

# POWER OF SIMPLICITY

# Tally.ERP 9 Auditors' Edition Tax Audit Reference Book

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Version: Tax Audit Reference Book/1.1/June 2011



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# **Tax Audit**

# Introduction

Tax Audit refers to the audit of certain persons under Sec 44AB of the Income Tax Act, whose profits and gains are above Rs.40 lakhs per annum (the exemption has been increased to Rs.60 lakhs with effect from the FY 2011-12). It also applies to persons/professionals whose earnings are above Rs.10 lakhs per annum (the exemption has been increased to Rs. 15 lakhs with effect from the FY 2011-12). Such persons are required to get their accounts audited by a Chartered Accountant and furnish an audit report in the prescribed format.

The tax audit process helps the Tax Auditor to verify and ensure that the books of accounts and other records are properly maintained, and reflect the true income of the assessee.

# Features of Tally.ERP 9 Auditors' Edition

The Tally.ERP 9 Auditors' Edition comes with features to equip the Chartered Accountant to audit the accounts of an assessee efficiently and efficiently:

- IT Assisted Audit services
- Remote Access clients' data/reports using Tally.ERP 9 Auditors' Edition
- Post corrections and clarifications remotely
- Classification of records based on relevant clause
- Facility to record & store Audit Note/Remark for every voucher
- Track alterations/modifications to vouchers post audit
- Facility to configure blocking of back dated entries
- Allow column sorting and multi-selection of vouchers during Audit
- Dashboard showing the statistics of Sampled, Audited, Clarifications sought, received and Unaudited vouchers/records
- **D** Generate related reports & annexure

#### Benefits of Tally.ERP 9 Auditors' Edition

The benefits an Auditor get using the Tally. ERP 9 Auditors' Edition is:

- **a** savings in audit time resulting in increased audit productivity and efficiency
- ability to audit transactions online
- availability of information to prepare audit working papers
- extract financial information required for Tax Audit (under Section 44AB)
- increase in additional avenues of billable services



# Tax Audit in Tally.ERP 9 Auditors' Edition

To reach the menu, you have to execute the following steps:

#### 1. Gateway of Tally> Audit & Compliance> Tax Audit

The two menus available under Tax Audit:

- 44AB Audit
- Form 3CD
- □ Form 3CA
- Form 3CB



Figure 1. Gateway of Tally - Tax Audit



The **Audit & Compliance** menu is active when the auditor logs into the Auditors' Edition. To conduct the tax audit, the auditor has to log in with a userid and password to access the features. The access details of userid and password have to be shared with the Client to open the Company data.



### 2. Select **44AB** to display the **Tax Audit** Dashboard

The dashboard displays eight audit types/clauses that form a part of the 3CD report for the purpose of conducting the tax audit but we discuss seven of them which are clause 16, 17(h), 18, 21, 24(a), 24(b) and 27.

P: Print	E: Export M: E-Mail	O: Upload	Shop	<u>G</u> : Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help	F2: Period
Tax Au	dit		Test Comp	any 09-10			4.4 0000	Ctrl + M 🛛	F9: Save Aud
Annexu	res to Form 3CD	L La sur Pasal	Accellance	L. Dadas	Need	Obsited	1-Apr-2009	to 31-Mar-2010	C: Clarification Lis
No.	Audit Type	Unaudited	Audited	Observation	Clarification	(To be re-audited)	(To be re-audited)	Complete ?	
16	Bonus, PF, ESI Recoveries	108	1				1		
17(h)	Amounts inadmissible u/s 40A	(3) 13	2						
18	Payments to Specified Person	<b>is</b> 26	2						
21	Payments Under Section 43B								
21	a ujinenta entier section 455								
	Employer's Contribution	72	1				1		
	Tax Collected at Source	42	2						
	Service Tex	111							
	Service Tax								
	Value Added Tax	155	1						
24(a)	Loans / Deposits Accepted	63	1						
24(b)	Loans / Deposits Repaid	80	3						
27	Tax Deducted at Source	21	2						
									F11: Features
<u>Q</u> : Quit									F12: Configure

Figure 2. Tax Audit- Annexure to Form 3CD

We discuss some of the clauses mentioned in the dashboard.



# Clause 17(h) - Amounts inadmissible under Sec40 (A) 3 of the Income Tax Act

Under this clause of the Sec 40A, any payments aggregating to and exceeding an amount of twenty thousand rupees shall be made through an account payee cheque or an account payee demand draft on any day. Any liability of a previous year if discharged during the current year by cash is deemed to be profits and gains of the current year and will be disallowed as a deduction.

**Audit scope**: We will be finding those payments made by cash in a day which aggregate and exceed rupees twenty thousand.

1. Select Amounts inadmissible under Sec40 (A) 3 in Tax Audit dashboard screen to display the Cash Payments screen

If you want to exclude any payment from the purview of this clause as per the Rule 6DD, you can configure the exclusion by these steps:

- 2. Click **Ctrl+F9** or press **Ctrl** and **F9** in the **Cash Payments** screen to display the **List of Ledgers** screen
- 3. Select any Ledger to display the **Ledger Alteration** screen for excluding it under Rule 6 DD
- 4. Select Amount inadmissible under 40 A (3) [clause 17h] from List of Reports
- 5. Enter the dates under Applicable From and Applicable To respectively
- 6. Accept and save the entry

The **Ledger Alteration** screen is displayed with requisite details.

Ledger A	Iteration		Test Co	mpan	y 09-10			Ctrl + M 🗙
Name	: Advance Tax					L	st of Reports	
(alias)	1 A							
						J End of List		
						Amount inadmi	ssible 40A(3) Icl	ause 17(h)]
Under	Current Assets							
0	. current hadda							
	Skip Audit							
	Name of Audit Class	Applicable	Applicable					
		From	То					
Amount	Inadmissible 40A(3) [Clause 17(H)							
		1-4-2009	31-3-2010					
O: Ouit	A: Accept D: Delete		[					
⊴. œuit	Accept D. Delete							
				~				Ctrl + N

Figure 3. Ledger Alteration Screen to exclude a ledger from Clause 17h audit

7. Press **Ctrl+Q** or **Esc** to return to the **Cash Payments** screen

A list of cash payments is displayed in the **Cash Payments** screen. The details displayed in this screen are:



- Particulars (Ledger Account )
- **D** Cash Payments (Total amount of cash expenses incurred)
- □ Voucher Value- Lowest & Highest (the range of low and high values accounted)
- Unaudited Vouchers (vouchers yet to be audited)

#### The **Cash Payments** screen is displayed.

P: Print	E: Export	M: E-Mail	O: Upload	Shop	G: Language K:	Keyboard Keyboard	ntrol Centre H: Support C	entre <u>H</u> : Help	F4: Group
Cash Paym	ents			Test Comp	any 09-10			Ctrl + M 🐰	F7: Show All Vch
Group			Primary				1-Apr-2	009 to 31-Mar-2010	F8: Show Audit Amt
Aggregate C	ash Payments e	exceeding :	20,000.00 For	r a Day					EQ: Show Skinned
Minimum Vo	oucher Amount	1	20,000.00						TO: Marshar
Partic	ulars				Cash	Voue	her Value	Unaudited	F9: Master
					Fayments	Lowest	riigitest	Vouchers	- F10: Range Wise
Business Pi	omotion Expens	es			75,000.0	0 75,000.	00 75,000.00	1	
Vinayaka Tr Stoff Wolfar	ading Corporation	n			2,05,785.0	2,05,785.	2,05,785.00		
Shankar	- Expenses				63,000.0	21,000	21,000.00	3	
NextGen Sy	stems				38,000.0	0 38,000.	38,000.00	) 1	
Travelling &	Conveyance				35,000.0	0 35,000.	35,000.00	1	
Synchronize	a Solutions				25,000.0	25,000	25,000.00		
DEF Ltd	0100				21,000.0	21,000	21,000.00	i i	
Simco Mach	ninery Co.,				21,000.0	0 21,000.	21,000.00	) 1	
									B: Bank Summany
									Dank Odminary
Grand	Fotal				7,08,785.0	0		12	
Q: Quit									F11: Features
					<b></b>			Ctrl + N	F12: Configure

Figure 4. Cash Payments – Sec 40A (3)

8. Click **F9**:**Show Skipped** to display the details of skipped ledgers.



The Cash Pa	avments screen	with details o	of skipped	ledgers is display	ed.

