

# NEW TAX AUDIT REPORT SIGNIFICANCE OF CHANGES AND DOCUMENTATIONS

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# FORM 3CA/ 3CB

- Header
- for the period beginning from \_\_\_\_\_-to ending on \_\_\_\_\_.

Ornamental

- Bottom
- (Signature and stamp/Seal of the signatory)
- Place : \_\_\_\_\_
- Name of the signatory  
.....
- Date : \_\_\_\_\_
- Full address  
.....  
....

Ornamental




## NOTES

- 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.
- 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.
- Scope for new entrants
- Ornamental



**CLAUSE 4 - WHETHER THE ASSESSEE IS LIABLE TO PAY INDIRECT TAX LIKE EXCISE DUTY, SERVICE TAX, SALES TAX, CUSTOMS DUTY, ETC. IF YES, PLEASE FURNISH THE REGISTRATION NUMBER OR ANY OTHER IDENTIFICATION NUMBER ALLOTTED FOR THE SAME**

- The word etc. makes Auditors life difficult.
  - Will not include the Property tax and such other payments
    1. Make a checklist of all indirect taxes
    2. Compare list with the taxes paid
    3. Get a declaration from the Assessee
    4. Keep the copy of registration certificate
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- Clause 6-

Previous year  
from.....to  
.....

- Clause 8-

Indicate the  
relevant clause of  
section 44AB under  
which the audit has  
been conducted

- Ornamental,


- relevant only for the  
new assessee

- Clarificatory

- Utility will have  
dropdown menu.



## CLAUSE 11(B)- ADDRESS AT WHICH THE BOOKS OF ACCOUNTS ARE KEPT.

- Address where books are kept, to be matched with the Companies Act 2013 provisions
  - Situation when data is accessible in more places and the records are kept in one location.
  - Situation when Only Entry made in multilocations
  - What if the books are kept in one place and records in a third place?
  - What if the books are maintained by the CA itself
  - What about the multibranch entities.
  - What if the entry is done in multylocataions and the processing is done in a third party location.
- 

- **Clause 12-** Chapter XII-G, First Schedule

- Clarificatory

- **Clause 13-** Change in the method of accounting employed

- Details to be entered in the report as per Dropdown menu

- Each type of change should be separately reported

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



## CLAUSE 14- CHANGE METHOD OF VALUATION OF INVENTORIES (CLOSING STOCK)

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

- Details to be entered in the report
- Each class should be separately reports.
- Each item?
- Where to draw a line on classification





## CLAUSE 17- CONSIDERATION RECEIVED LESS THAN STAMP DUTY VALUE

Auditor has to report 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.

<b>Details of property</b>	<b>Consideration received or accrued</b>	<b>Value adopted or assessed or assessable</b>

- Additional point covering the provisions



**CLAUSE 18(D)(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

- Additional data required for all Assets.
- What about the WDV where credit is already taken?



## CLAUSE 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 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		
35(1)(i)		
35(1)(ii)		
35(1)(ia)		
35(1)(iii)		
35(1)(iv)		
35(2AA)		
35(2AB)		
35ABB		

- Additional points covering the provisions



**CLAUSE 20(B)- DETAILS OF CONTRIBUTIONS RECEIVED FROM EMPLOYEES FOR VARIOUS FUNDS AS REFERRED TO INSECTION 36(1)(VA):**

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

- Cosmetic Change.
- Dropdown menu will take care of it.



## CLAUSE 21(A)- DETAILS OF CAPITAL, PERSONAL, ADVERTISEMENT EXPENDITURE ETC

- Each item to be separately mentioned.
- How to classify- Voucher wise? Item wise? Expenditure headwise?
- Utility may give some clarification.

Nature	Serial number	Particulars	Amount in Rs.
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			

**CLAUSE 21D(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);

<b>Serial number</b>	<b>Date of payment</b>	<b>Nature of payment</b>	<b>Amount</b>	<b>Name and Permanent Account Number of the payee, if available</b>



**CLAUSE 24**-AMOUNTS DEEMED TO BE PROFITS AND GAINS UNDER SECTION 32AC OR 33AB OR 33ABA OR 33AC.

- Additional points covering the provisions



**CLAUSE 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.

- Cosmetic change





**CLAUSE 28** -ACQUISITION OF A SHARES WITHOUT OR ADEQUATE CONSIDERATION 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.

- Additional points covering the provisions
- The format of details are not mentioned.
- The format may be covered in the utility



**CLAUSE 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.

- Additional points covering the provisions
- The format of details are not mentioned.
- The format may be covered in the utility



**CLAUSE 31(C)**- WHETHER THE TAKING OR ACCEPTING LOAN OR DEPOSIT, OR REPAYMENT OF THE SAME WERE MADE BY ACCOUNT PAYEE CHEQUE DRAWN ON A BANK OR ACCOUNT PAYEE BANK DRAFT BASED ON THE EXAMINATION OF BOOKS OF ACCOUNT AND OTHER RELEVANT DOCUMENTS

- The online payments, NEFT, RTGS are not covered.
- Disclaimer will be needed for that.
- The Utility may not have any scope for that.



CLAUSE 32(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.

- Additional requirement
- clarificatory in nature



**CLAUSE 32(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.

- Additional requirement
- clarificatory in nature



**CLAUSE 33-SECTION-WISE DETAILS OF DEDUCTIONS, IF ANY, ADMISSIBLE UNDER CHAPTER VIA OR CHAPTER III (SECTION 10A, SECTION 10AA).**

<b>Section under which deduction is claimed</b>	<b>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.</b>

- Formats changed,
- Sectionwise details required.
- Already in the utility now incorporated in form
- no change in the substance



**CLAUSE 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)

- Complete details of TDS to be given.
- The TDS Return data can be used
- Entering the details in Utility will be a task



**CLAUSE 34(B)- WHETHER THE ASSESSEE HAS FURNISHED THE STATEMENT OF TAX DEDUCTED OR TAX COLLECTED WITHIN THE PRESCRIBED TIME. IF NOT, PLEASE FURNISH THE DETAILS:**

<b>Tax deduction and collection Account Number (TAN)</b>	<b>Type of Form</b>	<b>Due date for furnishing</b>	<b>Date of furnishing, if furnished</b>	<b>Whether the statement of tax deducted or collected contains information about all transactions which are required to be reported</b>

- TDS Return data to be filled
- Duty cast on Auditor to certify the Return filed



**CLAUSE 34(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.

- The burden of calculation of interest is on the Auditor.
- The TDS return if filed, the data collection is not difficult.
- If it is not filed the onus of calculation will be on the Auditor
- If the Auditor differ with the Assessee on any TDS issues the reporting will be very difficult.



**CLAUSE 36(B)**- AMOUNT OF REDUCTION  
AS REFERRED TO IN SECTION 115-  
O(1A)(I);

- Additional requirement
- Clarificatory in nature



**CLAUSE 36(C)**- AMOUNT OF REDUCTION AS REFERRED TO IN SECTION 115-O(1A)(II);

- Additional requirement
- clarificatory in nature



**CLAUSE 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.

- Additional requirement
- Clarificatory in nature



**CLAUSE 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

- Additional requirement
- To report all qualifications.
- Clarificatory in nature



**CLAUSE 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.

- Additional requirement
- To report all qualifications.
- clarificatory in nature



**CLAUSE 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		

- Two years data is required.
- Mention about all types



**CLAUSE 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, 1957ALONGWITH DETAILS OF RELEVANT PROCEEDINGS.

- Additional requirement
- clarificatory in nature

