCA) under ITA, 1961 + also GST, 2017 (both)
- (v) Tax auditor required to prepare TAR in form no. 3CA or form no. 3CB specified in SA-700.
- (vi) Tax auditor being advised to write about responsibility of taxpayer + also responsibility of tax auditor in specified space provided for observations under form 3CA(3) + 3CB(5) (all) when GN's requirements specified in SA-700 not complied.
- (vii) Tax auditor being advised to write qualifications + observations in specified space provided in form no. 3CA + 3CB (both).
- (viii) Taxpayer responsible for preparation of financial statements + to give true and fair view for financial positions + financial performances specified in applicable ASs issued by ICAI.



- (ix) Tax auditor responsible for expressing his opinion on financial statements based on audit conducted under Auditing Standards issued by ICAI.
- (x) Tax auditor responsible for selecting procedures based on his judgment + assessment for risks of material misstatements about financial statements due to fraud + also error (all)
- (xi) Tax auditor responsible for performing risk's assessment after considering internal financial controls for preparation of financial statements to give true and fair view
- (xii) Tax auditor responsible for appropriateness of used accounting policies + reasonableness of accounting's estimates made by management + also evaluating overall (all).
- (xiii) Taxpayer required to pay monetary penalty minimum @ 0.5% on total sales + turnovers + gross receipts (all together) or maximum 1.5 lac whichever lower under section 271B of ITA, 1961 for delay filling + non filling of TAR (both) under section 44AB of ITA, 1961.
- (xiv) Taxpayer required to pay monetary penalty for late filling + also for not filling of TAR (both) after September 30th each year.
- (xv) Form No. 3CA be filed by tax auditor when incomes under business or profession + also mandatory required for maintenance of books of accounts (both) for audit under any law like under Companies Act (CA) 2013.
- (xvi) Form No. 3CB be filed by tax auditor when incomes under business or profession + also not mandatory required for maintenance of books of accounts (both) for audit under any law like under Partnership Act, 2013 (updated).
- (xvii) Tax auditor required to write for qualifications in TAR to enable user of audited financial statements for computing qualification's effect
- (xviii) Tax auditor required to verify for true + also correctness (both) about information's filled in form 3CD



- (xix) Tax auditor permitted to rely on judicial (courts) judgments for taking any view under his observations
- (xx) Taxpayer required to compute incomes chargeable under Profits and Gains from Business or Profession (PGBP) + also Incomes from other sources (both) on cash basis or mercantile basis for accounting being used by taxpayer.
- (xxi) Taxpayer not permitted to use mixture of cash basis + also mercantile basis (hybrid basis) for accounting.
- (xxii) Taxpayer required to use mercantile basis for accounting (only) under section 145(2) ICDS.
- (xxiii) Cash basis not permitted for accounting under section 145(2) ICDS
- (xxiv) Tax auditor not required to write for changes in accounting policies.
- (xxv) Changes in accounting policies not treated changes in method of accounting therefore tax auditor not required to include in TAR.
- (xxvi) Taxpayer required to fill information's in form no. 3CD to compute valuation of closing stock under Accounting Standards-2 (AS-2) for preparing financial statements like under CA, 2013 when AS-2 already mandatory.
- (xxvii) Taxpayer required to compute valuation of closing stock under prescribed exclusive method when taxes like GST not to be added in valuation of closing stock
- (xxviii) Taxpayer required to compute valuation of closing stock under ICDS of section 145A of ITA, 1961 for computing taxable incomes for previous year when prescribed inclusive method to be used for inclusion of taxes (mandatory) like GST to be added in valuation of closing stock
- (xxix) Taxpayer required to fill in form no. 3CD under section 44AB of ITA, 1961 + to re-compute taxable incomes for previous year through adding or subtracting effect of adjustment against difference between exclusive method and inclusive method for valuations of closing stock under ICDS + AS-2 (both)