P: Print	E: Export	M: E-Mail	O: Upload	<u>S</u> : Shop	G: Language	K: Key	/board K: Contro	I Centre H: Support Ce	ntre <u>H</u> : Help
Cash Paymen	ts			Test Com	any 09-10				Ctrl + M 🗙
Group			Primary					1-Apr-20	09 to 31-Mar-2010
Angregate Cas	sh Payments er	vceeding ·	20 000 00 Eor a	Dav					
Minimum Vou	shar Amount		20,000.00 101 0	Duy					
winimum vou	cher Amount		20,000.00						
Particu	lars				Cash	י –	Vouche	r Value	Unaudited
					Payme	nts	Lowest	Highest	Vouchers
Business Pror	notion Expense	S			75,	000.00	75,000.00	75,000.00	1
Vinayaka Trad	ling Corporation				2,05,	785.00	2,05,785.00	2,05,785.00	1
Staff Welfare E	Expenses				2,00,	000.00	2,00,000.00	2,00,000.00	1
Shankar					63,	000.00	21,000.00	21,000.00	3
NextGen Syst	ems				38,	000.00	38,000.00	38,000.00	1
Travelling & Co	onveyance				35,	00.00	35,000.00	35,000.00	1
B Ramesh - L	oan				25,	000.00	25,000.00	25,000.00	1
Synchronized	Solutions				25,	000.00	25,000.00	25,000.00	1
The League Cl	lub				25,	000.00	25,000.00	25,000.00	1
Airconditioner					23	000.00	23,000.00	23,000.00	1
DEF Ltd					21	000.00	21,000.00	21,000.00	1
Simco Machin	ery Co.,				21,	000.00	21,000.00	21,000.00	1
Skipped Led	lgers								
Advance Tax					2.50	000.00	2 50 000 00	2 50 000 00	1
CST Tax @ 49	%				1 44	785.00	1 44 785 00	1 44 785 00	1
001 Tax @ 4.	/0				1,44,	103.00	1,44,705.00	1,44,703.00	
Grand To	otal				11,51,	570.00			16
Q: Quit									
_									

Figure 5. Cash Payments Screen with Skipped Ledgers Details



Click F9: Hide Skipped to hide the details of skipped ledgers (default display).

9. Click/Press Enter any ledger (e.g. Business Promotion Expenses) in the Cash Payments screen (refer Fig 4 above)



#### The Ledger Vouchers screen is displayed.

P: Print	E: Export	M: E-M	Vail O: U	Ipload		G: Languag	e K: Keyboa	ard K: Contro	ol Centre H: Sup	cort Centre H:	Help	F1: Detailed
Ledger Vo	uchers				Test Comp	oany 09-10					Ctrl + M 🙁	E2: Period
Ledger	: Bu	siness Prom	otion Expens	es (Unauc	lited Vouche	rs)			1-A	pr-2009 to 3	1-Mar-2010	
Total Pavn	nent : 2.9	0.000.00										F4: Leager
Dete	Vah Tuna	·		Veb Ne		т.	encetion	Nature of	And	• Di	مالوسوا	F8: Show Ledger
Date	ven Type			ven No.			Value	Payment	Statu	s A	mount 🥒	F9: Audit
Cash Dave							Value	ruyment	Stata	<u> </u>		
Cash Payl	ments (On Ac	county										
										1	more →	ļ
5.6.2009	Paymont			78			75 000 00 Dr	Cash				
3-0-2003	r ayment			70			10,000.00 DI	043/1				
												ļ
												ļ
												ļ
												F11: Features
O: Ouit	A: Accort	1	[		[	1			0	nano, silut	Space Well	F12: Configure
g. duit	Accept									pace: seed	Space: Max	F12: Range

Figure 6. Audited Vouchers- Cash Payments- with F9-Audit option

10.Select any entry in Ledger Vouchers screen by clicking the space bar

- 11.Click F9:Audit button or press F9 to display the Audit Details window
- 12.Select the required value for Audit Status
- 13.Enter the comments under Audit Note

The **Audit Details** window under **Audit Details** screen is displayed.

		Audit Details for Cash Payments		
Audit Status	Amount		Audit Note	
Disallowed	75,000.00	Paid by Cash		
Note: Blank Amount wil	l default ledger value			Accept ?
	-			Yes or No

Figure 7. Audit Details with Audit Status and Audit Note details



To audit a cash entry, execute the path: **Tally Main->Gateway of Tally->Audit & Compliance-**>T**ax Audit->Cash Payments->Ledger Vouchers**  14.Click **Alt +P** to print the annexure to the clause

The Annexure to Clause 17(h) report is enclosed.

Si. No.     Date     Vch No.     Nature & Particulars of Expenditure Than by account payee cheque / 75,000.00     Voucher Amount / 75,000.00     Remarks       1     5.Jun-2009     78     Business Promotion Expenses     6rand Total     75,000.00     75,000.00	ame and Address of the Assessee Previous Year Ended: 31-Mar-2010										
209, 80th Road, 10th Block, Koramangala, Bangalore SL No. Date Vch No. Nature & Particulars of Expenditure Amount Paid Other wise Than by account payee Cheque /draft 1 5-Jun-2009 78 Business Promotion Expenses Grand Total 75,000.00 75,000.00 75,000.00	st Company		Assessment Year	: 2010 - 11							
SI. No.         Date         Vol. No.         Nature & Particulars of Expenditure No.         Amount Paid Other vise Than by account payee cheque (draft 75,000.00         Voucher Amount         Remarks Amount           1         5-Jun-2009         78         Business Promotion Expenses         75,000.00         75,000.00         75,000.00           Grand Total         75,000.00         75,000.00         75,000.00         75,000.00         75,000.00	9, 80ft Road, th Block, Koramangal ingalore		PAN/TAN Number : EEE!								
1 5-Jun-2009 78 Business Promotion Expenses 75,000.00 75,000.00 Grand Total 75,000.00 75,000.00	il. Date Vch No Io.	Nature & Particulars of Expenditure	Amount Paid Other wise Than by account payee cheque /draft	Voucher Amount	Remarks						
Grand Total  75,000.00  75,000.00	1 5-Jun-2009 78	Business Promotion Expenses	75,000.00	75,000.00							

Figure 8. Annexure to Clause 17(h) - Sec 40(A)3

#### Button menus in the Cash Payments screen



*F4*: *Group*: Click this button or press *F4* to select any Group for finding out the payments made by cash exceeding twenty thousand rupees on a day.

**F7**: **Show All Vch**: Click this button or press **F7** to display the details of **Audited**, **Unaudited** and **Total** number of vouchers. Click **F7**: **Show Pending** or press **F7** to return to the earlier screen.

**F9**: **Show Skipped**: Click this button or press **F9** to display the details of ledgers that have been skipped. Click **F9**: **Hide Skipped** or press **F9** to return to the earlier screen.

*Ctrl+F9*: Click this button or press *Ctrl* and *F9* together to select any ledger for exclusion under this clause for reporting. Click *Esc* after saving the selection to return to the earlier screen.

**F10**: **Range Wise**: Click this button or press **F10** to list cash payments for a select range of amount with the highest and lowest values and the **Unaudited Vouchers** details. Click **F10**: **Group Wise** or press **F10** to return to the earlier screen.

**Alt+B**: Click this button or press **Alt** and **B** together to display the details of payments through the bank accounts. Click **Ctrl+Q** or **Esc** to return to the earlier screen.

*F11: Features:* Click this button or press *F11* to define and save the *Tax Audit Rules*. The values entered under Sec 40A (3) are pre-configured. However, the user may configure the parameters with the desired values.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



## Clause 24(a)- Loans & Deposits Accepted under Sec 269 SS

This section refers to the mode of acceptance of loans and deposits by any person through an account payee cheque or demand draft only, for amounts equal to and exceeding Rs.20000/-. In other words receiving cash payments for amounts equal to and exceeding Rs.20000/- will be disallowed as deductions while computing the annual income for tax.

**Audit scope**: We will be finding those receipts (loans & deposits) accepted by cash and which aggregate to and exceed rupees twenty thousand in a day.

1. Select Loans and Deposits Accepted in Tax Audit dashboard screen

#### The Loans and Deposited Accepted screen is displayed.

Loans & Deposits Accepted		Test Company 09-10		Ctrl + M 🗙
Loans & Deposits Accepted			1-Apr-2	009 to 31-Mar-2010
Group: J All Items				
Particulars	Name of Group	Primary Group	Total	Unaudited
			Amount	Vouchers
Janata Timbers	Sundry Debtors	Sunday Debtors	79 55 900 27	10
Hindustan Timbers	Sundry Debtors	Sundry Debtors	58 94 813 28	8
Nirmaan Timbers	Sundry Debtors	Sundry Debtors	26 92 678 52	4
Silverplus Computers	South Debtors	Sundry Debtors	24 00 000 00	4
Aravind Kumar	South Debtors	Sundry Debtors	23 88 920 00	7
Vijavakumar's	Sundry Debtors	Sundry Debtors	10 00 000 00	1
Computer Junction	South Debtors	Sundry Debtors	2 35 300 00	6
Venkateshwara Softwares	South Debtors	Sundry Debtors	2.05.039.00	1
Fortune Computer Services	South Debtors	Sundry Debtors	1.85.000.00	3
Office Automation Systems	South Debtors	Sundry Debtors	1.70.000.00	2
Step-in Computers	South Debtors	Sundry Debtors	1.70.000.00	8
Prism Softlinks	South Debtors	Sundry Debtors	1.65.000.00	8
Amar Computer Peripherals	South Debtors	Sundry Debtors	1.42.565.00	2
Soft Stop	South Debtors	Sundry Debtors	1,12,500.00	4
Gaitonde Traders	South Debtors	Sundry Debtors	1,10,000.00	1
MNO Ltd	Unsecured Loans	Unsecured Loans	1.05.000.00	) 3
Maniunath Systems	South Debtors	Sundry Debtors	84.330.00	2
Supreme Computers Peripherals	Sundry Debtors	Sundry Debtors	82,968,75	2
Modern Advertisers	Sundry Debtors	Sundry Debtors	77,303.68	8 11
Horizon Systems	South Debtors	Sundry Debtors	70,000.00	1
Priva Ganesh Loan	Unsecured Loans	Unsecured Loans	50,000.00	) 1
Narayan	Unsecured Loans	Unsecured Loans	45,000.00	) 1
Shankar	Unsecured Loans	Unsecured Loans	35,000.00	) 1
B Ramesh - Loan	Unsecured Loans	Unsecured Loans	25,000.00	) 1
Global Traders	South Debtors	Sundry Debtors	22,700.00	) 4
DEF Ltd	Unsecured Loans	Unsecured Loans	21,500.00	) 3
Sterling Business Solutions	South Debtors	Sundry Debtors	21,375.00	) 1
				1 more ↓
Grand Total			2,44,89,123,50	101

