ISSUES IN EFILING OF TAX AUDIT REPORT

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SIMPLE STEPS

1. Action by CA – Registration on e-portal
2. Action by Assessee – Add CA
3. Action by CA – Submit Report
4. Action by Assessee – Accept or reject
5. Action by CA – if rejected, upload again
6. Action by Assessee – Accept or reject

ACTION BY CA – REGISTRATION ON E-PORTAL

1. Access www.incometaxindiaefiling.gov.in

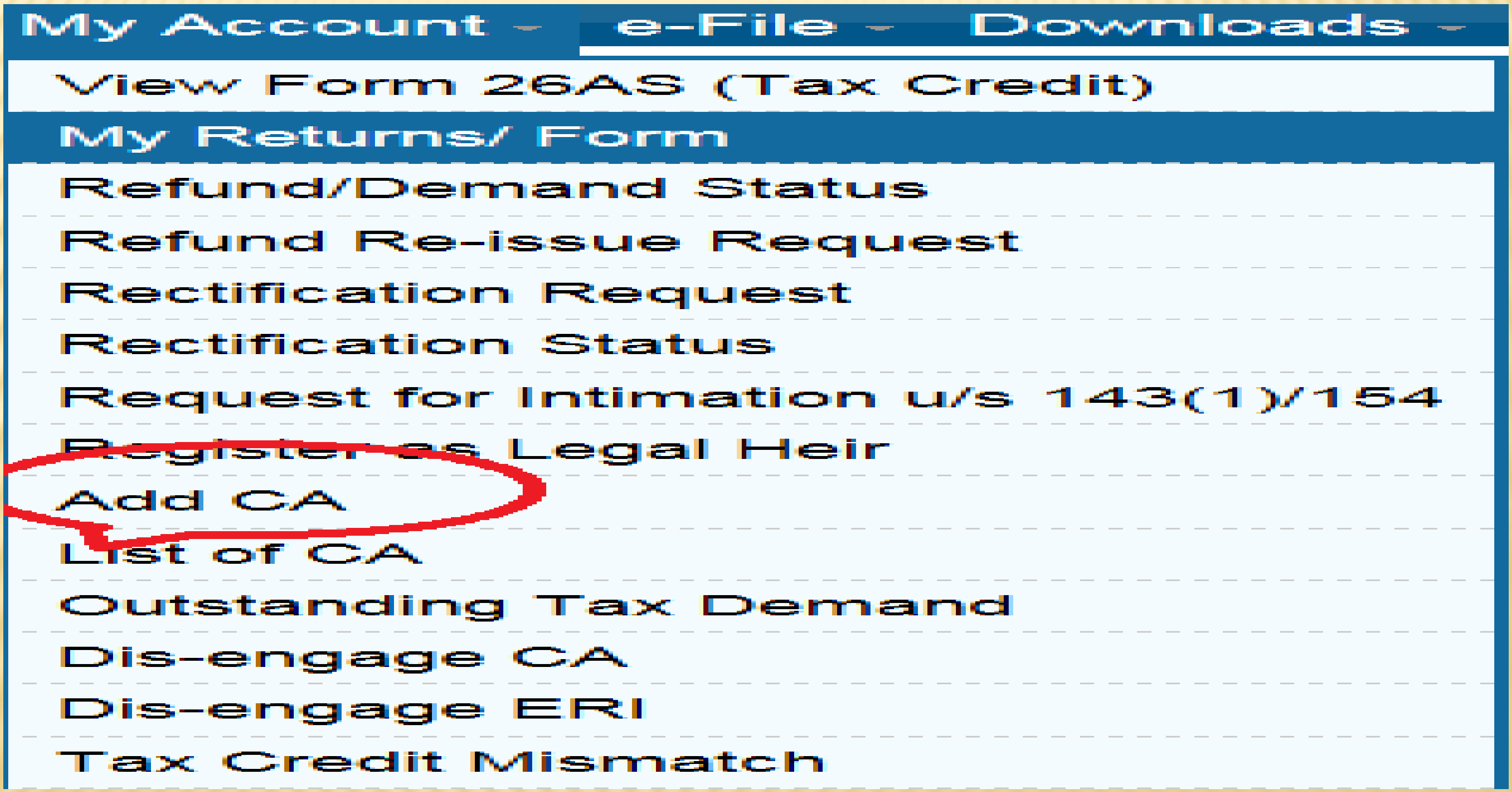
2. Click on ‘*Register Yourself*’ tab and select the user type under Tax Professional as ‘*Chartered Accountant*’

