

3CD New Major Changes

(1)	Registration number in case of indirect tax liability:
	Assessee liable to pay indirect taxes (like excise duty, service tax, sales tax, customs duty, etc.) shall furnish their registration number or any other identification number allotted to them <i>[clause 4 of Part A]</i> .
(2)	Relevant clauses of section 44AB:
	The relevant clauses of section 44AB shall be reported under which audit has been conducted <i>[clause 8 of Part A]</i> .
(3)	Location at which books of account are kept:
	New Form seeks details of the address at which books of account of assessee have been kept <i>[clause 11(b) of Part B]</i> .
(4)	Nature of documents examined by the auditor:
	The auditor is required to specify the nature of documents examined by him in the course of tax audit <i>[clause 11(c) of Part B]</i> .
(5)	Change in method of accounting / stock valuation:
	A tabular format is specified for reporting of financial impact of changes in method of accounting and method of stock valuation. <i>[clause 13 and clause 14 of Part B]</i> .
(6)	Transfer of land/building for less than stamp duty value:
	Details of land or building transferred by assessee for less than stamp duty value (under section 43CA or under section 50C) shall be reported in new Form 3CD. <i>[clause 17 of Part B]</i> .
(7)	Deduction allowable under Sections 32AC/35AD/35CCC/35D:
	Deductions allowable under sections 32AC, 35AD, 35CCC and 35DDD are also required to be reported in revised Form No. 3CD. <i>[clause 19 of Part B]</i> .
(8)	Disallowances:
	Old Form 3CD required reporting of inadmissible payments only when they were debited to Profit and loss account. However, the new Form 3CD requires reporting of following disallowable payments, even if they are not debited to profit and loss account. <i>[clause 21 of Part B]</i> :
(i)	Disallowance for TDS default under Section 40(a)

(ii)	Disallowance for cash payments under section 40A(3)
(iii)	Disallowance for provision for gratuity under section 40A(7)
(iv)	Disallowance under Section 40A(9)
(v)	Particulars of any liability of a contingent nature
(vi)	Amount of deduction inadmissible under section 14A
(vii)	Interest inadmissible under the proviso to section 36(1)(iii)

(9) Deemed income under Section 32AC:

Section 32AC of the Act provides for investment allowance of 15% for investment in plant and machinery. New form provides for reporting of deemed income which results from sale or transfer of new asset, (if asset was acquired and installed by the assessee for the purpose of claiming deductions under Section 32AC) within a period of five years from the date of its installation.
[clause 24 of Part B].

(10) Receipt of unlisted shares:

A new clause is inserted in the Form 3CD which requires reporting of all unlisted shares which were received by assessee either for inadequate consideration or without consideration in view of section 56(2)(viiia).
[clause 28 of Part B].

(11) Issue of shares above fair market value:

A new clause is inserted in the Form 3CD which requires reporting of all transactions of issue of shares where consideration received by assessee exceeds its fair market value in view of section 56(2)(viib).
[clause 29 of Part B].

(10) Speculation losses:

New Form No. 3CD provides for reporting of losses from speculation business as referred to in Section 73.
[clause 32(c) of Part B].

(13) Losses from business specified under section 35AD:

Assessee shall furnish details of losses incurred as referred to in Section 73A in respect of specified Businesses mentioned in Section 35AD.
[clause 32(d) of Part B].

(14) Reporting of deductions claimed under Sections 10A and 10AA:

If any deduction has been claimed by assessee under Sections 10A and 10AA then it shall be reported in new Form No. 3CD.
[clause 33 of Part B].

(15)	Compliance with TCS provisions:
	Old Form 3CD required reporting on compliance with TDS provisions only. However, New Form No. 3CD Requires reporting on compliance with TCS provisions as well. [clause 34(a) of Part B].
(16)	Filing of TDS/TCS statements:
	The tax auditor shall report on the compliance by the assessee with the provision of furnishing of TDS or TCS statement within prescribed time. [clause 34(b) of Part B].
(17)	Assessee-in-default:
	If assessee is deemed as an assessee-in-default and he is liable to pay interest under Section 201(1A) or 206C(7), the tax auditor shall furnish the TAN of assessee, interest payable and interest actually paid .[clause 34(c) of Part B].
(18)	Dividend Distribution Tax:
	Revised Form No. 3CD requires reporting of following reductions as referred to in clause (i) and clause (ii) of Section 115-O(1A) [clause 36 of Part B]:
i)	Dividend received by domestic company from its subsidiary, and
ii)	The amount of dividend paid to any person for or on behalf of the New Pension System Trust referred to in Section 10(44).
(19)	Audits:
(i)	Cost audit: Old Form No. 3CD required reporting only when statutory cost audit was carried out under Section 233A of the Companies Act, 1956. However, the revised Form No. 3CD specifies reporting Requirement even when cost audit has been carried out voluntarily. The requirement of attachment of copy audit report along with Form has been substituted with reporting of qualifications in cost audit report [clause 37 of Part B].
(ii)	Cost Audit under Central Excise Act: The requirement of attachment of copy of cost audit report along with Form has been substituted with reporting of qualifications in cost audit report. [clause 38 of Part B].
(iii)	Special Audit under Service Tax: If any service-tax audit is carried out in relation to valuation of taxable services, the tax auditor shall report any qualifications made in relation to valuation of taxable services [clause 39 of Part B].

(20)	Ratios:
	Unlike old form which required reporting of certain ratios pertaining to current year only, the new Form Requires reporting of ratios of preceding financial year as well. Further, total turnover is to be reported for the previous year as well as for preceding financial year. <i>[clause 40 of Part B].</i>
(21)	Demand raised or refund issued:
	The new Form seeks details of demand raised or refund issued under any tax laws (other than Income Tax Act, 1961 and Wealth Tax Act, 1957) along with details of relevant proceedings. <i>[clause 41 of Part B].</i>