Figure 9. Details of loans & deposits accepted- Sec 269SS of the IT Act

The details displayed in this screen are:

- Particulars (Ledger Account )
- □ Name of Group (The Group/sub-Group under which the ledger is created)
- □ Primary Group (The main Group under which the ledger is created)
- Total Amount (The total amount of Loans/Deposits accounted in the ledger)
- Unaudited Vouchers (vouchers yet to be audited)



2. Click any ledger in the Loans & Deposits Accepted screen to display the Ledger Vouchers screen with details of payments entries by voucher

P: Print	E: Export	<u>M</u> : E-Mail	O: Upload		G: Language	K: Keyboar	rd K: Contro	ol Centre H: Support Cent	re <u>H</u> : Help	F1: Detailed
Ledger Vo	ouchers			Test Comp	any 09-10				Ctrl + M 🛛	F2: Period
Ledger	: Off	ice Automation Sy	stems (Unaudited	l Vouchers)				1-Apr-200	9 to 31-Mar-2010	F4: Ledger
Total Recei	pts : 1,7	0,000.00								
Date	Ref. No.				Tra	nsaction	Nature of	Audit	Loan 🅇	F9: Audit
						Value	Receipt	Status	Amount	F8: Show Ledger
Receipts (E	Billwise)									
									1	
24 2 2000	500								r more →	
31-3-2009	822	Onening Balance	88 075 00 D-							
	20-Nov-2009	Receipt	66,075.00 Dr 76		4	5.125.00 Cr	Bank			·
3 5 2009	16									
3-3-2003	3-May-2009	Sales	14		1,2	4,875.00 Dr				
	15-May-2009	Receipt	17		1,2	0,000.00 Cr	Cash	Accepted by Cash	1,20,000.00	
	20-Nov-2009	Receipt	76			4,875.00 Cr	Bank			
										F11: Features
										F12: Configure
Q: Quit	Accept							Space:	Select Select Al	E12: Dongo
										La Nanue

Figure 10. Details of cash payment for an entry for audit- Sec 269SS of the IT Act

- 3. Select any receipt voucher(s) by clicking the spacebar
- Click F9:Audit button or press F9 to display the Audit Details for Loans Accepted window
- 5. Select the required value for **Audit Status**
- 6. Enter the value for **Amount** depending on the value selected for **Audit Status**
- 7. Enter the comments under Audit Note

#### The Audit Details window under Audit Details screen is displayed.

Audit Details									
	Audit Status	cepted							
Audit Status	J Unknown	Audit Note							
Accepted by Cash	Accepted by Cash Accepted by Cheque/DD Need Clarification Not a Loan Under Observation	received by cash							

Figure 11. Audit Details with Audit Status and Audit Note



To audit a loans and deposits accepted entry, execute the path: Tally Main->Gateway of Tally->Audit & Compliance->Tax Audit->Loans & Deposits Accepted->Ledger Vouchers



8. Click Alt + P to print the annexure to the clause

The **Annexure to Clause 24**(**a**) report is displayed.

		Annexure to Loans and Dep	Clause 24	<b>(a)</b>		
Nan	ne and Address of the Assessee		Previou	s Year Ended	: 31-Mar-20	10
Test	Company		Assessm	ent Year	: 2010 - 11	
289, 10th Bang	80ft Road, Block, Koramangala, galore		Pan/Ta	N Number	: EEENM16	5586
SI. No.	Name, address and PAN of the lender or depositor	Amount of loan or deposit taken or accepted	Whether the loan or deposit was squared up during the previous year	Maximum amount outstanding in the account at any time during the previous year	Whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft.	Remarks
1	Office Automation Systems	1,20,000.00		1,67,825.00	Yes	
	Grand Total	1,20,000.00				

Figure 12. Annexure to Clause 24(a) -Sec 269 SS

#### Button menus available in the Loans and Deposits Accepted screen



*F4*: *Group*: Click this button or press *F4* to select any ledger for finding out the loans and deposits accepted by cash exceeding twenty thousand rupees on a day.

**F7**: **Show All Vch**: Click this button or press **F7** to display the details of **Audited**, **Unaudited** and **Total** number of vouchers. Click **F7**: **Show Pending** or press **F7** to return to the earlier screen.

**CtrI+F9**: Click this button or press **CtrI** and **F9** together to select any group for inclusion under this clause for audit and reporting. Select the particular group and press **CtrI +A** to include the group under this clause for audit. Click **Esc** or **CtrI + Q** after saving the selection to return to the earlier screen.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



### Clause 24(b)- Loans & Deposits Repaid under Sec 269 T

This clause relates to repayments of loans and deposits repaid by an assessee who is a company, firm, person, co-operative society, etc. by an account payee cheque or demand draft only for amounts equal to and exceeding Rs.20000/-. In other words repayments of loans and deposits by cash for amounts aggregating to and exceeding Rs.20000/-, will be disallowed as deductions while computing the annual income for tax.

**Audit scope**: We will be finding those repayments (loans & deposits) made by cash and which aggregate to and exceed rupees twenty thousand in a day.

1. Select Loans and Deposits Repaid in Tax Audit Dashboard screen

The Loans and Deposits Repaid screen is displayed.

Loans & Deposits Repaid		Test Com	any 09-10				Ctrl + M
Loans & Deposits Repaid					1.	Apr-20	09 to 31-Mar-2010
Group: J All Items						÷	
Particulars	Name of Group	Primary G	roup		Total		Unaudited
					Amou	nt	Vouchers
Mahash Timbers	Sunday Creditors	Sundry Credi	tore		64.80	564.00	6
Chandra Timbers	Sundry Creditors	Sundry Credi	tors		55.49	414 50	6
Vijavakumar's	Sundry Debtors	Sundry Debte	urs		10 00	000 00	10
Cholamandalam Auto Einance Cov	Unsecured Loans	Unsecured L	nans		1.93	833 97	11
Shankar	Unsecured Loans	Unsecured L	hans		67	000.00	
Synchronized Solutions	Sundry Debtors	Sundry Debto	ns		50	000.00	2
MNO Ltd	Unsecured Loans	Unsecured L	hane		30	000.00	1
Priva Ganesh Loan	Unsecured Loans	Unsecured L	hans		25	000.00	1
B Ramesh - Loan	Unsecured Loans	Unsecured L	hane		25	000.00	
East Couriers	Sundry Creditore	Sunday Credi	tore		22	775 38	15
Interest on Car Loan A/c	Current Liphilities	Current Lisbil	itiae		21	806.29	11
DEE Ltd	Uneacured Loone	Unsecured L	ane		21	000.20	
Narayan	Unsecured Loans	Unsecured L	ana		20	000.00	
Telephone Link Ltd	Sundry Creditore	Sunday Credi	tore		18	332 66	14
ANS Toch	Sundry Creditors	Sunday Credi	tore		10,	000.00	1
HDEC Silver Credit Card	Loopo (Liebility)	Loopo (Liphili	+)		10,	770.00	
TIDI C Silver Credit Card	Loans (Liability)	LUANS (LIADII	(y)		10,	110.00	
Grand Total					1,35,51,	096.80	85
Q: Quit							

Figure 13. Loans & Deposits Repaid - Sec 269 T

A list of loans and deposits repaid is displayed for the ledgers group wise in the **Loans and Deposited Repaid** screen. The details displayed in this screen are:

- Particulars (Ledger Account)
- **D** Name of Group (The Group/sub-Group under which the ledger is created)
- **D** Primary Group (The main Group under which the ledger is created)
- **D** Total Amount (The total amount of Loans/Deposits accounted in the ledger)
- Unaudited Vouchers (vouchers yet to be audited)



