Contents

			PAGE
CHAPTER 1	:	**APPLICABILITY OF TAX AUDIT UNDER SECTION 44AB OF THE INCOME TAX ACT, 1961**	*1*
CHAPTER 2	:	**QUALIFICATIONS & DISQUALIFICATIONS OF A TAX AUDITOR**	*7*
CHAPTER 3	:	**LIMIT ON THE NUMBER OF TAX AUDIT ASSIGNMENTS**	*15*
CHAPTER 4	:	**FORMALITIES TO BE COMPLIED WITH BY A TAX AUDITOR PRIOR TO ACCEPTANCE OF TAX AUDIT ASSIGNMENT**	*28*
CHAPTER 5	:	**FINANCIAL STATEMENTS OF A NON-CORPORATE ASSESSEE FOLLOWING THE ACCRUAL BASIS OF ACCOUNTING**	*42*
CHAPTER 6	:	**FINANCIAL STATEMENTS OF A NON-CORPORATE ASSESSEE FOLLOWING THE CASH BASIS OF ACCOUNTING**	*52*
CHAPTER 7	:	**FINANCIAL STATEMENTS OF NCEs WHERE CASH BASIS ADOPTED FOR ONE BUSINESS & ACCRUAL BASIS FOR ANOTHER**	*61*
CHAPTER 8	:	**TAX AUDIT REPORTS**	*63*
CHAPTER 9	:	**APPLICABILITY OF STANDARDS ON AUDITING TO TAX AUDIT OF NON-CORPORATE ENTITIES**	*67*
CHAPTER 10	:	**APPLICABILITY OF STANDARDS ON AUDITING TO TAX AUDIT OF CORPORATES/OTHER ENTITIES SUBJECTED TO STATUTORY AUDIT**	*71*
CHAPTER 11	:	**FORM NO. 3CA**	*72*
CHAPTER 12	:	**FORM NO. 3CB**	*81*
CHAPTER 13	:	**FORM NO. 3CD**	*95*
CHAPTER 14	:	**GENERATION OF UDINs FOR TAX AUDIT REPORTS**	*98*
CHAPTER 15	:	**LIABILITIES OF TAX AUDITOR**	*102*
CHAPTER 16	:	**REVISION OF TAX AUDIT REPORT**	*105*
CHAPTER 17	:	**CLAUSE 1: NAME OF THE ASSESSEE**	*108*
CHAPTER 18	:	**CLAUSE 2: ADDRESS**	*111*
CHAPTER 19	:	**CLAUSE 3: PERMANENT ACCOUNT NUMBER OR AADHAAR NUMBER**	*114*
CHAPTER 20	:	**CLAUSE 4: REGISTRATIONS UNDER INDIRECT TAX LAWS**	*116*

PAGE

CHAPTER 21 : **CLAUSE 5: STATUS** *120*

CHAPTER 22 : **CLAUSE 6: PREVIOUS YEAR** *124*

CHAPTER 23 : **CLAUSE 7: ASSESSMENT YEAR** *126*

CHAPTER 24 : **CLAUSE 8: CLAUSE OF SECTION 44AB UNDER WHICH TAX AUDIT IS CONDUCTED** *127*

CHAPTER 25 : **CLAUSE 8A: WHETHER ASSESSEE HAS OPTED FOR SECTION 115BA/115BAA/115BAB/115BAC/115BAD/115BAE?** *130*

CHAPTER 26 : **CLAUSE 9: DETAILS REGARDING PARTNERS OR MEMBERS OF FIRMS/LLPs** *134*

CHAPTER 27 : **CLAUSE 10: NATURE OF BUSINESS OR PROFESSION** *142*

CHAPTER 28 : **CLAUSE 11: BOOKS OF ACCOUNT** *151*

CHAPTER 29 : **CLAUSE 12: PRESUMPTIVELY ASSESSABLE INCOME** *164*

CHAPTER 30 : **CLAUSE 13: METHOD OF ACCOUNTING AND ICDS** *169*

CHAPTER 31 : **CLAUSE 14: METHOD OF STOCK VALUATION** *180*

CHAPTER 32 : **CLAUSE 15: CONVERSION OF CAPITAL ASSET INTO STOCK-IN-TRADE** *185*

CHAPTER 33 : **CLAUSE 16: AMOUNTS NOT CREDITED TO PROFIT AND LOSS ACCOUNT** *193*

CHAPTER 34 : **CLAUSE 17: PROPERTY TRANSFERRED AT LESS THAN SDV** *210*

CHAPTER 35 : **CLAUSE 18: DEPRECIATION ALLOWABLE** *223*

CHAPTER 36 : **CLAUSE 19: AMOUNTS DEDUCTIBLE UNDER SECTIONS 33AB TO 35E** *246*

CHAPTER 37 : **CLAUSE 20: BONUS & EMPLOYEES' CONTRIBUTION TO PF/ESIC** *253*

CHAPTER 38 : **CLAUSE 21: AMOUNTS INADMISSIBLE UNDER SECTIONS 37(1), 40(*a*), 40(*b*), 40(*ba*), 40A(3), 40A(7), 40A(9), 14A AND 36(1)(*iii*)** *262*

