

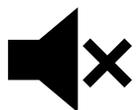


# Form 3CA-CD & Form 3CB-CD

## Filing of Audit Report u/s 44AB for A.Y 2024-25



# Our Expectations



Request all to please remain on **Mute** during the session.



In case you have any query during the presentation, **type your query in Chat Box.**



# Agenda

- 1 Purpose of Webinar
- 2 Applicability of Form 3CA-CD and Form 3CB-CD and Process of filing it for A.Y 2024-25
- 3 Amendments in Form 3CA-CD, 3CB-CD for A.Y 2024-25
- 4 Frequently Asked Questions on Form 3CA-CD, 3CB-CD
- 5 Questions & Answers



# Purpose of the Webinar

## **The objective of the Webinar is to discuss and understand:**

- The process of filing Form 3CA-CD and Form 3CB-CD for AY 2024-25.
- The best practices for filing the forms
- Address grievances and provide resolutions for smooth filing of Form 3CA-CD and Form 3CB-CD for AY 2024-25



# Introduction

- To discourage tax avoidance and evasion, the requirement of a tax audit was introduced by the Finance Act of 1984 by inserting a new section 44AB w.e.f Assessment Year 1985-86.
- Tax audit involves an expression of the tax auditor's opinion on the truth and correctness of certain factual details furnished by the assessee to the Income Tax Authorities to enable correct assessment of total income considering all allowances, deductions, losses, adjustments, exemptions, etc. and determination of tax thereon.



## Tax audit is conducted to achieve the following objectives:

- ❑ To ensure proper maintenance and correctness of books of accounts by the taxpayer and certification of same by the CA
- ❑ Report observations/discrepancies noted by the CA during the course of the audit
- ❑ Report prescribed information in compliance with various provisions of the Income Tax Act as referred to in Form 3CD.

**This form has to be uploaded by a CA (ARCA Login) using their DSC.**



# Applicability of Tax Audit

- Tax audit is applicable where the sales, turnover or gross receipts of business of the taxpayer exceed Rs 1 crore and in case of taxpayer carrying on profession, if gross receipts exceed Rs 50 lakhs in a financial year.
- As per Finance Act 2021, With effect from 1st April 2021, the threshold limit for applicability of tax audit is increased to Rs 10 crore in case cash transactions do not exceed 5% of the total transactions. (i.e., Cash receipts and cash payments does not exceed 5% of the total receipts and total payments respectively)



## Prescribed audit forms under Section 44AB

Rule 6G prescribes the manner of reporting and furnishing the Report of Audit of accounts to be furnished u/s 44AB.

There are two types of forms: 3CA-3CD and 3CB-3CD. Therefore, only one of two will apply to each taxpayer.

- Form 3CA-3CD applies to a person who is required by or under any law to get its accounts audited.
- Form 3CB-3CD is applicable to a person not referred above, i.e., where accounts are not required to be audited under any other law.

# Tax Audit Report in Form 3CA-3CD and Form 3CB-CD latest Utility for AY 2024-25

## Downloads

Income Tax Returns

Income Tax Forms

DSC Management Utility

[Read General Instructions](#)

### Common offline utility for Form 3CA-3CD and 3CB-3CD

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 and Statement of Particulars required to be furnished under Section 44AB of the Income-tax Act, 1961

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 and Statement of Particulars required to be furnished under Section 44AB of the Income-tax Act, 1961

Edge browser installation is required before installing the utility.

[Form Utility](#) (Version 1.3.2) (112 MB)

Date of first release of Form Utility 10-Sep-2021

Date of Latest release of Form Utility 23-Apr-2024

[Form Schema](#) (79 KB)

Date of first release of Form Schema 26-Oct-2021

Date of latest release of Form Schema 23-Apr-2024

[Schema Change Document](#) (Version 2.1) (499 KB)





# Amendments in Form 3CA-CD and Form 3CB-CD for A.Y 2024-25

**CBDT has notified changes to the Form 3CD vide Notification No. 27/2024 /F. No. 370142/3/2024-TPL, dated 05-03-2024.**



# Clause 8a (Whether assessee has opted for the special tax regime with lower tax rates)

- In clause 8a auditor has to report whether the assessee has opted the new tax regime or not such as 115BA/ 115BAA / 115BAB /115BAC /115BAD/115BAE
- The Finance Act 2023 introduced an alternative tax scheme for manufacturing co-operative societies under Section 115BAE. Clause 8a adds the reference to Section 115BAE and requires the tax auditor to report “Whether the assessee has opted for taxation under section 115BA/ 115BAA / 115BAB / 115BAC /115BAD/115BAE”.

