

**INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

**WIRC**

**ISSUES IN TAX AUDIT**

**CA S. V. SHANBHAG**

# ISSUES IN TAX AUDIT

## □ PRIMARY ISSUES

- Code of Ethics of ICAI
- Eligibility for Appointment as Tax Auditor
- Ceiling on Tax Audit
- Consequences of contravention of sec44AB

## □ Issues on Form 3CA and 3CB

## □ ISSUES ON TAX AUDIT PROVISIONS u/s 44AB

## □ ISSUES IN REPORTING (FORM 3CD)

## ISSUES RELATING TO ICAI - CODE OF ETHICS:

### ➤ COMMUNICATION WITH PREVIOUS AUDITOR

- Communication with Previous Auditor by Registered A.D or in Person.
- No need to communicate with Statutory Auditor.

### ➤ INDEBTED FOR MORE THAN RS 10,000

*(NOTIFICATION NO 1-CA(7) 63/2002 DT 2.08.2002)*

### ➤ PROFESSIONAL REASONS FOR NOT ACCEPTING THE APPOINTMENT

- Non-Payment of Undisputed Audit Fees u/Co's Act or other statutes except in case of sick units
- Whether Tax Audit Fees can be more than Statutory Audit Fees?



## ISSUES RELATING TO ELEGIBILITY TO BE APPOINTED AS TAX AUDITOR:

- Internal Auditor (Proprietor/Partner).
- CA in full time or part time employment.
- Part time COP holder.
- A Person can not be appointed as Tax Auditor of a Firm or Company in which his **relatives** hold not less than 20% interest/voting power.

# ISSUES RELATING TO CEALING ON TAX AUDIT

## Councils General Guidelines 2008:

- A CA not to **accept** more than 45 tax audit in a FY.
  - Date of Audit Report not relevant. Date of acceptance is relevant.
  - Bank Audit accepted in March '2013; Audit Report in Apr '2013.
  
- Limit reconed qua CA
  - Proprietor can perform 45 Audits.
  - Each partner of the Firm can perform 45 Audits.
  - Audits signed as Proprietor and also as partner not to exceeds 45 per member.

## FORM OF TAX AUDIT PARTICULARS TO BE FURNISHED BY

### MEMBERS/FIRM:

#### ➤ Record of Tax Audit Assignments

1. Name of the Member accepting the assignment
2. Membership No.
3. Financial year of audit **acceptance**
4. Name and Registration No. of the firm/ firms of which the member is a proprietor or partner.

S. No	Name of the Auditee	A.Y of the Auditee	Date Of Appointment	Date of <b>Acceptance</b>	Name of the Firm on whose behalf the Member has accepted the assignment	Date of Communication with the Previous Auditor ( if applicable)

## ISSUES RELATING TO CEALING ON TAX AUDIT ... COUNCIL GUIDELINES

- Inclusions in limit of 45 Audits
  - Joint Audits.
  
- Exclusions in limit of 45 Audits
  - Audit of **HO & branch** treated as one audit.
  - Audit of **more than one branch** of a company be treated as one Audit.
  - Audits under Sec. 44 AD, 44AE .
  - Audits required under any **other status** (e.g. MVAT Audit).
  
- Record of audits be maintained in prescribed format.

## CONSEQUENCES ON FAILURE TO SUBMIT TAX AUDIT REPORT:

- Penalty under Sec. 271 B.
- Defective Return.
- Return treated “Invalid Return” if defect not cured.
- Penalty u/s 271 F.
- Best judgment assessment u/s 144.
- Special Audit u/s 142(2A).
- Prosecution under 206CC.
- Interest U/s 234A for delayed filing of Return.



## **REASONABLE CAUSE FOR NOT FURNISHING AUDIT REPORT U/s 44AB:**

**No penalty for failure in case of 'Reasonable Cause'**

- Resignation of Tax Auditor
- Death/Physical disability of 'A'
- Genuine difficulties
  - Labour problem, Strike, Lock outs
  - Nature Calamity
  - Loss of accounts-Fire, Theft
- Seizure of books of account

**Appeal:**

Penalty order of assessing officer is appealable u/s 246(1)(m) before CIT(A)

## **ISSUE RELATING TO FORM 3CA & 3CB:**

### **➤ Use of Form 3CA**

**Accounts Audited under any other law.**

**Avoid inconsistency of A.stds in B/s and TAR**

**Note conflicting Accounting Stads(AS 11,12)**

### **❑ **Form of audit Report for a LLP??****

### **➤ Use of Form 3CB**

**Accounts Not Audited under any other law.**

**Entire audit of books be conducted.**

**Disclaimers and Notes forming Part of Accounts.**

### **❑ **Whether Audit Report Format SA-700 applicable?****

# APPLICABILITY OF TAX AUDIT U/s 44AB:

Business	Sales/Turnover/Gross Receipts exceeds Rs. 1 Crore.
Profession	Sales/Turnover/Gross Receipts exceeds Rs. 25 Lakhs.
44AE (goods carriers<10 Nos)	Minimum Presumptive Profits not offered.
44AD	Minimum Presumptive Profits @ 8% not offered & <b>income exceeds non-taxable limits.</b>

# ISSUES RELATING TO T/o:

- ❑ Brokerage income of MCX broker is 96 lakhs. Interest income is 8 lakhs. Whether Tax Audit applicable?