CHAPTER 39 : **CLAUSE 22: AMOUNTS INADMISSIBLE UNDER SECTION 43B(*h*) OF THE ACT & UNDER SECTION 23 OF MSMED ACT** *329*

CHAPTER 40 : **CLAUSE 23: PAYMENTS TO RELATED PERSONS** *381*

CHAPTER 41 : **CLAUSE 24: DEEMED PROFITS UNDER SECTION 32AC/32AD/33AB/33ABA/33AC** *387*

CHAPTER 42 : **CLAUSE 25: DEEMED PROFITS UNDER SECTION 41** *389*

CHAPTER 43 : **CLAUSE 26: SUMS COVERED BY SECTION 43B** *398*

CHAPTER 44 : **CLAUSE 27: CENVAT & PRIOR PERIOD ITEMS** *406*

CHAPTER 45 : **CLAUSE 29A: AMOUNT TAXABLE UNDER SECTION 56(2)(*ix*)** *410*

CHAPTER 46 : **CLAUSE 29B: GIFTS OR DEEMED GIFTS CHARGEABLE UNDER SECTION 56(*x*)** *414*

CHAPTER 47 : **CLAUSE 30: HUNDI BORROWINGS** *428*

CHAPTER 48 : **CLAUSE 30A: SECONDARY TRANSFER PRICING ADJUSTMENTS** *435*

CHAPTER 49 : **CLAUSE 30B: THINCAP ADJUSTMENTS** *441*

			PAGE
CHAPTER 50	:	**CLAUSE 30C: GAAR (GENERAL ANTI AVOIDANCE RULES)**	*449*
CHAPTER 51	:	**CLAUSE 31: ACCEPTANCE OR REPAYMENT OF LOAN/DEPOSIT/ SPECIFIED SUM ABOVE ₹20,000 LIMIT IN SECTION 269SS/ SECTION 269T & MODE OF RECEIPT/PAYMENT ABOVE ₹2,00,000 LIMIT IN SECTION 269ST**	*455*
CHAPTER 52	:	**CLAUSE 32: UNABSORBED LOSS/DEPRECIATION**	*468*
CHAPTER 53	:	**CLAUSE 33: CHAPTER VI-A DEDUCTIONS**	*478*
CHAPTER 54	:	**CLAUSE 34: COMPLIANCE WITH TDS/TCS PROVISIONS**	*483*
CHAPTER 55	:	**CLAUSE 35: QUANTITATIVE DETAILS**	*494*
CHAPTER 56	:	**CLAUSE 36A: DEEMED DIVIDEND UNDER SECTION 2(*22*)(*e*)**	*502*
CHAPTER 57	:	**CLAUSE 36B: DEEMED DIVIDEND UNDER SECTION 2(*22*)(*f*)**	*511*
CHAPTER 58	:	**CLAUSE 37: COST AUDIT REPORT**	*515*
CHAPTER 59	:	**CLAUSE 40: ACCOUNTING RATIOS**	*519*
CHAPTER 60	:	**CLAUSE 41: DEMANDS RAISED & REFUNDS ISSUED UNDER LAWS OTHER THAN IT ACT & WT ACT**	*526*
CHAPTER 61	:	**CLAUSE 42: FURNISHING OF FORM NOS. 61, 61A & 61B**	*530*
CHAPTER 62	:	**CLAUSE 43: FURNISHING OF COUNTRY BY COUNTRY REPORTING U/S 286**	*534*
CHAPTER 63	:	**CLAUSE 44: BREAK-UP OF TOTAL EXPENDITURE INCURRED BY ASSESSEE ACCORDING TO GST REGISTRATION STATUS OF PAYEES**	*537*
CHAPTER 64	:	**SAMPLE ENGAGEMENT LETTER FOR TAX AUDIT – IN CASE OF AN ENTITY LIABLE TO STATUTORY AUDIT UNDER ANY OTHER LAW AND WHERE REPORTING WILL BE IN FORM 3CA-3CD**	*547*
CHAPTER 65	:	**SAMPLE AUDIT ENGAGEMENT LETTER FOR TAX AUDIT – IN CASE OF AN ENTITY NOT LIABLE TO STATUTORY AUDIT UNDER ANY OTHER LAW AND WHERE REPORTING WILL BE IN FORM 3CB-3CD**	*555*
APPENDIX	:	**RELEVANT SECTIONS OF INCOME-TAX ACT, 1961**	*565*