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## ALL GUJARAT FEDERATION OF TAX CONSULTANTS

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To  
Hon. K V Chowdary  
Chairman  
Central Board of Direct Taxes  
Ministry of Finance  
North Block  
New Delhi.

Date: 11/08/2104

Subject: Hardship caused by applicability of New Form No. 3CA, 3CB and 3CD for furnishing Tax Audit Report u/s 44AB

Honorable Sir,

We appreciate that your kind honor has taken over a week before but being the highest administrative authority we have to represent with your honor for removal of genuine hardship.

Central Board of Direct Taxes vide Notification No.33 dated July 25<sup>th</sup>, 2014 has recently notified new Form No. 3CA, Form No. 3CB and Form No. 3CD for furnishing Tax Audit Report u/s 44AB of the Income Tax Act, 1961 with immediate effect.

It is provided that the old Forms are invalid even for the previous AYs thereby necessitating the filing of Tax Audit Report u/s 44AB of the Act in revised format for any such Report filed for any Assessment Year after the date of Notification. Further, the schema and the revised utility for e-filing have not been made available at the website of Income Tax department till date.

The introduction of new Forms in the end of the month of July just before 2 months prior to the due date for furnishing Audit Report has mainly generated practical difficulties for the Tax Auditors and the tax payers, especially Government and semi-Government tax payers as the amendments, as much as 18 in numbers as compared to previous report, made in new form and the newly inserted clauses are not merely observations but requires detailed working and examination by the Tax Auditors. Also, the Tax payers are required to furnish additional information. Consequently, fresh tax audit has to be conducted so as to comply with the additional requirements of the new Forms.

The detailed reasons warranting the extension of the applicability of new form for the current assessment year and onwards are as under:

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1. The majority of the Auditors have already completed Tax Audits except uploading the Report on e-filing portal and in order to comply with these amendments and additional requirements, fresh examination and enquiry is to be conducted by the Tax Auditors.
2. The furnishing of Tax Audit report in new format at this point of time would increase burden on the Government in terms of revised Audit fees and allowances like travelling, lodging, boarding and other such expenses where the entities have large number of branches situated in different regions of the country such as Banks.

In such cases, most of the Tax Audits have been duly completed by the branch auditors and have been handed over to the Auditor of Head Office for consolidation. In view of this Notification, the Tax Audit report of such entity will have to be furnished in revised forms and fresh audit will have to be conducted for all the branches thereby increasing burden on the Government in terms of costing.

3. The issues mentioned above are applicable for most of the cases in the private sector also.
4. The Guidance Note on Tax Audit under Section 44AB of the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India (ICAI) also needs revision so as to provide guidelines for the Professionals conduction such Audit.

In view of the above, it is humbly submitted that the applicability of new Forms for those Audits would lead to hardship of the Auditors as well as the tax payers and would result in increase of financial burden on the Government of India along with hardship to tax payers. It is also prayed that appropriate clarification be issued with regard to the position of the tax audit reports e-filed during 01.04.2014 to 24.07.2014 relating to Assessment Year 2014-15.

We would request you to kindly consider the aforementioned issues and extend the applicability of the revised Form for tax audit report and implement the same are discussions and calling for suggestion from Professional & Trade bodies.

Thanking You.

Yours faithfully,

**(Samir S Jani)**  
**President**

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