*Pondichery Destillariesb Ltd Vs ITO 1984, 8 ITD 39 Mad.*

- ❑ If Purchases exceed Rs.1 Crores & Sales below Rs.1 Crores

*(CCIT v/s Vijay Maheshwari HUF 228 ITR 157 SC 1997)*

- ❑ Turnover in the case of Builders & Developers  
Whether Advance received from Customers is 'Gross Receipts' for Turnover purpose ?

*(DCIT vs Gopal Krushna Builders ITAT Lucknow) YES*

*(Siroya developers vs DCIT 2011, ITAT Mumbai) NO*

*(ACIT vs B. K. Jha & Associates 691 ITD 14) NO*

## ISSUES RELATING TO T/o...

### ❑ Speculative Transactions (Sec.43 (5))

### ❑ Derivative Transactions:

T/o = (i) Aggregate of favorable and unfavorable differences.

(ii) Premium received on sale of options.

❑ Whether unaccounted Sales found during search be included ? *Brijlal Goyal Vs Asst CIT(2004)88 ITD 413(delhi)*. "Accounts" not defined. U/s 34 of Evidence Act, Accounts should be understood to be Accounts maintained in the regular course of business. Accordingly unaccounted Sales are not to be included for limit of Turnover.

❑ Effect of Inclusive and Exclusive method for Turnover (Excise Duty, VAT, Service Tax etc.)

*M/S. Chowringhee Sales Bureau (P) ... vs C.I.T., West Bengal on 10 October, 1972*

## **CERTAIN ITEMS INCLUDED IN T/o:**

- Sale of license.
- Duty Draw Back.
- Cash Assistance.
- Proceeds of Key-man Insurance Policy.
- Net Exchange Rate Difference.
- Advance received & forfeited from customer.
- Sale of scrap & wastage.
- Travel Agent conducting package tours.
- Remuneration of Working Partner, whether included?

## CERTAIN ITEMS **NOT** INCLUDED AS T/o:

- Sale proceeds of Investments.
- Share of profit of partner exempt u/s 10(2A) **what about int on capital**
- Write back of creditors
- Advances received by professionals (liable for service tax)

# Clause 7: Names of Members & Profit Sharing Ratio of AOP.

- How this information be provided in case of a co-operative society having large number of Members?
- Co-operative society is an AOP for tax purpose under sec 2 of IT Act.
- Co-op society has different Tax Rates
- Share of Members of a Co-operative society is not determinate and known.
- Sec 67A and 86 are not applicable to Co-operative society
- To be reported as NOT APPLICABLE



## Clause 9: Books of Accounts

❑ Whether Auditor should insist on printed Books of Accounts ?

➤ Section 12(2A):

- Books of accounts includes cash book, ledger, day book, account book and other books whether in Written form or print out of soft copies.

➤ Section 4 of Information Technology Act 2000

- *Where the law provides that information or any matter be in printed form then **NOT WITHSTANDING ANYTHING CONTAINED IN SUCH LAW**, such requirement is deemed to be satisfied if such information/matter made available in Electronic Form and accessible to be usable for subsequent reference.*

➤ Compulsory maintenance of Books (44AA)

## Clause – 10: Profits & Gains on Presumptive Basis

### Presumptive Taxation u/s 44AD is not permitted:

- *Companies, LLPs, Trust etc. requiring maintenance of Books under respective statues.*
- *Claiming deductions u/s 10A, 10 AA, 10B, 10BA.*
- *Claiming deduction under chapter VIA-C (Deductions in respect of certain incomes).*
- *Transport business u/s 44AE. ( in case has more than 10 vehicles??)*
- *Earning commission income.*
- *Carrying on any agency business.*
- *Professionals specified u/s 44AA(1).*
- ❑ **Whether other professions (say an astrologer) offer income u/s 44AD.**
- ❑ **Transporter having more than 10 goods carriers, T/o bellow Rs. 1 Crore, whether 44AD possible ?**

## Clause - 12: Deviation from Method of Valuation of Stock prescribed u/s 145A

- ❑ Sec 145A provides for inclusive method for accounting of taxes. If the Assessee follows exclusive method of accounting, what is the reporting requirement?
- Sec 145A provides adjustment of taxes to inventories for the purpose of **computation of income**. It does not provides inclusive method of accounting of Taxes as compulsory.
- ICAI GN(rev) suggests either inclusive or exclusive method. Effect on profit by both methods is same.
- AO cannot reject the books as method of tax accounting does not affect computation of **total income**.

***Tools India Distributors Vs ITO(2000)111 Taxman 216(MUM)***

# Clause - 14: DEPRECIATION

## Additions / Deductions during the year - Adjustments

### ➤ Cenvat Credit:

- To Be excluded from cost of asset.

Cenvat claim not eligible if included as cost of Capital Asset & Depreciation is claimed.

- Cenvat may be included as cost (addition) if Cenvat credit claim is rejected.
- Cenvat included in Asset cost and Depreciation claimed. Further Cenvat credit is also claimed and allowed.

Cenvat credit allowed be reduced from cost of Assets.

# Clause 14: DEPRECIATION...

## ➤ Exchange Fluctuation:

- Exchange fluctuation be adjusted to cost of asset as per section 43A of ITA.
- This treatment is in variance with **AS 11 *The Effects of Changes in Foreign Exchange Rates***.