2. Click any ledger in the **Loans and Deposited Repaid** screen to display the details of payments entries by voucher.

🛐 Tally.ERP 9	)									
P: Print	E: Export	M: E-Mail	O: Upload		G: Language	K: Keyboar	d K: Control	Centre H: Support Centre	H: Help	F1: Detailed
Ledger Vou	thers			Test Comp	pany 09-10				Ctrl + M	F2: Period
Ledger	: Shanka	ar (Unaudited	Vouchers )					1-Apr-2009	to 31-Mar-2010	F4: Ledger
Total Payme	ent : 67,000.	00								F9: Audit
Date	Vch Type		Vch No		Tran V	saction alue	Nature of Payment	Audit Status	Loan Amount	F8: Show Ledger
Payments										
									1 more →	
1-3-2010	Payment		404		21,	000.00 Dr	Cash			
1-3-2010	Payment		407		21,	000.00 Dr	Cash			
1-3-2010	Payment		410		21,	000.00 Dr	Cash			
31-3-2010	Payment		441		4,	000.00 Dr	Cash			
										F11: Features
0. 0	A. A						1	C 0		F12: Configure
	Accept				<u>^</u>			space: S	Ctrl + N	F12: Range
Tally MAIN	> Gateway of Tally	> Audit & Comp	liance> Tax Aud	lit> Loans & D	Deposits Repaid	-> Ledger Vou	cher: (c) Tally	Solutions Pvt. Ltd., 1988	Fri, 8 Oct, 2010	14:41:30

Figure 14. Ledger Vouchers Unaudited

- 3. Select any payment voucher(s) by clicking the spacebar
- 4. Click F9:Audit button or press F9 to display the Audit Details for Loans Repaid window
- 5. Select the required value for Audit Status
- 6. Enter the value for Amount depending on the value selected for Audit Status
- 7. Enter the comments under Audit Note

The Audit Details window in the Audit Details screen is displayed.

Audit Details											
	Audit Status	epaid									
Audit Status	<sup>J</sup> Unknown	Audit Note									
Repaid By Cash	Need Clarification Not a Loan Repaid By Cash Repaid By Cheque/DD Under Observation	exceeding Rs.20000 paid by cash									





In a similar manner you can audit the cash payments made above Rs.20000/- relating to vouchers **407** & **410** dt. **1.3.2010** (**Rs.21000** each).



To audit an entry under Sec 269 T, execute the path: Tally Main->Gateway of Tally->Audit & Compliance->Tax Audit->Loans & Deposits Repaid->Ledger Vouchers

8. Click **Alt+P** to print the annexure to the clause

The **Annexure to Clause 24(b)** report is displayed.

Assesse     Previous Year Ended     : 31-Mar-2010       Test Company     Assessment Year     : 2010 - 11       Set Company     Assessment Year     : 2010 - 11       Set Both Road, Chill Block, Koramangela, langelore     PAN/TAN Number     : EEEN/M16536       Set     Name, acktress and PAN     Amount of repayment     Maximumamount outstanding in the account at any time during the previous year     Wrether the repayment was time during the previous year     Femarics       1     Shankar     63,000.00     49,000.00     Yes       1     Shankar     GrandTotal     63,000.00     Yes
Set Company     Assessment Year     : 2010 - 11       569, 60tt Road, Ch Block, Koramangala, langalore     PAN/TAN Number     :: EEEN/116536       S.     Name, address and PAN     Amount of repayment     Maximumamount outstanding in the account at any time during the previous year     Writher the repayment was time during the previous year     Femarks       1     Shankar     63,000.00     49,000.00     Yes
Step     Nome, address and PAN     Amount of repayment     Maximum amount outstanding in the account at any time during the previous year     Whether the repayment was made dherwise than by account any time during the previous year     Remarks       1     Shankar     63,000.00     49,000.00     Yes
S.     Name, address and PAN     Amount of repayment     Maximum amount outstanding in the account at any time during the previous year     Whether the repayment was made otherwise thanky account pages cheque or pages cheque or bark dat     Remarks       1     Shanker     63,000.00     49,000.00     Yes       3     GrandTotal     63,000.00     Yes
1         Shankar         63,000.00         49,000.00         Yes           By/Cash:         63,000.00         GandTotal         63,000.00         Yes
By Cash.         Cigure U           Grand Total         63,000.00

Figure 16. Annexure to Clause 24(b) -Sec 269 T

#### Button menus available in the Loans and Deposits Repaid screen



*F4*: *Group*: Click this button or press *F4* to select any ledger for finding out the loans and deposits repaid by cash exceeding twenty thousand rupees on a day.

**F7**: **Show All Vch**: Click this button or press **F7** to display the details of **Audited**, **Unaudited** and **Total** number of vouchers. Click **F7**: **Show Pending** or press **F7** to return to the earlier screen.

**Ctrl+F9**: Click this button or press **Ctrl** and **F9** together to select any group for inclusion under this clause for audit and reporting. Select the particular group and press **Ctrl+A** to include the group under this clause for audit. Click **Esc** or **Ctrl+Q** after saving the selection to return to the earlier screen.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



# Clause 16- Bonus, PF, ESI Recoveries under Sec 36 (1) (va) of the Income Tax Act

This section deals with the recoveries from employees' salaries as contributions towards any provident or superannuation fund or any other fund mentioned in Sec 2 (24) (x) of the Income Tax Act. The recoveries have to be deposited in the appropriate Funds on or before the due dates.

**Audit Scope**: We will be finding whether the statutory deductions made by the assessee as an employer under the PF and other funds are deposited into the funds on or before the due dates.

### 1. Select Bonus, PF,ESI Recoveries in Tax Audit Dashboard screen

The **Employees Deductions** screen is displayed.

P: Print E: Export M: E-M	lail <u>O</u> : Upload		G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help	F5: Masters
Employees' Deduction		Test Con	npany 09-10				Ctrl + M 🙁	F6: Payment Summary
Employees' Deduction Details						1-Apr-2009 t	o 31-Mar-2010	X: Exceptions
Particulars		Amount		Payment		Audit Status		A. Exceptions
	Contributed /	Paid	Difference	Status	Audited	Unaudited	Total	
	Deducted							
Provident Fund	1,50,097.11 Cr	1,40,586.11 Dr	9,511.00 Cr	Due (Partially)		37	37	
Employees' Statutory Deductions	1,05,794.00 Cr	1,06,574.00 Dr	780.00 Dr	On Time		37	37	
Employer's Other Charges	3,594.11 Cr	3,594.11 Dr		On Time		32	32	
Employer's Statutory Contributions	40,709.00 Cr	30,418.00 Dr	10,291.00 Cr	Due (Partially)		37	37	
Employee State Insurance	14 561 00 Cr	13 620 00 Dr	941 00 Cr	Due (Partially)		36	36	
Employees' Statutory Deductions	5 750 00 Cr	5 750 00 Dr	011100 01	On Time		36	36	
Employer's Statutory Contributions	8,811.00 Cr	7,870.00 Dr	941.00 Cr	Due (Partially)		36	36	
Professional Tax	20,740.00 Cr	20,890.00 Dr	150.00 Dr	On Time		36	36	ļ
Employees' Statutory Deductions	20,740.00 Cr	20,890.00 Dr	150.00 Dr	On Time		36	36	
Ponus		75 250 00 Dr						
Paid to Employees		75 250 00 Dr						
		,						
								ļ
Total						109	109	
Q: Quit								F11: Features
			~				Ctrl + N	F12: Configure

Figure 17. Employees' Deduction Details-Sec 36 (1) (va)

A list of statutory deductions made under the PF Act, ESI Act, Professional Tax Act and Bonus is displayed for the ledgers group wise in the **Employees Deductions** screen. The amounts in red colour indicate that the dues that are to be paid/deposited into the Fund.

The details displayed in this screen are:

- Details of group deductions under the funds (PF/ESI/Prof Tax)
- Amount (Contributed/Deducted, Paid, Difference)
- Payment Status (Due or Paid)
- Audit Status (Audited/Unaudited/Total)



2. Click any statutory deduction ledger in the Employees Deductions screen

Payroll Monthly Summary Test Company 09-10 Ctrl + M 👳											
Statutory Pay Type : Pr	ovident Fund					1-A	pr-2009 to 3	1-Mar-2010			
Particulars		Amount		Int & Other	Payment		Audit Status	;			
	Contribution / Deducted	Paid	Difference	Payments	Status	Audited	Unaudited	Total			
April	8,765.60 Cr	9,545.60 Dr	780.00 Dr		On Time		3	3			
May June July August September October November December January February March	1,985.30 Cr 13,080.21 Cr 13,259.06 Cr 12,952.90 Cr 12,952.97 Cr 12,994.77 Cr 12,991.90 Cr 12,875.90 Cr 12,493.00 Cr	11,985.30 Dr 13,080.21 Dr 9,383.10 Dr 12,952.90 Dr 12,952.90 Dr 12,952.90 Dr 12,991.90 Dr 12,875.90 Dr 12,493.00 Dr	3,926.00 Cr 2,908.00 Cr 3,457.00 Cr		On Time On Time Due (Partially) Due (Partially) On Time Due (Partially) On Time On Time On Time On Time		3 3 4 3 3 3 3 3 3 3 3 3 3 3 3	3 3 4 3 3 3 3 3 3 3 3 3 3 3 3 3 3			
			0.544.000.0								