3. Enter Basic details

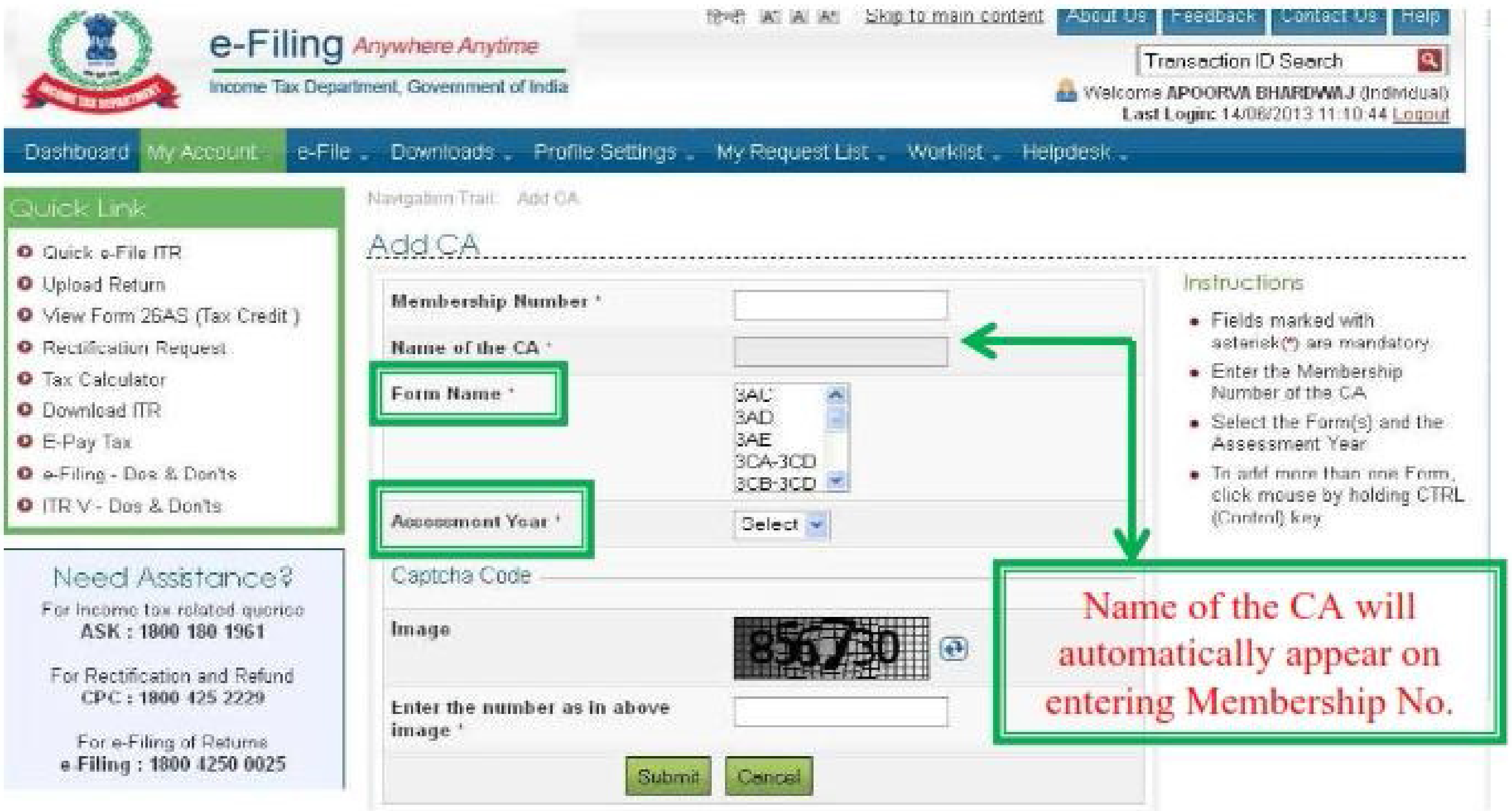
ACTION BY ASSESSEE – ADD CA

- 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 – multiple forms can be selected by using CTRL button.
- Select Assessment Year
- Enter the image of the captcha code
- Click '*Submit*'

