

CHANGES IN TAX AUDIT



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Shared at

East Delhi Study Circle of NIRC of ICAI

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LEGISLATION FOR AY 2017-18

S. 44AB

- Business – exceeds Rs. 1 Crore
- Profession – exceeds Rs. 50 L
- Business u/s 44AE /44BB /44BBB; income < deemed profits;
- Profession u/s 44ADA; deemed profit < 50% & TI > ANCT
- Business u/s 44AD (4)

Rule 6G

- Prescribing the Forms for Report u/s 44AB

Form 3CA

- Report in case of a person who is required to get his A/cs audited under any law

Form 3CB

- Report in any other case

Form 3CD

- Particulars as required u/F 3CA or 3CB

S. 271B


- Penalty $\frac{1}{2}\%$ maximum Rs. 1.50 L

**Form 3CD Latest
Changes in Tax
Audit Report**

AMENDMENTS W.E.F 20.8.2018

- ✖ **7 items amended**
- ✖ **1 item replaced**
- ✖ **10 new items – 2 DEFERRED – 31.3.2019**

20.8.2018 - AMENDMENTS

- ✖ **S. No. 4, 19, 24, 26 & 31(c), (d) & (e)**
 - ✖ **4 – GST added**
 - ✖ **19 – Amounts deductible – s. 32AD added**
 - ✖ **24 – Amounts deemed to be profits u/s 32AC, etc.. 32AD added**
 - ✖ **26 – 43B – clause (g) added – railway**
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S. NO. 31 (C)- S. 269 SS/T – AMENDED W.E.F. 19.7.17

- ✖ (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
 - + New (iv) - whether the repayment was made by cheque or bank draft or use of electronic clearing system through a bank account;
 - + New (v) - in case the repayment was made by cheque or bank draft, whether the same was **taken or accepted repaid** by an account payee cheque or an account payee bank draft.

S. NO. 31(D) - S. 269 SS/T – AMENDED W.E.F. 19.7.17

- ✖ **New (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**
 - + name, address and PAN (if available with the assessee) of the payer;
 - + amount of **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.

S. NO. 31(E) - S. 269 SS/T – AMENDED W.E.F. 19.7.17

- ✖ **New (e) -Particulars of repayment of loan/deposit or any specified advance in an amt. exceeding limit specified in s. 269T received by cheque / bank draft which is not an account payee cheque / bank draft during PY**
 - + **name, address & PAN (if available with assessee) of payer;**
 - + **amount of repayment of loan or deposit or any specified advance received by a cheque or a bank draft which is not an a/c payee cheque / bank draft during the previous year**

34 (B) - SUSBTITUTED

- ✖ 34 (b) – If TDS / TCS Statement **not furnished within prescribed time**, furnish:
- ✖ **New 34(b)** - Whether the assessee is required to furnish the statement of TDS/TCS. If yes, please furnish the details:
 - + TAN
 - + Type of Form
 - + Due date of furnishing
 - + Date of furnishing, if furnished
 - + Whether the TDS / TCS Statement contains information about all transactions which are required to be reported. **If not, please furnish list of details/transactions which are not reported.** – Transporters??? – yes / no?? – Could be genuine difference of opinion

29A - INSERTED

- ✖ **29A (a) - Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to S. 56(2)(ix) ? [advance forfeited] (Yes/No)**
- ✖ **29A (b) - If yes, please furnish the following details:**
 - + **(i) Nature of income**
 - + **(ii) Amount thereof**

29A - INSERTED

- ✖ **M/s XYZ receives Rs. 25 Lakhs as advance against property in AY 2015-16 from Mr. B**
- ✖ **As per agreement as the buyer did not comply.. It send forfeiture notice to Mr. B in AY 2018-19 and forfeits the amount but does not entry in books.**
- ✖ **Mr. B confirms that amount is receivable**
- ✖ **M/s XYZ writes off in AY 2020-21. When should auditor report?**

29B - INSERTED

- ✖ 29B (a) - Whether any amount is to be included as income chargeable under the head 'income from other sources' as referred to in S. 56(2)(x)? (Yes/No)
- ✖ 29B (b) - If yes, please furnish the following details:
 - + (i) Nature of income
 - + (ii) Amount thereof
- ✖ How to report on controversial items...
Leasehold rights – TDR?

