

FREQUENTLY ASKED QUESTIONS (FAQs) ON e-FILING OF TAX AUDIT REPORT

(Developed by Direct Taxes Committee of ICAI in consultation with the Officials of Directorate of Income-Tax (Systems))

Note: This document deals with those FAQ's which are not covered in the e-filing portal. The members may visit the www.incometaxindiaefiling.gov.in for other FAQ's.

[Go to home page of www.incometaxindiaefiling.gov.in, click on 'Help' menu at right topmost corner of the page, then click on the link as may be considered necessary]

1. What is the complete procedure to upload tax audit reports by Tax Professionals?

The procedure of e-filing is explained at the following path of e-filing website:

https://incometaxindiaefiling.gov.in/e-Filing/Portal/StaticPDF/Registration_Services.pdf?0.2231070064008236

However, the procedure in brief is mentioned below:



Step- I	Registration on e-filing portal	Action by Chartered Accountant
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- a) Access www.incometaxindiaefiling.gov.in
- b) Click on 'Register Yourself' tab and select the user type under Tax Professional as 'Chartered Accountant'
- c) Enter Basic details:
 - Details of membership of ICAI: MRN, Enrollment date
 - Personal Details: Surname, Middle Name, First Name, Date of Birth, PAN, E-mail id
 - Digital Signature Certificate: upload .pfx file or USB token
 - Click 'Submit'
- d) After successful submission of above basic details, enter details in registration form:
 - Set Password.
 - Set primary secret question and answer thereof.
 - Set secondary secret question and answer thereof
 - Enter contact details: Landline number, mobile number; alternate number; e-mail id & alternate e-mail id; Fax number
 - Postal Address
 - Subscribe to e-mail and alerts
 - Captcha Code

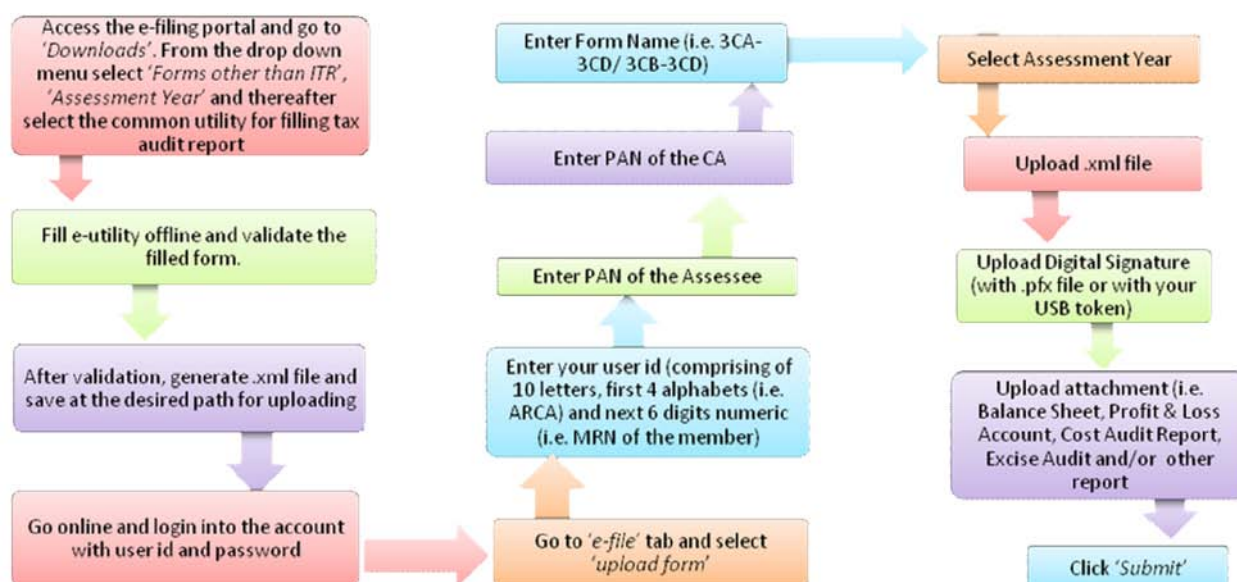
After successful submission of all above details, the user will receive a confirmation e-mail containing an activation link. The user account will be activated as soon as the user triggers that link, thereby updating the database of Income-tax Department. An SMS will also be sent at the registered contact number of the user notifying that a confirmation mail was sent to his/her registered e-mail id.