● *Obligations for AS*

- (i) *Tax auditor + statutory auditors (both) required to ensure compliances of standards issued by Institute of Chartered Accountant of India (ICAI)*
- (ii) *ICAI introduced 4 levels for implementation's preparation for financial statements*
- (iii) *Presently total 27 AS applicable from AS-1 to AS-29 (29 AS - 2 AS = 27 AS) like AS-6 + AS-8 (both) not applicable*
- (iv) *Applicability from Level-I to Level-IV depends on turnover criteria + borrowing criteria (both).*
- (v) *Applicability from Level-I to Level-IV depends on single criteria like either turnover criteria or borrowing criteria*
- (vi) *Statutory + Tax auditors (both) required to mention in audit reports for observations + comments + discrepancies + also inconsistencies (all)*



FORM NO. 3CA

[See rule 6G(1)(a)]

**Audit report under section 44AB of the Income -tax Act, 1961,
in a case where the accounts of the business or profession of a person
have been audited under any other law**

*I/we report that the statutory audit of M/s. (Name and address of the assessee with Permanent Account Number or Aadhaar Number) was conducted by *me/us/M/s. in pursuance of the provisions of theAct, and*I/we annex hereto a copy of *my/our/their audit report dated along with a copy of each of :-

- (a) the audited *profit and loss account/income and expenditure account for the period beginning fromto ending on
- (b) the audited balance sheet as at,; and
- (c) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.

2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.

3. In *my/our opinion and to the best of *my/our information and according to examination of books of account including other relevant documents and explanations given to *me/us, the particulars given in the said Form No.3 CD are true and correct subject to the following observations/qualifications, if any:

- a.
- b.
- c.

.....

**(Signature and stamp/Seal of the signatory)

Place:

Name of the signatory

Date:

Full address

Notes :

1. * Delete whichever is not applicable
2. This report has to be signed by a person eligible to sign the report as per the provisions of section 44AB of the Income-tax Act, 1961.
3. Where any of the requirements in this Form is answered in the negative or with qualification, give reasons therefor.
4. The person who signs this audit report shall indicate reference of his membership number/certificate of practice/authority under which he is entitled to sign this report.



FORM NO. 3CB

[See rule 6G(1)(b)]

**Audit report under section 44AB of the Income -tax Act 1961,
in the case of a person referred to in clause (b) of sub - rule (1) of rule 6G**

1. *I/we have examined the balance sheet as on, , and the *profit and loss account/income and expenditure account for the period beginning fromto ending on , attached herewith, of(Name),
..... (A d d r e s s) ,
.....(Permanent Account Number).

2. *I/we certify that the balance sheet and the *profit and loss/income and expenditure account are in agreement with the books of account maintained at the head office atand **branches.

3. (a) *I/we report the following observations/comments/discrepancies/inconsistencies; if any:

(b) Subject to above, -

(A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit.

(B) In *my/our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from*my/ our examination of the books.

(C) In *my/our opinion and to the best of *my/our information and according to the explanations given to *me/us, the said accounts, read with notes thereon, if any, give a true and fair view :-

(i) in the case of the balance sheet, of the state of the affairs of the assessee as at 31st March; and

(ii) in the case of the *profit and loss account/income and expenditure account of the *profit/loss or *surplus/deficit of the assessee for the year ended on that date.

4. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No.3CD.

5. In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No.3 CD are true and correct subject to following observations/qualifications, if any:

a.

b.

c.

.....



** (Signature and stamp/Seal of the signatory)

Place:

Name of the signatory

Date:

Full address

Notes :

1. *Delete whichever is not applicable.
2. **Mention the total number of branches.
3. ***This report has to be signed by person eligible to sign the report as per the provisions of section 44AB of the Income-tax Act, 1961.
4. The person, who signs this audit report, shall indicate reference of his membership number/certificate of practice number/authority under which he is entitled to sign this report.