8(a). Whether the assessee has opted for taxation under section 115BA/115BAA/115BAB/115BAC/115BAD/115BAE? \*

Yes

Section under which option exercised \*

- 115BA
- 115BAA
- 115BAB
- 115BAC
- 115BAD
- 115BAE

The screenshot shows a digital form with a dropdown menu for 'Yes' and a list of tax sections. The section '115BAE' is highlighted in yellow, indicating it is the selected option.



# New Regime for Cooperative Societies

Option for Section 115BAE is to be exercised by new manufacturing co-operative societies by e-filing Form 10-IFA on or before the due date specified under Section 139(1) for furnishing the first return of income for any previous year relevant to the assessment year commencing on or after the 1st day of April 2024 (AY 2024-25).

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## Clause 12 amended to include Presumptive Taxation on professional Income

- Amended Clause 12 requires the tax auditor to report “Whether the profit and loss account includes any profits and gains assessable on a presumptive basis, if yes, indicate the amount and the relevant sections (44AD, **44ADA**, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section)”.
- There was no mention of Section 44ADA in pre-amended Clause 12. Section 44ADA contains special provisions for computing the profits and gains of the profession on a presumptive basis.

# Clause 12 (Reporting of profits assessable under presumptive tax schemes credited to P&L)

Forms > Filing Income Tax Forms > Form No.3CA-3CD > Part A & B > Particular 12

## Part-B Particulars

Provide Statement of particulars in relevant Clauses

Clause 12

\* Indicates mandatory fields

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

Select ▼

+ Add Details

Cancel

Save



# Clause 18: Adjustment to WDV consequential to New Tax Regime

- With the amendment of Section 115BAC by the Finance Act, 2023, new tax regime is default regime with effect from the assessment year 2024-25.
- Substituted Clause 18(ca) requires the tax auditor to report
- “(ca) Adjustment made to the written down value—
  - (i) under the proviso to sub-section (3) of Section 115BAA (for assessment year 2020- 21 only);
  - (ii) under the first proviso to sub-section (3) of section 115BAC or the proviso to subsection (3) of 115BAD (for assessment year 2021-22 only);
  - (iii) under the second proviso to sub-section (3) of section 115BAC (for assessment year 2024-25 only).”

# Clause 18: Adjustment to WDV consequential to New Tax Regime and reporting on admissible amount of depreciation under Section 32

Opening WDV / Actual \*

₹

Adjustment made to the written down value under section 115BAA(3)/115BAC(3)/115BAD(3) (To be filled in only for assessment year 2020-21, 2021-22 and 2024-25 only, as applicable)-please refer ⓘ message for applicable sections ⓘ

₹

Adjustment made to the written down value of Intangible asset due to excluding value of goodwill of a business or profession

₹

Adjusted written down value(A)

Description of the Block of Assets/Class of Assets \*

Building @ 5%

Rate of Depreciation

5

Opening WDV / Actual \*

₹

**Error : Please enter the Opening WDV / Actual**

Adjustment made to the written down value under section 115BAA(3)/115BAC(3)/115BAD(3) (To be filled in only for assessment year 2020-21, 2021-22 and 2024-25 only, as applicable)-please refer ⓘ message for applicable sections ⓘ

₹

Adjustment made to the written down value of Intangible asset due to excluding value of goodwill of a business or profession

₹

Adjusted written down value(A)

₹

Adjustment made to the written down value:

- (a) under proviso to section 115BAA(3) (for assessment year 2020-21 only);
- (b) under first proviso to section 115BAC(3)/115BAD(3) (for assessment year 2021-22 only);
- (c) under second proviso to section 115BAC(3) (for assessment year 2024-25 only).



