

Tax Audit Series - Version 4.0

Chapter 11 – Clauses 22-23



CA. PRAMOD JAIN
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Namaste

In Chapter 11 of this series, we would discuss the Particulars of clauses 22 and 23 of Form 3CD.

Clause 22: Interest inadmissible u/s 23 of MSMED Act, 2006 & S. 43B(h) disallowance

- This clause is applicable to all the assessees and requires reporting of:
 - amount of interest inadmissible u/s 23 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act)
 - any amount not allowable u/s 43B(h). This is inserted by the IT (Fourth Amendment Rules, 2024) w.e.f. 05-03-2024 [as corrected by Corrigendum G.S.R. 223 (E) [No. 34/2024 / F. No. 370142/3/2024 – TPL] dated 19-03-2024.
- As per section 23 of MSMED Act, any interest for delayed payment to Micro, Small and Medium Enterprises is not allowed as deductible expenditure while computing the income of the assessee under the Income Tax Act, 1961.
- Few important provisions of MSMED Act, 2016 are as under: -
 - *Section 15 of MSMED Act, 2006.*
 - This section requires the buyer to make payment on or before the date agreed upon in writing. It also provides that the period agreed upon in writing shall not exceed 45 days from the day of acceptance or the day of deemed acceptance
 - Where there is no agreement in this behalf, then payment should be made before the appointed day i.e., 15 days.
 - *Section 16 of MSMED Act, 2006.*
 - Section 16 of the MSME Act provides for the date from which and the rate at which the interest is payable.
 - Where a buyer fails to make payment of the amount to the supplier, as required u/s 15, the buyer shall, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed date or, as the case may be, from the date immediately following the date agreed upon, at 3 times of the bank rate notified by the Reserve Bank.
 - The said interest is payable notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force
 - *Section 22 of MSMED Act, 2006.*
 - This section provides that where any buyer is required to get his annual accounts audited under any law in force including u/s 44AB of Income tax Audit, 1961 such buyer shall furnish the following additional information in his annual statement of accounts, namely: -

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- The principal amount and interest due thereon (to be shown separately) remaining unpaid.
 - The amount of interest paid by the buyer in terms of Section 16 along with the amount of payment made to supplier beyond the appointed date during each accounting year.
 - The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act
 - The amount of interest accrued and remaining unpaid at the end of each accounting year.
 - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure u/s 23.
- *Section 23 of MSMED Act, 2006*
 - This section provides that notwithstanding anything contained in the Income-tax Act, 1961, the amount of interest payable or paid by any buyer, under or in accordance with the provisions of this Act, shall not, for the purposes of computation of income under the Income-tax Act, 1961, be allowed as deduction
 - *Section 43B(h)*
 - Also, clause (h) has been inserted in section 43B by Finance Act 2023 w.e.f. AY 2024-25, where any amount payable to a micro and small enterprise beyond the time limit prescribed u/s 15 of the MSMED Act, 2006 would be allowed only in the year in which that sum is actually paid.

Auditors Role

- Obtain list of suppliers from the assessee, which are covered under the MSMED Act, 2006 in confirmation with which obtain Udyam Registration Certificate along with details of transaction covered into and balance outstanding. The detail may be taken as under:

S. No.	Name of supplier	Micro / small / medium	Udyam Aadhar No.	Date of Udyam Aadhar No.	Major Activity	Agreement written or not	Credit period as per agreement	Credit period as per MSMED Act	Bal. as on 31 st March 24	Amount disallowed u/s 43B(h)