## ➤ Subsidy, Grant or reimbursement to asset deducted from cost of asset:

- Explanation 10 to Section 43(1) provides for such adjustment.
- **AS 12 *Accounting of Government Grants*** provides 2 methods
  - Reduce from cost of capital asset
  - Treat Grant as deferred revenue income over useful life of assets.

# Clause -14: DEPRECIATION...

## Additional Depreciation Section 32(1)(ia)

- @ 20% on new Plant & Machinery acquired & installed by
  - Manufacturing Concerns
  - Power Generation and or Distribution Concerns.
- @10% if Asset put to use for less than 180 days.
- Balance additional depreciation of 10% can be claimed in the following year.

## Clause -16 (b): Employees Contribution to PF/ESIC etc.

- Section 2(24)(x): Amount received by 'A' from employee towards contribution to PF/SA fund/ESI etc is income.
- Section 36(1)(Va): Allowable as deduction on the basis of payment made on or before due date.
- Such contribution not paid before due date is disallowable.

### Exceptions-

- *CIT Vs. Alom Extrusions Ltd (2009) 319 ITR 306 (SC)*
- *Vijay Shree Ltd., Kolkata vs ITO on 28 April, 2011*
- *Pik Pen Pvt Ltd (ITAT MUM)*

## Clause -17(d): Payments to Club

**Whether Entrance Fees(life membership) paid to the club is a dis allowable expenditure?**

- TA to only report payment of Entrance fees and not to report on its allowability.
- Even if the exp brings enduring benefit, if the benefit is on revenue field, i.e. to carry on the business more efficiently and effectively, it is revenue expenses.

*Empire Jute co. Vs CIT 124 ITR 1 SC*

*CIT vs Engineers India Ltd. (1999) 239 ITR 237 Delhi*

*Otis Elevator Co. (I) Ltd vs CIT (1992) 195 ITR 682 Mum*

*Gujarat State Export Corp. Ltd. vs CIT (1994) 209 ITR 649 Guj*



# Clause - 17(f): DISALLOWANCE U/s 40a

- 40a(ia): Payment to residents.
- Whether Disallowance is applicable only to Expenses payable ?

## In favour of Assessee

*Merilyn Shipping & Transports V. ADDL. CIT(2012)20 Taxmann.Com 244 (VISHAKHA.-TRIB.)(SB) reversed by AP High Court*  
*ITO Vs Vinod Datta 33 Taxman.com 440 Mum Trib Bench F*  
*CIT vs Victor Shipping Service Pvt Ltd Allahabad HC (09.07.2013)*

## AGAINST

*CIT vs M. D. Jakir Hossain Mondal Kol. HC*  
*CIT vs Crescent Export Syndicates*

- Whether Disallowance can be avoided if Payee has paid the taxes on amounts received from Assessee ?

## **Clause-17(h): AMOUNTS INADMISSIBLE U/s 40A(3)** **READ WITH RULE DD**

- **Payments made against provision for Expenses of preceding year.**
  
- **Exceptions under Rule 6DD**
  - Payments are required to be made on a day when banks are closed or on strike
  - Government payment
  - Payment to Employee at the time of Retrenchment, Death, Resignation

## Clause-17(I): SECTION 14A...

- ❑ Whether Interest on funds borrowed for business of trading in shares disallowable Rule 8D?

*Vivek Malhotra VS ACIT (ITA 6332 dt 11.1.2013)*

- ❑ Can disallowance under Rule 8D exceed exempt income?

It cannot exceed the expenditure actually incurred

*DCIT VS Punjab State Co-op Marketing Federation Ltd 2012 14 ITR(Trib) 69(Chd)*

- ❑ Interest expenses incurred to earn exempt & taxable income - Pro-rata Disallowances.

*JD Mehta (2007) 104 ITD 527(mum)*

*Sudhir Dattaram Patil VS DCIT (2005) 2SOT678 (mum)*

# Clause-17A: (Interest paid to MSME)

❑ How to verify interest if any paid to MSME disallowable u/s 23 of MSME Act ?

- Check interest, General Exp, Misc Exp, Purchase , Capital asset A/cs to find interest paid/provided.
- Verify invoices of supplier for MSME 12digit code(Enterprise Memorandum Code)

❑ Whether disallowance is permissible without a corresponding provision under IT Act ?

*CBDT Instruction 12/2006/14.12.2006 mandates disallowance.*

❑ Issue of “*True and Fair*” if interest provision is not made.

# Clause-17A: INTEREST INADMISSIBLE U/s 23 of MSME Act, 2006

Enterprise Engaged in Manufacture or Production		Enterprise Engaged in providing Services	
Investment in <b>Plant &amp; Machinery</b>	Nature of Enterprise	Investment in <b>Equipments</b>	Nature of Enterprise
Up to Rs. 25 lakhs	Micro	Up to Rs. 10 lakhs	Micro
25 <u>l</u> akhs – Rs. 5 crores	Small	10 <u>l</u> akhs – Rs. 2crores	Small
Rs. 5 to 10 crores	Medium	Rs. 2 to 5 crores	Medium

## **Clause-21: CERTAIN DEDUCTIONS TO BE ONLY ON ACTUAL PAYMENT**

**Sec. 43B:**

➤ **Tax, Duty, Cess or fee.**

Service Tax not routed through P/L account in an exclusive method, whether covered u/s 43B ?