## The **Payroll Monthly Summary** screen is displayed.

Figure 18. Payroll Monthly Summary

- 3. Select the deduction for any month and move the cursor to the **Paid** field
- 4. Click on the amount in the Paid field

#### The **Provident Fund Payment Vouchers** screen for the selected month is displayed.

Provident Fund Payment Vouchers     Test Company 09-10     Ctrl + M Z       rovident Fund Payment for April (All Vouchers)     1-Apr-2009 to 30-Apr-2009       Date     Vch     Challan       Date     Date       Payment     Amount       Interest     Audit       Payments     Status	dit eptions
rovident Fund Payment for April ( All Vouchers )           Date         Vch         Challan         Due         Payment         Amount         Interest         Audit         Audit Note           No.         Date         Date         Status         Payments         Status         Audit Note	eptions
Date         Vch         Challan         Due         Payment         Amount         Interest         Audit         Audit Note           No.         Date         Date         Status         Payments         Status         Audit Note         Payments         Status         Payments         Status         Payments         Status         Payments         Payments         Status         Payments         Payments	
No. Date Date Status Payments Status	
14-2009 27 15-5-2009 Unknown 3,884.60 Dr <sup>J</sup> Unknown	
0-4-2009 28 15-5-2009 Unknown 2,859:00 Dr	
10ta1 9,545,60 Ur F11: Fe	eatures
: Quit A: Accept Space: Skill Space: Skill E12: CC	onfigure



Notes

5. Select a payment entry by clicking the spacebar

...

6. Click F9: Audit or press F9 to display the Audit Details for Payroll window

ine Audi	t Detalls	window	in the	Audit	Details	screen	is display	ea.

	Audit De	etails
	Audit Status	roll
Audit Status	<sup>J</sup> Unknown	Audit Note
Paid on Time	Disallowed Late Paid Need Clarification Paid on Time Under Observation	PF Office.

. ..



- *i.* Please ensure that the Payroll feature in Tally.ERP 9 is activated.
- ii. To audit a PF recovery under Sec 36 (1) (va), execute these steps: Tally Main-> Gateway of Tally->Audit & Compliance->Tax Audit->Employees Deduction->Payroll Monthly Summary-> Provident Fund Payment Vouchers
- *iii.* The figures in red colour in the *Employee Deduction* screen indicate the contribution amounts not paid or partially/excess paid

In a similar manner you can audit the Bonus, PF, ESI Recoveries transactions.

