

Amendments to Tax Audit Report Format (Changes in Form 3CD & 3CEB)

CBDT vide Notification 27/2024 dated March 05, 2024 has amended the requisite Tax Audit Report. The clause wise changes in the form are as under:

Changes in Form 3CD

- Clause 8a: Indicate the relevant clause of section 44AB under which the audit has been conducted

For section "115BAD", "115BAD/115BAE" shall be substituted;

- Clause 12: Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section.)

Section 44ADA has also been inserted along with 44AD.

- Clause 18: Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following Form:

Sub-Clause (ca) i.e. Adjustment made to the written down value has been substituted as under:

- (i) under the proviso to section 115BAA(3) (for AY 2020-21 only);
- (ii) under the first proviso Section 115BAC(3) or the proviso 115BAD(3) (for AY 2021-22 only);
- (iii) under the second proviso to Section 115BAC(3) (for AY 2024-25 only).

- Clause 19: Amount admissible under sections 32AC/33AB/33ABA/35/35ABB/35AC/35CCA/35CCB/ 35D/35DD/35DDA/ 35E
 - (i) after row with entry “35(2AB)”, the row **“35ABA”** has been inserted;
 - (ii) after row with entry “35E”, the row **“any other relevant section”** has been inserted;

- Clause 21: Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc.

In sub-clause (a), in the table, under the column relating to “Nature”, -

 - (i) The words “Expenditure by way of penalty or fine for violation of any law for the time being in force”, has been substituted with **“Expenditure for any purpose which is an offence or is prohibited by law or expenditure by way of penalty or fine for violation of any law (enacted in India or outside India)”**;
 - (ii) A new row **“Expenditure incurred to compound an offence under any law for the time being in force, in India or outside India”** has been inserted after the row with the words “Expenditure by way of any other penalty or fine not covered above”
 - (iii) The words “Expenditure incurred for any purpose which is an offence or which is prohibited by law”, has been substituted with **“Expenditure incurred to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guideline, as the case may be, for the time being in force, governing the conduct of such person”**.

- Clause 32(a): Details of brought forward loss or depreciation allowance, in the following manner, to extent available:
 1. in the table, in column (5), for “115BAD”, “115BAD/115BAE” has been substituted;
 2. in the table, in column (6), for “115BAD^”, “115BAD/115BAE^” has been substituted;
 3. below the table, for “To be filled in for AY 2021-22 only.”, “To be filled in only for AY 2021-22 and 2024-25, as applicable”, has been substituted.

Changes in Form 3CEB:

In Part C (Specified domestic transaction), SN 25 shall be re-numbered as SN 26 thereof and before SN 26 as so renumbered, the following has been inserted:

- Clause 25: Particulars in respect of specified domestic transaction in the nature of any business transacted between the persons referred to in sub-section (4) of section 115BAE:

Has the assessee entered into any specified domestic transaction with any person referred to in sub-section (4) of section 115BAE which has resulted in more than ordinary profits expected to arise in such business?

If 'yes', provide the following details:

- (a) Name of the person with whom the specified domestic transaction has been entered into.
- (b) Description of the transaction including quantitative details, if any.
- (c) Total amount received or receivable or paid or payable in the transaction–
 - (i) as per books of account;
 - (ii) as computed by the assessee having regard to the arm's length price.
- (d) Method used for determining the arm's length price

Changes in Form 65:

In Form No. 65,

(i) under the heading "Verification", after clause (4), the following clause has been inserted, namely

- "(5) *I certify that the applicant company is a unit of an International Financial Services Centre and has filed the application within three months from the date on which the deduction under section 80LA of the Income- tax Act, 1961 is no longer applicable.";

(ii) in the Annexure, in Part A, for clause 6, the following clauses has been substituted, namely:

- "6. Date on which the company became a qualifying company [to be given only in case of a company which becomes a qualifying company after the initial period]
- 6A.

(a) Has the applicant company availed of deduction under section 80LA of the Income- tax Act, 1961?

(b) If so, please specify the date on which such deduction is no longer applicable?"

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