*CIT v/s Noble & Hewitt (I) Pvt. Ltd. (2008) 166 Taxman 48 (Delhi)*

**CIT v/s Associated Pigments Ltd. 71 Taxman 244 (Cal)**

*- “Where the Assessee has credited Sales Tax collection & debited Sales Tax payment in a separate Sales Tax account, the provisions of Sec. 43B are applicable.”*

## **Clause-24: ACCEPTANCE / REPAYMENT OF LOANS/DEPOSITS OF Rs 20,000 OR MORE (Sec 269SS and 269T)**

- ❑ Two loans of Rs.11,000 @11% & Rs. 12,000 @12% are taken from a party by the Assessee during the year. Whether covered for reporting in clause 24(a) ?
  
- ❑ Whether following are covered under this clause ?
  - Security Deposits against contract awarded.
  - Share application money.

# Clause-27: Reporting of Compliance of TDS Provisions u/Chapter XVII-B

- ❑ TDS not paid by due date but paid before the due date for filling the IT Return. Whether reporting required ?

		<b>Amount</b>
(i)	Tax Deductable & not deducted at all	.....
(ii)	Shotfall on account of lesser deduction then required to be deducted	....
(iii)	Tax Deducted late	....
(iv)	<b>Tax deducted but not paid to the credit of Central Government</b>	....



## Clause 32: Accounting Ratios

Particulars	Trading Concern	Manufacturing Concern	Professionals
Gross Profit/Turnover	Applicable	--NA--	--NA--
Net Profit/Turnover	Applicable	Applicable	Applicable
Stock/Turnover	Applicable	Applicable	--NA--
Material Consumed/Finished Goods Produced	--NA--	Applicable	--NA--

Whether comparative figures of previous year are required ?



*Any Questions please*

# INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

WIRC

## e-FILING AND ISSUES IN e-FILING OF TAX AUDIT REPORT

CA S. V. SHANBHAG

# What are the Tax Audit Reports which are compulsorily e-filed?

Notification No. 34/2013 dt. 1/5/2013 and No. 42/2013 dt. 11/6/2013

- E-filing on or before 30<sup>th</sup> September
  - Sec. 10(23c)
  - Sec 10A
  - **Sec 44AB**
  - Sec 80IA/IB/IC/ID
  - Sec 80JJA/80LA
- E-filing on or before 30<sup>th</sup> November
  - Sec 92E
  - Sec 115JB
- Whether Income Tax Return can be e-filed after 30<sup>th</sup> September ?
- Where Returns are already uploaded without uploading tax audit as it was required to submit offline at that time. Should we submit these again online?

# Operating System and Runtime environment requirement for e-filing TAR?

## ➤ OPERATING SYSTEM

Windows XP with Service pack 3/ Windows 7/  
Windows 8.

## ➤ RUNTIME ENVIRONMENT

JRE 1.7 update 6 and above, 32 bit is required to run applets for offline forms to work.

# Steps to be followed

- Step 1 - Creation of Chartered Accountant Login
- Step 2 - Add CA to Assessee Login
- Step 3 - Downloading, Preparing Tax Audit Report Utility & Generating XML file.
- Step 4 - Uploading XML file.
- Step 5 - Approval of Tax Audit Report / XML File by Assessee.



# **STEP 1**

# **CREATION OF CA LOGIN**

# Open [www.incometaxindiaefiling.com](http://www.incometaxindiaefiling.com) and Click on "Register Yourself"

The screenshot shows the homepage of the e-Filing portal. At the top, there is a navigation bar with links for 'Home', 'About Us', 'Feedback', 'Contact Us', and 'Help'. The main header features the e-Filing logo and the text 'Income Tax Department, Government of India'. Below this, there are three main sections: 'I Am ...' with a dropdown menu for user roles (Taxpayer, Tax Professional, etc.), 'e-File Your Tax Return' with a prominent 'e-File >>' button and a 'Learn How To e-File' link, and a right-hand panel with 'How To e-filing?' containing a 'Register Yourself' button, 'Registered User?' with a 'Login Here' button, and 'Need Assistance?'. A red box highlights the 'Register Yourself' button. Below the main sections are three columns: 'Services' (listing various forms and services), 'News & Updates' (with recent news items), and 'Downloads' (listing various forms and documents). At the bottom, there is a footer with 'India.gov.in' logo and 'Income Tax Department, Government of India' text.



# Select user type "Chartered Accountants" and click on "Continue"

The screenshot shows the e-Filing registration form for Chartered Accountants. The form is titled "Registration Form" and includes a "Select User Type" dropdown menu. The "Chartered Accountants" option is selected, and a red box highlights this option. A "Continue" button is visible at the bottom of the form. The page also features a "Quick Link" section, a "Need Assistance?" section, and a "Instructions" section.

**Quick Link**

- Tax Calculator
- Apply Online - PAN/TAN
- E-Pay Tax
- View Form 26AS (Tax Credit)

**Need Assistance?**

For income tax related queries  
ASK : 1800 180 1961

For Rectification and Refund  
CPC : 1800 425 2229

For e-Filing of Returns  
e-Filing : 1800 4250 0025

**Registration Form**

Select User Type \*

**Individual/HUF**

Individual  HUF

**Other than Individual/HUF**

Company  Body of Individuals (BOI)  Local Authority  Firm

Trust  Association of Persons (AOP)  Artificial Juridical Person

**Bulk PAN Verification Users**

External Agency

**Tax Professional**

Chartered Accountants

Income Tax Department Employee

Helpdesk

**Instructions**



- Fields marked with asterisk (\*) are mandatory.
- Select a user type.
- Please keep your PAN card handy to fill the Registration details.

