

# THE CHAMBER OF TAX CONSULTANTS

Articles Orientation Programme

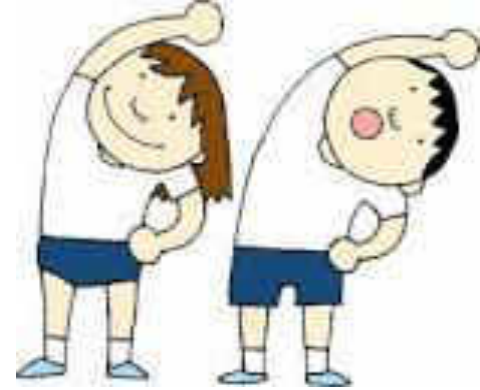
**Tax Audit under Income-tax Act**

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# Let's Warm Up ....



- ▶ Purpose of Tax Audit
- ▶ Relevance of Accounting and Auditing Standards and Principles of commercial accounting
  - Materiality
  - Prudence
  - Substance Vs. Form
- ▶ ICDS notified in September 2016 applicable from A.Y. 2017-18
- ▶ Concept of Test Check
- ▶ True & Fair Vs. True & Correct
- ▶ Guidance Note issued by ICAI

# Amendments w.e.f. A.Y. 2017-18

- ▶ No change in Limit – It continues to be Rs. 1 Crore for business and 50 Lakhs for profession
- ▶ Amendments made in 44AD
  - Limit enhanced to Rs. 2 Crores only if profit declared under the scheme
  - No Deduction of Interest and Remuneration to Partners
  - Commitment for 5 years
- ▶ New Section 44ADA for professionals
  - Applicable if Gross Receipt is < 50 Lakhs
  - 50% of Gross receipt will be deemed income
  - No Interest and Remuneration to partners permissible (absence of provisions similar to pre-amended section 44AD)
  - Commitment for 5 years (as provided in 44AD ) not required

# Failure to get Tax Audit done

- ▶ Section 271B – 0.5% of Turnover – Maximum Rs. 1,50,000/–
- ▶ Section 273B – Penalty not to be imposed if there is a reasonable cause
- ▶ Reasonable Cause can be
  - Bona Fide interpretation of turnover based on expert advice
  - Death or physical disability of partner in charge of accounts
  - Labour Problems
  - Fire, Theft, etc.
  - Non availability of accounts due to seizure
  - Natural Calamity
  - Non completion of audit of earlier years



# Section 44AB

## Tax Payers

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graph TD; TP[Tax Payers] --- P1[A Person Carrying on Profession]; TP --- P2[A Person Carrying on Business]; TP --- P3[A Person covered U/sec. 44AD, 44ADA, 44AE, 44BB or 44BBB]; P1 --- C1[If his Gross Receipts exceed 50 Lakhs Rupees in any Previous Year.]; P2 --- C2[If his total Sales Turnover or Gross Receipts, as the case may be in business exceed or exceeds 1 Crore rupees in any Previous Year]; P3 --- C3[If such person claims that the profits and gains from the business is lower than as computed under above sections irrespective of his turnover.];
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A Person Carrying on Profession

If his Gross Receipts exceed 50 Lakhs Rupees in any Previous Year.

A Person Carrying on Business

If his total Sales Turnover or Gross Receipts, as the case may be in business exceed or exceeds 1 Crore rupees in any Previous Year

A Person covered U/sec. 44AD, 44ADA, 44AE, 44BB or 44BBB

If such person claims that the profits and gains from the business is lower than as computed under above sections irrespective of his turnover.

# Business Vs. Profession

- ▶ Section 2(13) : “Business **includes** any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture”
- ▶ Section 2(36) : “Profession **includes** vocation”
- ▶ CIT Vs. Manmohan Das (1966) 59 ITR 699 (SC)
- ▶ Profession involves
  - Intellectual skill or
  - Manual skill controlled by intellectual skill
  - Different than an operation which is substantially the production or sale or arrangement for production or sale of commodities.

# Notified Professions

- ▶ Followings have been notified to be profession
  - Accountancy
  - Architectural
  - Authorised Representative
  - Company Secretary
  - Engineering
  - Film Artists/Actors, Cameraman, Director, Singer, Story-writer etc.
  - Interior Decoration
  - Legal
  - Medical
  - Technical Consultancy

# Held to be Business

- ▶ Followings have been held to be Business by decision of courts :
  - Advertising agent
  - Clearing, forwarding and shipping agents [ see CIT Vs. Jeevanlal Lallubhai & Co. 206-ITR-548(Bom.)]
  - Couriers
  - Insurance Agent
  - Stock and share broking and dealing in shares and securities [ see CIT Vs. Lallubhai Nagardas & Sons 204-ITR-93 (Bom.)]
  - Travel agent



# Turnover for Section 44AB

- ▶ Whether Turnover includes only sales or it also includes purchases
- ▶ Turnover of Consignment Agents
- ▶ Clearing & Forwarding Agents
- ▶ Discounts
  - Trade Discount
  - Cash Discount
  - Festival Discount
  - Turnover Discount
- ▶ Goods Returned
  - Out of current year sales
  - Out of earlier year sales





# Turnover for Section 44AB

- ▶ Scrap & By Products
- ▶ Taxes whether to be included – GST / VAT etc.
- ▶ Gross Receipts – Whether Receipt in kind included
- ▶ Both Business and Profession – Limit to be applied?
- ▶ Turnover of Proprietor Firm + Share of Profit in Partnership Firm
- ▶ Out of Pocket Expenses received by Professional
- ▶ Speculative Transactions
- ▶ Futures & Options

# Clause wise Analysis of Form 3CD and Issues

# FORM 3CD – PART A

## Clause (1 to 8)

1. Name of the assessee
2. Address
3. Permanent Account Number
4. Whether the assessee is **liable to pay** tax like excise duty, service tax, sales tax, customs duty etc. If yes please furnish the registration number or any other identification number allotted for the same.
5. Status
6. Previous year ended
7. Assessment year
8. Indicate the relevant clause of section 44AB under which the audit has been conducted.