Step- II	Add Chartered Accountant	Action by Assessee
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- Assessee is required to login into his/her account by entering user id and password at www.incometaxindiaefiling.gov.in
- Go to 'My Account' tab and select 'Add CA'
- Enter MRN of the CA. After entering correct 6 digits MRN of CA, the name of CA will automatically get prefilled.
- Select the Form no. for which CA is supposed to be added.
- Select Assessment Year
- Enter the image of the captcha code
- Click 'Submit'

After successful submission of above, a message will be displayed notifying the addition of CA in assessee's profile.

Step- III	Submit Tax Audit report	Action by Chartered Accountant
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After successful uploading of tax audit report, the said form will go to assessee for approval.

Step- IV	Approval or Rejection of uploaded tax audit report	Action by Assessee
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- Login the account and navigate to 'Work list' tab (Assessee will be able to view list of forms submitted by Chartered Accountant along with attachment)
- Click on 'View Form'
- Assessee can verify the form and approve/reject the form (other than ITR).
- The acceptance of the form (other than ITR) by the assessee is to be made under his/her Digital Signature.
- If assessee is rejecting the form, reason for such rejection has to be provided.

An email will be sent to the registered e-mail id after successful submission of the form along with the acknowledgement number.

2. Whether Schedules and Notes to Accounts are also required to be uploaded with Balance Sheet and P&L?

Form No. 3CA requires the tax auditor to annex a copy of the Statutory Audit Report along with the copy of audited Profit and Loss Account/ Income & Expenditure Account, audited Balance Sheet and documents declared by the said Act to be a part of / or annexed to the Balance Sheet and Profit and loss Account/ Income & Expenditure Account. Accordingly, the same are required to be uploaded.

With regard to Form No.3CB, the tax auditor is required to annex the audited Balance Sheet, Profit and loss account /Income & Expenditure Account along with notes to accounts and schedules, if any, forming part of Balance Sheet, Profit and loss account /Income & Expenditure Account.

3. Whether it is mandatory to upload a scanned copy of signed Balance Sheet, P&L and other documents?

Balance Sheet, Profit and Loss Account in Word, Excel Format, etc signed as “sd/-” can be converted in to ‘.pdf’ file and uploaded on the portal. However, the auditor should maintain the physically signed Audited Report in his records and ensure from that there is no difference between physical report and PDF file uploaded.

4. Whether Name / Date of Birth (DOB) of the Chartered Accountant given in PAN database (as per ITD e-filing website) is to be matched with the ICAI database for successful registration in the e-filing portal?

E-filing portal verifies the Name of Member and Date of Birth entered in Registration Form from ICAI Database and also PAN Database. In case there is difference / mismatch of details between the two Databases the portal will not allow registration. In case any member is facing such difficulty, please refer to procedure given in the following link <http://220.227.161.86/30652dtc20622.pdf>

5. Whether audit conducted under section 44AD, 44BB, 44BBB & 44AE is required to be filed electronically?

Sections 44AD, 44BB, 44BBB & 44AE provide that in specified cases the assessee is required to get his accounts audited and furnish the report of such audit as required under section 44AB. Therefore, e-filing is applicable to such audits also.

6. Where the Firm Registration No. (FRN) should be mentioned in the e-forms?

The present E-filing portal does not provide field to mention FRN, however, the department is in the process of enabling this facility. Till the utility is configured to allow entering of FRN, members need not mention their FRN.

7. Where should the comments/observations in respect of a particular clause of Form No.3CD is to be mentioned in the e-form?

Comments / observations, if any relating to the clauses may be given in Form 3CA/3CB subject to space provided therein. Alternatively, they can be uploaded as PDF file in the field ‘Upload other report’ of the portal.

8. In case tax audit is conducted by joint auditors, what is the procedure to upload tax audit report electronically?

The e-filing portal allows the report to be uploaded by a single auditor. Therefore, the joint auditors may mutually agree and decide the auditor who shall upload the report. However, all the joint auditors should sign the hard copies.

As per the ICAI's "Guidance Note on Tax Audit u/s 44AB of the Income-tax Act, 1961", it is possible for the assessee to appoint two or more chartered accountants as joint auditors for carrying out the tax audit, in which case, the audit report will have to be signed by all the chartered accountants. As per Standards on Auditing 299 (Responsibility of Joint Auditors) issued by ICAI, normally, the joint auditors are able to arrive at an agreed report. In such case, the physical copy should be signed by all the auditors. Thereafter, any one of them may upload the report.