PROCEDURE TO ADD CA AS AN AUDITOR

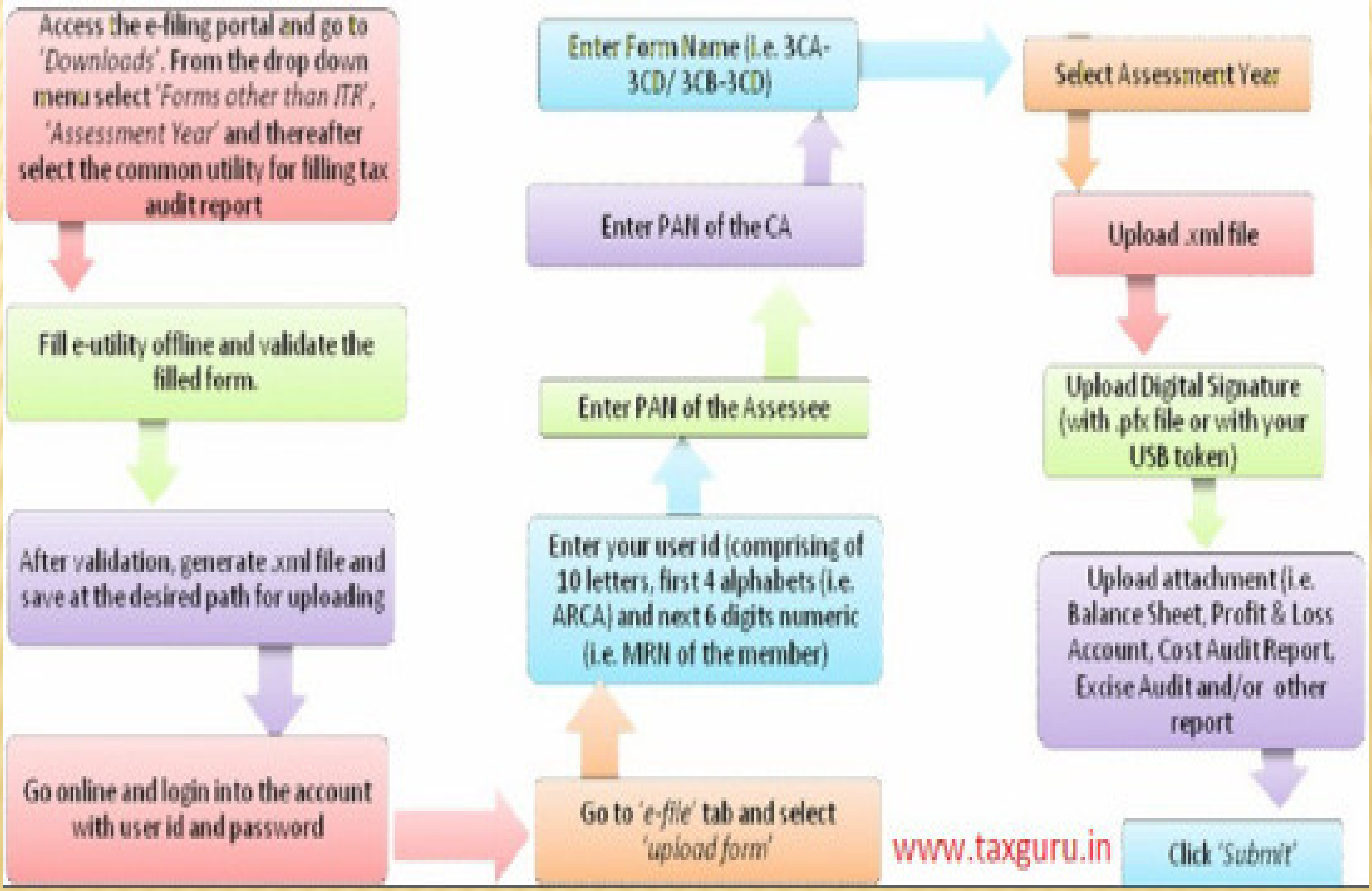


Step 3: Fill details

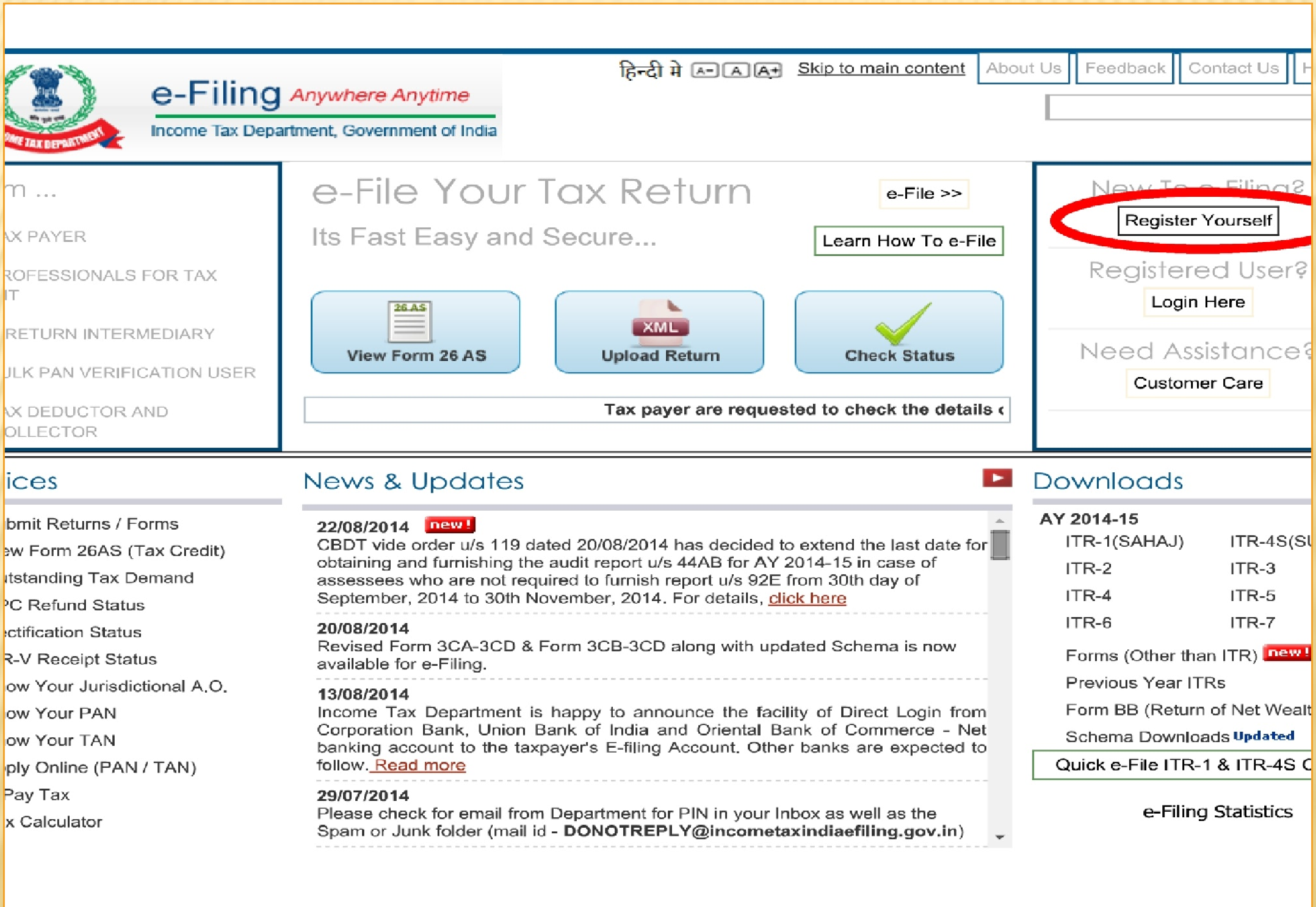


Step 4: CA added successfully

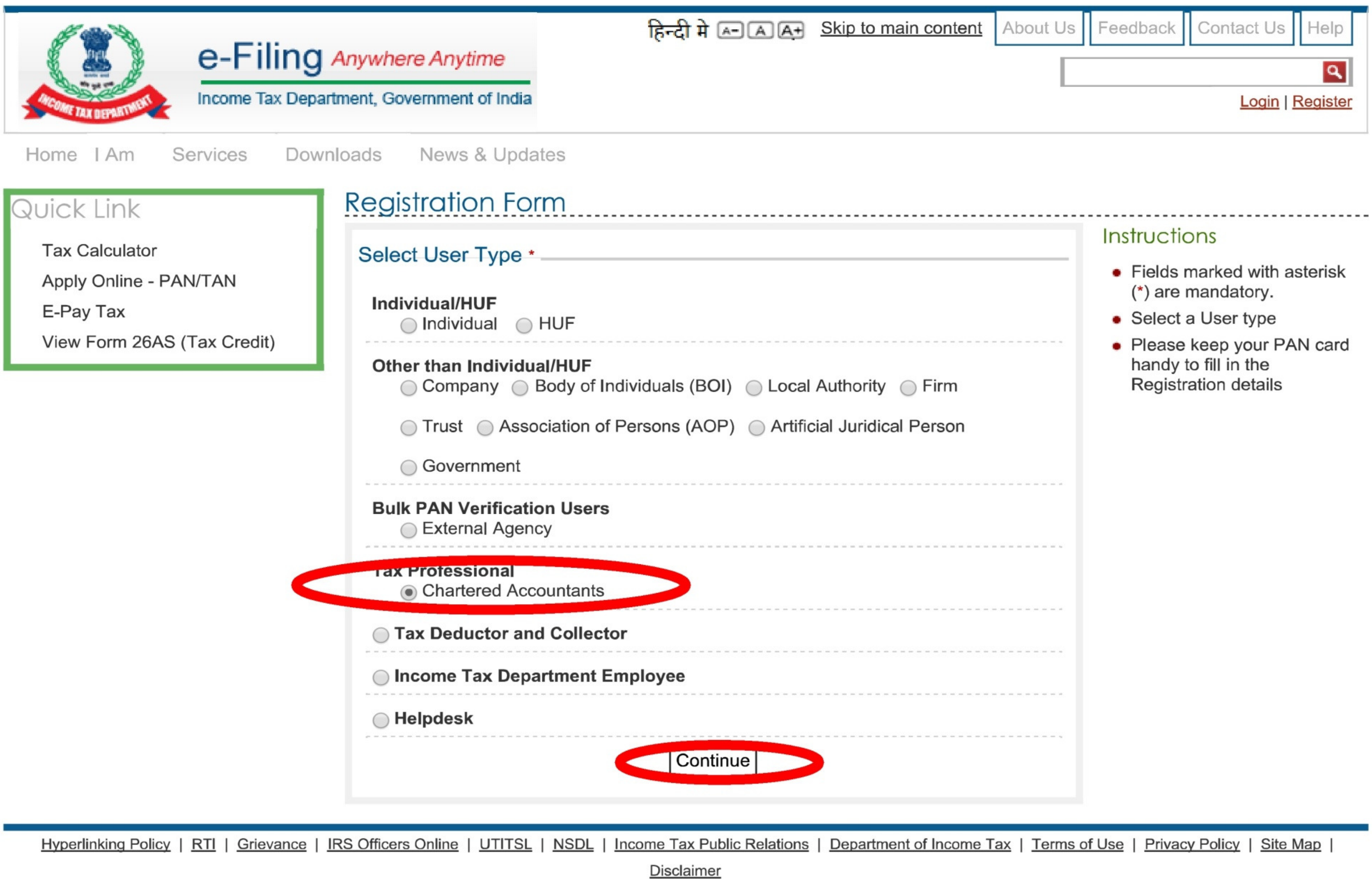
ACTION BY CA - REGISTRATION ON THE PORTAL AND UPLOAD