FORM NO. 3CD

[See rule 6 G(2)]

**Statement of particulars required to be furnished under
section 44AB of the Income-tax Act, 1961**

PART - A

1. Name of the assessee
2. Address
3. Permanent Account Number or Aadhaar Number
4. Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, *goods and services tax*, customs duty, etc. if yes, please furnish the registration number or *GST number* or any other identification number allotted for the same.....
5. Status.....
6. Previous year from.....to.....
7. Assessment year.....
8. Indicate the relevant clause of section 44AB under which the audit has been conducted
- ¹[8a. *Whether the assessee has opted for taxation under section 115BA/115BAA/115BAB/115BAC/115BAD?.*]

PART - B

9. (a) If firm or association of persons, indicate names of partners/members and their profit sharing ratios.
- (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.....
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 or profession)
- (b) If there is any change in the nature of business or profession, the particulars of such change.
11. (a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.
- (b) List of books of account maintained and the address at which the books of account are kept.
- (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 account are not kept at one location, please furnish the addresses of locations along with the details of books of account maintained at each location.)
- (c) List of books of account and nature of relevant documents examined.
12. 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, Chapter XII-G, First Schedule or any other relevant section.)

1. Substituted by the Income-tax (Eighth Amendment) Rules, 2021, w.e.f. **1-4-2021**.



13. (a) Method of accounting employed in the previous year.....

(b) Whether there had been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.

(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.

Serial number	Particulars	Increase in profit (Rs.)	Decrease in profit (Rs.)

(d) Whether any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards notified under section 145(2)

(e) if answer to (d) above is in the affirmative, give details of such adjustments:

		Increase in profit (Rs.)	Decrease in profit (Rs.)	Net Effect (Rs.)
<i>ICDS I</i>	<i>Accounting Policies</i>			
<i>ICDS II</i>	<i>Valuation of Inventories</i>			
<i>ICDS III</i>	<i>Construction Contracts</i>			
<i>ICDS IV</i>	<i>Revenue Recognition</i>			
<i>ICDS V</i>	<i>Tangible Fixed Assets</i>			
<i>ICDS VI</i>	<i>Changes in Foreign Exchange Rates</i>			
<i>ICDS VII</i>	<i>Governments Grants</i>			
<i>ICDS VIII</i>	<i>Securities Borrowing Costs</i>			
<i>ICDS IX</i>				
<i>ICDS X</i>	<i>Provisions, Contingent Liabilities and Contingent Assets</i>			
	<i>Total</i>			

(f) Disclosure as per ICDS :

(i) <i>ICDS I</i>	- <i>Accounting Policies</i>
(ii) <i>ICDS II</i>	- <i>Valuation of Inventories</i>
(Hi) <i>ICDS III</i>	- <i>Construction Contracts</i>
(iv) <i>ICDS IV</i>	- <i>Revenue Recognition</i>
(v) <i>ICDS V</i>	- <i>Tangible Fixed Assets</i>
(vi) <i>ICDS VII</i>	- <i>Governments Grants</i>
(vii) <i>ICDS IX</i>	- <i>Borrowing Costs</i>
(viii) <i>ICDS X</i>	- <i>Provisions, Contingent Liabilities and Contingent Assets.</i>



14. (a) Method of valuation of closing stock employed in the previous year.

(b) In case of deviation from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish :

Serial number	Particulars	Increase in profit (Rs.)	Decrease in profit (Rs.)

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.

16. Amounts not credited to the profit and loss account, being, -

- (a) the items falling within the scope of section 28;
- (b) the proforma credits, drawbacks, refund 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;
- (c) escalation claims accepted during the previous year;
- (d) any other item of income;
- (e) capital receipt, if any.

²[17. 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

Details of property	Consideration received or accrued	Value adopted or assessed or assessable	Whether provisions of second proviso to sub-section (1) of section 43CA or fourth proviso to clause (x) of sub-section (2) of section 56 applicable? [Yes/No]

18. 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 :—

- (f) Description of asset/block of assets.
- (g) Rate of depreciation.
- (h) Actual cost of written down value, as the case may be.

