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GUIDANCE NOTE ON REVISED TAX AUDIT REPORT AND COMPARISION BETWEEN EXISTING & REVISED 3CD

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- While every effort has been made to avoid errors and to provide authentic opinion, however you are most welcome to give your opinion and suggestion to me. The view expressed and the table in this document is an original and personal working of preparer.
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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
(CENTRAL BOARD OF DIRECT TAXES) has amended the tax audit report wide Notification no. 33/2014, S.O. 1902 (E), In exercise of the powers conferred by section 295 read with section 44AB of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the Following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (7th Amendment) Rules, 2014.
   (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962, in Appendix-II, for Form No. 3CA, Form No. 3CB and Form No. 3CD.

Note: Form No. 3CA(In case books of accounts have been audited under any other law) and 3CB(In case books of accounts have not been audited under any other law) are more or less same. Significant changes have been made in form 3CD. Some existing clauses have been amended and some new clauses have been inserted; now we have 41 clauses in revised 3CD. Comparison between existing & revised is given hereunder.

COMPARISION BETWEEN OLD REVISED TAX AUDIT REPORT

Note: In existing 3CD, Part-A having clause 1 to 6 and part-B having clause 7 to 32. However in revised 3CD, part-A having clause 1 to 8 and part-B start from clause no. 9 to end with clause no. 41. Existing 3CD having 1 to 32 clauses(sequentially, in total 34 clauses), however revised 3CD having 1 to 41 clauses(41 sequentially as well as in total).

Clause no.	REVISED TAX AUDIT REPORT	OLD TAX AUDIT REPORT	ADDITIONAL INFORMATION TO BE FURNISHED(AND SOME EXPLANATION)
1.	Name of the Assessee	Name of the Assessee	-
2.	Address	Address	-
3.	Permanent Account Number(PAN)	Permanent Account Number(PAN)	-
4.	Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, customs	Status(constitution of assessee)	TIN No, ST REG NO., EXCISE REG NO. ETC WHICHEVER IS APPLICABLE.

	duty, etc. if yes, please furnish the registration number or any other identification number allotted for the same.	This clause has been substituted by clause 5 of revised 3CD.	This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
5.	Status	Previous year ended This clause has been substituted by clause 6 of revised 3CD.	-
6.	Previous year	Assessment year This clause has been substituted by clause 7 of revised 3CD.	Now we have to furnish period of previous year i.e. from……..to……….. While in existing 3CD, we were required to furnish "previous year ended" i.e. date of ending of previous year.
7.	Assessment year	This clause has been substituted by clause 9 of revised 3CD. No change has been made.	-
8.	Indicate the relevant clause of section 44AB under which the audit has been conducted	a) Nature of business or profession. b) If there is any change in the nature of business or profession, the particulars of such change. This clause has been substituted by clause 10 of revised 3CD. This clause has been substituted by clause 10 of revised 3CD.	This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
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 profits haring ratio since the last date of the preceding year, the particulars of such change.	a) Whether books of accounts are prescribed under section 44AA, if yes, list of books so prescribed. b) Books of account maintained. c) List of books of account examined. This clause has been substituted by clause 11 of revised 3CD. This clause has been substituted by clause 11 of revised 3CD.	-

10.	(a) Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession). (b) If there is any change in the nature of business or profession, the particulars of such change.	Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section). This clause has been substituted by clause 12 of revised 3CD.	-
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. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location) (c) List of books of account and nature of relevant documents examined.	a) Method of accounting employed in the previous year. b) Whether there has been any change in the method of accounting employed vis-à-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) Details of deviation, if any, in the method of accounting employed in the previous year form the accounting standards prescribed under section 145 and the effect thereof on the profit or loss. This clause has been substituted by clause 13 of revised 3CD.	9(a), (b), (c) of existing 3CD have been substituted by 11(a), (b), and (c) of revised 3CD. Sub clause (a) and (c) of clause 11 of revised 3CD are same as sub clause (a) and (c) of clause 9 of existing 3CD. However 11(b) of revised 3CD requires Address At which the books of accounts are kept. And also requires the address of all location where books of accounts are kept (In case books of accounts are not kept at one location).
12.	Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, and 44BBB, Chapter XII-G, First Schedule or any other relevant section.)	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 145 A, and the effect thereof on the profit or loss. This clause has been substituted by clause 14 of revised 3CD.	-
12A.	There is no clause of this number in revised 3CD.	Give the following particulars of the capital asset converted into stock-in-trade: - (Note:-I am not giving full detail of clause,	-