# Clause – 4 Liability under Indirect Taxes



- ▶ Registration No. or Identification No. is to be given in a case where the assessee is **liable to pay** indirect tax like excise duty, service tax, sales tax, customs duty etc. – GST
- ▶ To obtain this information and mention – MR
- ▶ Whether auditor is supposed to know the laws of Indirect Tax with absolute authority?
- ▶ Certificate of Expert whether sufficient?
- ▶ Liable to pay Vs. Registered – Comment in absence of Registration

## PART B Clause 9

9. (a) If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios.

(b) If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change.



# Change in Constitution

- ▶ Whether change in remuneration or interest to partners without changes in profit sharing ratio amounts to change in constitution
- ▶ Partner in representative capacity retires and admitted in individual capacity or vice versa – whether this amounts to change in constitution

# Clause 10

10. (a) Nature of business or profession.

(b) If there is any change in the nature of business or profession, the particulars of such change.



# Change in Nature of Business



- ▶ New Business started is having immaterial revenue whether needs to be reported
- ▶ Assessee is a manufacturer of certain products. It also sells some of the raw materials directly to some customers – Whether trader or manufacturer or both
- ▶ Whether discontinuation of business from earlier year is to be reported
  - Temporary period
  - Longer period of time

# Clause 11

11. (a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.

(b) List of Books of account maintained and the address at which the books of accounts are kept.  
(In case books of account are maintained in a computer system, mention the books of account generated by such computer system.)

(c) List of books of account and nature of relevant documents examined.

# Clause – 11 – Books of Accounts



- ▶ Clause requires the address at which the books of accounts are kept
- ▶ If books are maintained at more than one location addresses of each location and list of books maintained there is to be given
- ▶ Issue : Multiple location accounting software like SAP, ERP etc. – How to report ?
- ▶ Non-maintenance of stock register – What to report
  - No records maintained
  - Records maintained but not up to date

# Clause 12

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

# Presumptive Taxation – Cl. 12

- ▶ One of the business is eligible business u/s. 44AD + There are other businesses
- ▶ As per scheme, T/O of eligible business is to be excluded for computing limit
- ▶ Expenses for Eligible Business are deemed to have been allowed.
- ▶ What about common expenses for both eligible and non eligible business – Whether any proportionate disallowance is to be made :
  - *CIT Vs. Indian Bank Ltd 56 ITR 77 (SC)*
  - *Rajasthan State Warehousing Corporation Vs. CIT 242 ITR 450 (SC).*

# Clause 13

- a) Method of accounting employed in the previous year
- b) Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year
- c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.
- d) Whether any adjustment is required to be made to the profits or loss for complying with the provisions of Income Computation and Disclosure Standards notified under section 145(2)
- e) If answer to (d) above is in affirmative, give details of such adjustment (Increase / Decrease)
- f) Disclosure as per ICDS

# Method of Accounting – Clause 13

- ▶ A change in method of accounting need not have the approval of I.T. authorities
  - *Snow white Food Products Limited 141 ITR 861 (Cal.)*
- ▶ If a regular method is changed for a permanent period and which is to be followed consistently, it has to be accepted by the department, even if it results in a reduction of tax liability
  - *CIT v. Carborandum Universal Limited 149 ITR 759 (Mad)*
  - *Melmould Corporation Vs. CIT 202 ITR 789 (Bom.)*
  - *CIT Vs. Atul Products Ltd. 255 ITR 85 (Guj.)*

# Method of Accounting

- ▶ Different method of accounting can be followed for different heads of income
  - *J. K. Bankers Vs. CIT 94 ITR 107 (All.)*
- ▶ Different method of accounting for different source of income under the same head of income
  - *Vishwanath Acharaya Vs. ACIT 157 ITD 1032 (Mum.)*
- ▶ Project Completion for one project and Percentage completion for another project
  - *CIT Vs. Umang Hiralal Thakkar (2014) 42 taxmann.com 194 (Guj)*



# Business Income & ICDS

- Applicability
  - Profits and Gains of Business or Profession and Income from Other Sources
  - All assesseees following **mercantile system** of accounting except Individuals and HUF not under Tax Audit
- The Chamber of Tax Consultants Vs. Union of India (TS-6173-HC-Delhi-O)
  - Del HC upheld constitutional validity.
  - Del HC however also held that many of the provisions of the ICDS are ultra-vires and accordingly these provisions shall be read down.
- Finance Bill – 2018 made several amendment in the Act nullifying the decision of Del HC in some of the areas
  - **Retrospective Amendments w.e.f. A.Y. 2017-18**
  - **Now it is part of Act – Whether applies to assessee following Cash System ?**
  - **Whether applies to Individuals and HUF not under Tax Audit ?**

# Amendments by FA 2018

- Foreign Exchange Derivatives
  - Section 36 : marked to market loss or other expected loss as computed **in accordance with the ICDS** shall be allowed
  - Section 40A : no deduction or allowance in respect of marked to market loss or other expected loss shall be allowed except as per amended section 36
  - Section 43AA : Gain or Loss arising on account of any change in foreign exchange rates shall be treated as income or loss and to be computed as provided in ICDS. – Includes Monetary + Non Monetary items

# Amendments by FA 2018

- Construction Contracts – Section 43CB
  - Percentage Completion Method in accordance with ICDS – 3 Mandatory
  - Contract Revenue shall include Retention Money
  - Incidental Income cannot be reduced from Contract Costs – will have to be offered as income for the year
- Valuation of Inventories
  - Section 145A amended : Valuation of Inventories at lower of actual cost or NRV **in accordance with ICDS**
  - Valuation of Securities
    - Not listed / Non quoted on regular basis → Actual cost
    - Listed securities → Lower of cost or NRV in accordance with ICDS
    - Comparison of Cost and NRV shall be made category wise – Not line by line
- Section 145A : also made applicable to services now

# Amendments by FA 2018

- Export Incentives
  - ICDS – : Export Incentive to be recognised where there is reasonable certainty of ultimate collection
  - Contra to : SC CIT Vs. Excel Industries Ltd. 358 ITR 298 (SC)  
: To recognise when the government accepts the claim
- Section 145B : Claim of escalation of price or export incentives shall be deemed to be income of the year in which reasonable certainty of its realisation is achieved.
- If not charged in earlier year then it is to be charged in the year of receipt

# Clause 14

14. a) Method of valuation of closing stock employed in the previous year.

b) Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.