30A - INSERTED

- ✖ **30A (a) - Whether primary adjustment to TP, u/s. 92CE(1), has been made during PY? (Yes/No)**
- ✖ **30A (b) - If yes, please furnish :-**
 - + (i) Under which clause of s. 92CE(1) primary adjustment is made? (5 clauses)
 - + (ii) Amount (in Rs.) of primary adjustment:
 - + (iii) Whether the excess money available with AE is required to be repatriated to India as per s.92CE(2)? (Yes/No)
 - + (iv) If yes, whether the excess money has been repatriated within the prescribed time (Yes/No) [90 days from due date of filing of ITR] For AY 2018-19 due date – 31st December 2018
 - + (v) If no, amount of imputed interest income on such excess money which has not been repatriated within prescribed time

30B - INSERTED

- ✖ **30B (a) - Whether the assessee has incurred exp. during PY by way of interest or of similar nature > Rs. 1 Cr u/s. 94B(1)? (Yes/No)**
- ✖ **30B (b) - If yes, please furnish :-**
 - + (i) Amount (in Rs.) of expenditure by way of interest or of similar nature incurred – (to AE or all?)
 - + (ii) (EBITDA) during the previous year (in Rs.):
 - + (iii) Amount (in Rs.) of expenditure by way of interest or of similar nature as per (i) above which exceeds 30% of EBITDA as per (ii) above
 - + (iv) Details of interest expenditure b/f as per s. 94B(4) – NA as 94B inserted w.e.f. AY 2018-19
 - + (v) Details of interest expenditure c/f as per s. 94B(4)

30C – INSERTED – DEFERRED TO 31.3.2019

- ✖ **30C (a) - Whether the assessee has entered into an impermissible avoidance arrangement (GAAR), as referred to in s. 96, during the PY? (Yes/No) [w.e.f. AY 2018-19] – Tax benefit 3 Crs.**
- ✖ **30C (b) - If yes, please specify :**
 - + **(i) Nature of the impermissible avoidance arrangement**
 - + **(ii) Amount (in Rs.) of tax benefit in the PY arising, in aggregate, to all the parties to the arrangement**

S. NO. 31 (BA) - SECTION 269 ST

- **No person to receive an amount \geq Rs. 2 Lakhs otherwise than by A/c payee cheque/draft or use of electronic clearing using bank a/c (i.e. primarily in cash):**
 - **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**


SECTION 269 ST

- **Not applicable to receipts by:**
 - **Government,**
 - **Bank,**
 - **Post Office Savings Bank or Co-operative Bank,**
 - **S. 269SS transactions**
 - **Such other persons or class of persons or receipts, which the CG may notify**
- **Not applicable to receipts from Bank, Post Office Savings Bank or Co-operative Bank**
- **Penalty of equal amount u/s 271DA**
- **Rule 6DD?**

31(BA) – INSERTED – 269ST

- ✖ **31(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 PY
- ✖ **where such receipt is otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account**

31(BA) – INSERTED – 269ST

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

31(BB) – INSERTED – 269ST

- ✖ **31(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 occasion from a person, during the PY, where such receipt is by a cheque or bank draft not being an account payee cheque or an account payee bank draft, during the previous year**

31(BC) – INSERTED – 269ST

- ✖ **31(bc) - Particulars of each **payment made** 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 PY, where such receipt is otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account**

31(BD) – INSERTED – 269ST

- ✖ 31(bd) - Particulars of each **payment** 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 PY, **where such receipt is by a cheque or bank draft not being an account payee cheque or an account payee bank draft, during the previous year**

31(BD) – INSERTED – 269ST

- ✖ **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**

36A - INSERTED

- ✖ 36A (a) Whether assessee has received any amount in the nature of dividend as referred to s. 2(22)(e)? (Yes/No)
- ✖ 115 0 amended w.e.f. AY 2018-19 – 30%
- ✖ Would assessee give details??
- ✖ How to ascertain accumulated profits of payer?
- ✖ S. 41(2) profit is not part of accumulated profits [CIT vs. Urmila Ramesh (1998) 230 ITR 422 (SC)]