		please refer existing 3CD) This clause has been substituted by clause 15 of revised 3CD.	
13.	(a) Method of accounting employed in the previous year. (b) Whether there had 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) Details of deviation, if any, in the method of accounting employed in the Previous year from accounting standards prescribed under section 145 and the effect thereof on the profit or loss.	Amounts not credited to the profit and loss account, being, -(Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 16 of revised 3CD.	-
14.	(a) Method of valuation of closing stock employed in the previous year. (b) In case of deviation from the method of valuation prescribed under section 145A and the effect thereof on the profit or loss, please furnish.	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:- (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 18 of revised 3CD.	-
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.	Amount admissible under section- 33AB, 33ABA, 33AC, 35, 35ABB, 35AC, 35CCA, 35CCB, 35D, 35DD, 35DDA and35E. This clause has been substituted by clause 19 of revised 3CD.	In existing 3CD, disclosure of sec 33AC was required. However in revised 3CD, disclosure under said section has been omitted from the substituting clause 19 of revised 3CD.
16.	Amounts not credited to the profit and loss account, being: - (a) the items falling within the scope of section 28;	a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him	Note: - Wording of 16(b) of existing 3CD has been changed. In substituting clause 20(b) of revised 3CD, wording is "Details of contributions received from

	(b) the proforma credits, drawbacks, refund of duty of customs or excise or service tax, or refund of sales tax or value added 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.	as profits or dividend. [section 36(1)(ii)]. b) Any sum received from the employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(x); and due date for payment and the actual date of payment to the concerned authorities under section 36(1) This clause has been substituted by clause 20 of revised 3CD.	employees for various funds as referred to in section 36(1)(va)" instead of wording of clause 16(b) of existing 3CD.(please refer the clause 16(b) of existing 3CD for wording.)
17.	Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, please furnish: Note: - Details of property, Consideration received or accrued, Value adopted or assessed or assessable are required to be given.	Amount debited to the profit and loss account, being:- capital expenditure, personal expenditure, Advertisement etc. (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 21 of revised 3CD.	Details regarding to any transfer of property whether any land or building:- 1. Details of property 2. Consideration received or accrued. 3. Value adopted or assessed or assessable. However if property is transferred for a consideration at or more than the stamp value, this clause shall not apply. This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
17A.	There is no clause of this number in revised 3CD.	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. This clause has been substituted by clause 22 of revised 3CD.	-
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.	Particulars of any payment made to persons specified under section 40A (2) (b). This clause has been substituted by clause 23 of revised 3CD.	-

	(b) Rate of depreciation. (c) Actual cost of written down value, as the case may be. (d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of – i) Central Value Added Tax credits 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.		
19.	Amounts admissible under sections: 1. Section 32AC, 33AB, 33ABA, 35(1)(i), 35(1)(ii), 35(1)(iia), 35(1)(iii), 35(1)(iv), 35(2AA), 35(2AB), 35ABB, 35AC, 35AD, 35CCA, 35CCB, 35CCC, 35CCD, 35D, 35DD, 35DDA, 35E. 2. Amount debited to profit and loss account; 3. Amounts admissible as per the provisions of the Income-tax Act, 1961 and also fulfils the conditions,	Amounts deemed to be profits and gains under section 33AB or 33AC or 33ABA. This clause has been substituted by clause 24 of revised 3CD.	In revised 3CD some new sections are notified for which detail regarding amount debited in p&l and eligibility of deduction under the said Act are needs to be furnished. And those newly notified sec. are 35 (1)(i),35 (1)(ii),35 (1)(iii),35 (1)(iv),35 (2AA),35 (2AB). Details of newly added section 32AC in said act inserted by finance Act, 2013 for “Investment Allowance” for investment in New Assets worth Rs. 100 crores or more in aggregate of A.Y. 2014-15 & 2015-16.

