



QUICK REFERENCER *for TAX AUDIT*



SEPTEMBER 2024

[This month's Cool Guru: CA. Ronak A. Rambhia](#)

TOPICS COVERED

- Applicability of Tax Audits
- Important Due Dates
- Pre-requisites for Filing the Tax Audit Report
- Important Validation Points to avoid additions in Intimations u/s 143(1)(a)

Applicability of Tax Audit

◦ **Section: 44AB of the Act**

- ✓ Business Sales more than Rs. 10 Crores / Rs. 1 Crore
(Provided Cash receipts or payments less than 5% of the Turnover)
- ✓ Professional receipts more than Rs. 75 Lakhs / Rs. 50 Lakhs
(Provided Cash receipts or payments less than 5% of the Turnover)

- ✓ Incomes is lower than deemed Profit under applicable section –
44AD, 44ADA, 44AE, 44BB, 44BBB

Due Dates for AY 2024-25



Due Dates	Type of Assessee	Type of Forms
30th September, 2024	All Assesseees	Tax Audits without Transfer Pricing Audit
31st October, 2024	All Assesseees	Tax Audits without Transfer Pricing Audit
31st October, 2024	All Assesseees	Transfer Pricing Report

Pre-requisites for Tax Audits

- ✓ **Financial Statements** – Audited, as applicable under any Act.
- ✓ No. of **Branches** of the Assessee
- ✓ List of Tax **Registrations** - GST, IEC, PT etc
- ✓ **Tax Regime** selected by the Assessee



- ✓ Details of **partners**
- ✓ List of **Books maintained** - refer section 2(12A) of the Act
*"books or books of account" includes **ledgers, day-books, cash books, account-books and other books**, whether kept in the written form or in electronic form or in digital form or as print-outs of data stored in such electronic form or in digital form or in a floppy, disc, tape or any other form of electro-magnetic data storage device.*
- ✓ Details of **locations** where the Books of Accounts are maintained.

Pre-requisites for Tax Audits

- ✓ Income Computation and Disclosure Standards (**ICDS**) working and their relevant disclosure
- ✓ Income reconciliation as per books, GST records and 26AS for reporting any **income not recognised in the Profit & Loss Account** by the assessee
- ✓ **Depreciation** working with datewise details of addition of Assets and deletion of Assets
- ✓ Details of **monthly employee contribution** to statutory dues like PF, ESIC etc with its date of payment and the applicable due date.
- ✓ Details of **Capital expenditure**, personal expenditure, Fine penalty paid debited to Profit & Loss Account
- ✓ List of **related parties** as per section 40(a)(2)(b) and transactions with the said related parties

Pre-requisites for Tax Audits

- ✓ **Interest paid to MSME**
- ✓ Payment made in compliance of 40A(3).
- ✓ Details of payments covered under section **43B** - Details of statutory dues paid after year-end, retirement benefits, payment of Bonus. OS payments of Interest / NBFC, payment of **MSME - manufacturing and services, micro and small**
- ✓ **Prior period expenses**
- ✓ Adjustments in **Transfer Pricing report**
- ✓ **Brought forward loss** details
- ✓ Deductions available to the Assessee - **80JJAA, 80M**, etc
- ✓ **TDS Returns** - 24Q, 26Q, 27Q, 27EQ with Conso file
- ✓ **Acknowledgments** of TDS returns filed
- ✓ **Inventory movement** details – Trading, Raw Materials, Finished Goods and By products

Pre-requisites for Tax Audits

- ✓ **Dividend** paid details
- ✓ Cost Audit report, Central Excise Audit and Service Tax Audit
- ✓ **Ratios** working
- ✓ Details of **Demands raised and refund received** under any Acts other than Income Tax Act
- ✓ **Annual information statement**
- ✓ Details of reporting under **286(2) - CBCR**
- ✓ **GST ITC** working – revenue and Capital



ITR v/s Tax Audit Validation

Particulars	TAR	ITR
Amounts not credited to the profit and loss account	Clause 16	Clause 5
Amounts debited to the profit and loss account, to the extent disallowable under Section 37	Clause 21a	Clause 7
Amounts debited to the profit and loss account, to the extent disallowable under section 40	Clause 21b	Clause 8
Amounts debited to the profit and loss account, to the extent disallowable under section 40A	Clause 21b / 23	Clause 9
Any amount disallowed under section 43B in any preceding previous year but allowable during the previous year	Clause 26Aa	Clause 10
Any amount debited to profit and loss account of the previous year but disallowable under section 43B	Clause 26Bb	Clause 11
Any amount of profit chargeable to tax u/s 41	Clause 25	Clause 14
Amount of income or expenditure of prior period credited or debited to the profit and loss account	Clause 27b	Clause 15
Amount of expenditure disallowed u/s 14A	Clause 21(h)	Clause 16

Thank
you



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