- ▶ An incorrect method whether allowed if followed consistently
  - CIT Vs. British Paints Ltd. 188 ITR 44(SC)
  - AS – 2 issued by ICAI
- ▶ Section 145A – What if closing inventory is valued at market price – Whether taxes to be included for valuation?

# Clause 15

15. Give the following particulars of the capital asset converted into stock-in-trade:

- (a) Description of capital asset
  - (b) Date of acquisition
  - (c) Cost of acquisition
  - (d) Amount at which the asset is converted into stock-in-trade
- ▶ Form requires to mention the cost of acquisition of Capital Asset
  - ▶ Section 55(2)(b)
    - FMV as on 1-4-1981
    - Cost of previous owner – section 49
    - FMV at the time of distribution of CA by limited company
    - Consolidation of shares or split up etc.

# Clause 16

16. Amounts not credited to the profit and loss account, being:

- (a) the items falling within the scope of section 28;
- (b) the proforma credits, drawbacks, refund of duty of customs or excise or service tax, or refunds of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned
- (c) Escalation claims accepted during the previous year;
- (d) any other item of income;
- (e) Capital receipt, if any.

- ▶ Company / Firm eligible to Free Vacation due to achieving target sales – utilised by Director / Partner – Section 28
- ▶ Whether LIC Maturity etc. to be reported as Capital Receipts
- ▶ Incomes credited directly to capital account of proprietor
  - Exempt Incomes / Taxable Incomes
- ▶ Does capital receipts cover – items like Share capital, gift etc.

# Clause 17

Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish:

Details of Property	Consideration received or accrued	Value adopted or assessed or assessable



# Section 43CA or 50C – Clause 17



- ▶ Whether reporting is at all required for items covered by Section 50C
  - Scope shall be confined to Business Income
  - Clause 28 and 29 deals with Section 56(2)(viiia) and 56(2)(viiib)
- ▶ Clause 17 :
  - Details in respect of the land or building or both transferred during the year for a consideration less than value adopted or assessed or assessable by ***authority of state government referred to in section 43CA or 50C.***
- ▶ Clause talks about authority referred to in section 50C and not the transactions referred to in section 50C.
- ▶ Ghai Constructions Vs. State of Maharashtra – Bom HC – Order Dt. 30-4-2007
  - Requirement of compulsory audit is only in respect of business carried on by the person and not in respect of his income from other sources.

# Section 43CA – Issues

- ▶ Section 43CA – whether applies in the case of Percentage completion method
  - Section 43CA applies in the year of transfer
  - Whether transfer is complete on entering agreement or registration ?
- ▶ Whether section 43CA has to be considered for computing deduction u/s. 80-IBA

# Section 50C – New Developments

- ▶ New provisos w.e.f. A.Y. 2017–18
- ▶ Value as on date of agreement to be taken where there is difference in date of agreement and date of registration
  - Condition : consideration or part thereof has been received by A/c. payee cheque or Draft or ECS on or before the date of agreement
- ▶ Amendment by FA 2018 – **w.e.f. A.Y. 2019–20**
  - If Stamp Valuation is not more than 105% of consideration, → no adjustment will be made for computation
  - If variation is beyond 5% – Stamp Duty value will be treated as Consideration – 5% is not a standard deduction

# Clause 18

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 :

- (a) Description of asset/ block of assets.
- (b) Rate of depreciation.
- (c) Actual cost or written down value, as the case may be.
- (d) Additions/Deductions during the year with dates; in case of any addition of an asset, date of put to use, including adjustment on account of:
  - (i) Central Value Added Tax credit claimed and allowed under the Central Excise Rules 1944, in respect of assets acquired on or after 1st March, 1994,
  - (ii) Change in rate of exchange of currency and
  - (iii) Subsidy or grant or reimbursement by whatever name called.
- (e) Depreciation allowable.
- (f) Written down value at the end of the year.



# Depreciation

- ▶ Mistakes in classification in prior years
- ▶ Is it mandatory to claim depreciation – Is it mandatory to claim at rates prescribed. – Lesser rate whether permissible
- ▶ Foreign Exchange Fluctuation Loss on borrowings against Fixed Assets – Section 43A
- ▶ Date of asset put to use – How to confirm
- ▶ Depreciation on Printer / Scanner – Whether 40% or 15%
  - CIT Vs. Birlasoft Ltd. ITA 1284/2011 Dt. 15-12-11 – Del. HC
  - Hapag Lloyd India P. Ltd. Vs. DCIT 117 DTR 113 (Mum. Trib.)
  - ACIT Vs. H T Media Ltd. 43 CCH 516 (Del. Trib.)
  - IBAHN India P. Ltd. Vs. Dy. CIT 157 ITD 382 (Mum.)



# Depreciation

- ▶ Car Registered in Partner's name – Reflected in Firm's Balance Sheet – What about Depreciation
  - CIT Vs. Aravali Finlease Ltd. 341 ITR 282 (Guj)
  - Edwise Consultants P. Ltd. Vs. DCIT 44 ITR 236 /45 CCH 392 (Mum. Trib.)
- ▶ Depreciation on Individual assets which are not used but forming part of block of asset
  - CIT Vs. G. R. Shipping Ltd. – ITA No. 598 of 2009 (Bom HC)
  - CIT Vs. Sonic Hiochem Extraction P. Ltd. 94CCH 99 (Bom.)
  - DCIT Vs. Boskalis Dredging India P. Ltd. 53 SOT 17 (Mum.)
- ▶ Depreciation on vehicles for personal use
  - Microsoft Corporation India P. Ltd. Vs. Addl CIT 37 ITR 290 (Del. Trib.)
    - No Personal use in the case of companies
  - Difference in section 32 and section 37(1)

# Clause 19

Amounts admissible under sections :

32AC,33AB, 33ABA,35(I)(i), 35(I)(ii), 35(I)(ia), 35(I)(iii), 35(I)(iv),35(2AA),35(2AB) 35ABB, 35AC, 35AD, 35CCA, 35CCB, 35CCC, 35CCD,35D, 35DD, 35DDA, 35E.