	if any specified under the account the conditions, if any specified under the relevant 14provisions of Income-tax Act, 1961 or Income-tax Rules,1962 or any other guidelines, circular, etc., issued in this behalf. Note: - for the detail this disclosure, please refer the annexure-1 attached herewith.		**<u>Please note:</u>** Sec 32AC is available only for the A.Y. 2014-15 & 2015-16. If investment in 14-15 is less than 100 crores but we make investment in new assets in 15-16 and our investment crossed the 100 crores in aggregate of both the A.Y., we can claim deduction in 15-16 for entire amount. Definition of New Assets is given in said section. **<u>Also note</u>** that deduction of 32AC is in addition to the normal & Additional depreciation and WDV of blocks shall not be reduced for this deduction. For the further detail, please refer the said saction.
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 contributions received from employees for various funds as referred to in section 36(1)(va):	Any amounts of profits chargeable to tax under section 41 and computation thereof: This clause has been substituted by clause 25 of revised 3CD.	Sub-clause 16(a) of existing 3CD has been substituted by sub-clause of 20(a) of revised 3CD as it is i.e. no change has been made. Sub-clause 16(b) of existing 3CD has been substituted by sub-clause 20(b) of revised 3CD with modification in wording. In sub-clause 20(b) of revised 3CD, reference of section 36(1)(va) has been given.
21.	(a) Please furnish the details of amounts debited to the profit and loss account, being (Nature, particulars and amounts need to be furnished) I. In the nature of capital, personal, advertisement expenditure etc.; II. Expenditure incurred at clubs being cost for club services and facilities used; III. Expenditure by way of penalty or fine for violation of any law for the time being force;	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	Sub-clause 1(b)(I)(B) of revised 3CD requires 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), Now we are required to furnished detail of:- 1) Date, 2) Amount, 3) Nature of payment, 4) Name & address of payee and 5) Amount of tax deducted Sub-clause 21(b)(II)(A) of

	IV. Expenditure by way of any other penalty or fine not covered above; V. Expenditure incurred for any purpose which is an offence or which is prohibited by law; (b) Amounts inadmissible under section 40(a):- (I) as payment to non-resident 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; (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;	the previous year under section 139(1); (b) Not paid on or before the aforesaid date. (State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost, etc., is passed through the profit and loss account.) This clause has been substituted by clause 26 of revised 3CD. (clause has been substituted as it is i.e. no change has been made)	revised 3CD requires details of payment on which tax is not deducted, Now we are required to furnish detail of:- 1) Date, 2) Amount, 3) Nature of payment, 4) Name & address of payee. Sub-clause 21(b)(ii)(B) of revised 3CD requires 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, now we are required to furnish the detail of:- 1) Date, 2) Amount, 3) Nature of payment, 4) Name & address of payer and 5) Amount of tax deducted & amount deposited out of TDS deducted.

	(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; (III) under sub-clause (ic) [Wherever applicable] (IV) under sub-clause (iia) (V) under sub-clause (iib) (VI) under sub-clause (iii) (A) date of payment (B) amount of payment (C) name and address of the payee (VII) under sub-clause (iv) (VIII) under sub-clause (v) (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; (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(Date of payment, nature of payment, amount, name & PAN of Payee is to be disclosed): (B) On the basis of the examination of books of account and other relevant		

	documents/evidence, whether he 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): (Date of payment, nature of payment, amount, name & PAN of Payee is to be disclosed): (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 the 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).		
22.	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	a) Amount of Modified Value Added Tax Credits availed of or utilized during the previous year and its treatment in profit and loss account and treatment of outstanding Modified Value Added Tax Credits in accounts, b) Particulars of income or expenditure of prior period credited or debited to the	-

		profit and loss account. This clause has been substituted by clause 27 of revised 3CD.	
23.	Particulars of payments made to persons specified under section 40A(2)(b).	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) This clause has been substituted by clause 30 of revised 3CD.	-
24.	Amounts deemed to be profits and gains under section 32AC or 33AB or 33ABA or 33AC.	* particulars of each loan or Deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :- (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 31 of revised 3CD.	-
25.	Any amount of profit chargeable to tax under section 41 and Computation thereof.	Details of brought forward loss or depreciation allowance, in the following manner, to the extent available : (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 32 of revised 3CD.	-
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;	Section-wise details of deductions, if any admissible under Chapter VIA. This clause has been substituted by clause 33 of revised 3CD.	-