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- Review the list so obtained, also cross check the list with the disclosures made in the financial statements as per section 22 of MSMED Act, 2006.
- Obtain ageing analysis of such suppliers so as to ascertain outstanding beyond agreed period or 45 / 15 days as the case may be (follow section 15 as mentioned above).
- Check whether any interest due to them or paid during the year in terms of section 16 of MSMED Act, 2006 as mentioned above which has been debited or provided for in the books of account. Tax auditor can apply test checks in this regard.
- Verify the additional information provided by the auditee relating to interest u/s 16 in his financial statement.
- In case the auditee is a company, check the disclosure in Trade Payable note in Notes to the accounts. Also seek the Form MSME 1, filed with Registrar of Companies on half yearly basis.
- The tax auditor should verify invoice of suppliers of the assessee to ascertain whether they are registered as a micro or small enterprise under MSMED Act, 2006 as it may contain the Udyam Registration number of the supplier.
- If on test check basis, the auditor is satisfied, then the amount of interest so debited to the profit and loss account should be reported under clause 22 of Form 3CD. In case there is no interest is charged to statement of profit and loss, then it should be mentioned 'NIL' under 1st limb of this clause.
- Following points should be kept in mind while considering reporting for section 43B(h) and interest disallowance in this clause:
 - a. The disallowance is attracted when the amount is payable to micro and small enterprises who are registered having Udyam Aadhaar.
 - b. Payments to suppliers being *Traders* registered under Udyam Aadhaar would not get attracted for disallowance u/s 43B(h) or interest payable u/s 16 of MSMED Act.
 - c. Disallowance u/s 43B(h) would apply only in respect of 'a deduction otherwise allowable' under Income Tax Act.

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- d. Terms mention in purchase order or invoice would construe written agreement. In case the terms are not mentioned or there is no other written agreement, then the due date of payment is 15 days and not 45 days.
 - e. Purchases from micro and small enterprises, remaining unsold at the year end would also attract s. 43B(h) disallowance, if payment is delayed beyond time limits in s. 15 of MSMED Act.
 - f. Amount outstanding as on 31st March but payment made beyond year end, i.e. made in next financial year but within time limit of s. 15 of MSMED Act would not attract disallowance u/s 43B(h).
 - g. Registration under MSMED Act should be treated prospective in nature for purposes of applicability of interest u/s 16 of MSMED Act and disallowance u/s. 43B(h).
 - h. Though the interest is payable u/s 16 of MSMED Act on monthly compounded basis, the disallowance in clause 22 of Form 3CD should contain the amount provided during the year in Statement of Profit & Loss only. Details in notes to the accounts to financial statements as per s. 22 of MSMED Act should contain total interest payable till 31st March.
 - i. Interest is payable u/s 16 of MSMED Act, even in seller and buyer agrees or seller gives an interest waiver letter.
- **MRL** - The tax auditor should obtain appropriate Management Representation Letter (MRL), which would depend on facts of each case. He should ensure adequate disclosure as required u/s 22 of MSMED Act, is made in the notes to the accounts along with adequate identification of MSEs. Some cases and MRL could be:
 - a. *Assessee identifies all MSEs and makes required provision and disallowance:*
 - We have identified all the micro and small enterprises as per MSMED Act, 2006 and have made payments to them generally within the time limits specified in section 15 of the MSMED Act, 2006, except few cases. Out of total Trade payables at the year-end of Rs. _____ only Rs. _____ is payable to Micro and small enterprises. Out of which Rs. _____ is disputed by the management in writing within 15 days of the delivery of goods or rendering of services. On balance amount, interest payable u/s 16 of MSMED Act is Rs. _____ (Rs. _____ in Previous Year) which is duly provided for in the books and duly disclosed in notes to the accounts as required by S. 22 of MSMED Act, 2006.