Section	Amount debited to Profit and loss A/c	Amount admissible as per the provisions of the Act and also fulfills the conditions if any specified under the relevant provisions of the Act or rules or any other guidelines,etc issued in this behalf

# Clause – 19



- ▶ What if separate auditor is appointed to conduct the audit under the relevant sections ?
  - Can Tax Auditor rely on his certificate under the relevant section
  - Non availability of his report at the time of finalisation of the Tax Audit – How to address
- ▶ Section 35D, 35DD, 35DDA etc – If this is not the first year of audit and earlier year audit was done by a different auditor – Does the auditor need to verify the expenses incurred in the earlier year or he can rely on the earlier year's audit for computation of eligible deduction



# Clause 20

- (a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)].
- (b) Details of Contribution received from employees for various funds to section 36(1)(va):

S.No	Nature of Fund	Sum Received from employees	Due Date for payment	The actual amount paid	The actual date of payment to the concerned authorities



# Section 36(1)(va) – Clause 20

- ▶ Section 2(24)(x) – Employees' contribution is Income
- ▶ Section 36(1)(va) – Deduction allowable if paid within Due date under relevant law
- ▶ Due Date is which date – Difficulties on Late Payment
- ▶ Days of Grace under the relevant Law ?
- ▶ Decisions
  - ITO Vs. LKP Securities Ltd. 36 CCH 93 (Mum.) – Employee's contribution is not covered by section 43B – Due date as per the relevant law – Days of Grace allowed
  - CIT Vs. Sabari Enterprises 298 ITR 141 (Kar)
  - CIT Vs. Vijay Shree Ltd. – Cal HC– ITA No. 245/2011 – [itatonline.org](http://itatonline.org)
  - CIT Vs. Mark Auto Industries Ltd. 358 ITR 43 (P & H)
  - CIT Vs. Hindustan Organics Chemicals Ltd. 366 ITR 1 (Bom)

# Clause 21

21. (a) Amounts debited to the profit and loss account, being:

- i. Expenditure of capital nature;
- ii. Expenditure of personal nature;
- iii. Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party;
- iv. Expenditure incurred at clubs being cost for club services and facilities used;
- v. Expenditure by way of penalty or fine for violation of any law for the time being in force;
- vi. Expenditure by way of any other penalty or fine;
- vii. Expenditure incurred for any purpose which is an offence or which is prohibited by law;

# Clause 21 Cont...

21.(b) amounts inadmissible under section 40(a):–

i. As payments referred to in sub clause(i)

A. Details of payment on which tax is not deducted:

- I. Date of Payment
- II. Amount of Payment
- III. Nature of Payment
- IV. Name and address of the payee

B. Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of **time prescribed under section 200(1)**

- I. Date of Payment
- II. Amount of Payment
- III. Nature of Payment
- IV. Name and address of the payee
- V. Amount of tax deducted

# Clause 21 Cont...

- ii. As payment referred to in sub clause(ia);
  - A. Details of Payment on which tax is not deducted:
    - I. Date of Payment
    - II. Amount of Payment
    - III. Nature of Payment
    - IV. Name and address of the payee
  - B. Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section(1) of section 139.
    - I. Date of Payment
    - II. Amount of Payment
    - III. Nature of Payment
    - IV. Name and address of the payer
    - V. Amount of tax deducted
    - VI. Amount out of (v) deposited, if any

# Clause 21 Cont...

- c) Under sub-clause(ic)[wherever applicable]–FBT
  - d) Under sub clause(iia)–Wealth Tax Paid
  - e) Under sub-clause(iib)–Royalty to State Govt undertaking by State Govt .
  - f) Under sub-clause(iii)–Salary Paid outside india
    - I. Date of Payment
    - II. Amount of Payment
    - III. Name and address of the payee
  - g) Under sub-clause(iv)–Payment to a fund for employees
  - h) Under sub-clause(v)–Any Tax Paid by employer.
- 
- c) Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/ 40(ba) and computation thereof

# Clause 21 Cont...

- d) Disallowance/deemed income under section 40A(3):
- A. On the basis of the examination of books of account and other relevant documents/ evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft if not, please furnish the details:

<b>S.No</b>	<b>Date of payment</b>	<b>Nature of Payment</b>	<b>Amount</b>	<b>Name and PAN of the payee(if available)</b>
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- B. On the basis of the examination of books of account and other relevant documents/evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft if not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A):

# Clause 21 Cont...

- e) Provision for payment of gratuity not allowable under section 40A(7);
- f) Any sum paid by the assessee as an employer not allowable under section 40A(9);
- g) Particulars of any liability of a contingent nature.
- h) Amount of deduction inadmissible in terms of section 14A in respect of expenditure incurred in relation to income which does not form part of the total income
- i) Amount inadmissible under the proviso to section 36(1)(iii)



# Capital or Revenue Expense

- ▶ Few Relevant Tests – Para 30.2 of GN of ICAI
  - Creation of New Asset or Enduring Benefit
  - Fixed Capital or Fixed Asset Vs. Working Capital or Current Asset
  - Whether it relates to basic framework of business
  - Acquisition of an Intangible Asset

# Capital or Revenue –Principles

- ▶ Royalty paid to Foreign Collaborator for technical know how fees
  - No business in existence – Capital Expenditure – Honda Sael Cars India Ltd. Vs. CIT (2017) 99 CCH 39 (SC)
  - Subsequent years – business in existence – Royalty paid for improvement in the business – Revenue Expense – CIT Vs. Hero Honda Motors Ltd. 372 ITR 481 (Del.)
- ▶ Expense incurred for carrying on existing business in a more efficient manner incidentally resulting in enhancement of capacity – Revenue in nature – No enduring benefit or creation of income generating apparatus – *CIT Vs. Television Eighteen India Ltd. 364 ITR 605 (Del.)*
- ▶ Expenses on upgradation of application software
  - Revenue Exps. : *ACIT Vs. Sanghvi Savla Stock Brokers Ltd. 152 ITD 820 (Mum.)*