	(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. (State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost, etc., is passed through the profit and loss account.)		
27.	(a) Amount of Central Value Added Tax credits availed of or utilised 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.	a) Whether the assessee has complied with the provisions of Chapter XVII-B regarding deduction of tax at source and regarding the payment thereof to the credit of the Central Government. b) If the provisions of Chapter XVII-B have not been complied with, please give the following details*, namely:- (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 34 of revised 3CD.	-
28.	Whether during the previous year the assessee has received any property, being share of a company not being a company in which the 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.	a) In the case of a trading concern, give quantitative details of principal items of goods traded; b) In the case of manufacturing concern, give quantitative details of the principal items of raw materials, finished products any by-products. (Note:-I am not giving full detail of clause, please refer existing 3CD) This clause has been substituted by clause 35 of revised 3CD.	Any gift or property received without consideration or inadequate consideration from closely held company within the meaning of sec 56(2)(viia) during the year from any person other than relatives (More than Rs. 50000), if yes, we are required to furnish detail thereon. This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
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,	In the case of Domestic Company, details of tax on distributed profits under section 115-O in the following forms :- a) total amount of distributed	Additional consideration (Amount received less FMV) received on issue of shares within the meaning of sec 56(2)(viib). However said section is applicable to closely

	please furnish the details of the same.	profits; b) total tax paid thereon; c) Dates of payment with amounts. This clause has been substituted by clause 36 of revised 3CD. (Note:-This clause has been substituted with modification, please refer said clause of revised 3CD)	held company only. (In brief, we have to take care of this clause in case of assignment of tax audit of private companies) This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
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]	Whether any cost audit was carried out, if yes, enclose a copy of the report of such audit. This clause has been substituted by clause 37 of revised 3CD. (Note:-This clause has been substituted with modification, please refer said clause of revised 3CD)	-
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.	Whether any audit was conducted under the Central Excise Act, 1944, if yes, enclose a copy of the report of such audit. This clause has been substituted by clause 37 of revised 3CD. (Note:-This clause has been substituted with modification, please refer said clause of revised 3CD)	-

	*(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 PAN(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; (c) Whether the taking or accepting loan or deposit, or repayment of the same were made by account payee cheque drawn on a bank or account payee bank draft based on the examination of books of account and other relevant documents *(The particulars (i) to (iv) at (b) and comment at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a central, State or Provincial Act)		
32.	(a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available : - Assessment year - Nature of loss /allowance (in rupees) - Amount as returned (in rupees)	Accounting ratios with calculations: 1. Gross profit/turnover 2. Net profit/turnover 3. Stock-in-trade/turnover 4. Material consumed/finished goods produced(applicable only in case of manufacturing concern)	Sub-clauses 25(a) and (b) of the existing 3CD have been substituted by sub-clause 32(a) and (b) of revised 3CD respectively. Sub-clause 32(c), (d), (e), have newly been inserted. Sub-Clause 32(c) requires the

	- Amounts as assessed (give reference to relevant order) - Remark (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 section 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. (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 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 as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year.	This clause has been substituted by clause 37 of revised 3CD. (Note:-This clause has been substituted with modification, please refer said clause of revised 3CD)	detail of speculative loss incurred during the year, it is because Section 73 prohibits set-off of losses of speculation business except against profits and gains of another speculation business. And also we can't set off the speculative business loss against profits and gain of normal loss. Sub-Clause 32(d) requires the detail of loss of specified business as referred to sec 73A, loss of specified business can be set off only against the income of another specified business covered u/s 35AD. Sub-clause 32(e) requires the details whether a company is deemed to be carrying on "speculative business", if yes than detail of loss incurred during the previous year thereon needs to be given. Explanation to sec 73 prescribes that "where any part of the business of a "specified company" consists in the purchase and sale of shares of other companies on delivery basis, such company shall be deemed to carry on speculative business to the extent to which the business consists of the purchase and sale of such shares. If company is deemed to have a speculative business, than we have to give detail of loss from such deemed business. (**<u>Please note:</u>** If we don't have any loss from such deemed business, we are not required to give details of such business) In brief **specified company means** company other than investment company, banking company and finance company.