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- Rs. _____ is inadmissible u/s 43B(h) of Income Tax Act, 1961 and income tax provision has been made in books accordingly.
- b. *Assessee identifies all MSEs and but does not make required provision for the interest:*
- We have identified all the micro and small enterprises as per MSMED Act, 2006 and have made payments to them generally within the time limits specified in section 15 of the MSMED Act, 2006, except few cases. Out of total Trade payables as at the year-end of Rs. _____ only Rs. _____ is payable to Micro and small enterprises. Out of which Rs. _____ is disputed by the management in writing within 15 days of the delivery of goods or rendering of services. On balance amount interest payable u/s 16 of MSMED Act is Rs. _____ (Rs. _____ in previous year). However, as the same is not provided for in the books as the seller has issued a waiver of interest letter and the interest is not payable. However, said amount is duly disclosed in notes to the accounts as required by s. 22 of MSMED Act, 2006. There is no impact on taxable income as the interest u/s 16 of MSMED Act, 2006 is not allowed as deduction under income Tax Act, 1961.
 - Rs. _____ is inadmissible u/s 43B(h) of Income Tax Act, 1961 and income tax provision has been made in books accordingly.
- c. *Assessee identifies all MSEs and but does not calculate and make the required provision for the interest:*
- We have identified all the micro and small enterprises as per MSMED Act, 2006 and have made payments to them generally within the time limits specified in section 15 of the MSMED Act, 2006, except few cases. Out of total Trade payables of Rs. _____ only Rs. _____ is payable to Micro and small enterprises. Out of which Rs. _____ is disputed by the management in writing within 15 days of the delivery of goods or rendering of services.
 - Due to voluminous transactions, we are not able to calculate the amount of interest payable u/s 16 of MSMED Act hence, the same is not provided for in the books of accounts. Consequently, said amount is not disclosed in notes to the accounts as required by s. 22 of MSMED Act, 2006. However, there is no impact on taxable income as the interest u/s 16 of MSMED Act, 2006 is not allowed as deduction under income Tax Act, 1961.
 - Rs. _____ is inadmissible u/s 43B(h) of Income Tax Act, 1961 and income tax provision has been made in books accordingly

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d. Assessee could not identify all MSEs and does not make required provision for the interest:

- We have identified the micro and small enterprises as per MSMED Act, 2006 based on records available with us and information received from suppliers. However, information from few / many suppliers were not received. We have made payments to such identified suppliers generally within the time limits specified in section 15 of the MSMED Act, 2006, except few cases.
- Out of total Trade payables of Rs. ____; Rs. ____ is payable to Micro and small enterprises. Out of which Rs. ____ is disputed by the management in writing within 15 days of the delivery of goods or rendering of services. On balance amount interest payable u/s 16 of MSMED Act is Rs. ____ (Rs. ____ in previous year).
- However, as the same is not provided for in the books as the seller has issued a waiver of interest letter / there is an agreement to pay the amount beyond time limit provided in s. 15 of MSMED Act, 2006 and the interest is not payable. However, said amount is duly disclosed in notes to the accounts as required by s. 22 of MSMED Act, 2006. There is no impact on taxable income as the interest u/s 16 of MSMED Act, 2006 is not allowed as deduction under income Tax Act, 1961.
- Rs. ____ is inadmissible u/s 43B(h) of Income Tax Act, 1961 and income tax provision has been made in books accordingly.

e. Assessee could not identify MSEs and does not make required provision for the interest:

- We could not identify the suppliers being micro and small enterprises as per MSMED Act, 2006 as no information was received from the suppliers. Hence, interest payable u/s 16 of MSMED Act could not be determined and provided for in the books. Consequently, no disclosure is made in the notes to the accounts as per s. 22 of MSMED Act, 2006. However, there is no impact on taxable income as the interest u/s 16 of MSMED Act, 2006 is not allowed as deduction under income Tax Act, 1961.
- Also, the amount inadmissible u/s 43B(h) of Income Tax Act, 1961 could not be determined.

f. Assessee states they don't transact with MSEs:

- We do not transact with any supplier which is a micro and small enterprises as per MSMED Act, 2006. Hence, there is no interest payable u/s 16 of MSMED Act. Consequently, there is no

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disclosure required in the notes to the accounts as per s. 22 of MSMED Act, 2006. Also, there is no amount inadmissible u/s 43B(h) of Income Tax Act, 1961.