**Continue**

**Fill the required details, select Digital Signature and click on "Continue"**

Registration Form - Authorized Representatives Registration

Step 1: Enter Basic Details      Step 2: Registration Form      Step 3: Registration Successful

Membership No. *	<input type="text"/>
Enrollment Date (DD/MM/YYYY) *	<input type="text"/> 
<b>Personal Details</b>	
Surname *	<input type="text"/>
Middle Name	<input type="text"/>
First Name	<input type="text"/>
Date of Birth (DD/MM/YYYY) *	<input type="text"/> 
PAN *	<input type="text"/>
E-mail ID *	<input type="text"/>
<b>DIGITAL CERTIFICATE REGISTRATION</b>	
Select the type of Digital Signature Certificate *	<input type="radio"/> Sigr. with .pfx file <input type="radio"/> Sigr. with your USB token.
<input type="button" value="Continue"/>	


**“User ID” will be sent on registered email & Fill the required details.**

Registration Form - Authorized Representatives Registration

Step 1: Enter Basic Details    Step 2: Registration Form    Step 3: Registration Successful

User ID	To be e mailed to you after successful submission of form.	
Password Details		
Password *	<input type="password"/>	Zero Length
Confirm Password *	<input type="password"/>	
Primary Secret Question *	Select	▼
Primary Secret Answer *	<input type="text"/>	
Secondary Secret Question *	Select	▼
Secondary Secret Answer *	<input type="text"/>	
Contact Details		
Landline Number	+91	<input type="text"/>
Mobile Number *	+91	<input type="text"/>
Alternate Number	+91	<input type="text"/>
E-mail Id *	<input type="text"/>	

**Fill the required details & Click on "Submit". After submission, you will receive email containing "User ID" and "Activation Link".**

Alternate E-mail Id(Optional)	<input type="text"/>
Fax Number	+91 <input type="text"/>
Postal Address	<input type="text"/>
Flat/Door/Building *	<input type="text"/>
Road/Street	<input type="text"/>
Area/ Locality *	<input type="text"/>
Town/City/District *	<input type="text"/>
Pincode *	<input type="text"/>
State *	Select <input type="button" value="v"/>
Country	India <input type="button" value="v"/>
Subscribe to E-mail and Alerts	<input type="text"/>
	<input checked="" type="checkbox"/> Enable Alerts
	<input checked="" type="checkbox"/> Subscribe to Mailing List
Captcha Code	<input type="text"/>
Image	
Enter the number as in ab-ove image *	<input type="text"/>
	<input type="button" value="Submit"/>

# After click on Activation Link, your Login will be created

e-Filing Registration Activation Link Inbox

DONOTREPLY@incometaxindia.gov.in 4:37 PM (1 minute ago)

to me

Dear

Your profile has been created in e-Filing and the Transaction ID is 1096771063. Your User ID is **ARCA**

Please click here to activate your account OR copy and paste the following <https://incometaxindiaefiling.gov.in/e-Filing/Services/DoActivate.html?UT=CA&UID=ARCA&CD=09a3e556cb9c15642637c1581d5dbd81> into your browser to activate your account.

This is a system generated e-mail and please do not reply. Add [donotreply@incometaxindia.gov.in](mailto:donotreply@incometaxindia.gov.in) to your white list / safe sender list. Else, your mailbox filter or ISP (Internet Service Provider) may stop you from receiving e-mails.

If you did not register and you have received this email, it may mean that somebody else has registered. Please contact 1800 4250 0025 immediately.

Regards,  
e-Filing Team,  
Income Tax Department



# **STEP 2**

**ADD 'CA' TO ASSESSEE LOGIN**

Open [www.incometaxindiaefiling.com](http://www.incometaxindiaefiling.com) and Click on "Login Here"

The screenshot shows the homepage of the e-Filing portal. At the top, there is a navigation bar with links for 'About Us', 'Feedback', 'Contact Us', and 'Help'. The main header features the e-Filing logo and the tagline 'Anywhere Anytime'. Below this, there are three main sections: 'I Am ...' with a dropdown menu for user roles (Tax Payer, Tax Professional, etc.), 'e-File Your Tax Return' with a red box highlighting the 'Login Here' button, and 'New To e-Filing?' with a 'Register Yourself' button. A banner below these sections states that ITR 1, 2, 3, and 4S for AY 2013-14 are available for e-filing. The page is divided into three columns: 'Services' (including links for submitting returns, viewing Form 26AS, etc.), 'News & Updates' (with recent news items dated 13/05/2013, 13/05/2013, 25/04/2013, 18/01/2013, and 07/12/2012), and 'Downloads' (listing various ITR forms and other documents). At the bottom, there is a footer with the India.gov.in logo and the text 'Income Tax Department, Government of India'.

After Login, Click on "My Account" and in that Click on "Add CA" option.