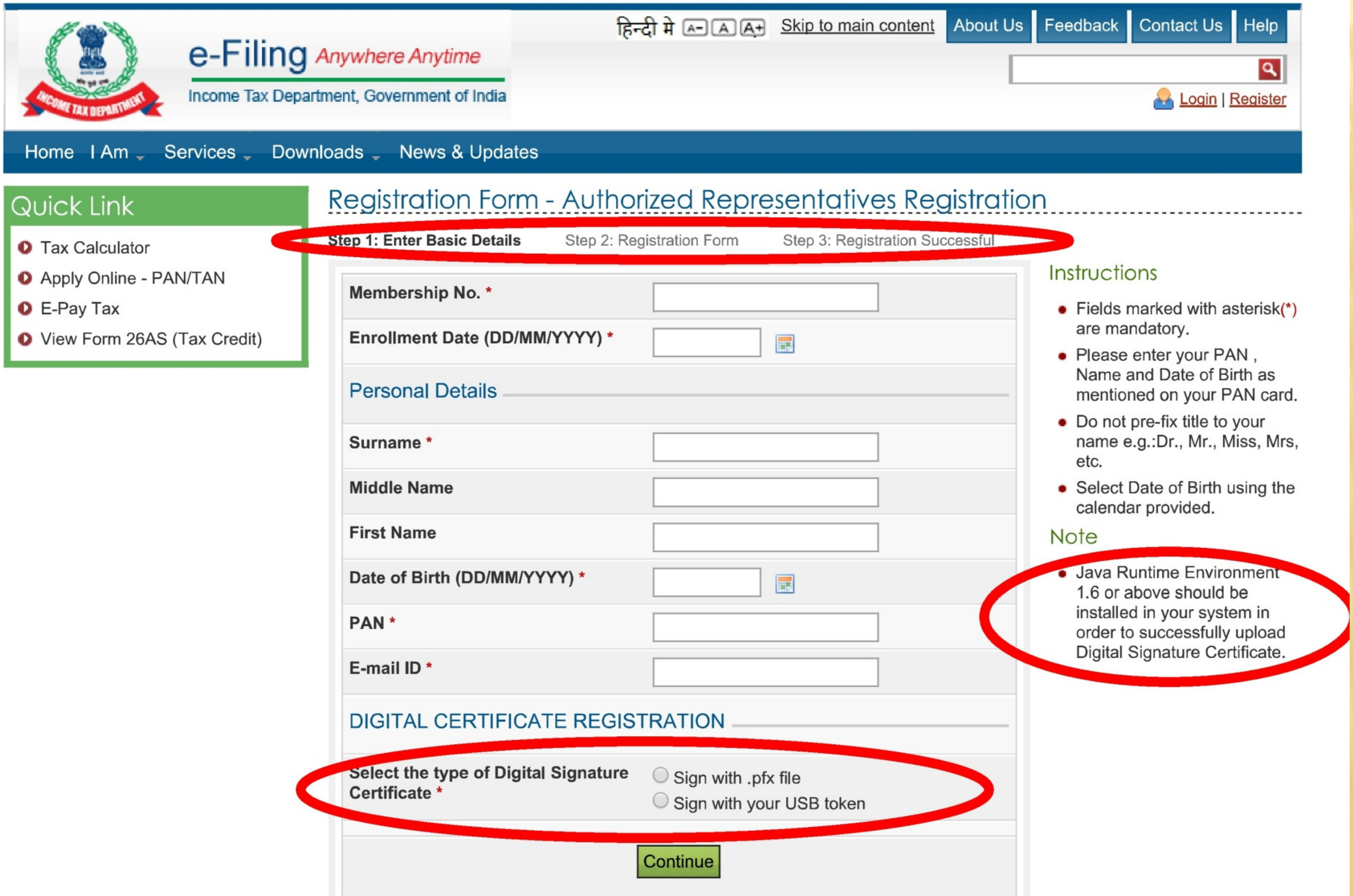
PROCEDURE TO REGISTER, UPLOAD AND ACCEPT