7. Click **Alt+P** to print the annexure to the clause



Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Test Com         Details of E         Professional Tax Payments           Details of E         289, 80 R         10th Block         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Details of E         289, 80 R         10th Block         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Test Com         ESI Payments         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           April 2009         Particul         289, 80 R         10th Block         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Hary 2009         April 2009				Annexure to CI Bonus P	l <b>ause 16 a</b> Payments	ind 21									
Test Com         Annexure to Clause 16 and 21           Previous Year Ended :: 31-Mar-2010           Annexure to Clause 16 and 21           Est Com         Annexure to Clause 16 and 21           Details of F           Particul         289, 80t R         Name and Address of the Assessee         Previous Year Ended :: 31-Mar-2010           Particul         289, 80t R         Name and Address of the Assessee         Previous Year Ended :: 31-Mar-2010           Annexure to Clause 16 and 21           Details of F           Particul         Name and Address of the Assessee         Previous Year Ended :: 31-Mar-2010           June 2009         Particul         Test Company         Assessment Year         2010-11           289, 80t R         Details of F         Particul         Details of F           June 2009         Particul         Details of F         Particul           June 2009         Particul         Details of F           June 2009         Details of F         Details of F         Deta	Name and A	Address of th	ne Assessee	I	Previous Ye	ar Ended	: 31-M	lar-2010							
289.80h F         Professional As Psynettics           10h Block Bangalore Details of E         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           April 2009 May 2009 July 2009 August 200 September January 20 February 21 March 2011         Details of F         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Details of F         289.80h R 10th Block Bangalore         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           May 2009 July 2009 November         April 2009 July 2009 July 2009 July 2009 July 2009 September         Details of F         Particul Particul         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           Earl 2009 November         April 2009 July 2009 July 2009 September         April 2009 May 2009 September         April 2009 April 2009 April 2009 September         April 2009 April 2009 April 2009 September         April 2009 April 2009 April 2009 September         Decomber July 2009 September         April 2009 April 2009 April 2009 April 2009 September         April 2009 April 2009 April 2009 September         April 2009 April 2009 April 2009 April 2009 September         April 2009 April 2009 April 2009 April 2009 April 2009 September         13.87.00 September         210.60 September         8.765.60 September         15-5-2009 September         15-5-2009 September         15-5-2009 September         15-5-2009 September         15-5-2009 September	Test Com			Anne	exure to C	lause 16	and 21								
Toroloc         Name and Address of the Assesse         Previous Year Ended         : 31-Mar-2010           Bangalore         289, 80 ft Bangalore         Test Composition         Annexure to Clause 16 and 21 ESI Payments           June 2009         Details of F         Particul         289, 80 ft Bangalore         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           June 2009         June 2009         April 2009         A	289, 80ft R	Name and	A		FIDIESSIDIIAI	Desulaus V	anto Ze en Frades		M 2010						
Annexure to Clause 16 and 21 ESI Payments           ESI Payments           ESI Payments           April 2009           Details of F           June 2009         Pariticu         289, 80h R           June 2009         Details of F           July 2009         Details of F           August 200         Arriteu         289, 80h R           July 2009         Details of F           July 2009         Details of F           June 2009         Details of Provident Fund Payments           Bangalore           Details of Provident Fund Payments           Bangalore           Details of Provident Fund Payments           March 2010         Details of Provident Fund Payments           January 20         Ochoter 200 <th <="" colspan="2" th=""><th>Bangalore</th><th colspan="9">Name and Address of the Assessee Previous Year Ended : 31-Mar-2010</th><th></th><th></th><th></th></th>	<th>Bangalore</th> <th colspan="9">Name and Address of the Assessee Previous Year Ended : 31-Mar-2010</th> <th></th> <th></th> <th></th>		Bangalore	Name and Address of the Assessee Previous Year Ended : 31-Mar-2010											
Particul April 2009         289, 80h R 10th Block Bargalore         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           May 2009         Details of F June 2009         Particul July 2009         April 2009         Particul July 2009         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           August 200         April 2009         May 2009         Details of F         Details of F         Test Company         Assessment Year         : 2010 - 11           September         July 2009         April 2009         Details of F         Particul         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           July 2009         May 2009         July 2009         April 2009         Details of F         Particul         289, 80h Rod, 10th Block, Koramangala, Bangalore         Panil 2009         April 2009<	Details of E	Test Com Annexure to Clause 16 and 21													
April 2009         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           May 2009         Details of F         289, 80f. R         10th Block         Annexure to Clause 16 and 21           June 2009         April 2009         April 2009         April 2009         April 2009         April 2009           August 200         July 2009         April 2009         Details of F         Particul         289, 80f. R           July 2009         April 2009         July 2009         April 2009         Particul         289, 80f. Rad, 10th Block, Koramangala, Bargalore         Particulars         289, 80f. Rad, 10th Block, Koramangala, Bargalore         Particulars	Particul	289, 80ft R		ESI Payments											
April 2009         Details of F         Test Comp         Annexure to Clause 16 and 21           June 2009         Particul         289, 80t R         Test Company         Provident Fund Payments           July 2009         April 2009         May 2009         Details of E         Details of E           July 2009         April 2009         Particul         289, 80t R         Test Company         Assessment Year         : 2010 - 11           September         July 2009         April 2009         Particul         289, 80t Rad, 10th Block, Koramangala, Bangalore         Panticul 289, 80t Rad, 10th Block, Koramangala, Bangalore         Panticul 200, 10th Block, Koramangala, Bangalore         Panticul 200, 10th Block, Koramangala, Bangalore         Particulars         Details of Provident Fund Payments           March 2010         April 2009         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-5-2009         30-4-2009           March 2010         December         August 200         September         April 2009         8,080.00         364.21         13,080.21         15-7-2009         15-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009         31-5-2009		10th Block Bangalore	Name and	e and Address of the Assessee Previous Year Ended : 31-Mar-2010											
May 2009         Details of Particul July 2009         289, 80ft R 10th Block Bangalore         Name and Address of the Assessee         Previous Year Ended         : 31-Mar-2010           August 200         April 2009         Details of E July 2009         Details of E July 2009         Particul July 2009         Details of E Particul         Particul         289, 80ft Road, 10th Block, Koramangala, Bangalore         Panticul         289, 80ft Road, 10th Block, Koramangala, Bangalore           November January 20         April 2009	April 2009	Details of F	Test Comp Annexure to Clause 16 and 21												
July 2009         April 20	May 2009	Particul	289, 80ft R				Provid	ent Fund Pa	ayments						
August 200 August 200 September June 2009 Uctober 20 July 2009         Details of E Particul         Test Company         Assessment Year         : 2010 - 11           289, 80ft Road, July 2009         Particul         289, 80ft Road, 10th Block, Koramangala, Bangalore         PAN/TAN Number         : EEENM16586           December January 20         April 2009 Rebruary 20         April 2009 March 2010         April 2009 May 2009         April 2009 May 2009         April 2009 May 2009         April 2009 May 2009         April 2009 Rebruary 20         April 2009 November         Admin         Other Charges         Total         Due On Employees         Employers         Particulars           Grand T         January 20         September September         August 200 May 2009         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-6-2009         30-4-2009           March 2010         November         June 2009         8,908.00         3,808.00         364.21         13,080.21         15-7-2009         15-7-2009         30-6-2009           March 2010         November         Junuary 20         September         July 2009         9,048.00         331.90         12,952.90         15-10-2009         15-9-2009         15-9-2009         1-9-2009         1-9-2009         1-9-2009         1-9-2009         1-9-2009	July 2009		10th Block Bangalore	Name and Addres	s of the Ass	essee		Pr	evious Yea	r Ended	: 31-Mar-	2010			
May 2009         Details of E           September         June 2009         July 2009         April 2009         289, 80ft Road, 10th Block, Koramangala, Bangalore         Details of Provident Fund Payments           January 20         September         August 2000         April 2009         Employees Employer's Charges         Charges         Total         Dec On         Particul           March 2010         December         July 2009         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-6-2009         30-4-2009           March 2010         December         August 200         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-6-2009         30-4-2009           March 2010         December         August 2009         8,908.00         3,808.00         364.21         13,080.21         15-7-2009         15-7-2009         30-6-2009         31-8-2009         April 2009         9,042.00         941.00         368.06         10,351.06         15-9-2009         15-9-2009         15-9-2009         15-9-2009         15-9-2009         15-9-2009         31-8-2009         April 2009         9,042.00         941.00         368.06         10,351.06         15-9-2009         15-9-2009         31-8-20	August 200	April 2009	Dungalore	Test Company				As	sessment	fear (	: 2010 - 1	1			
October 20 July 2009 July 2009 August 200 January 20 Becember January 20 March 2010         April 2009 October 200 December January 20 March 2010         April 2009 December July 2009 April 2009 December July 2009 December January 20 December January 20 December 2009 December January 20 December 2009 December 2009 Dec	September	May 2009	Details of E Particul	289 80# Road				P	ΔΝ/ΤΔΝ Νιι	mher	· FEENM	16586			
November         July 2003         April 2009         Bangalore           December         January 20         September         May 2009         April 2009         Admin         Other         Total         Due On         Paid On           Movember         June 2009         October 20         June 2009         April 2009         Bangalore         Particulars         Contribution         Charges         Charges         Employees Employers         Paid On           Gr an d T         January 20         September         August 2009         8,511.00         3,717.00         303.30         11,985.30         15-6-2009         15-7-2009         30-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-8-2009         30-6-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009	October 20	June 2009		10th Block, Korama	angala,										
December January 20 February 20 March 2010         April 2009 October 200 March 2010         Details of Provident Fund Payments           December March 2010         April 2009 October 200 March 2010         April 2009 May 2009         Details of Provident Fund Payments         Admin         Other Charges         Total         Due On         Paid On           Grand T         January 20 March 2010         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-6-2009         30-4-2009           March 2010         December May 2009         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-6-2009         31-5-2009         30-4-2009         31-5-2009         31-5-2009         30-4-2009         30-6-2009         31-5-2009         30-6-2009         31-5-2009         30-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-6-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2	November	August 2009	gust 200 April 2009												
January 20 February 20 March 2010         Amay 2009 June 2009         Particulars         Contribution Employees         Admin Employees         Other Charges         Iotal Charges         Dote Employees         Employees         Employees         Employees         Charges         Charges         Charges         Employees	December	September	April 2009 May 2009	Details of Provident	Fund Payme	nts									
February 21 March 2010         November December         July 2009 August 200         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-5-2009         30-4-2009           Grand T         January 20         September         July 2009         8,511.00         3,171.00         303.30         11,985.30         15-6-2009         15-6-2009         31-5-2009         30-4-2009           March 2010         March 2010         November         July 2009         8,908.00         3,808.00         364.21         13,080.21         15-7-2009         15-7-2009         30-6-2009         30-6-2009         31-8-2009         <	January 20	October 20	June 2009	Particulars	Employees	bution Employer's	Admin Charges	Other Charges	lotal	Employees	On Employer's	Paid On	Remarks		
March 20 R         December         August 200         April 2009         6,718.00         1,837.00         210.60         8,765.60         15-5-2009         15-5-2009         30-4-2009           Grand T         January 20         September         May 2009         8,511.00         3,171.00         303.30         11,985.30         15-5-2009         15-6-2009         31-5-2009         31-5-2009           March 2010         March 2010         November         July 2009         9,008.00         375.10         9,383.10         15-8-2009         15-9-2009         31-8-2009           January 20         December         January 20         September 2009         9,141.00         3,480.00         331.90         12,952.90         15-10-2009         15-10-2009         30-9.2009           Voltaber 2009         9,118.00         3,457.00         329.77         9,468.77         15-11-2009         15-12.2009         31-12.2009           March 2010         Grand T         December 2009         9,910.00         3,245.00         329.77         9,468.77         15-12.2009         15-12.2009         31-12.2009           November 2009         9,910.00         3,245.00         31.90         12,951.80         15-12.010         15-1.2010         15-1.2010         15-1.2010         15-2.	February 20	November :	July 2009												
Grand T         January 20         September         May 2009         8,511.00         3,171.00         303.30         11,985.30         15-6-2009         15-6-2009         31-5-2009           February 20         October 200         June 2009         8,908.00         3,808.00         364.21         13,080.21         15-7-2009         15-7-2009         30-6-2009           March 2010         November         July 2009         9,008.00         375.10         9,383.10         15-8-2009         15-8-2009         31-8-2009           January 20         December         January 20         September 2009         9,141.00         3,480.00         331.90         12,952.90         15-10-2009         31-8-2009         30-9-2009         30-9-2009         30-9-2009         30-9-2009         31-8-2009         30-9-2009         30-9-2009         31-8-2009         30-9-2009         31-8-2009         31-8-2009         31-8-2009         30-9-2009         30-9-2009         30-9-2009         30-9-2009         30-9-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-8-2009         31-9-2009         31-9-2009         31-9-2009         31-12-2009         31-12-2009         31-12-2009         31-	March 20 ft	December:	August 200	April 2009	6,718.00	1,837.00	210.60		8,765.60	15-5-2009	15-5-2009	30-4-2009			
February 20 March 2010         October 200 July 2009         June 2009         8,908.00         3,808.00         364.21         13,080.21         15.7-2009         15.7-2009         30-6-2009         30-80	Grand T	January 20 <sup>.</sup>	September	May 2009	8,511.00	3,171.00	303.30		11,985.30	15-6-2009	15-6-2009	31-5-2009			
March 2010         March 2011         July 2009         9,008,00         375,10         9,383,10         15-5-2009         15-8-2009           Grand T         August 2009         9,042,00         941,00         368,06         10,351,06         15-9-2009         15-9-2009         31-8-2009           January 20         September 2009         9,141,00         3,480,00         331,90         12,952,90         15-10-2009         15-10-2009         31-8-2009           February 20         October 2009         9,118,00         3,457,00         329,77         9,468,77         15-11-2009         15-12-2009         31-12-2009           March 2010         December 2009         8,910,00         3,457,00         329,77         12,904,77         15-12-2009         15-12-2009         31-12-2009           January 2010         9,180,00         3,480,00         331,90         12,955,06         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-2-2010         15-1-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010		February 20	October 200	June 2009	8,908.00	3,808.00	364.21		13,080.21	15-7-2009	15-7-2009	30-6-2009			
Grand T         December:         Sugar 2009         9,141.00         334.00         331.90         12,952.90         15-92.009         15-2009         30-2009           January 20         September 2009         9,141.00         3,480.00         331.90         12,952.90         15-10-2009         15-10-2009         30-92009           February 20         October 2009         9,139.00         329.77         12,904.77         15-11-2009         15-12-2009         30-11-2009           March 2010         December 2009         8,910.00         3,3457.00         329.77         12,904.77         15-12-2009         15-12-2009         30-11-2009           January 2010         December 2009         8,910.00         3,3460.00         331.90         12,952.60         15-12-2019         15-12-2009         30-11-2009           January 2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-1-2010         15-2-2010         15-1-2010         15-2-2010         15-2-2010         15-2-2010         15-1-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010         15-2-2010		March 2010	November 2	July 2009	9,008.00	041.00	375.10		9,383.10	15-8-2009	15-8-2009	21 9 2000			
January 20         Dependence 2009         9,139.00         329.77         9,468.77         15.12.209         15.12.209         31.10.2009         31.10.2009           February 20         October 2009         9,139.00         329.77         9,468.77         15.11.2009         15.11.2009         31.10.2009         31.10.2009         31.10.2009         31.10.2009         31.10.2009         31.10.2009         31.10.2009         31.10.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.11.2009         31.12.2009 <t< th=""><th></th><th>Grand T</th><th>December :</th><th>September 2009</th><th>9 141 00</th><th>3 480 00</th><th>331.90</th><th></th><th>12 952 90</th><th>15-10-2009</th><th>15-10-2009</th><th>30-9-2009</th><th></th></t<>		Grand T	December :	September 2009	9 141 00	3 480 00	331.90		12 952 90	15-10-2009	15-10-2009	30-9-2009			
February 20 March 2010         November 2009         9,118.00         3,457.00         329.77         12,904.77         15-12-2009         15-12-2009         30-11-2009           Grand T         January 2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         15-12-2019         31-12-2009           Grand T         January 2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         15-1-2010			January 201	October 2009	9,139.00	5,400.00	329.77		9.468.77	15-11-2009	15-11-2009	31-10-2009			
March 2010         December 2009         8,910.00         3,326.00         317.60         12,553.60         15-1-2010         15-1-2010         31-12-2009           Grand T         January 2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         15-2-2010         31-1-2010           Entries         2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         31-1-2010			February 20	November 2009	9,118.00	3,457.00	329.77		12,904.77	15-12-2009	15-12-2009	30-11-2009			
Grand T         January 2010         9,180.00         3,480.00         331.90         12,991.90         15-2-2010         31-1-2010           Experience 2010         0.064.00         2.400.00         231.00         13.975.00         45.000.05         20.000         50.000         <			March 2010	December 2009	8,910.00	3,326.00	317.60		12,553.60	15-1-2010	15-1-2010	31-12-2009			
Entrany 2010 0.064.00 2.490.00 221.00 12.975.00 15.2.0040 15.2.0040 0.0.0.0040			Grand T	January 2010	9,180.00	3,480.00	331.90		12,991.90	15-2-2010	15-2-2010	31-1-2010			
Pebluary 2010 9,004.00 3,460.00 351.30 12,675.90 15-3-2010 15-3-2010 28-2-2010				February 2010	9,064.00	3,480.00	331.90		12,875.90	15-3-2010	15-3-2010	28-2-2010			
March 2010 9,055.00 3,438.00 12,493.00 15-4-2010 31-3-2010				March 2010	9,055.00	3,438.00			12,493.00	15-4-2010	15-4-2010	31-3-2010			
Grand Total 1,05,794.00 30,418.00 3,594.11 1,39,806.11				Grand Total	1,05,794.00	30,418.00	3,594. <b>11</b>		1,39,806.11						