The screenshot displays the e-Filing portal interface. At the top, the logo of the Income Tax Department, Government of India, is visible alongside the text "e-Filing Anywhere Anytime". The navigation bar includes links for "Home", "About Us", "Feedback", "Contact Us", and "Help". A search bar is present with the text "Transaction: C-Search". The user's name, "NIMESH MANJAL DEDHA", and the last login time, "12/06/2019 10:08:07", are displayed. The main navigation menu is highlighted, and the "My Account" option is selected, opening a dropdown menu. The "Add CA" option is highlighted with a red box. Below the dropdown menu, there is a "Need Help?" section with links for "Outstanding Tax Demand", "Disengage CA", "Disengage ERs", and "Tax Credit Mismatch". The footer contains the "India.gov.in" logo and the text "The national portal of India".



Add Membership No., Select relevant "Form Name", "Assessment Year" and click on "Submit". After submit, CA will be added for that selected form for that particular AY.

The screenshot shows the 'Add CA' form on the e-Filing portal. The form includes the following fields and options:

- Membership Number \***: A text input field.
- Name of the CA \***: A text input field.
- Form Name \***: A dropdown menu with options: IAC, IAD, IAE, ICA-300, ICE-300.
- Assessment Year \***: A dropdown menu with the option 'Select'.
- Captcha Code**: A text input field.
- Image**: A captcha image showing the number '603895'.
- Enter the number as in above image \***: A text input field for the captcha.
- Submit** and **Cancel** buttons.

**Instructions:**

- Fields marked with asterisk(\*) are mandatory.
- Enter the Membership Number of the CA.
- Select the Form and the Assessment Year.
- To add more than one Form, click mouse by holding CTRL (Control) key.

**Need Assistance?**

- For income tax related queries: **ASK : 1800 180 1361**
- For Rectification and Refund: **CPC : 1800 425 2229**
- For e-Filing of Returns: **e-Filing : 1800 4250 0025**



## **STEP 3**

**Downloading Tax Audit  
Utility**

**Preparing Tax Audit Form**

**Generating XML file**

# For downloading Tax Audit Form Utility, click on "Forms (Other than ITR).

The screenshot shows the top section of the e-Filing portal. On the left is the Income Tax Department logo. The main header contains the text "e-Filing Anywhere Anytime" and "Income Tax Department, Government of India". Navigation links include "हिन्दी", "Skip to main content", "About Us", "Feedback", "Contact Us", and "Help". A search bar is on the right. Below the header, there are three main columns: "I Am ..." with links for Tax Payer, Tax Professional, E Return Intermediary, and Bulk PAN Verification User; a central green banner for "e-File Your Tax Return" with buttons for "View Form 26 AS", "Upload Return", and "Check Status"; and a right column for "New To e-Filing?" with "Register Yourself" and "Login Here" buttons, and "Need Assistance?" with the CPC number 1800 425 2229.

## Services

- Submit Returns / Forms
- View Form 26AS (Tax Credit)
- Outstanding Tax Demand
- ITR-V Receipt Status
- CPC Refund Status
- Rectification Status
- Know Your Jurisdictional A.O.
- Know Your PAN
- Know Your TAN
- Apply Online (PAN / TAN)
- E-Pay Tax

## News & Updates

31/07/2013

The CBDT extended the due date for filing Returns of Income from 31st July, 2013 to 5th August, 2013. [Refer Order u/s 119 dated 31/07/2013].

24/07/2013

CBDT extended the due date for filing Returns of Income required to be furnished by 31st July, 2013 to 31st October, 2013, in respect of Assessee's residing or assessed in the state of Uttarakhand [Refer Order u/s 119 dated 23/07/2013].

17/06/2013

An assessee required to furnish a report of audit specified under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10, section 10A, clause (b) of sub-section (1) of section 12A, section 44AB, section 80-IA, section 80-IB, section 80-IC, section 80-ID, section 80JJAA, section 80LA, section 92E or section 115JB of the Act, shall furnish the said report of audit and the return of Income electronically for AY 2013-14 and onwards [Refer Notification No.42/2013].



## Downloads

- ITR 1 [426KB]
- ITR 2 [1615KB]
- ITR 3 [1884KB]
- ITR 4 [2561KB]
- ITR 5 [2643KB]
- ITR 6 [2626KB]
- ITR 7 [2643KB]
- Forms (Other than ITR)**

Schema Downloads

Quick e-File ITR-1 & ITR-4S Online

e-Filing Statistics

Click on “Excel Icon” for downloading required Utility. After downloading this utility, fill up the form & generate XML File

**Income Tax Department, Government of India**  
e-Filing *Anywhere Anytime*

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**Quick Link**

- Tax Calculator
- Apply Online - PAN/TAN
- E-Pay Tax
- View Form 26AS (Tax Credit)

**Need Assistance?**  
For Income tax related queries  
**ASK : 1800 180 1961**

For Rectification and Refund  
**CPC : 1800 425 2229**

For e-Filing of Returns  
**e-Filing : 1800 4250 0025**

**Forms (Other than ITR)**

Assessment Year: 2013-14

**Note:**

1. Read the instructions before filling the form [Checklist of documents and pre-requisites](#)
2. Please use the common utility for the Forms mentioned below.

**Forms (Other than ITR) - Offline**

Form Name	Form Description	Common Utility
Form 3CA-3CD	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	
Form 3CB-3CD	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	
Form 3CEB	Report from an accountant to be furnished under section 92E relating to international transaction(s)	<b>e</b>
Form 29B	Report under Section 115JB of the Income-tax Act, 1961 for computing the book profits of the company	
Form 6B	Audit report under section 142(2A) of the Income-tax Act, 1961	
Form 10B	Audit report under section 12A(b) of the Income-tax Act, 1961, in the case of charitable or religious trusts or institutions	
Form 10BB	Audit report under section 10(23C) of the Income-tax Act, 1961, in the case of any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C).	