			<u>Please note:</u> This clause is applicable to the company only, so we have to take care of this sub clause in the case of tax audit assignment of company only.
33.	Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III (Section 10A, Section 10AA).	In existing 3CD, there are clauses up to 32 only.	-
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: (b) Whether the assessee has furnished the statement of tax deducted or tax collected within the prescribed time. If not, please furnish the details: (c) Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish: - Tax deduction and collection Account Number(TAN) - Amount of interest under section 201(1A)/206C(7) is payable - Amount paid out of column (2) along with date of payment.	In existing 3CD, there are clauses up to 32 only.	Sub-clause 27(a) and (b) of existing 3CD have been substituted by the 34(a) and 34(b) of revised 3CD while 34(c) has been inserted in revised 3CD. Sub clause (a) and (b) are the virtually same so I am not giving in details. Sub-clause 34(c) requires the details of Interest liability u/s 201(1A) and 206C(7). Every deductor is liable to pay interest u/s 201 for non-deduction or non-payment of TDS and deductor shall be deemed to be in default. However relief has been given to the deductor if prescribed conditions is satisfied(please refer the sec 201 for prescribed condition), however deductor shall be liable to pay interest u/s 201(1A) for the period from 'the due date of such TDS required to pay to department' to till the date on which the payee submits his return of income. Sec 206C(7):- If seller does not collect tax or does not remit the tax after collection, he shall be liable to pay interest.
35.	(a) In the case of a trading concern, give quantitative details of principal items of goods traded: (i) Opening Stock;	In existing 3CD, there are clauses up to 32 only.	Sub-clause 28(a) and (b) of existing 3CD have been substituted by the clause 35(a) and (b) of revised 3CD. Provisions are the same hence

	(ii) purchases during the previous year; (iii) sales during the previous year; (iv) closing stock; (v) shortage/excess, if any (b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products : A. Raw Materials : (i) opening stock; (ii) purchases during the previous year; (iii) consumption during the previous year; (iv) sales during the previous year; (v) closing stock; (vi) yield of finished products; (vii) percentage of yield; (viii) shortage/excess, if any. B. Finished products/by-products : (i) opening stock; (ii) purchases during the previous year; (iii) quantity manufactured during the previous year; (iv) sales during the previous year; (v) closing stock; (vi) shortage/excess, if any.		no explanation is required.
36.	In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form :- (a) total amount of distributed profits; (b) amount of reduction as referred to in section 115-O(1A)(i); (c) amount of reduction as referred to in section 115-O(1A)(ii);	In existing 3CD, there are clauses up to 32 only.	Clause 29 of existing 3CD has been substituted by clause 36 of revised 3CD. Provisions are more or less same hence no explanation needs to be given.

	(d) total tax paid thereon; (e)Dates of payment with amounts.		
37.	Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the cost auditor.	In existing 3CD, there are clauses up to 32 only.	Clause 30 of existing 3CD has been substituted by clause 37 of revised 3CD. Existing clause 30 of existing 3CD requires furnishing of audit report if applicable, however clause 37 of revised 3CD require to give details of disqualification/ disagreement on any matter/item/value etc. identified or reported by the auditor (This is due to annexure less return)
38.	Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor.	In existing 3CD, there are clauses up to 32 only.	Clause 31 of Existing 3CD has been substituted by the clause 38 of revised 3CD. Clause 31 of existing 3CD requires furnishing of audit report if applicable, however clause 37 of revised 3CD require to give details of disqualification/ disagreement on any matter/item/value etc. as the identified or reported by the auditor.(This is due to annexure less return)
39.	Whether any audit was conducted under section 72A of the Finance Act,1994 in relation to valuation of taxable services, Finance Act,1994 in relation to valuation of taxable services, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor.	In existing 3CD, there are clauses up to 32 only.	This clause is newly inserted in revised 3CD. In existing 3CD, there was no as such requirement.
40.	Details regarding turnover, gross profit, etc., for the previous year and preceding previous year: 1. Total turnover of the assessee 2. Gross profit/turnover 3. Net profit/turnover 4. Stock-in-trade/turnover 5. Material consumed/finished	In existing 3CD, there are clauses up to 32 only.	Sub-clauses 32(1), (2), (3), (4) of existing 3CD have been substituted by the sub-clauses 40(2),(3),(4),(5) of revised 3CD respectively. Clause 40(1) has newly been inserted in revised 3CD which require furnishing the total