# Capital or Revenue – Principles

- ▶ Construction Expenditure incurred on an abandoned project is allowable as revenue expenditure – No asset is created – *Binani Cement Ltd. Vs. ACIT 380 ITR 116 (Cal.)*
- ▶ Fees paid for technical collaboration agreement which had to be terminated – Capital in nature – *Oriental Seritech Ltd. Vs. CIT 149 ITD 350 (Mum.)*
- ▶ Assessee engaged in production of audio cassettes and CDs – payment made for purchase of copyrights of sound tracks of films – Revenue Expenditure – *ITO Vs. Five Star Audio 143 ITD 288 (Chennai)*.
- ▶ DCIT Vs. Gujarat Narmada Valley Fertilizers Co. Ltd. 215 Taxman 72 (Guj)
  - Loan taken for the purpose of business – Expenditure incurred on restructuring of such loan is revenue in nature
  - Premium on Redemption of Debentures which were issued for working capital requirements – Revenue Expenditure

# Capital or Revenue – Principles

- ▶ Cyanamid Agro Ltd. Vs. ACIT 148 ITD 606 (Mum.)
  - Payment made for avoiding competition over a reasonable long period of time – Capital in nature
  - If the period is uncertain and competition can again start any time – Revenue Expenditure
- ▶ Rent Income assessed as Business Income – Payment of compensation to existing tenant to obtain vacant possession of building so as to earn higher rent – Revenue Expenditure – *Shyam Burlap Co. Ltd. Vs. CIT 380 ITR 151 (Cal.)*
- ▶ Expenses on Medical treatment of Eyes in the case of an advocate – Personal in nature – *Dhimant Hiralal Thakkar Vs. CIT 380 ITR 275 (Bom.)*
- ▶ Expenses to perfect the title of the land is capital expenditure – No Depreciation is allowable since do not pertain to Building – *Sandvik Asia Ltd. Vs. DCIT 378 ITR 114 (Bom.)*

# Explan to 37(1)



- ▶ Penalty or fine for violation of any law for the time being in force
  - Penalty paid for delay in supply of material – Whether allowable
  - Penalty for procedural lapses in compliance of Rules & Regulations of associations etc
    - LKP Securities 36 CCH 93 (Mum)
    - Dy. CIT Vs. Kisan Ratilal Choksey Shares & Securities Pvt. Ltd. 41 (ITR Trib) 114 (Mum.)
- ▶ Prakash Cotton Mills P. Ltd. Vs. CIT 201 ITR 684 (SC)
  - AO Should examine the scheme of the relevant statute to decide the nature of the particular levy to decide whether it is compensatory in nature or penal in nature – Nomenclature is not relevant while deciding the issue. In case of composite payment – amount is to be bifurcated appropriately
- ▶ Penal Interest Vs. Compensatory Interest under various laws like Sales Tax, Excise, Service Tax etc
- ▶ Penalties for Late filing of VAT Returns / Late filing Fees for Service Tax

# Expln to 37(1)

- ▶ CIT Vs. Ahmedabad Cotton Mfg. Co. Ltd. 205 ITR 163 (SC)
  - Penalty for infraction of law is not permissible but payment in obedience of law as a measure of business expediency can not be subject to disallowance. Payment made towards exercise of option given by the scheme is not to be disallowed.
- ▶ Expense for any purpose which is an offence or which is prohibited by law
  - Compounding Fees / Consent Fees for settling Dispute – *ITO Vs. Reliance Share & Stock Brokers P. Ltd. 67 SOT 73 (Mum.)*
  - Advocate Fees – *T & T Motors Vs. Addl CIT 154 ITD 306 (Del.) – against*
  - Ransom Money

# Expln. to Sec. 37 (1)

- ▶ Compromise payment made to landlord to protect the Leasehold right – not an offence – allowable – *CIT Vs. Sports Field Amusement 231 Taxman 252 (Bom.)*
- ▶ Assessee guaranteed payment by third party – Third party failed – Decree executed against assessee – Payment made to avoid defamation of name – Held allowable – *CIT Vs. Hitachi Koki India Ltd. 230 Taxman 643 (Karn.)*
- ▶ Additional Filing Fees paid to ROC – Compensatory in nature – Allowable – *Cummins Turbo Technologies Ltd. Vs. DCIT 169 TTJ 358 (Pune)*



## 40(a)(i) – 40(a)(ia)

- ▶ Can Auditor rely on Certificates issued u/s. 195 or he should examine all the documents / treaties etc.
- ▶ Section 40(a)(i) – Whether deduction is required to be made when the relevant income is not taxable in India due to DTAA
  - GE India Technology Centre Pvt. Ltd. Vs. 327 ITR 456 (SC)
- ▶ Deduction of TDS at lesser rate – Whether disallowance to be made u/s. 40(a)(ia)
  - DCIT Vs. Chandabhoy and Jassobhoy 49 SOT 448 (Mum.)
  - DCIT Vs. S. K. Tekriwal 48 SOT 515 (Cal.) – confirmed in CIT Vs. S. K. Tekriwal 361 ITR 432 (Cal.)
  - Contra View – CIT Vs. PVS Memorial Hospital Ltd. 380 ITR 284 (Ker)





## 40(a)(i) – 40(a)(ia)

- ▶ No TDS on Reimbursement of Expenses – *CIT Vs. DLF Commercial Project Corporation 379 ITR 538 (Del.)* ; *Hightension Switchgears P. Ltd. Vs. CIT 385 ITR 575 (Cal.)*
- ▶ Tax Deducted and Paid but no TDS Return filed – whether disallowance is to be made
- ▶ Form 15G / 15H not filed with Department – Whether Disallowance to be made
- ▶ No Disallowance where the expenditure is capitalised in the books of accounts – *CIT Vs. Mark Auto Industries Ltd. 358 ITR 43 (P & H)*
- ▶ No Liability to deduct tax on transport charges where primary contract is for supply and Transport is incidental – *CIT Vs. Krishak Bharati Co. Op. Ltd. 349 ITR 68 (Guj)*