However, where the joint auditors are in disagreement with regard to any matters to be covered by the report, each one of them should express his own opinion through a separate report. A joint auditor is not bound by the views of the majority of the joint auditors regarding matters to be covered in the report and is required to express his opinion in a separate report in case of a disagreement. Such separate reports are also to be uploaded on the portal.

9. What is the procedure to furnish revised audit report electronically?

In case of revision, the audit report should be given in the manner suggested by the Institute in SA-560 (Revised) "Subsequent Events". It may be pointed out that report under section 44AB should not normally be revised. However, sometimes a member may be required to revise his tax audit report on grounds such as:

- (i) revision of accounts of a company after its adoption in annual general meeting.
- (ii) change of law e.g., retrospective amendment.
- (iii) change in interpretation, e.g. CBDT's circular, judgments, etc.
- (iv) Any other reason like system/software error requiring change in report already uploaded.

In case, where a member is called upon to report on the revised accounts, then he must mention in the revised report that the said report is a revised report and a reference should be made to the earlier report also. In the revised report, reasons for revising the report should also be mentioned.

The e-filing portal allows uploading such Revised Audit Report by the CA for the same PAN and Assessment Year.

10. Is there any upper limit on the no. of audit reports which can be uploaded by a Chartered Accountant on e-filing portal?

As per ICAI Council Guidelines No.1-CA(7)/02/2008, dated 8th August, 2008, a member of the Institute in practice shall not accept, in a financial year, more than the 45 tax audit assignments under Section 44AB of the Income-tax Act, 1961. However, audits conducted under sections 44AD and 44AE shall not be included in this limit.

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Since, the Income-tax Act, 1961 does not provide any limit on number of tax audits assignments which can be undertaken by a Chartered Accountant the e-filing portal does not provide any restriction. However, members are required to comply with the prescribed ceiling limits.

11. If there are 10 partners in a firm of Chartered Accountants, then how many tax audits reports can each partner sign in a financial year?

As per Chapter VI of Council General Guidelines, 2008 (Tax Audit Assignments under Section 44AB of the Income Tax Act, 1961), a member of the Institute in practice shall not accept, in a financial year, more than the specified number of tax audit assignments as prescribed under Section 44AB of the Income Tax Act, 1961. The specified number of tax audit assignments under Section 44AB of the Income Tax Act, 1961 is 45.

It is further provided in Chapter VI of Council General Guidelines, 2008 that in case of firm of Chartered Accountants in practice, specified number of tax audit assignments means 45 tax audit assignments per partner of the firm, in a financial year.

Therefore, if there are 10 partners in a firm of Chartered Accountants in practice, then all the partners of the firm can collectively sign 450 tax audit reports. This maximum limit of 450 tax audit assignments may be distributed between the partners in any manner whatsoever. For instance, 1 partner can individually sign 450 tax audit reports in case remaining 9 partners are not signing any tax audit report.

It is needless to say that the tax audit assignment should be in accordance with the Standard on Quality Control (SQC) 1: Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

12. What is recommended system requirements for facilitating e-filing?

To increase the computer processing speed all the previous versions of java be removed from the computer. To use the e-forms utility install Java Runtime Environment Version 7 update 13 (jre 1.7 is also known as jre version 7) or <https://incometaxindiaefiling.gov.in>

13. If tax audit report is issued and the ITR is filed prior to issuance of the Notification No. 34/2013, dated 01-05-2013 which mandates e-filing of audit reports. In such cases whether e-filing of audit reports is required?

CBDT Notification No. 34/2013 dated 1-05-2013 provides that the rules prescribed therein shall be deemed to have come into force with effect from the 1st day of April, 2013. Accordingly, even if ITR has been filed prior to issuance of said Notification, Tax Audit report is required to be e-filed separately.

14. In case of e-filing of audit reports what is the date of audit report?

Date on which the report is physically signed by the Auditor shall be the date of audit report.

15. Is it possible to e-file the ITR first and then e-file the audit report?

e-filing of ITR and Tax Audit report are independent actions. However, it is advisable to first upload tax audit report and then file IT return.

- 16. Even after filling complete details in the first page of ITR-7, one is not allowed to proceed to second page. What should be done in such a case?**

The trust should first fill the status and then PAN.

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