REGISTER YOURSELF



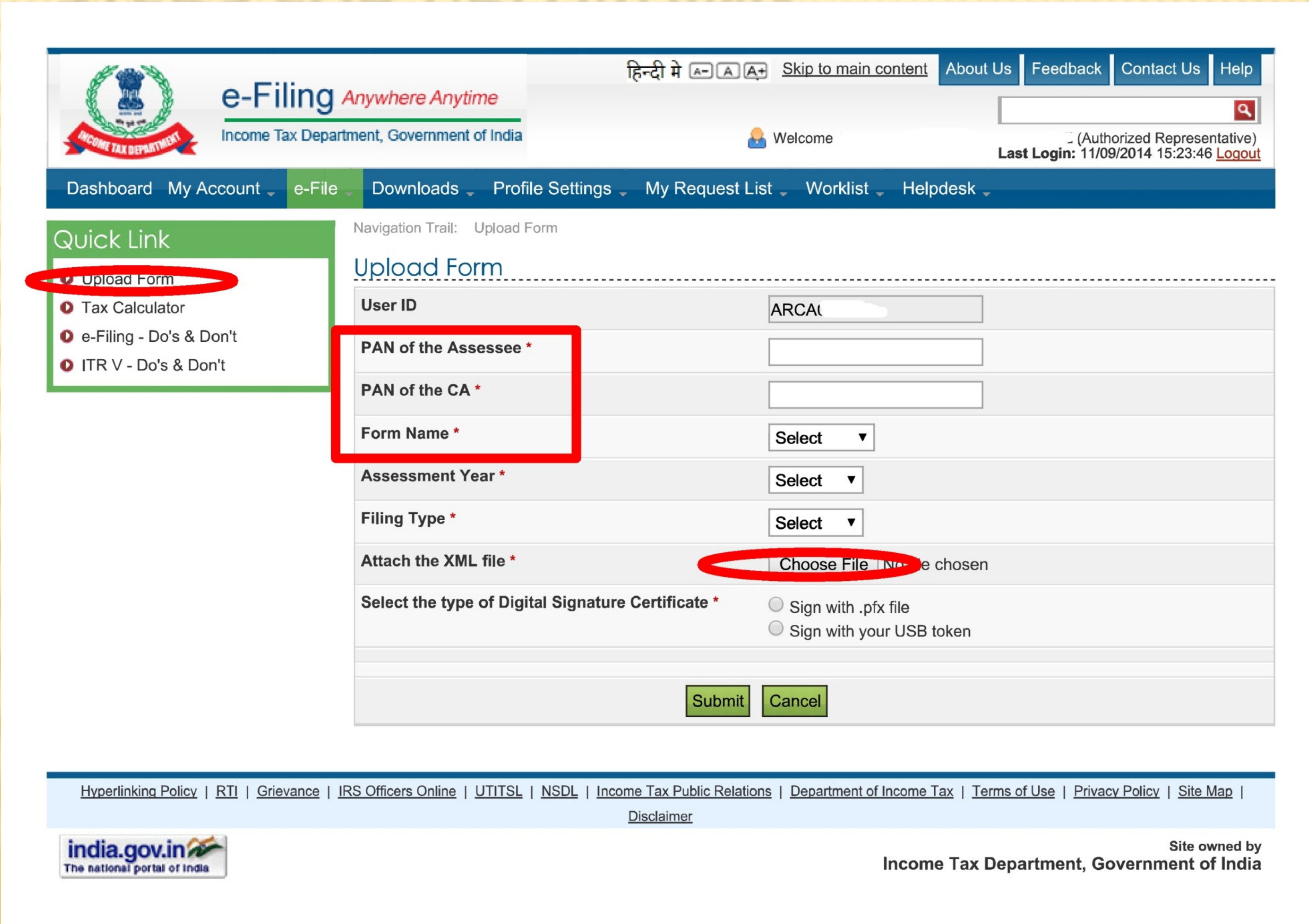
REGISTER YOURSELF – STEP 2



SUBMISSION OF FORMS (OTHER THAN ITR)

- Being a registered user on the portal, you can file Forms (Other than ITR) electronically.
- The pre-requisites for e-Filing are
  - Assessee and the CA should be registered in e-Filing
  - Assessee should have added the CA for the desired Form and Assessment Year
- There are two ways to file Forms electronically

STEPS FOR UPLOADING



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e-Filing *Anywhere Anytime*

Income Tax Department, Government of India

Welcome

(Authorized Representative)

Last Login: 11/09/2014 15:23:46 Logout

Dashboard | My Account | e-File | Downloads | Profile Settings | My Request List | Worklist | Helpdesk

Quick Link

- Upload Form
- Tax Calculator
- e-Filing - Do's & Don't
- ITR V - Do's & Don't

Navigation Trail: Upload Form

Upload Form

User ID	ARCA(
PAN of the Assessee *	
PAN of the CA *	
Form Name *	Select
Assessment Year *	Select
Filing Type *	Select
Attach the XML file *	Choose File No file chosen
Select the type of Digital Signature Certificate *	Sign with .pfx file Sign with your USB token

Submit | Cancel

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ACTION BY ASSESSEE – ACCEPT OR REJECT

- 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.

STEPS FOR SUBMISSION OF OFFLINE FORMS (OTHER THAN ITR)

- GO TO 'Downloads' section and select applicable Form (other than ITR) of the desired Assessment Year OR Login to e-Filing application and GO TO 'Downloads'–>'Download Forms' and select applicable Income Tax Form of the desired Assessment Year.
- Download and fill the utility of the Form (other than ITR) and validate.
- Fill the utility and Validate.
- Generate an XML file and save in desired path/destination in your desktop/system.
- LOGIN to e-Filing application and GO TO --> e-File --> Upload Form
- Enter the Assessee's PAN, CA's PAN; select the Form Name (other than ITR) and the Assessment Year.
- Browse and Select the XML file
- Upload Digital Signature Certificate.
- Click 'SUBMIT'.
- On successful upload, the Form (other than ITR) is sent to Assessee's workflow for acceptance.
- The Assessee should LOGIN to e-Filing application, GO TO Worklist and accept/reject the Form (other than ITR).
  - On Approval, the Form is successfully submitted with e-Filing application. No further action is required.
  - If Rejected, the Tax Professional can file the Form (other than ITR) again and follow the same process as mentioned above.