# 40(a)(i) – 40(a)(ia)

- ▶ No TDS on Overseas Commission to Foreign Agent
  - Circular No. 23 of 1969
  - Circular No. 7 Dated 22-10-2009
  - CIT Vs. Toshoku Ltd. 125 ITR 525 (SC)
  - CIT Vs. Gujarat Reclaim & Rubber Products Ltd. – ITA No. 2116 of 2013 – Order dated 8-12-2015 / 94 CCH 148 (Bom.)
  - Sesa Resources Ltd. Vs. DCIT 287 CTR 89 (Bom.)
- ▶ Second proviso to Section 40(a)(ia) – If tax paid by the recipient – No disallowance to be made
- ▶ Amount of Disallowance – Restricted to 30% w.e.f. A.Y. 2015-16
  - Deduction allowed in subsequent year on payment basis – w.e.f. 2015-16 also restricted to 30%
  - Disallowance in earlier year @ 100% and deduction now @ 30%

# 40(a)(i) – 40(a)(ia) – Paid Vs. Payable

## Favourable Decisions

- Merilyn Shipping & Transports Vs. Addl CIT 136 ITD 23 (Viz) (SB)
- CIT Vs. Vector Shipping Services 357 ITR 642 (All)

## Contra View :

- CIT Vs. Crescent Exports Syndicate – 94 DTR (Cal) 81
- CIT Vs. Sikandarkhan N. Tunvar & Ors. 357 ITR 312 (Guj)

## Now settled and concluded

- Palam Gas Service Vs. CIT (2017) 394 ITR 300 (SC)

# Section 40A(3)

- ▶ Rule 6DD – Exceptions to be taken care of
- ▶ Genuine Payments made in excess of the prescribed limit may still not be disallowed if they are made to meet the business exigencies and the payee can be identified
  - Honey Enterprises Vs. CIT 381 ITR 258 (Del.)
  - Anupam Tele Services Vs. ITO 366 ITR 122 (Guj)

# Section 14A – Rule 8D



- ▶ Rule 8D – Significance of the phrase “having regard to”
- ▶ Conclusive finding necessary
  - Godrej & Boyce Mfg. Co. Ltd. Vs. DCIT (2010) 328 ITR 81 (Bom.)
  - Maxopp Investment Ltd. Vs. CIT (2011) 347 ITR 272 (Del) recently approved by SC
  - CIT Vs. I. P. Support Service India P. Ltd. – 94 CCH 37 (2015) (Del)
- ▶ No Disallowance in absence of exempt income :
  - CIT Vs. Delite Enterprises – ITA No. 110 of 2009 (Bom) – itatonline.org
  - CIT Vs. Shivam Motors Pvt. Ltd. – (2015) 230 Taxman 63 (All)
  - CIT Vs. Corrttech Energy Pvt. Ltd. 223 Taxman 130 (Guj)
  - Cheminvest Ltd. Vs. CIT (2015) 378 ITR 33(Delhi)(HC) – SB decision overruled

# Section 14A – Rule 8D



- ▶ Meager Dividend Income
  - DCM Ltd. Vs. DCIT (Del. Trib) – ITA No. 4467/Del/2012 Dated 1-9-15 – following HC decision in Cheminvest
  
- ▶ Disallowance cannot be in excess of expenditure incurred
  - ACIT Vs. Iqbal M. Chagla – 67 SOT 123 (Mum)(URO)
  - Gillete Group India P. Ltd. 22 taxmann.com 61
  - Haresh S. Jhaveri – ITA No. 8518/Mum/2010

# 14A in MAT Scenario



- ▶ 115JB is a self contained code – Book Profit as per Explanation
- ▶ Clause (f) – Expenses in connection with incomes exempt u/s. 10, 11 and 12
- ▶ Expense to be added back “if debited to P & L A/c.” – Only Actual Expenses – No scope for Rule 8D
- ▶ Decisions
  - Essar Teleholdings Ltd. Vs. DCIT – ITA No. 3850/M/2010 (Mum.)
  - Quippo Telecom Infrastructure Ltd. Vs. ACIT – ITA No. 4931/Del/2010 (Del.)
  - Everest Kanto Cylinders Ltd. Vs. ACIT 167 TTJ 204 (Mum.)
- ▶ Clause (f) will not be applicable in case of no exempt income earned during the year – Minda Sai Ltd. Vs. ITO 114 DTR 50 (Del. Trib)

# Subsidiaries / Strategic Investments / Stock in Trade

- ▶ Purpose of Investment
- ▶ Recently Settled : Maxopp Investment Ltd. Vs. CIT SC – [itatonline.org](http://itatonline.org) – Dt. 12-2-18
  - Purpose is not relevant
  - Applies to both Stock in Trade and Investments
  - However only proportionate disallowance to be made
  - AO has to record finding how the disallowance made by assessee is incorrect



# Interest Disallowance – Mixed Funds



- ▶ Common Funds – Sufficient funds available for making Tax Free Investment
  - Woolcombers of India Ltd v. CIT 134 ITR 219 (Cal) / East India Pharmaceutical Works Ltd v. CIT 224 ITR 627(SC)
  - CIT Vs. Reliance Utility and Power Ltd. 313 ITR 340 (Bom) – section 36(1)(iii)
- ▶ CIT V. HDFC Bank Ltd. 366 ITR 505 (Bom.) – section 14A – applying ratio of Reliance Utility
- ▶ Similar view : CIT Vs. UTI Bank Ltd. 215 Taxman 8 (Guj) / CIT Vs. Torrent Power Ltd. 363 ITR 474 (Guj)

# Profit from Partnership Firm

Vishnu Anand Mahajan Vs. ACIT 137 ITD 189 (Ahd. SB)

- ▶ Funds are borrowed and Introduced as Capital in Firm
- ▶ Also other expenses are incurred by partner – Motor Car Expenses – Car Depreciation etc.
- ▶ Partner earns Remuneration + Interest + Share of Profit from Firm
- ▶ Section 14A applies to Interest and Other Expenses
- ▶ Disallowance to be made by apportionment
- ▶ Section 14A do not apply to depreciation

# Clause 22 to 24

22. Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.
23. Particulars of payments made to persons specified under section 40A(2)(b).
- Disallowance if the AO is of the opinion that the payments are excessive in nature
  - List of Persons specified – to be obtained from assessee – MR sufficient ?
  - Payments of capital nature made to specified persons whether to be reported ?
24. Amounts deemed to be profits and gains under section 32AC or 33AB or 33ABA or 33AC.