36A - INSERTED

✖ Accumulated profits are revenue profits not capital profits:

- + Tea Estate India Pvt. Ltd. vs. CIT (1976) 103 ITR 785 (SC)]
- + First ITO vs. Short Brothers Pvt. Ltd. (1966) 60 ITR 83 (SC)
- + CIT vs. Mangesh J. Sangiri (1979) 119 ITR 962 (Bom)

✖ 36A (b) If yes, please furnish the following details:-

- + (i) Amount received (in Rs.):
- + (ii) Date of receipt:"

42 - INSERTED

- ✖ **42 (a) - Whether the assessee is required to furnish statement in Form No.61 or Form No. 61A or Form No. 61B? (Yes/No)**
- ✖ **42 (b) - If yes, please furnish :-**
 - + ITDREIN
 - + Type of Form
 - + Due date for furnishing
 - + Date of furnishing, if furnished
 - + Whether Form contains information about all details / transactions which are required to be reported. If not, furnish list of details/transactions- not reported.

PAN QUOTING W.E.F. 01.01.2016

S. No.	Nature of Transaction	Value of Transaction
1	Sale / Purchase of Motor Vehicle or Vehicle other than 2 Wheeler	All
2	Opening an Bank A/c other than time-deposit referred to at Sl. No.12 and Basic Savings Bank Deposit A/c	All
3	Application for Debit / Credit Card	All
4	Opening of Demat A/c	All
5	Payment to Hotel / Restaurant at any one time (earlier 25K)	Cash > 50000/-

PAN QUOTING W.E.F. 01.01.2016

S. No.	Nature of Transaction	Value of Transaction
6	Payment for Foreign Travel or foreign currency at 1 time (earlier 25K)	Cash > 50000/-
7	Payment to MF for purchase of Units	> 50000/-
8	Payment to Co. or Institution for Debentures / Bonds issued by it	> 50000/-
9	Payment to RBI for Bonds issued by it	> 50000/-
10	Cash Deposit with Bank in any 1 day	> 50000/-
11	Bank Draft / Pay Order / Banker Cheque during one day	Cash > 50000/-

PAN QUOTING W.E.F. 01.01.2016

S. No.	Nature of Transaction	Value of Transaction
12	Time Deposit with 1. Bank, 2. Post Office, 3. Nidhi Co. 4. NBFC	50000/- each transaction or 5 Lacs in aggregate during FY
13	Payment for 1 or more Prepaid Payment Instruments like smart card; magnetic stripe cards; internet a/c; online wallets; mobile a/c; mobile wallets; paper voucher; mass transit system; other	Cash / draft / PO / banker cheque aggregating > 50000/- in FY

PAN QUOTING W.E.F. 01.01.2016

S. No.	Nature of Transaction	Value of Transaction
14	Life Insurance Premium	Aggregating > 50000/- in FY
15	Sale / Purchase of Securities other than Shares per transaction	> 1 Lac
16	Sale / Purchase of unlisted shares per transaction (verification by Co) [E - 50k for issue of shares all Cos]	> 1 Lac
17	Sale / Purchase of Immovable Property (earlier 5 L)	> 10 Lacs Tran. value or 50C value

PAN QUOTING W.E.F. 01.01.2016

S. No.	Nature of Transaction	Value of Transaction
18	Sale / purchase of goods / services (earlier 5 L for bullion or jewellery dealer only)	> 2 Lacs per transaction

- ✗ Effective from 1st January 2016
- ✗ Concerned person to verify PAN & mention in all documents /invoice/applications
- ✗ If no PAN – take Form 60
- ✗ If Minor– PAN of Father/Mother/Guardian

PAN QUOTING – NOT REQUIRED

- ✖ CG / SG / Consular Offices**
- ✖ Non-Residents for all except:**
 - + Application for Debit and Credit Card**
 - + Payment to a hotel or restaurant against a bill**
 - + Payment for foreign travel or foreign currency**
 - + Payment to RBI for acquiring bonds**
 - + Purchase of DD / PO / Bankers cheque**
 - + Payment for prepaid instruments**
 - + Sale/purchase of goods/services exceeding Rs. 2L**