CERTAIN MANDATORY DETAILS IN 3CD

- Business Code – To match with ITR Returns;
- Selection of Details required to be compulsory from the Drop Down Box;
- Details of PAN to be given for payments made to persons specified in Section 40(A)(2)(b);
- No Facility to provide Disclaimer Notes;
- Full Details to be given for Fixed Assets including date of purchase/sale – to match with ITR;
- Section 43B payments – Date of subsequent payment not required to be given;

CERTAIN MANDATORY DETAILS IN 3CD

- Details can be filled and saved and can be reworked
- Membership Number of Report Signing CA to be given
- Category of the Assessee to be given, other details NA get freezed
- Each information to be given in YES/NO/NA from drop down box
- Chapter VI-A Deductions Allowable details to be given Section wise
- Quantitative Details and Ratio Analysis

CERTAIN MANDATORY DETAILS IN 3CD

- Details of Disallowance Amount of Expenses only to be given in Clause 17
- Figures for Salary & Remuneration to Partners to be given for provided and allowable
- Computation of Section 41 to be part of TA
- Method of Accounting Followed for Excise/VAT to be given including treatment of outstanding
- Full Details of Loan Taken & Given details to be given

CHECK LIST AND PRE REQUISITES

Instructions

- Attachments cannot exceed 50MB.
- Attachments must be in pdf or zip format.
- Attachments should be scanned with minimum 300dpi.
- Wherever there is a requirement in the Form to submit a signed copy of documents by an Assesse/CA as an attachment, upload the scanned copy of the same documents.

Checklist of documents and pre-requisites

- A copy of last year's tax return
- Bank Statement
- TDS certificates
- Savings certificates/Deductions
- Interest statement showing interest paid to you throughout the year.
- Balance Sheet, P&L Account Statement and other Audit Reports wherever applicable.

OK

CHANGES IN THE NEW UTILITY

General Instructions:		
1.	All amounts are in Indian Rupee.	
2.	A calendar is provided for selecting the date field (format DD/MM/YYYY).	
3.	All greyed out fields are either auto-filled or non-editable.	
4.	Attachments to the form should be in pdf format only. The same can be attached at the time of upload.	
5.	In Forms wherever information is captured in tables	
	a)	Adding new Row: Click on ADD button, fill in the data.
	b)	Deleting Row: Select the row to delete from the list and click DELETE button.
6.	Please enter only the value wherever the information is needed in percentage.	
7.	Please verify the Form, accompanying attachments/documents before you submit.	
8.	Guidance on Import CSV option provided in Clause 18	
9	Preview option is browser based and it will help to view/print the Form. Set one of the below suggested browsers as default browser for the same. i. Google Chrome ii. Mozilla Firefox iii. Internet Explorer 9.0 and above	

CHANGES IN THE NEW UTILITY

This utility can be run on operating systems like Windows 7.0 or above and latest Linux, where Java Runtime Environment Version 7 Update 6 (jre 1.7 is also known as jre version 7) or above is installed.
Please make sure you're connected to the internet before and after preparing the form for submission. The following are features available in the Form.

1. **New** - Click on this button, to open a new Form.
2. **Open** - This option is for importing the XML (successfully generated earlier) from your hard disk. Select the path and import the XML. This option will work irrespective of any version change. It will caution you to check the contents before finalizing upload/submission.
3. **Save** - You can save your completed XML in the desired path/location of your desktop.
4. **Save Draft** - This option can be used to save your XML. Please note you cannot upload an XML which was saved using the "Save draft" option. Only a complete XML generated using the "Save" option can be uploaded successfully.
5. **Previous/Next** - These will help you to navigate to the various tabs of the ITR form.
6. **Preview-Print** - This option is used to view/print the form in browser.

CHANGES IN THE NEW UTILITY

This Form is applicable to persons specified in Sec 44AB carrying on business or profession, other than those who are required by or under any other law to get their accounts audited.
While uploading the XML this report has to be digitally signed by a person eligible to sign the report as per the provisions of section 44AB of the Income-tax Act, 1961.
The person, who signs this audit report, shall indicate reference of his membership number/certificate of practice number/authority under which he is entitled to sign this report.

CHANGES IN THE MAIN REPORT

[See rule 6 G(1)(b)]

Audit report under section 44AB of the Income-tax Act, 1961 in the case of a person referred to in clause (b of sub-rule (1) of rule 6G

1. * Select have examined the balance sheet as on 31st March * 2014 , and the * Select for the period beginning from * DD/MM/YYYY to ending on * DD/MM/YYYY attached herewith, of

First Name | Middle Name | * Last Name

* Address Line1 | Address Line2 | * City/Town/District

* Select | * Pincode | * PAN

2. certify that the balance sheet and the are in agreement with the books of account maintained at the head office at * and * branches.

3. (a) report the following observations/comments/discrepancies/inconsistencies; if any:

CHANGES IN THE MAIN REPORT

Different Utilities for 3CA-3CD and 3CB-3CD;

- Improved Formats with Tables in all the clauses with option to select from drop down boxes for Sections including subsections;
- Attached notes to be referred in the main report;
- Signature Field for Auditor modified;
- Qualifications required to be given in a Tabular Format from the Drop Down Boxes and Corresponding Observations/Qualifications to be given by the Auditor;
- Enough Space provided.

QUALIFICATION REQUIRED IN THE REPORT

Select

Proper books of account, to enable reporting in form 3CD, have not been maintained by the assessee.

All the information and explanations which to the best of my/our knowledge and belief were necessary for the purpose of my/our audit has not been provided by the asse

Documents necessary to verify the reportable transaction were not made available.

Proper stock records are not maintained by the assessee.

Valuation of closing stock is not possible.

Yield/percentage of wastage is not ascertainable.

Records necessary to verify personal nature of expenses not maintained by the assessee.

TDS returns could not be verified with the books of account.

Records produced for verification of payments through account payee cheque were not sufficient

Amount of expense related to exempt income u/s 14A of Income-tax Act, 1961 could not be ascertained

Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not ascertainable

Prior period expenses are not ascertainable from books of account.