- **Auditor reporting** for financial statements and tax audit would be based on identification of MSEs by assessee, MRL issued by assessee and audit procedures followed by auditor. Based on facts on case-to-case basis the reporting by auditor could be as under:
 - a. *Assessee identifies all MSEs and makes required provision and disallowance:*
 - There would be no further specific reporting for MSMED Act, 2006 in financial statements, audit report and Form 3 CD, as entity / assessee has duly complied with requirements under both laws.
 - b. *Assessee identifies all MSEs and but does make required provision for the interest as well as does not disallow u/s 43B(h):*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - *Where the interest not provided is material*
 - *Basis for Qualified Opinion*
 - Based on the identification of Micro and Small Enterprises by the entity, representation made by the entity and test checks done by us as per standards on auditing issued by ICAI, the entity has not made provision for interest payable u/s 16 of MSMED Act, 2006 of Rs. ____ (Rs. ____ in Previous Year) resulting in overstatement of profit by Rs. ____ (Rs. ____ in Previous year) and understatement of Trade payables / current liabilities of Rs. ____ (Rs. ____ in Previous year). (Refer No. ____ of Notes to the Accounts)
 - Based on the representation received from the entity, due to not disallowing of Rs. ____ u/s 43B(h) of the Income Tax Act, 1961 while computing the taxable income,

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- the provision for tax is understated by Rs._____.
- *Where the interest not provided is not material*
 - *Emphasis for Matter*
 - Based on the identification of Micro and Small Enterprises by the entity, representation made by the entity and test checks done by us as per standards on auditing issued by ICAI, the entity has not made provision for interest payable u/s 16 of MSMED Act in current reporting year as well as previous reporting year. Further provision for tax is also understated due to non-disallowance of expenditure u/s 43B(h) in computing the tax provisions. (Refer No. ___ of Notes to the Accounts)
 - *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*
 - Though the assessee has identified all Micro and Small Enterprises as represented to us, which we have test checked as per standards on auditing issued by ICAI, the details of amount inadmissible u/s 43B(h) as stated in 2nd limb of clause 22 of Form 3CD is not true and correct as amount of Rs. _____ is disallowable u/s 43B(h).
 - As the assessee has not provided interest as per section 16 of the MSMED Act, 2006 in its books of accounts, no expenditure on account of such interest is inadmissible and reportable in the 1st limb of Clause 22.
 - c. *Assessee identifies all MSEs and but does make required provision for the interest:*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - *Where the interest not provided is material*
 - *Basis for Qualified Opinion*
 - Based on the identification of Micro and Small Enterprises by the entity, representation made by the entity and test checks done by us as per standards on

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auditing issued by ICAI, the entity has not made provision for interest payable u/s 16 of MSMED Act, 2006 of Rs. ____ (Rs. ____ in Previous Year) resulting in overstatement of profit by Rs. ____ (Rs. ____ in Previous year) and understatement of Trade payables / current liabilities of Rs. ____ (Rs. ____ in Previous year). (Refer No. ____ of Notes to the Accounts)

- *Where the interest not provided is not material*
 - *Emphasis for Matter*
 - Based on the identification of Micro and Small Enterprises by the entity, representation made by the entity and test checks done by us as per standards on auditing issued by ICAI, the entity has not made provision for interest payable u/s 16 of MSMED Act in current reporting year as well as previous reporting year. (Refer No. ____ of Notes to the Accounts)
- *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*
 - As the assessee has not provided interest as per section 16 of the MSMED Act, 2006 in its books of accounts, no expenditure on account of such interest is inadmissible and reportable in the 1st limb of Clause 22.
- d. *Assessee identifies all MSEs and but does not calculate and make the required provision for the interest:*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - *Basis for Qualified Opinion*
 - The entity has identified Micro and Small Enterprises as represented to us which has been test checked by us as per standards on auditing issued by ICAI. However, the entity has not calculated the interest payable u/s 16 of MSMED Act 2006. Hence, there is non-provision of interest payable u/s

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16 of MSMED Act, 2006 and non-disclosure of details as required by s. 22 of MSMED Act 2006 in current reporting year as well as previous reporting year. Consequently, the impact of overstatement of profit and understatement of trade payables / current liabilities due to such non-compliance is not ascertainable. (Refer No. ___ of Notes to the Accounts)