²[(ca) Adjustment made to the written down value under section 115BAC/115BAD (for assessment year 2021-2022 only)

(cb) Adjustment made to written down value of Intangible asset due to excluding value of goodwill of a business or profession.....

(cc) Adjusted written down value.....]

- (i) 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—
 - (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,
 - (ii) change in rate of exchange of currency, and
 - (iii) subsidy or grant or reimbursement, by whatever name called.
- (j) Depreciation allowable.
- (k) Written down value at the end of the year.



19. Amounts admissible under sections :

Section	Amount debited to profit and loss account	Amounts admissible as per the provisions of the Income-tax Act, 1961 and also fulfils the conditions, if any specified under the relevant provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circular, etc., issued in this behalf.
32AC		
32AD		
33AB		
33ABA		
35(1)(i)		
35(1)(ii)		
35(1)(ia)		
35(1)(iii)		
35(1)(iv)		
35(2AA)		
35(2AB)		
35ABB		
35AC		
35AD		
35CCA		
35CCB		
35CCC		
35CCD		
35D		
35DD		
35DDA		
35E		

20. (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)]

(b) Details of contributions received from employees for various funds as referred to in section 36(1)(va):

Serial number	Nature of fund	Sum received from employees	Due date for payment	The actual amount paid	The actual date of payment to the concerned authorities

21. (a) Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc.



Nature	Serial number	Particulars	Amount in Rs.
Capital expenditure			
Personal expenditure			
Advertisement expenditure in any souvenir, brochure, tract, pamphlet or the like published by a political party			
Expenditure incurred at clubs being entrance fees and subscriptions			
Expenditure incurred at clubs being cost for club services and facilities used.			
Expenditure by way of penalty or fine for violation of any law for the time being force			
Expenditure by way of any other penalty or fine not covered above			



Expenditure incurred for any purpose which is an offence or which is prohibited by law			

(b) Amounts inadmissible under section 40(a):-

(i) as payment to non-resident referred to in sub-clause (i)

(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.....

(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.....

(ii) as payment referred to in sub-clause (ia)

(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.....

(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

* Should be read as 'Payee'.



(iii) under sub-clause (ic) [Wherever applicable]

(iv) under sub-clause (iia)

(v) under sub-clause (iib)

(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)

(c) Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;

(d) Disallowance/deemed income under section 40A(3):

(A) On the basis of the examination of books of account and other relevant documents/evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details :

Serial number	Date of payment	Nature of payment	Amount	Name and Permanent Account Number or Aadhaar Number of the payee, if available

(B) On the basis of the examination of books of account and other relevant documents/evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A (3A);

Serial number	Date of payment	Nature of payment	Amount	Name and Permanent Account Number or Aadhaar Number of the payee, if available

(e) provision for payment of gratuity not allowable under section 40A(7);

(f) any sum paid by the assessee as an employer not allowable under section 40A(9);

(g) particulars of any liability of a contingent nature;

(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;

(i) amount inadmissible under the proviso to section 36(1)(iii).



22. Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

23. Particulars of payments made to persons specified under section 40A(2)(b).

24. Amounts deemed to be profits and gains under section 32AC or [32AD or] 33AB or 33ABA or 33AC.

25. Any amount of profit chargeable to tax under section 41 and computation thereof.

26. In respect of any sum referred to in clauses (a),(b), (c), (d), (e), [(f) or (g)] of section 43B, the liability for which:—

(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

(a) paid during the previous year;

(b) not paid during the previous year;

(B) was incurred in the previous year and was

(a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1);

(b) not paid on or before the aforesaid date.

(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.)

27. (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.

(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account.

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.

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.