Fair market value of shares u/s56 (2) (viia)/(viib) is not ascertainable

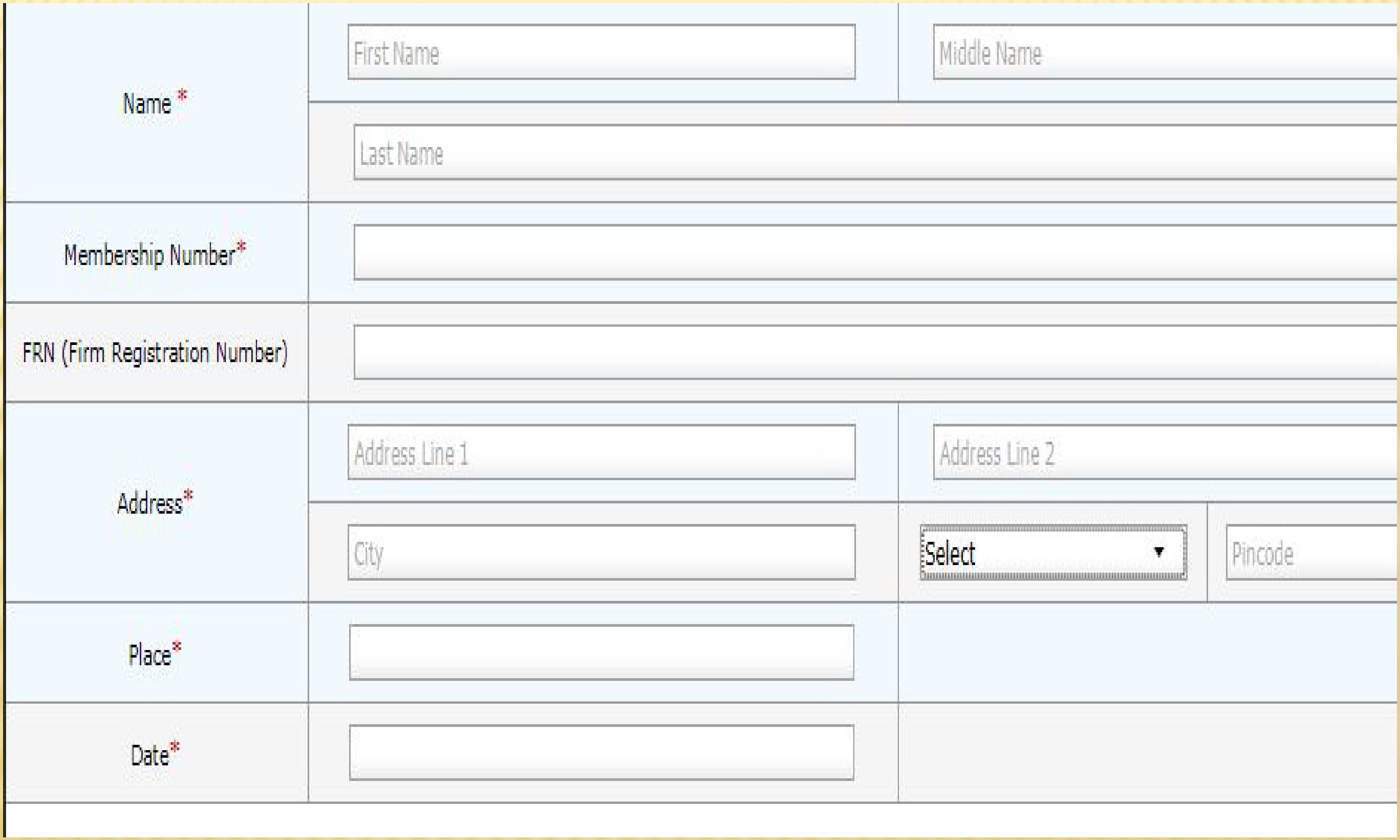
Reports of audits carried by Excise/Service tax Department were not made available

GP ratio is not ascertainable from the financial statements prepared by the assessee.

Information regarding demand raised or refund issued during the previous year under any tax laws other than Income-tax Act, 1961 and Wealth tax Act, 1957 was not ma

Others

DETAILS OF AUDITORS SIGNATURE



Name *	First Name	Middle Name
	Last Name	
Membership Number*		
FRN (Firm Registration Number)		
Address*	Address Line 1	Address Line 2
	City	Select ▾ | Pincode
Place*		
Date*		

OTHER CHANGES

- Tabular Format for books of accounts maintained, place where the books have been kept and the books of account examined;
- Drop Down boxes provided for Presumptive profits;
- Preview and Printing Option enabled;
- Printing Formats much better that earlier version;
- Some fields not visible and have to use tab to find them or view them
- Assessment order no. field removed, only section and date to be given

INSTRUCTIONS FOR UPLOADING THE DATA – OPTION 1 – IMPORT FROM CSV FILE

- Download the template
- Click on the template;
- provide a file name to save the CSV.
- Update the data as per the headings provided in the CSV template.
- How to open CSV in Excel
  - If file format associated with Excel
  - If file format not associated with excel
- Need to be saved with extension .csv
- Formulae can be given – but need to be save as with extension .xls/ .xlsx – csv files cannot retain formulae

OPTION 2 – FILL IN DATA

- Select "Fill details",
- enter all the required details .
- To add rows select "Add" and update the details. To delete rows select the row which is to be deleted and then click on "Delete".
- Click on "Save".

Note: 1. All the imported files should only be in .CSV format.

- To modify / Delete any of the records, Re-Import the new corrected .CSV file.
- To avoid incorrect data, Taxpayer should use either "Option 1- Import CSV" or "Option 2-Fill Data".

BASIC PROBLEMS

1. Receiving an Activation . Login PINs – Valid Emails and contact nos
2. Utilities – ITR 4 – Excel and JAVA, ITR 5,6,7 – JAVA
3. Version change – whether requires reentry – saved in .xml / xml draft format
4. .xml file created from any software can be opened in department utility
5. What to do in case of different DOBs as per ICAI records and PAN card?
6. Documents to be attached – whether signed copies or copies written “sd/-”
7. Audit conducted under section 44AD, 44BB, 44BBB & 44AE is required to be filed electronically?
8. Is there any upper limit on the no. of audit reports, which can be uploaded by a Chartered Accountant on e-filing portal?