# Clause 25

25. Any amount of profit chargeable to tax under section 41 and computation thereof.

- ▶ Liability which is time barred but not written back in the accounts
  - CIT Vs. Vardhman Overseas Ltd. 343 ITR 408 (Del)
  - CIT Vs. Bhogilal Ramjibhai Atara 88 CCH 49 (Guj)
  - Contra view : ITO Vs. Shailesh D. Shah – Mum ITAT – itatonline.org – doubting genuineness
- ▶ Refund of excise duty / sales tax etc. where the department is in appeal at higher forums – whether section 41 gets attracted ?
  - CIT Vs. Hindustan Housing and Land Development Trust Ltd. 161 ITR 524 (SC) – Regarding compensation for land acquisition
- ▶ If liability disallowed u/s. 43B or 40(a)(ia) etc. whether the same can be added as income u/s. 41

# Clause 26

26. In respect of any sum referred to in clause (a), (b), (c), (d), (e) or (f) of section 43B, the liability for which:

- A. Pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was:
  - (a) paid during the previous year;
  - (b) not paid during the previous year.
- B. Was incurred in the previous year and was:
  - (a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1);
  - (b) not paid on or before the aforesaid date.

# Clause 26

- ▶ Section 43B is a disallowance section – Taxes paid in advance though not due as per law not allowable as deduction on payment basis
  - Gopikrishna Granites India Ltd v. DCIT (251 ITR 337)(AP)
  - Hindustan Liver limited v. V.K. Pandey, JCIT, (251 ITR 209) (Bom)
  - CIT Vs. Modipon Ltd. (SC) – itatonline.org – Advance deposit of central excise duty in the Personal Ledger Account (PLA) constitutes actual payment of duty within the meaning of s. 43B and the assessee is entitled to the benefit of deduction of the said amount
- ▶ Both Employer and Employee Contribution is allowable as deduction in the year of actual payment if not allowed earlier – *CIT Vs. Ghatge Patil Transports Ltd. 368 ITR 749 (Bom.)*
- ▶ Circular No. WSU/9(1) 2013/ Settlement – Dt. 8-1-16 – Availability of 5 days of grace has been discontinued

# Clause 27

27. (a) Amount of Central Value Added Tax credits availed of or utilized during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.

(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account.

# Prior Period Items – Clause 27

- ▶ Liability Materialised or Crystallised during the year is not prior period item
- ▶ Liability to Sales-tax arises right in the year of sale and the fact that assessment is made later on or appeal is decided later on is not relevant
  - Kalinga Tubes Ltd Vs. CIT 218 ITR 164 (SC)
  - Hajilal Mohd. Biri works 224 ITR 591 (SC)
- ▶ Error or omission in preparation of Accounts of last year – Prior period
- ▶ Revision of Estimates due to event in the current year – Not Prior Period





# Prior Period Items

- ▶ Short Provision for expenses made in earlier year – what about differential payment made in the current year on receipt of the bill.
- ▶ Expenses of earlier year for which bills were also received in the earlier year but left out to be booked due to error or omission
- ▶ Liability under dispute in earlier year – Now paid
- ▶ Section 43B items – VAT paid of earlier year during the current year
  - Due to order passed in the current year
  - Order passed earlier but not paid then and paid now

# Clause 28

28. Whether during the previous year the assessee has received any property, being share of a company not being a company in which public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(viia), if yes, please furnish the details of the same.
- ▶ **Section 56(2)(viia) not applicable from 1-4-17 New section 56(2)(x)**
  - ▶ Applies where a firm or a CHC receives shares of a CHC without consideration or for at less than FMV
  - ▶ Whether fresh issue of shares is covered
    - Khoday Distilleries Ltd. Vs. CIT 307 ITR 312 (SC) – Allotment of shares is appropriation out of unappropriated share capital – Does not amount to transfer
  - ▶ Whether Bonus shares received will be covered
    - CIT Vs. Dalmia Investment Co. Ltd. 52 ITR 567 (SC) – Bonus shares are without payment but not without consideration
  - ▶ Whether Right Shares subscribed at less than FMV will be covered
    - Proportionate allotment / Disproportionate allotment
      - Sudhir Menon HUF Vs. ACIT 148 ITD 260 (Mum.)

# Clause 29 & 30

29. Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(viib), if yes, please furnish the details of the same

*Note : This applies to only companies who has issued shares during the year. Section 56(2)(viib) gets attracted where the issue price exceeds the fair value of the shares. For this purpose valuation of the shares has to be made in accordance with the Rule 11UA*

30. Details of any amount borrowed on hundi or any amount due thereon(including interest on the amount borrowed) repaid, otherwise than through an account payee cheque [Section 69D].

# Clause 31

31. (a) Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:–

- (i) name, address and permanent account number (if available with the assessee) of the lender or depositor;
- (ii) amount of loan or deposit taken or accepted;
- (iii) whether the loan or deposit was squared up during the previous year;
- (iv) maximum amount outstanding in the account at any time during the previous year;
- (v) whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft.

(These particulars need not be given in case of a Govt. company a banking company or a corporation established by a Central State or Provincial Act.)

# Clause 31 Cont.

- (b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year:
- (i) name, address and permanent account number (if available with the assessee) of the payee;
  - (ii) amount of the repayment;
  - (iii) maximum amount outstanding in the account at any time during the previous year;
  - (iv) whether the repayment was made otherwise than by account payee cheque or account payee bank draft.