[29A. (a) Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in clause (ix) of sub-section (2) of section 56? (Yes/No)

(b) If yes, please furnish the following details:

(i) Nature of income :

(ii) Amount thereof:

29B. (a) Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in clause (x) of sub-section (2) of section 56? (Yes/No)

(b) If yes, please furnish the following details:

(i) Nature of income :

(ii) Amount (in Rs.) thereof :]



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]

[30A. (a) Whether primary adjustment to transfer price, as referred to in sub-section (1) of section 92Ce, has been made during the previous year? (Yes/No)

(b) If yes, please furnish the following details:—

- (i) Under which clause of sub-section (1) of section 92CE primary adjustment is made?
- (ii) Amount (in Rs.) of primary adjustment:
- (iii) Whether the excess money available with the associated enterprise is required to be repatriated to India as per the provisions of sub-section (2) of section 92CE? (Yes/No)
- (iv) If yes, whether the excess money has been repatriated within the prescribed time (Yes/No)
- (v) If no, the amount (in Rs.) of imputed interest income on such excess money which has not been repatriated within the prescribed time:

30B. (a) Whether the assessee has incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B? (Yes/No.)

(b) If yes, please furnish the following details:—

- (i) Amount (in Rs.) of expenditure by way of interest or of similar nature incurred:
- (ii) Earnings before interest, tax, depreciation and amortization (EBITDA) during the previous year (in Rs.):
- (iii) Amount (in Rs.) of expenditure by way interest or of similar nature as per (i) above which exceeds 30% of EBITDA as per (ii) above :
- (iv) Details of interest expenditure brought forward as per sub-section (4) of section 94B:

A.Y.	Amount (in Rs.)
------	-----------------

(v) Details of interest expenditure carried forward as per sub-section (4) of section 94B:

A.Y.	Amount (in Rs.)
------	-----------------

30C. (a) Whether the assessee has entered into an impermissible avoidance arrangement, as referred to in section 96, during the previous year? (Yes/No.)

(b) If yes, please specify:—

- (i) Nature of impermissible avoidance arrangement:
- (ii) Amount (in Rs.) of tax benefit in the previous year arising, in aggregate, to all the parties to the arrangement:]



[31. (a) Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year: —

- (i) name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the lender or depositor;
- (ii) amount of loan or deposit taken or accepted;
- (iii) whether the loan or deposit was squared up during the previous year;
- (iv) maximum amount outstanding in the account at any time during the previous year;
- (v) whether the loan or deposit was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account;
- (vi) in case the loan or deposit was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.

(b) Particulars of each specified sum in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year: —

- (i) name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the person from whom specified sum is received;
- (ii) amount of specified sum taken or accepted;
- (iii) whether the specified sum was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account;
- (iv) in case the specified sum was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft.

(Particulars at (a) and (b) need not be given in the case of a Government company, a banking company or a corporation established by the Central, State or Provincial Act.)

(ba) Particulars of each receipt in an amount exceeding the limit specified in section 269ST, in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person, during the previous year, where such receipt is otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account:—

- (i) Name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payer;
- (ii) Nature of transaction;
- (iii) Amount of receipt (in Rs.);
- (iv) Date of receipt;

(bb) Particulars of each receipt in an amount exceeding the limit specified in section 269ST, in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions from a person, received by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year;—



(i) Name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payer;

(ii) Amount of receipt (in Rs.);

(bc) Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions to a person, otherwise than by a cheque or bank draft, or use of electronic clearing system through a bank account, during the previous year:—

(i) Name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payee;

(ii) Nature of transaction;

(iii) Amount of payment (in Rs.);

(iv) Date of payment;

(bd) Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasions to a person, made by a cheque or bank draft, not being an account payee cheque or an account payee bank draft, during the previous year:—

(i) Name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payee;

(ii) Amount of payment (in Rs.);

(Particulars at (ba), (bb), (bc) and (bd) need not be given in the case of receipt by or payment to a Government company, a banking Company, a post office savings bank, a cooperative bank or in the case of transactions referred to in section 269SS or in the case of persons referred to in Notification No. S.O. 2065(E) dated 3rd July, 2017);]

(c) Particulars of each repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T made during the previous year:—

(i) name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payee;

(ii) amount of the repayment;

(iii) maximum amount outstanding in the account at any time during the previous year;

(iv) whether the repayment was made by cheque or bank draft or use of electronic clearing system through a bank account;

(v) in case the repayment was made by cheque or bank draft, whether the same was repaid by an account payee cheque or an account payee bank draft.