	goods produced (The details required to be furnished for principal items of goods traded or manufactured or services rendered)		turnover of the concern under this clause. Detail of principle item needs to be given under this clause also, earlier it was disclosed in return. In existing 3CD, ratios of only current year are needed to be disclosed while revised 3CD requires disclosure of ratios of current year as well as previous year.
41.	Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income tax Act, 1961 and Wealth tax Act, 1957 along with details of relevant proceedings.	In existing 3CD, there are clauses up to 32 only.	This is newly inserted clause in revised 3CD. This clause requires the discloser regarding any demand raised or refund granted under direct tax laws along with relevant proceedings. **Please note:** if any refund is received or demand paid other than any proceeding, this clause shall not apply.

Special Note: - There was a misconception about existing 3CD that there are 32 clauses in 3CD. It is right if it is seen by sequential numerical point of view but in fact there are 34 clauses in existing 3CD. (Clause 12A and 17A are also independent clauses in existing 3CD and thus 32+2=34 clauses are there in 3CD)

Annexure – 1 to Note

Section		*Amount debited to profit and loss account*	*Amounts admissible as per the provisions of the Income-tax Act, 1961 and also fulfils the conditions, if any specified under the conditions, if any specified under the relevant 14provisions of Income-tax Act, 1961 or Income-tax Rules,1962 or any other guidelines, circular, etc., issued in this behalf.*
a)	*32AC*	*Deduction on account of "Investment in New plant & Machinery"*	
b)	*33AB*	*Deduction in account of Tea/ coffee/ rubber development account*	
c)	*33ABA*	*Deduction in account of site restoration expenses*	
d)	*35(1)(i)*	*Deduction in account of revenue expenditure on scientific research*	
e)	*35(1)(ii)*	*Deduction in account of sum paid to research association etc for the purpose of scientific research*	
f)	*35(1)(iia)*	*Deduction in account of Indian company for the purpose of scientific research*	
g)	*35(1)(iii)*	*Deduction in account of sum paid to research association having object to research in social or statistical science*	
h)	*35(1)(iv)*	*Deduction in account of capital expenditure on scientific research*	
i)	*35(2AA)*	*Deduction in account of payment made to approved specified persons for scientific research*	
j)	*35(2AB)*	*Deduction in account of expenditure on land or building by companies engaged in manufacturing or production of article or thing for conducting in-house scientific research.*	
k)	*35ABB*	*Deduction in account of capital expenditure on acquisition of tele-communication licence*	
l)	*35AC*	*Deduction in account of investment in eligible projects*	
m)	*35AD*	*Deduction in account of capital expenditure to a specified business*	
n)	*35CCA*	*Deduction in account of contribution to approved institutions/ associations*	
o)	*35CCB*	*Deduction in account of*	
p)	*35CCC*	*Deduction in account of expenditure on agriculture extension project*	
q)	*35CCD*	*Deduction in account of expenditure on skill development projects*	
r)	*35D*	*Deduction in account of amortization of preliminary expenditure*	
s)	*35DD*	*Deduction in account of amortization of expenditure of amalgamation/ demerger*	
t)	*35DDA*	*Deduction in account of amortization of payment made under VRS scheme*	
u)	*35E*	*Deduction in account of expenditure on prospection etc. for mineral*	