SFTS - [1.04.2016]

S. No.	Nature & Value of Transaction	Reporting Person
1(a)	Cash for purchase of bank drafts / pay orders / banker's cheque of aggregate > Rs. 10 Lacs in a FY.	Banks
1(b)	Cash for purchase of pre-paid instruments by RBI aggregate > Rs. 10 Lacs in a FY. [E- 5L bonds all modes]	Banks
1(c)	Cash deposits / withdrawals (including bearer's cheque) aggregating > Rs. 50 Lacs in a FY from 1 or more current account of a person.	Banks

SFTS - [1.04.2016]

S. No	Nature & Value of Transaction	Reporting Person
2	Cash deposits agg. > Rs. 10 Lacs in a FY, in 1 or more a/cs (other than current a/c & time deposit) [E- saving A/c]	Banks P.O.
3	One or more time deposits (other than renewals) of a person aggregating > Rs. 10 Lacs in a FY of a person.	Banks P.O. ; Nidhi NBFC
4	Payments aggregating to- (i) > Rs. 1 Lac in cash ; or (ii) > Rs. 10 Lacs by any other mode, one or more credit cards in a FY [E – 2L]	Banks issuing Credit Cards

SFTS - [1.04.2016]

S. No.	Nature & Value of Transaction	Reporting Person
5	Receipt from a person aggregating > Rs. 10 Lacs in a FY for acquiring bonds or debentures issued by Co. or institution (other than renewals) [E- 5L]	Company Institution
6	Receipt from a person aggregating > Rs. 10 Lacs in a FY for acquiring shares (including share application money) issued by co. [E- Pub / Rght 1L]	Company
7	Buy back of shares from a person (other than bought in open market) for aggregating > Rs. 10 Lacs in a FY	Listed Co.

SFTS - [1.04.2016]

S. No.	Nature & Value of Transaction	Reporting Person
8	> Rs. 10 Lacs in a FY for acquiring units of 1 or more schemes of a MF (except switching) [E- 2L]	MF
9	Sale of foreign currency including through debit /credit card or traveller chq. or draft etc agg. > Rs. 10 L in a FY	Authorised Dealer
10	Purchase or sale of immovable property value > Rs. 30 L or valued u/s 50C	Registrar

SFTS - [1.04.2016]

S. No.	Nature & Value of Transaction	Reporting Person
11	Receipt of cash payment Rs. 2 Lacs for sale, by any person, of goods or services of any nature (other than above mentioned items).	If liable to Tax Audit u/s 44AB
12	Cash Deposit from 9.11.16 to 30.12.16 aggregating: <ul style="list-style-type: none">• \geq 12.50 Lacs in 1 or more Current account of a person• \geq 2.50 Lacs in other than current account	Bank / PO (inserted by 15.11.16)
13	Cash Deposited from 1.4.16 to 9.11.16 in respect of accounts reportable under S. No. 12	Bank / PO (Inserted by 6.1.17)

43 - INSERTED

- ✖ **43 (a) - Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in s. 286(2)? (Yes/No)**
- ✖ **43 (b) - If yes, please furnish :-**
 - + **Whether report has been furnished by the assessee or its parent entity or an alternate reporting entity
Name of parent entity. [For FY 2017-18 due date is 31.3.2019]??**
 - + **Name of alternate reporting entity (if applicable)
Date of furnishing of report**

44 – INSERTED – DEFERRED TO 31.3.2019

- ✖ **44 - Break-up of total expenditure of entities registered or not registered under the GST. Total amount of Expenditure incurred during the year**
- ✖ **Expenditure in respect of entities registered under GST**
 - + **Relating to goods or services exempt from GST**
 - + **Relating to entities falling under composition scheme**
 - + **Relating to other registered entities**
 - + **Total payment to registered entities**
- ✖ **Expenditure relating to entities not rgd. in GST**

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0 answers
Q. How to receive payment in nepal from in india through paypal??
2 views

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Concept by
CA Pramod Jain

Together ...we shall make it....

Thank You!



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