- *For Companies – Reporting u/s 143(3)(a)*
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except calculation of interest payable u/s 16 of MSMED Act, 2006 as referred in Basis of qualified opinion of this report and Note No. ___ of notes to the accounts).
- *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*
 - As the assessee has not provided interest as per section 16 of the MSMED Act, 2006 in its books of accounts, no expenditure on account of such interest is inadmissible and reportable in the 1st limb of Clause 22.
- e. *Assessee could not identify all MSEs and does not make required provision for the interest:*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - *Basis for Qualified Opinion*
 - The entity could not identify all Micro and Small Enterprises as represented to us. We have made test checks as per standards on auditing issued by ICAI to identify the same. However, due to non-identification of all Micro and Small Enterprises by the entity and non-provision for interest payable u/s 16 of MSMED Act thereof (even of identified MSEs), and non-disclosure of details as required by s. 22 of MSMED Act 2006 in current reporting year as well as previous reporting year the impact of overstatement of profit and understatement of trade payables / current liabilities is not ascertainable.

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- Consequent to non-identification of Micro and Small enterprises under MSMED Act, 2006, amount inadmissible u/s 43B(h) cannot be ascertained, which could impact provision for current tax and deferred tax (*No deferred tax for level IV non-corporate entities*).
- *For Companies – Reporting u/s 143(3)(a)*
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except complete identification of Micro and small Enterprises under MSMED Act, 2006 and calculation of interest payable u/s 16 of MSMED Act, 2006 referred in Basis of qualified opinion of this report and Note No. ___ of notes to the accounts)
- *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*
 - As the assessee could not identify all Micro and Small Enterprises as represented to us, which we have test checked as per standards on auditing issued by ICAI, the details of amount inadmissible u/s 43B(h) as stated in 2nd limb of clause 22 of Form 3CD may not be true and correct.
 - As the assessee has not provided interest as per section 16 of the MSMED Act, 2006 in its books of accounts, no expenditure on account of such interest is inadmissible and reportable in the 1st limb of Clause 22.
- f. *Assessee could not identify MSEs and does not make required provision for the interest:*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - *Basis for Qualified Opinion*
 - The entity could not identify Micro and Small Enterprises as represented to us. We have made test checks as per standards on auditing issued by ICAI to identify the same. However, due to non-identification of Micro and Small Enterprises by the entity and non-provision for interest payable u/s 16 of MSMED Act thereof and non-disclosure of

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details as required by s. 22 of MSMED Act 2006, in current reporting year as well as previous reporting year the impact of overstatement of profit and understatement of trade payables / current liabilities is not ascertainable.

- Consequent to non-identification of Micro and Small enterprises under MSMED Act, 2006, amount inadmissible u/s 43B(h) cannot be ascertained, which could impact provision for current tax and deferred tax (*No deferred tax for level IV non-corporate entities*).
- *For Companies – Reporting u/s 143(3)(a)*
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of his audit except identification of Micro and small Enterprises under MSMED Act, 2006 and calculation of interest payable u/s 16 of MSMED Act, 2006 referred in Basis of qualified opinion of this report and Note No. ___ of notes to the accounts)
- *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*
 - As the assessee could not identify Micro and Small Enterprises as represented to us and based on our test checks as per standards on auditing issued by ICAI, the details of amount inadmissible u/s 43B(h) stated to be Nil in 2nd limb of clause 22 of Form 3CD may not be true and correct.
 - As the assessee has not provided interest as per section 16 of the MSMED Act, 2006 in its books of accounts, no expenditure on account of such interest is inadmissible and reportable in the 1st limb of Clause 22.
- g. *Assessee states they don't transact with MSEs:*
 - *For financial statements for companies, LLPs, etc where audit of financial statements is done under any other law - in audit report; in other cases - in Para 3a of Form 3CD*
 - There would not be any reporting requirement in such case.
 - *For reporting in Cl. 22 of Form 3CD for s. 43B(h) in Para 3 of Form 3CA / Para 5 of Form 3CB*

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- The assessee has stated that they do not transact with any supplier who is a micro and small enterprise as per MSMED Act, 2006, which we have test checked as per standards on auditing issued by ICAI. Hence, there is no amount inadmissible u/s 43B(h) of Income Tax Act, 1961 to be reported in 2nd limb of clause 22.