# Loans Accepted or Repaid

- ▶ Amount received from customers against Sale of Goods – Impact of new section 269ST
- ▶ No Transaction in Loan Account – Whether to be reported
- ▶ Running current account – Loans taken and repaid from time to time – How to report
- ▶ Op. Balance in Loan account is 15000/- – Current year Loan taken in cash Rs. 15,000/- – Whether violation of section 269SS
- ▶ Op. Balance – 1 Lakh – Rs. 15,000/- received in cash in the year – Whether violation of section 269SS



# Sec. 269– SS / 269 T – Clause 31

- ▶ Transactions by Journal entry whether covered :
  - CIT Vs. Triumph International Finance (I) Ltd. 345 ITR 270 (Bom)
  - CIT Vs. Noida Toll Bridge Co. Ltd. 262 ITR 260 (Del.)
  - CIT Vs. Worldwide Township Projects Ltd. 367 ITR 433 (Del.)
  - CIT Vs. Bombay Conductors & Electricals Ltd. 301 ITR 328 (Guj)
  - CIT Vs. Saurabh Enterprises – 106 DTR 137 (All.)
  - Lodha Builders Vs. ACIT – 106 DTR 226 (Mum. Trib)
  - CBDT Circular No. 387 Dated 6–7–1984

# Clause 32

32. (a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available:

SI. No	Assessment Year	Nature of loss/allowance (in rupees)	Amount as returned (in rupees)	Amount as assessed (give reference to relevant order))	Remarks
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(b) Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of Sec 79

c) Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same.



# Clause 32 Cont...

- (d) Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, If yes, please furnish the details of the same.
  - (e) In case of a company, please state that whether the company is deemed to be carrying on a speculation business referred in explanation to section 73, If yes, please furnish the details of speculation loss if any incurred during the previous year.
- ▶ Past losses are not allowed to be set off in a case where the change in shareholding results in diversion of voting power to the extent of more than 51%
  - ▶ CIT Vs. Amco Power Systems Ltd. 379 ITR 375 (Kar).
    - What is relevant is voting power and not shareholding pattern
    - Change of shareholding between the existing shareholders will not have any impact

## Clause 33

### 33. Section-wise details of deductions, if any, admissible under Chapter VI-A or Chapter – III (Section 10A, Section 10AA)

<b>Section under which deduction is claimed</b>	<b>Amounts admissible as per the provision of the Income-tax Act, 1961 and fulfills the conditions, if any, specified under the relevant provisions of Income Tax Act, 1961 or Income-tax Rules, 1962 or any other guidelines, circulars etc., issued in this behalf.</b>

# Clause 34

34. (a) Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:

1. TAN No.
2. Section
3. Nature of Payment
4. Total amount of payment or receipt of the nature specified in 3
5. Total amount on which tax was required to be deducted or collected out of 4
6. Total amount on which tax was required to be deducted or collected at specified rate out of 5
7. Amount of Tax deducted or collected out of the 6
8. Total amount on which tax was deducted or collected at less than the specified rate out of 7
9. Amount of tax deducted or collected on 8
10. Amount of tax deducted or collected not deposited to the credit of the Central Government out of 6 and 8

# Clause 34 Cont...

(b) Whether the assessee has furnished the statement of tax deducted or collected within the prescribed time. **If not**, please furnish the details:

(i) TAN No.

(ii) Type of Form

(iii) Due date for furnishing

(iv) Date of furnishing, if furnished

(v) Whether the statement of tax deducted or collected contains the information about all the transactions which are required to be reported

- ▶ **If returns filed in time – whether the above information is not required ?**

# Clause 34 Cont...

(c) Whether the assessee is liable to pay the interest under section 201(1A) or section 206C (7), if yes, please furnish:

- TAN No
- Amount of Interest under section 201(1A)/206C(7) is payable
- Amount paid out of above along with date of payment.

# Clause – 34 – TDS Compliance

- ▶ Complete details need to be given for payments liable to TDS including the cases where deduction is made at lesser rate
- ▶ Also details of tax deducted but not deposited needs to be given
- ▶ In case of Multiple TAN – Details are to be given separately for each TAN
- ▶ Dates of filing the TDS Statements are to be reported
- ▶ **Auditor needs to certify that the TDS Statement filed by assessee contains information about all the transactions**
- ▶ Interest Working is required to be given – Section 201(1A) – Interest Calculation

# Clause 34 – TDS Compliance

- ▶ Section 201(1A) – Interest Calculations for delay in payment of TDS
  - 1% p.m or part of a month from date on which deductible to date of deduction
  - 1.5% p.m. or part of a month from date of deduction to date of payment
- ▶ Part of a month – Month whether calendar month or period of 30 days :
  - CIT Vs. Arvind Mills Ltd. 204 Taxman 38 (Guj) – Sec. 244A
  - Oil & Natural Gas Commission Vs. ACIT 62 taxman.com 133 (Ahd.)
  - Navayuga Quazigund Expressway (P.) Ltd. Vs. DCIT 64 taxman.com 212 (Hyd.)

# Clause 35 to 41

- ▶ Clause 35 – Quantitative Records
- ▶ Clause 36 – Dividend Distribution Tax – 1150
- ▶ Clause 37 – Cost Audit
- ▶ Clause 38 – Central Excise Audit
- ▶ Clause 39 – Service Tax Audit
- ▶ Clause 40 – Ratios
- ▶ Clause 41 – Demand Raised / Refund Issued under any tax laws other than Income-tax / Wealth Tax



# Date of Audit Report

- ▶ Language of Section 44AB
- ▶ Audit Report to be obtained before the due date and Return to be filed on or before due date
- ▶ If Audit Report Dated – 30<sup>th</sup> September – whether 44AB violated ?
  - Chandra Kumar Seth Vs. ITO 62 ITD 106 (All.)
  - Chopra Properties Vs. ACIT ITA No. 6199/Del/2015 – itatonline.org

# Broad Message

- ▶ CA – **C**onsistent **A**chiever
- ▶ Do Remember : When the going gets tough the Tough gets going



*THANK YOU  
FOR YOUR  
TIME*



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