BASIC PROBLEMS

9. If tax audit report is issued and the ITR is filed prior to issuance of the Order dated 25/07/2014, is it mandatory to file the same again?
10. Has the date of audit u/s 92B extended?
11. Has the date for other assessees extended?
12. Has the date for filing of ITRs extended?
13. Will non attachment of TAR with ITR make it defective u/s 139(9)?
14. In case of e-filing of audit reports, what is the date of audit report?
15. Is it possible to e-file the ITR first and then e-file the audit report?
16. Date of Receipt / uploading or furnishing of Audit Report (Whether Date of filing by CA or date of Acceptance by Assessee)

CHANGE IN ITR

File Tools View Help

New | Open | Save | Save Draft | Pre-fill | Re-Calculate | Submit | Preview

ITR-6 AY 2014-15

Instructions | PART A - GENERAL (1) | PART A - GENERAL (2) | BALANCE SHEET | Part A - P & L | PART A - OI | Part A - QD | Part B - TI | Part B - TTI | Schedule HP | Schedule BP | Schedule DPM | Schedule D

Whether this return is being filed by a representative assessee? If yes, please furnish following information* Select

Name of the representative assessee	Address of the representative assessee	Permanent Account Number (PAN) of the representative assessee

AUDIT DETAILS

(a)	Whether liable to maintain accounts as per section 44AA?*	Select
(b)	Whether liable for audit under section 44AB?*	Select
(c)	If (b) is Yes, whether the accounts have been audited by an accountant? If Yes, furnish the following information -	Select
(i)	Date of furnishing of the audit report (DD/MM/YYYY)	
(ii)	Name of the auditor signing the tax audit report	
(iii)	Membership no. of the auditor	
(iv)	Name of the auditor (proprietorship/ firm)	
(v)	Permanent Account Number (PAN) of the auditor (proprietorship/ firm)	
(vi)	Date of audit report	
(d)	If liable to furnish other audit report, mention the date of furnishing of the audit report? (DD/MM/YYYY) (Please see Instruction 6(ii))	

Sl. No.		Section Code	Date (DD/MM/YYYY)
1		Select	

Add | Delete

BASIC PROBLEMS

17. Guidance Note on tax audit u/s 44AB of the Income-tax Act, 1961 requires the tax auditor to mention his observations/reservations, if any. Income-tax utility has pre-defined qualifications. Space provided for 1000 characters for each qualifications.
18. Other notes can be added under ‘other’ – no limitation for other observations with 1000 characters each.
19. Capturing Signatures of More than one CA in the instance of joint Audits.
20. Can revised tax audit report be filed?
21. In case of revised report, Auditor has to mention the reasons; no space provided to mention the reasons.
22. ICAI wanted validations to be built in into various fields such as limits under Chapter VI A or where certain deductions can be claimed by Assessees of certain status.
23. No facility of import of data form multiple formats (Excel etc.) so that the tedious data entry of depreciation schedule and other large schedules can be avoided – CSV formats – Facility provided
24. What are recommended system requirements for facilitating e-filing? – windows XP service pack 3/windows 7/windows 8, JRE 1.7 update 6 and above, 32 bit , DSC 64 Bit

BASIC PROBLEMS

25. Should we sign Tax Audit Report on 30th November (or the last date for issuance)?
26. Should the amounts payable before the due date of ITR need tobe paid before 30 September 2014.
27. Can Income tax Return be e-filed on or after 30th Sept/Nov Without TAR?
28. What is to be done, if the email of activation link is not received by CA?
29. *What to do in case of mismatch in name?*
30. OFFLINE / MANUALLY FILED TAX AUDIT REPORT TO BE SUBMITTED ONLINE AGAIN?
31. Java utilities for TAR and ITR - same
32. Confusion about the enrollment date – icai website, members section
33. Getting Login PINS

OTHER PROBLEMS

1. In case of partnership firm, the total of profit sharing ratio of all partners can be less than 100%.
2. Mandatory PANs for various fields like section 206A.
3. What are the scanning requirements – 300dpi, black and white, less than 50mb
4. What is to be done, if the size of .pdf or .txt file is more than 50MB? – it can be zipped and attached or use pdfeditor
5. Whether DSC in .pfx format is acceptable – YES (cannot be issued, but old can be used if valid)

OTHER PROBLEMS

6. System becomes very slow during working on e-utility – remove all old java versions
7. Fakepath problem – error “cannot read from fakepath file”
8. Changes and modifications in .xml file without changes in the utility
9. Schema error
10. Error – value of particular field not proper or invalid
11. Complex business – and huge stock details/ details not available
12. Stock entry - Manufacturing – 1 raw material and one finished goods, trading – finished goods mandatory
13. Complex entry in depreciation schedule
14. An individual has two businesses audited by two different tax auditors. How to submit Tax Audit Report?

OTHER PROBLEMS

15. Mandatory for all Charitable Trust to E-file Income Tax Return?
16. We have e-filed the audit report and also filed the ITR but up to that moment the audit report is not approved by the assessee. What will be the consequences of this mistake and what should be done from our side to rectify this mistake?
17. What is a password for open a downloaded form of ITR– pan followed by DOB / DOI
18. How to check for how many and for which companies the audit reports are filed? – CA login, Worklist
19. Is tax auditor responsible for delay in uploading of Tax Audit Report?
20. How to select Different forms? Add CA or – Control – select

SPECIFIC QUERIES

- Schema error, fakepath error (chrome)
- Signature field disabled
- Invalid fields – amount error, special characters entry, automatic calculation in decimals, browser problem
- Error – system not responding, try again
- Communication with earlier auditor in case of tax audit
- Where do we get the Acknowledgement no. and what is the use of the same for uploading of the ITR?
- Can the ITR/ TAR form be downloaded?
- Is it necessary to upload Notes to Accounts, Directors' Report?
- Is copy paste or import facility available from other formats?

SPECIFIC QUERIES

- Are the figures and validations carried out in depreciation schedule, after entering the rates?
- Online filling up the forms
- Some statutory forms need to be uploaded by Assessee and approved by the CA
- Depreciation schedule - No validations and calculations. Rate and depreciation amount need to be entered manually
- The software does not accept negative sign in case of sale of fixed asset
- Clause 28(b)(A) - In case of manufacturing assessees, if yield is more than 100%, the utility does not accept it.

SOME POINTS TO REPRESENT

- Does a signatory to any of the reports actually have to be present in India on the date on which the form is uploaded?
- Will the CPC process the returns AND the 3CD electronically? If yes, will adjustments made in 143(1) on the basis of disallowances shown in TAR be valid?

THANK YOU

- For further queries contact –

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I shall answer your your queries sent on

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