# Clause 21- Details of amounts debited to P&L account, being in the nature of capital, personal, advertisement etc.

- **Entry no-06** “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)”;
- **New Entry no-08** “Expenditure incurred to compound an offence under any law for the time being in force, in India or outside India”, has been inserted;
- **New Entry no-09** “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.

Expenditure incurred at clubs being cost for club services and facilities used.

[+ Add Details](#)

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)

[+ Add Details](#)

Label Modified

Expenditure by way of any other penalty or fine not covered above

[+ Add Details](#)

Expenditure incurred to compound an offence under any law for the time being in force, in India or outside India.

Newly Inserted

[+ Add Details](#)

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.

[+ Add Details](#)

Label Modified



# Clause 22, Dealing with delayed payments to MSMEs Sec 43B(h)

This amendment is consequential to new clause (h) inserted by Finance Act, 2023, in Section 43B, with effect from the assessment year 2024-25, to disallow on accrual basis sums payable to micro or small enterprises if these are not paid within the time allowed under Section 15 of MSMED Act, 2006.

Provide Statement of particulars in relevant Clauses

Clause 22

\* Indicates mandatory fields

22. (a) Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

(b) Any other amount not allowable under clause (h) of section 43B of the Income-tax Act, 1961.



## Clause 32(a) Details of b/f loss or depreciation allowance- Addition of reference to Section 115BAE

iii) Amount as returned (if the assessed depreciation is less and no appeal pending then take assessed) \*

₹	<input type="text"/>
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iv) All losses/allowances not allowed under section 115BAA/115BAC/115BAD/115BAE \*

₹	<input type="text"/>
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v) Amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAC/115BAD/115BAE (To be filled in only for assessment year 2021-22 and 2024-25 only, as applicable)

₹	<input type="text"/>
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## Clause 34(a), Sec 194BA (TDS on winnings from Online Games) has been inserted in the dropdown

This amendment is consequential to new section 194A inserted by Finance Act, 2023, with effect from the assessment year 2024-25, for deduction of TDS on winnings from online games.

Add Detail

1. Tax deduction and collection Account Number (TAN)\*

2. Section \*

- 194B
- 194BA
- 3. 194BB
- 194C

# Clause 33- Chapter VIA deductions, Deduction w.r.t Contribution to Agnipath Scheme (Sec 80CCH has been inserted in the dropdown)

## Part-B Particulars

Provide Statement of particulars in relevant Clauses

Clause 33

33. Section-wise details of deductions, if any admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA). \*

<input type="checkbox"/>	Yes	80CCC
<input type="checkbox"/>		80CCD
<input type="checkbox"/>	+ A	80CCF
<input type="checkbox"/>	Ac	80CCG
<input type="checkbox"/>	1.	<b>80CCH</b>
<input type="checkbox"/>		80D



## Pre-requisites for filing the Audit Forms

- Taxpayer is registered at e-filing portal.
- Taxpayer has valid Username (PAN) and Password.
- Taxpayer should have a valid DSC, if applicable or EVC. DSC should be registered at e-filing portal & not expired.
- Taxpayer should assign the Form to CA along with necessary documents



## Verification of Form by Individuals and HUF through EVC

Rule 12 has been amended to allow individuals and HUF who are liable to tax audits under Section 44AB to verify the return of income through an electronic verification code. Earlier, they could verify the returns only through digital signature.

# Process Flow

## Step-1: by Taxpayer

Assign Form for the relevant AY/FY+ PAN+ Membership No. combination through File Forms Functionality by selecting Filing Type and Attachments (wherever applicable) under Taxpayer Login.

## Step-4: by CA (ARCA Login)

Prepare and File Form, upload attachments (wherever applicable) and submit using DSC under ARCA Login.

## Step-5: by Taxpayer

Navigate to Worklist "For Your Action" and click on Accept and complete the process by using prescribed modes of e-verification under Taxpayer Login.

## Step-3: by CA (ARCA Login)

Navigate to Worklist For Your Action in Pending for Upload List and click on File Form under CA Login.