Clause 23: Payments made to persons specified u/s 40A(2)(b)

This clause is applicable to all the assesseees and requires the Tax Auditor to report payments made by the assessee during the previous year to the persons specified u/s 40A(2)(b). These persons are generally termed as 'Related Parties'. It may be noted that relationships/parties covered under AS-18 are not identical. Also, for companies, the relatives defined in section 2(77) and related party in section 2(76) of the Companies Act 2013 are also not identical.

Section 40(A)(2) provides that expenditure for which payment has been or is to be made to certain specified persons may be disallowed if, in the opinion of the Assessing Officer, such expenditure is excessive or unreasonable having regard to:

- the fair market value of the goods, services or facilities for which the payment is made;
- for the legitimate needs of business or profession of the assessee;
- the benefit derived by or accruing to the assessee from such expenditure.

Auditor Role

- Obtain full list of specified persons as contemplated in this section.
- Obtain details of expenditure/payments made to the specified persons.
- Scrutinise all items of expenditure/payments to the above persons.
- Review the list of transactions with the Related Party disclosures made in the financial statements under AS-18 for all companies.
- AS-18 disclosures are required for all assesses including partnership firms, sole proprietorships and LLPs which are under category I or II as per prescribed categories by ICAI i.e., having turnover exceeding Rs. 50 Crores or borrowings exceeding 10 Crores).
- Tax auditor should follow the guidance for audit procedures as given under SA-550 on Related Parties.
- Ensure reporting above mentioned payments under this clause.

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- Salaries and perquisites etc. paid to directors or persons having substantial interest in the company should be included in the list referred to above.
- It is not required to comment on the reasonableness or otherwise of such payments.
- In case of voluminous transactions, grouping the similar transaction based on their nature and disclosure such consolidated information as per their nature individual party wise may be considered.

I hope this document is of use to you. I thank *CA. Shreya Jain* in assisting me to compile this part of the series. Your suggestions and comments would be highly appreciated

Best Regards

CA. PRAMOD JAIN
pramodjain@lunawat.com
www.capramodjain.com
9811073867
19th August 2024

EARLIER CHAPTERS

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2	Turnover	http://lunawat.com/Uploaded_Files/Attachments/F_20304.pdf
3	Audit Report Format	http://lunawat.com/Uploaded_Files/Attachments/F_20305.pdf
4	Clauses 1 to 8A	http://lunawat.com/Uploaded_Files/Attachments/F_20307.pdf
5	Clauses 9 to 12	http://lunawat.com/Uploaded_Files/Attachments/F_20309.pdf
6	Clause 13	http://lunawat.com/Uploaded_Files/Attachments/F_21321.pdf
7	Clauses 14 to 15	http://lunawat.com/Uploaded_Files/Attachments/F_21322.pdf
8	Clauses 16 to 17	http://lunawat.com/Uploaded_Files/Attachments/F_21325.pdf
9	Clauses 18 to 20	http://lunawat.com/Uploaded_Files/Attachments/F_21327.pdf
10	Clause 21	http://lunawat.com/Uploaded_Files/Attachments/F_21329.pdf

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www.capramodjain.com

ABOUT CA. PRAMOD JAIN

He is a commerce graduate [B. Com (H)] from Shri Ram College of Commerce (SRCC). He is a fellow member of the Institute of Chartered Accountants of India (FCA). He is a fellow member of the Institute of Companies Secretaries of India (FCS). He is a fellow member of the Institute of Cost Accountants of India (FCMA). He is a Bachelor of Law (LL. B). He is qualified as an Information System Auditor [DISA (ICAI)]. He is also a member of All India Management Association (MIMA). He is also an Insolvency Professional (IP). He has also passed the Certificate Course on CSR of ICAI. He has also passed the Proficiency Self-Assessment Test for Independent Director's Databank. He has passed certification course NCFM of National Stock Exchange of India (NSE). He has also done certification course CAAT and post qualification certificate course on Valuation of ICAI.