#### The Annexure to Clause 16 and 21 report is displayed.

Figure 21. Annexure to Clause 16-Sec 36 (1) (va)

#### Button menus available in the Employees' Deduction Details screen



**F5**: **Masters**: Click this button or press **F5** display the **List of Pay Heads** screen.

*F6: Payment Summary:* Click this button or press *F6* to display the monthly statutory payments details relating to contributions, charges, amounts due and the date of payment.

Alt + X: Exceptions: Click this button or press Alt and X together to display only the exception details for audit. Click Alt+X: All to return to the default screen.

*F11: Features:* Click this button or press *F11* to view the *Tax Audit Rules* on the payment schedule for statutory deductions.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



# Clause 18- Payments to Specified Persons under Sec 40(2) (b) of the Income Tax Act

Under this section, certain expenses or payments made to any person can be inadmissible as perceivable by the IT dept if found to be excessive or unreasonable having regard to the fair value of goods, services or facilities offered by them. The persons who are covered by this section are:

- relatives of the assessee
- directors of a company
- partners of a firm,
- person having substantial interest in a company or firm
- family members of the director/partner

**Audit Scope**: We will be finding whether there have been payments to specified persons made by the assessee, which are excessive or unreasonable, as per the Income Tax Dept.

1. Select Payments to Specified Persons in Tax Audit Dashboard screen

#### The **Payments to Specified Persons** screen is displayed.

P: Print	E: Export	M: E-Mail	0: Upload	<u>S</u> : Shop	<u>G</u> : Language	K: Keyboard	<u>K</u> : Control Centro	e ∐:S	upport Centre	H: Help	F4: Group
Payments to S	Specified Persons	;		Test	Company 09-10					Ctrl + M 🛛	F7: Show All Vch
Payments to Sp	pecified Persons u 	ı/s 40A(2)(b)							1-Apr.J	2009 to 31-Mar-2010	F8: Show Audit Amt
Particul	lars	Relation Type							Total	Unaudited	F9: Master
i untrour	lais	rielanon rype							Amount	Vouchers	
Aravind Kumar		Brother							23 88 412 0	n 5	
AVT Computers		Sister Organisatio	1						,,	-	ļ
Computer Juncti	ion	Deletion							3,40,120.0	0 4	
Aksnaya Trust B Ramesh - Loa	an	Relation							25,000.0	n 1	
Bharat Petro A/C	C								24,967.0	0 9	
Dollar Trading Co	io.,								5,664.8	10 7	
											ļ
											ļ
											ļ
Grand Tot	tal								28,34,163.8	0 27	E11: Features
Q: Quit											
					•					Ctrl + N	F12: Configure

Figure 22. Payments to specified persons - Clause 18

A list of ledgers of specified persons is displayed with the amounts paid to them and the information on the unaudited vouchers.

The identification of specified persons can be made at the ledger master creation by the assessee. Alternatively, you can mark those ledgers which are to be included as specified persons by executing these steps.



- 2. Click the **Ctrl+F9** button in the **Payments to Specified Persons** screen to display the **List of Groups** for selection
- 3. Select All Items or a desired Group to display the Multi Ledger Display screen
- 4. Select the particular ledger account and press spacebar
- 5. Click Ctr+A button to change the value under Is Related Party? to Yes

The **Multi Ledger Display** screen is displayed.

P: Pri	nt E: Export M: E-Mail O: Upload	G: Language K: Keyboard K: Control Centre H: Support Centre H: Help	A: Change
Multi	Ledger Display	Test Company 09-10 Ctrl + M 🗴	
Under	Group : J All Items	1-Apr-2009 to 31-Mar-2010	
C 11	N 61 1		
5.No.	Name of Ledger	Is Related	i
		Party ?	
	ABC Baals	N-	
1.	ADC Dank	NO	·
2.	Accum Dep. on Building	NO	
3.	Accum Dep. on Computer & Per	No	
5	Accum Den on Furn & Fixt	No	
6	Accum Dep. on Motor Car	No	
7.	Accum, Dep. on P & M - I	Ne	
8.	Accum, Dep. on P & M - II	No	
9.	Advance Tax	No	
10.	Adview Consultants	No	
11.	Airconditioner	No	[
12.	All India Computer Institute	No	
13.	Amar Computer Peripherals	No	
14.	ANS Tech	No	[
15.	Aravind Kumar	Yes	l
16.	Ashok Financiers	Yes	
17.	Assembling Charges	No	
18.	Avanthi Constructions	No	
19.	AVI Computers	Yes	
20.	Balasubramanianis Share Capitar A/C	NO	
21.	Basic Pay	NO	
22.	Batliwala & Co	Vos	
24	Bharat Petro A/C	Yes	
25	Bonus	Ne	
26.	Bonus Paid	No	l
27.	B Ramesh - Loan	Yes	
28.	Building	No	
29.	Business Promotion Expenses	No	
		192 more	
0.0			
g: Qu	L: Delete	<u>H: Kemove Line U: Restore Line U: Restore All</u> Space: Seed Space: Seed	E11: Features
			Gatulos

Figure 23. 51-Configuration of Ledger Account as Related Party

- 6. Press Esc or Ctrl+Q to return to the Payments to Specified Persons screen
- 7. Select any ledger (e.g. Akshaya Trust) in the Payments to Specified Persons screen and press Enter

The **Ledger Voucher** screen with the payment entry details is displayed.



P: Print	E: Export	M: E-Mail	<u>0</u> : U	pload S:	Shop	<u>G</u> : Language	K: Keyboard	K: Control (	Centre <u>H</u> : Su	pport Centre	H: Help	F1: Detailed
Ledger Vo	ouchers				Test Comp	any 09-10					Ctrl + M 🛛	F2: Period
Ledger	: Akshaya Tr	ust (Unaudited V	'ouchers )							1-Apr-2	009 to 31-Mar-2010	Ed: Lodger
Date	Vch Type		Vch No.			Transaction	Audit	To be Reported	Nature of	Αι	ıdit Note	E8: Show Lodger
						Value	Status	Amount	Payment			To. Onow Ledger
Payment (	On Account)											F9: Audit
24.2.2040	0		440			60.000.00.0						
31-3-2010	Conoro Bonk	50	440 000.00.C+			50,000.00 24	4					
	Canara Dann	50,	,000.00 07									
												L
												l
												F11: Features
0.0.2		1				1				la	0.000	F12: Configure
<u>U</u> : Quit	Accept			Enter: Alt Vch						Space: Select	Space: Select All	F12: Range
						<u> </u>					CTPL + N	<u> </u>

Figure 24. Ledger Account of Monthly Payment Details to Specified Person

8. Select the payment by pressing the spacebar

The F9: Audit button menu is activated on the right panel.