**Note :**  
Java 7 update 25  
Mandatory to run this  
“e” Common Utility

Open this Utility, Select desired form from “File”  
C menu & generate XML File.

Offline Forms Utility - (AY 2013-14)

File

- New Form
  - Form 3CA - 3CD
  - Form 3CB - 3CD
  - Form 3CEB
  - Form 6B
  - Form 10B
  - Form 10BB
  - Form 29B
- Close

Open Draft Save Draft Validate Generate XML Previous Next (Page 0 of 0)

Form Go to "File->New Form" and select the Form.

Existing draft (previously saved) click "Open Draft" in the toolbar and select the path you have saved and click OPEN.

3. Please read the instructions provided at the start of the Form, before filling in the data.

आयकर विभाग

AY 2013-14



# **STEP 4**

# **UPLOADING XML FILE**

Open [www.incometaxindiaefiling.com](http://www.incometaxindiaefiling.com) and Click on "Login Here" and login as "CA"

The screenshot shows the e-Filing portal for the Income Tax Department, Government of India. The header includes the e-Filing logo and the tagline "Anywhere Anytime". The main navigation menu on the left lists user roles: TAX PAYER, TAX PROFESSIONAL, E RETURN INTERMEDIARY, and BULK PAN VERIFICATION USER. The central banner promotes e-filing tax returns, with a red box highlighting the "Login Here" button. The right-hand panel offers options for new users to register and for registered users to login. Below the banner, there are sections for Services (including Submit Returns, View Form 26AS, etc.), News & Updates (with dates from 13/05/2013 to 07/12/2012), and Downloads (including ITR forms and other documents). The footer contains the India.gov.in logo and the text "Site owned by Income Tax Department, Government of India".

Click on "e-File", then Click on "Upload Form".

The screenshot displays the e-Filing portal interface. At the top, the logo of the Income Tax Department, Government of India, is visible alongside the text "e-Filing Anywhere Anytime". The user is logged in as NIMESH MANILAL. The main navigation bar includes "Dashboard", "My Account", "e-File", "Downloads", "Profile Settings", "My Request List", "Worklist", and "Helpdesk". The "e-File" menu is expanded, showing "Upload Form" and "Prepare and Submit Online Form (Other than ITR)". A red box highlights the "e-File" menu and the "Upload Form" option. Below the navigation bar, there is a "Quick Link" section with links for "Upload Form", "Tax Calculator", "e-Filing - Do's & Don't", and "ITR V - Do's & Don't". A "Need Assistance?" section provides contact information for queries, rectification, and e-filing of returns.

**Quick Link:**

- Upload Form
- Tax Calculator
- e-Filing - Do's & Don't
- ITR V - Do's & Don't

**Need Assistance?**  
For Income tax related queries  
ASK : 1800 180 1961

For Rectification and Refund  
CPC : 1800 425 2229

For e-Filing of Returns  
e-Filing : 1800 4250 0025



For uploading of Form, Give PAN of Assessee & CA, Select Form & AY, Select XML file, Select DSC of CA, attach required files & lick on "Submit"

Dashboard My Account e-File Downloads Profile Settings My Request List Worklist Helpdesk

Quick Link

- Upload Form
- Tax Calculator
- e-Filing - Do's & Don't
- ITR V - Do's & Don't

Need Assistance?  
For Income tax related queries  
ASK : 1800 180 1961  
For Rectification and Refund  
CPC : 1800 425 2229  
For e-Filing of Returns  
e-Filing : 1800 4250 0025

Navigation Trail: Upload Form

### Upload Form

User ID: ARCA107687

Please enter a PAN.

PAN of the Assessee \*

PAN of the CA \*

Form Name \* 3CB-3CD

Assessment Year \* Select

Attach the XML file \* Browse...

Select the type of Digital Signature Certificate \*

- Sign with .pfx file
- Sign with your USB token

Upload Attachments(Up to 20 MB - \*.tiff, \*.pdf)

Balance Sheet \* Browse...

Profit Loss Statement \* Browse...

Cost Audit Report Browse...

Excise Audit and/Or Other Report Browse...

Submit Cancel



# **STEP 5**

## **APPROVAL OF TAX AUDIT REPORT/XML FILE BY ASSESSEE**

Assessee needs to “Login”, then click on “Worklist”, Then Select Form to be approve.

**Income Tax Department, Government of India**  
e-Filing *Anywhere Anytime*  
Income Tax Department, Government of India

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Welcome (Corporate)  
Last Login: 27/07/2013 14:23:32 Logout

Dashboard | My Account | e-File | Downloads | Profile Settings | My Request List | **Worklist** | Helpdesk

Navigation Trail: [Worklist](#)

### Uploaded form details

Approval work list Id	1000071279
Form Name	Form 3CB
Assessment year	2013-14
Form uploaded By	
Approval Status	Uploaded - Pending Approval

[Click here to download attachments](#)  
[Click here to view the uploaded Form 3CB-3CD](#)

Approve/Reject  Approve  Reject

Select the type of Digital Signature Certificate \*  
 Upload using .pfx file  
 Upload using USB token

**Submit**

**Note :**  
Form other than ITR is password protected. To open the PDF, please enter assessee PAN in lower case and date of

# After Approval, Acknowledgement No will be send to A's Email & Assessee's Email. Now Assessee can file Income Tax Return.