## Step-6: by CA/Taxpayer

The submitted Form can be downloaded from View Filed Forms Functionality for both ARCA and Taxpayer Login

## Step-2: by CA (ARCA Login)

Navigate to Worklist For Your Action in Forms Request List and Accept the Request under CA (ARCA Login).



# Frequently Asked Questions on Filing of Tax Audit Report



1

## Clause 4- adding indirect tax registration numbers- Unable to add more than 50 rows through add details

Now, CA can enter upto 500 records using add details option

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2

## **Clause 9A , 9B, (Partner Details) 31A, 31B, 31C,( mode of accepting payment or repayment) and 41 (demands/refunds in other Acts) : Unable to add more than 100 rows through add details**

Now, CA can enter upto 500 records using add details option

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# 3

## Save Button is not working while saving the panel in the utility

It might be an intermittent issue. You are advised to close and re-open the utility and try to save the panel. If still issue persists CA can join for Webex.

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# 4

## While uploading the JSON, Meta data error appeared

CA needs to ensure that he is using latest utility version. This is a meta data issue.

Please ensure the details in the JSON uploaded is for the same PAN/AY/Filing Type/Form code/CA Membership No./Pin code for which taxpayer has assigned to CA for filing.

### Upload your filled Form here

 Attach file

Only JSON or ZIP file

Note : If the JSON of 3CA-3CD/3CB-3CD is prepared using Departmental utility, please ensure utility. Drafts of JSONs prepared with older versions needs to be reviewed and edited with the confirming all the clauses before uploading, to avoid data issues.

**Error : Invalid MetaData**  
One or more of the below attributes does not match in the uploaded JSON please check and rectify:

- (i) PAN of Taxpayer
- (ii) Assessment Year
- (iii) Filing Type
- (iv) Form Code
- (v) CA Membership Number
- (vi) Pincode



# 5

## Post office and address is not reflected when TP enters the Pin code

It might be an intermittent issue. You are advised to close and re-open the utility and try to enter the pincode. If still issue persists CA can join for webex.

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# 6

## Unable to file Form 3CA/3CB-3CD through file income tax forms in CA login by CA

**Kindly ensure that CA and taxpayer are following the below steps correctly:**

**Step-1:-** From Taxpayer login, Assign Form 3CA/3CB-3CD to CA

**Step-2:-** Under CA (ARCA ) login, CA accepts the assignment and uploads the Form through the Worklist's "For Your Action" tab.

**Step-3:-** From Taxpayer login, Taxpayer accepts the form uploaded by CA through the Worklist's "For Your Action" tab. "

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## Important notes:

- Notification No. 19/2024 amends Rule 12 of income tax rules to enable EVC option along with DSC option for Form 3CA-3CD and Form 3CB-3CD only for Individual and HUF login at taxpayer acceptance/rejection screen.

Note: In case of CA, DSC is mandatory“

- As per the corrigendum issued against Notification No. 27/2024 dt: 05th March 2024, CA is requested to enter the details related to Sec 43B(h) in Clause 22

## Some Do's and Dont's

In order to avoid errors in form filing and verification, kindly ensure

- To use the latest version of the utility for generating JSON
- Ensure that the
  - ✓ **PAN of Taxpayer**
  - ✓ **Assessment Year**
  - ✓ **CA Membership Number**
  - ✓ **Form Filing Type**are correctly entered in the utility and selected on the portal.
- Install the latest Emsigner/Embridge application in your system
- Log in the DSC token
- Profile and contact details are updated in taxpayer and CA login
- Check Local Host e-Mudhra is not blacklisted by the system Admin
- E-Mudhra token driver is updated



# Grievance Handling

To share your queries on helpdesk email id, kindly provide the following details:

1. Mention the Grievance ID if the grievance is already raised earlier
2. Name and Contact details of the person who can explain the problem
3. PAN of the taxpayer
4. User ID at e-filing portal of Chartered Accountant
5. AY
6. Mention Form No.
7. Details of Problem
8. Attach screenshots
9. Attach JSON if relevant

**Email Address:** [efilingwebmanager@incometax.gov.in](mailto:efilingwebmanager@incometax.gov.in)



**Thank You**