(d) Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year:—

- (i) name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payer*;
- (ii) repayment of loan or deposit or any specified advance received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year.

(e) Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received by a cheque or bank draft which is not an account payee cheque or account payee bank draft during the previous year:—

- (i) name, address and Permanent Account Number or Aadhaar Number (if available with the assessee) of the payer*;
- (ii) repayment of loan or deposit or any specified advance received by a cheque or a bank draft which is not an account payee cheque or account payee bank draft during the previous year.

(Particulars at (c), (d) and (e) need not be given in the case of a repayment of any loan or deposit or any specified advance taken or accepted from the Government, Government company, banking company or a corporation established by the Central, State or Provincial Act).

32. ³(a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available:

Sl No	Assessment Year	Nature of loss/ allowance (in rupees)	Amount as returned* (in rupees)	All losses/ allowances not allowed under section 115BAA/ 115BAC/ 115BAD	Amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAC/115BAD [^]	Amounts as assessed (give reference to relevant order)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

*If the assessed depreciation is less and no appeal pending than take assessed.

[^] To be filled in for assessment year 2021-22 only.]

(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.

(c) Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same.

* As corrected by corrigendum GSR 841(E), dated 6-7-2017.

3. Substituted by the Income-tax (Eighth Amendment) Rules, 2021, w.e.f. 1-4-2021.



(d) whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, if yes, please furnish details of the same.

(e) In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year.

33. Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA).

Section under which deduction is claimed	Amounts admissible as per the provision of the Income-tax Act, 1961 and fulfils the conditions, if any, specified under the relevant provisions of Income-tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circular, etc, issued in this behalf.

34. (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:

Tax deduction and collection Account Number (TAN)	Section	Nature of payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was required to be deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of (5)	Amount of tax deducted or collected out of (6)	Total amount on which tax was deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected not deposited to the credit of the Central Government out of (6) and (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(b) whether the assessee is required to furnish the statement of tax deducted or tax collected. If yes, please furnish the details :

Tax deduction and collection Account Number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contains information about all details/ transactions which are required to be reported. If not, please furnish list of of details/ transactions which are not reported.



(c) whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish:

Tax deduction and collection Account Number (TAN)	Amount of interest under section 201(1A)/206C(7) is payable	Amount paid out of column (2) along with date of payment.

35. (a) In the case of a trading concern, give quantitative details of principal items of goods traded :

- (i) Opening Stock;
- (ii) purchases during the previous year;
- (iii) sales during the previous year;
- (iv) closing stock;
- (v) shortage/excess, if any

(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products :

A. Raw Materials :

- (i) opening stock;
- (ii) purchases during the previous year;
- (iii) consumption during the previous year;
- (iv) sales during the previous year;
- (v) closing stock;
- (vi) yield of finished products;
- (vii) percentage of yield;
- (viii) shortage/excess, if any.

B. Finished products/by-products :

- (i) opening stock;
- (ii) purchases during the previous year;
- (iii) quantity manufactured during the previous year;
- (iv) sales during the previous year;
- (v) closing stock;
- (vi) shortage/excess, if any.

36. ⁴[***]



[36A. (a) Whether the assessee has received any amount in the nature of dividend as referred to in sub-clause (e) of clause (22) of section 2? (Yes/No.)

(b) If yes, please furnish the following details:—

(i) Amount received (in Rs.):

(ii) Date of receipt:]

37. Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the cost auditor.
.....