The screenshot shows the e-Filing portal interface. At the top, there is a navigation bar with links for 'Skip to main content', 'About Us', 'Feedback', 'Contact Us', and 'Help'. The main header includes the e-Filing logo and the text 'e-Filing Anywhere Anytime' and 'Income Tax Department, Government of India'. A search bar and a 'Welcome' message are also present. Below the header is a navigation menu with options like 'Dashboard', 'My Account', 'e-File', 'Downloads', 'Profile Settings', 'My Request List', 'Worklist', and 'Helpdesk'. On the left, there is a 'Quick Link' section with various options such as 'Upload Return', 'View Form 26AS (Tax Credit)', 'Rectification Request', 'Tax Calculator', 'Download ITR', 'e-Filing - Do's & Don't', and 'ITR V - Do's & Don't'. The main content area shows a 'Worklist' section with a notification: 'Form 3CB has been uploaded and the Transaction ID is : [redacted]'. Below this, there is a table titled 'Uploaded forms details' with columns for 'Sl.No', 'CA Name', 'Form Name', 'A.Y.', 'Submitted On', and 'Approval Status'. The table contains one entry for 'Form 3CB-3CD' for the year '2013-14', submitted on '27/07/2013', with an approval status of 'Successfully e-Filed'. A 'Need Assistance?' section is located at the bottom left, providing contact information for income tax queries, rectification, and e-filing.

Navigation Trail: [Worklist](#)

**Worklist**

- Form 3CB has been uploaded and the Transaction ID is : [redacted]. An e-mail confirming the successful upload of the form and the Acknowledgment number has been sent to [redacted]@yahoo.com and [redacted]@gmail.com.

**Uploaded forms details**

Sl.No	CA Name	Form Name	A.Y.	Submitted On	Approval Status
1	[redacted]	Form 3CB-3CD	2013-14	27/07/2013	Successfully e-Filed

**Need Assistance?**  
For Income tax related queries  
ASK : 1800 180 1961  
  
For Rectification and Refund  
CPC : 1800 425 2229  
  
For e-Filing of Returns  
e-Filing : 1800 4250 0025

## Unable to Register as CA as there is mismatch of Name/DOB as per ICAI and Pan Data ?

- File Form 49 to get Pan Data Rectified.
- You can register on the day you receive SMS regarding rectification of your PAN data.

# In case of Partnership Firm, Whether Firm can sign(digitally)?

Schedule I, Part I, Clause 12 of CA Act allows partner to sign on behalf of firm. However,

- No DSC possible in case of firm.
- Only partner has to sign digitally.
- Individual partner has limit of 45 Tax Audits.



❑ Two Ca's have audited two Different businesses.  
How to e-file Tax Audit Reports?

- Consolidate data in both Reports and submit as one.
- Any one CA can submit the TAR.
- Advisable to attach PDF of each audit Report unless one of them signs a consolidated Report.

❑ Can TAR is possible to e-file after 30<sup>th</sup> September?

# What are the documents to be submitted with e-filed TAR?

- Balance Sheet
- Profit & Loss Account
- Schedule/Notes to Accounts
- Cost Audit Report (if applicable)
- Excise Audit Report (if applicable)



❑ Due to complexity of the business, assessee do not have quantitative information of stock. The software is not accepting any comment and it is accepting only numeric value. What should be reported ?

- Write nil in online form 3CD
- Report why quantitative details is not provided in the following two places:
  - In paper form 3CD &
  - Notes to accounts
- The Following Statement Should Be Written In Paper Form 3CD as well as Notes: ***"Due To Nature & Complexity of Business of Assessee, It Is Not Possible To Provide Quantitative Details"***

Online form 3CD again requires filling each item of purchase of Fixed Assets. In case of large number of entries whether duplication of this task can be avoided ?

Following steps are suggested

- Fixed Assets be grouped into different blocks of Assets
- Each block be further divided into 2 parts - upto 180 days and above 180 days.
- All Assets put to use upto 02<sup>nd</sup> October in each block may be shown as put to use on 02<sup>nd</sup> October for simplification. Similarly for Assets put to use upto 31<sup>st</sup> March may be shown as of that date.
- Attached detailed working of Depreciation as .pdf document

❑ A Chartered Accountant in practice registered himself with his DSC in the e-filing website. But he neither received any sms nor any activation link in his e-mail. When he tried again to register himself, the message was that he is already registered. But when he tried to log in, it was informed that the link is not activated. What should he do now?

- Go to login page and enter your User ID i.e. ARCA (Mem. No.) e.g. ARCA300700 and enter your Password as given then click on "Resend Activation Link".
- You will get a mail from the site. If it does not work then reset your Password by sending mail at [validate@incometaxindia.gov.in](mailto:validate@incometaxindia.gov.in).

# ❑ Can online filed Tax Audit Report be revised ?

- A Tax Audit Report which has not been approved by Assessee can be revised.
- However after it has been approved by the Assessee, it should not be revised.
- However, there is no restriction by the utility, as of now, to upload revised xml.
- So we should take due care, so that correct data is uploaded in the first instance itself.



*Knowledge Speaks*

*But*

*Wisdom Listens*

*THANK YOU*

*Any Questions please*