He is elected as Central Council Member of ICAI for 2 consecutive terms from 2019 to 2025. Apart from being member in more than 25 committees / groups / directorates of ICAI, and other Bodies he is / was:

- Chairman of Accounting Standards Board (ASB) of ICAI for 3 years from 2022 to 2025
- Deputy Convenor of Centre for Audit Quality Directorate (CAQD) for 2024-25
- Convenor - Members & Students (Grievances Handling & e-Sahayata) Directorate for 2023-24
- Chairman of Accounting & Finance Services Sectional Committee SSD-12 under the Services Sector Division Council (SSDC) of Bureau of Indian Standards (BIS) for 2023-24
- Chairman of Expert Advisory Committee (EAC) of ICAI for Year 2022-23
- Co-Chairman of Corporate Affairs Committee of PHDCCI for the year 2022-23
- Chairman of Committee on International Taxation (CITAX) of ICAI for 2021-22
- Chairman of Taxation Audit Quality Review Board (TAQRB) of ICAI for 2021-22.
- Member of Quality Review Board (QRB) for 2 terms from 2020 to 2026.
- Member of the SME Implementation Group (SMEIG) of IFRS Foundation, UK for 3 years from 2023 to 2026.
- Chairman of Valuation Standards Board (VSB) of ICAI for the year 2020-21.
- Chairman of CSR Committee of ICAI for year 2020-21.
- Vice-Chairman of Committee on MSME & Start-up of ICAI for the year 2021-22.
- Vice-Chairman of Women Members Empowerment Committee (WMEC) of ICAI for 2021-22.
- Vice-Chairman of Direct Tax Committee (DTC) of ICAI for 2 years from 2019 to 2021.
- Vice-Chairman of Committee on International Taxation (CITAX) of ICAI for 2019-20.

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Chapter 11 – Clauses 22-23



CA. PRAMOD JAIN
B. COM (H), FCA, FCS, FCMA, LL. B, DISA, MIMA
www.caprmodjain.com

- Member of ICAI Disciplinary Committee for the year 2020-21.

He is the conceptualizer of the portal www.expertspanel.in which is a one stop solution for all professional queries which has given more than 36500 answers since its launch in mid of year 2018.

He has delivered more than 1800 lectures and articles on various topics of Income Tax, Corporate Laws, LLP, Audits, Peer Review, Quality Review, etc. at more than 200 forums throughout the country. Most of his presentations and articles since 2013 are available for free download from www.lunawat.com and from 2018 at www.expertspanel.in also.

He is Senior Partner of **M/s LUNAWAT & CO.**, Chartered Accountants. He is president, founder convener and member of various Boards, Directorate, Committees, Study Circles, etc. of ICAI, ICSI and other prestigious bodies and associations. He has been a Technical Reviewer with Financial Reporting Review Board (FRRB) and Quality Review Board (QRB) and Peer Reviewer with Peer Review Board (PRB).

He has authored books on “*Chartered Accountant’s Documentation and Compliance for Audits and Reviews*”, “*Limited liability Partnership – A Complete Resource Book*”, “*Chartered Accountant’s Documentation and Compliance for Audits and Reviews*”, “*Importance of LLP after Companies Act, 2013*”, “*Chartered Accountant’s Documentation and compliance under Companies Act 2013, Peer Review and Quality Review*”, “*Limited Liability Partnership – Law, Procedures and Taxation*”, “*Documentation for Chartered Accountants*”, “*Limited Liability Partnership – Law and Procedures with Ready Reckoner*”, “*Fringe Benefit Tax & Banking Cash Transaction Tax*”, “*Documentation for Audits*” and “*Accounting Standards and CARO*”.

He has written various articles on taxation, company law and audit in various journals. He has vast practical experience in income tax, audit, corporate laws and LLP.