38. Whether any audit was conducted under the Central Excise Act, 1944, 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.

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.

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Serial number	Particulars	Previous year	Preceding previous year
1.	Total turnover of the assessee		
2.	Gross profit/turnover		
3.	Net profit/turnover		
4.	Stock-in-trade/turnover		
5.	Material consumed/finished goods produced		

(The details required to be furnished for principal items of goods traded or manufactured or services rendered)

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.

[42. (a) Whether the assessee is required to furnish statement in Form No.61 or Form No.61A or Form 61B? (Yes/No)

(b) If yes, please furnish :

Income tax Department Reporting Entity Identification Number	Type of Form	Due date for furnishing	Date of furnishing, if	Whether the Form contains information about all details/furnished transactions which are required to be reported. If not, please furnish list of the details/ transactions which are not reported.



43. (a) Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in sub-section (2) of section 286? (Yes/No)

(b) If yes, please furnish the following details :

- (i) Whether report has been furnished by the assessee or its parent entity or an alternate reporting entity
- (ii) Name of parent entity
- (iii) Name of alternate reporting entity (if applicable)
- (iv) Date of furnishing of report

44. Break-up of total expenditure of entities registered or not registered under the GST:

Sl. No.	Total amount of Expenditure incurred during the year	Expenditure in respect of entities registered under GST			Expenditure relating to entities not registered under GST	
(1)	(2)	(3)	(4)	(5)	(6)	(7)]
		<i>Relating to goods or services exempt from GST</i>	<i>Relating to entities falling under composition scheme</i>	<i>Relating to other registered entities</i>	<i>Total payment to registered entities</i>	

.....

*(Signature and stamp/seal of the signatory)

Place : _____

Name of the signatory

Date : _____

Full address

Notes :

1. *This Form has to be signed by the person competent to sign Form No. 3CA or Form No. 3CB, as the case may be.





Audit of accounts of certain persons carrying on business or profession.

44AB. Every person,—

(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in any previous year ⁸⁹[***]:

⁹⁰[**Provided** that in the case of a person whose—

(a) aggregate of all amounts received including amount received for sales, turnover or gross receipts during the previous year, in cash, does not exceed five per cent of the said amount; and

(b) aggregate of all payments made including amount incurred for expenditure, in cash, during the previous year does not exceed five per cent of the said payment,

this clause shall have effect as if for the words "one crore rupees", the words "five crore rupees" had been substituted; or]

(b) carrying on profession shall, if his gross receipts in profession exceed fifty lakh rupees in any previous year; or

(c) carrying on the business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under [section 44AE](#) or [section 44BB](#) or [section 44BBB](#), as the case may be, and he has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of his business, as the case may be, in any previous year; or

(d) carrying on the profession shall, if the profits and gains from the profession are deemed to be the profits and gains of such person under [section 44ADA](#) and he has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his profession and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year; or

(e) carrying on the business shall, if the provisions of sub-section (4) of [section 44AD](#) are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year,

get his accounts of such previous year audited by an accountant before the specified date and furnish by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed :

Provided that this section shall not apply to the person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of [section 44AD](#) and his total sales, turnover or gross receipts, as the case may be, in business does not exceed two crore rupees in such previous year:

Provided further that this section shall not apply to the person, who derives income of the nature referred to in [section 44B](#) or [section 44BBA](#), on and from the 1st day of April, 1985 or, as the case may be, the date on which the relevant section came into force, whichever is later :

Provided also that in a case where such person is required by or under any other law to get his accounts audited, it shall be sufficient compliance with the provisions of this section if such person gets the accounts of such business or profession audited under such law before the specified date and furnishes by that date the report of the audit as required under such other law and a further report by an accountant in the form prescribed under this section.

Explanation.—For the purposes of this section,—

[Show Related Rules and Contents](#) X same meaning as in the *Explanation* below sub-section (2) of [section 288](#);

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