- 9. Click **F9**: Audit or press **F9** to display the Audit Details for Payments to Specified Persons window
- 10.Select the required value for Audit Status
- 11.Enter the values for **Amount** and **Nature of Payment** depending on the value selected for **Audit Status**
- 12.Enter the comments under Audit Note

```
The Audit Details window in the Audit Details screen is displayed.
```

	Audit Status	Audit D	etails pecified Persons
Audit Status	L. Uniter store	e of Payment	Audit Note
To be Reported	Need Clarification	<sup>p</sup> ayment	Payment to specified person.
Note: Blank Amount will defau	Under Observation		

Figure 25. Audit Details with Audit Status and Audit Note

To audit a payment to specified person, execute the steps:



Tally Main->Gateway of Tally->Audit & Compliance->Tax Audit->Payments to Specified Persons->Ledger Vouchers

#### 13.Click Alt + P to print the annexure to the clause

#### The Annexure to Clause 18 is displayed.

	Pa	Annexure to Clause 18 yments to Specified Persons Under Section	404(2)(b)		
Name a	nd Address of the Asses	see Previous	Year Ended	: 31+Mar-2010	
Test Cor	mpany	Assessm	ent Year	: 2010 - 11	
289, 80tt	Road.	PANITAN	Number	: EEENM16586	
10th Blox Bangalor	dk, Koramangala, re				
10th Blox Bangalor <b>Sl. Nb</b>	ck, Koramangala, re Name	Nature of Payment	Amount	Remark	
10th Blox Bangalor <b>SI.No.</b> 1	ck, Koramangala, re <b>Name</b> Akshava Trust	Nature of Payment	Amount 50,000.00	Remark	
10th Blox Bangalor <b>S.No.</b> 1	ck, Koramangala, re Name Atshava Trust	Nature of Payment Commission Payment Grand Total	Amount 50,000.00 <b>50,000.00</b>	Remark	

Figure 26. Annexure to Clause 18 - Sec 40(2) (b)

#### Button menus available in the Payments to Specified Persons screen

*F4*: *Group*: Click this button or press *F4* to select any ledger for finding out the payments to specified persons.

**F7**: Show All Vch: Click this button or press **F7** to display the details of **Audited**, **Unaudited** and **Total** number of vouchers. Click **F7**: Show Pending or press **F7** to return to the earlier screen.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



## Clause 27- Tax Deducted at Source

Under this clause the assessee has to report whether tax at source has been deducted and paid to the account of the Government as per the provisions of Chapter XVII- B of the Income Tax Act. Any person deducting any tax in accordance with the provisions of this Chapter shall pay the amount within the prescribed time, to the credit of the Central Government or as the Board directs. The person deducting shall also prepare the necessary statements and file them with the IT Dept as required under the Act.

**Audit Scope**: We will be verifying whether tax deducted at source has been deposited to the account of the Government within the prescribed time.

#### 1. Select Tax Deducted at Source in Tax Audit Dashboard screen

P: Print E: Export	M: E-Mail	O: Uplo	ad		G: Language K: Ke	eyboard Karl Karl	rol Centre H: Support Ce	ntre <u>H</u> : Help	F5: Expenses Analysis
TDS Summary				Test Compa	any 09-10			Ctrl + M 🛛	
TDS Deduction & Payment	Summary						1-Apr-20	09 to 31-Mar-2010	
Particulars				Assessable Value	Tax Amount	Audited	Audit Status Unaudited	Total	
Deduction Details									
Deducted On Time				34,000.00	3,934.00		3	3	
Deductible				2,40,000.00	11,460.00 (Estimated)		11	11	
Deducted Late				2,20,000.00	18,540.00		10	10	
Deducted at Zero Rate	(Section 197 A)								
Deducted at Lower Rate	(Section 197)								
Under Exemption Limit									
Marked as Not Applicable									
Payment Details									
Paid on Time				22,000.00	2,080.00		2	2	
Paid Late				2,32,000.00	40,788.00		11	11	
Deducted but not Paid									
									F11: Features
Q: Quit								Ctrl I N	F12: Configure

The **TDS Summary** screen is displayed.

Figure 27. TDS Deduction & Payment Summary

A list of deduction and payment details are displayed with the tax information in the screen:

- Assessable Value
- Tax Amount
- Audit Status (Audited/Unaudited/Total)
- 2. Click any of the Deduction Details/Payment Details in the TDS Summary screen

TDS Summary	Test Company	09-10			Ctrl + M ×
Deducted On Time - Expenses Summary				1-Apr-20	09 to 31-Mar-2010
Particulars	Assessable	Tax		Audit Status	
	Value	Amount	Audited	Unaudited	Total
Manpower Charges	10,000.00	226.00		1	1
Rent	24,000.00	3,708.00		2	2
Grand Total	34.000.00	3.934.00		3	3

The **TDS Summary** screen is displayed.



## 3. Click any ledger in the **TDS Summary** screen

The **TDS Details** screen is displayed.

P: Print	E: Export	<u>M</u> : E-f	Mail <u>O</u> : U	pload		G: Language	K: Keybo	ard K: Con	trol Centre	H: Support Centre	H: Help	F1: Detailed
TDS Bil	ls				Test Comp	any 09-10					Ctrl + M 🛛	F4: Ledger
Deducte	d On Time for :	Manpower	Charges							1-Apr-2009 t	o 31-Mar-2010	
Ref	Party Le	edger	Nature	of Paymer	nt	Assessa	ble T	ax	Гах	Audit	Audit 🚽	F9: Audit
No.		-				Value	e Am	iount F	late	Status	Note	F8: Show Ledger
Irnl / 11-	1 Purvankara Pro	jects Timel	Payments to Contrac	tors (Other Than Ad	ivertisement)	10,00	0.00	226.00	2 %			
(Other -	Status, Paid On 1	ime)										
												l
						10.00	0.00	226.00				
	A: Accort									Spacer of	Space Shull	F11: Features
a. œuit	Accept									space: se	Ctrl + N	F12: Configure

Figure 29. TDS Bills Details for the selected ledger

4. Click F9: Audit or press F9 to display the Audit Details window



Notes

- 5. Select the required value for Audit Status
- 6. Enter the comments under Audit Note

#### The Audit Details window in the Audit Details screen is displayed.

	Audit Detail	S
	for Manpower Ch	arges
	Audit Status	
Audit Status		Audit Note
Audited	J Unknown Audited Need Clarification Under Observation	vankara is deducted on time.



- *i.* You have to enable the **TDS** option under **Statutory & Taxation** of **F11** in Tally.ERP 9 to perform audit under this clause.
- ii. To audit a TDS transaction that is remitted to the Government as per Chapter XVII-B of the IT Act, execute these steps: Tally MAIN->Gateway of Tally->Audit & Compliance->Tax Audit->TDS Summary->TDS Summary

In a similar manner you can audit all details under **Deduction Details** and **Payment Details** in the **TDS Summary** screen.

7. Click **Alt+P** to print the annexure to the clause



#### The **Annexure to Clause 27(b)(1)** report is enclosed.

					Ann	exure	e to Cla	use 27(	b)(v)					
						1	ax Paid	Late						
Name and J	Address	s of th	e Asse	ssee				Previo	us Year Ended : 31-Mar-2010					
Test Com							Anne	exure to	Clause 27(b)(i)	-				
000 00 <del>0</del> 0							Tax De	ductible b	ut not Deducted at all					
289, 80π H 10th Block	Nam	e and	Addre	ss of th	ie Asse	ssee			Previous Year Ended : 31-Mar-	2010				
Bangalore	Test	Com						A	Annexure to Clause 27(b)(ii)					
SI Secti	200	000					Shortfall	l on accou	int of lesser Deduction than required to b	be Deducted				
No	209, 1 10th I	Block	Nan	ne and	Addre	ss of th	e Asses	see	Previous Year	rEnded : 31-M	1ar-2010			
	Bang	alore	Tes	t Com					Annexure to Clause	27(b)(iii)				
1 194C	SI	Sec	000	000 5					Tax Deducted Late	e				
2 194C	No		209 10th	1 Block	Nam	ne and	Address	s of the A	ssessee Pre	evious Year End	ded : 31-M	/lar-2010		
			Ban	galore	Test	Com			Annexure	to Clause 2	7(b)(iv)			
	1 194I SI Secti													
	2 3	194I 194I	No	on	289, 10th	80ft R Block	Nam	e and Ad	dress of the Assessee	Previous \	Year Ended	: 31-M	ar-2010	
					Ban	galore	Test	Test Company Assessment Year · 2010 - 11						
			1	1941	SI	Sectio	rest	Test Company Assessment Year					- 11	
			2	194I 194I	No		289, 80ft Road, PAN/TAN Number 10th Block, Koramangala					: EEEI	VM16586	
			4	1941			Bang	alore	annangara,					
			6	1941 1941	1	1941	SI	Section	Nature of Expense			Amount of	Date of	Amount of
			7	194I 194I	2	194I 194I	No					Payment / credit	Deduction	Tax not Deposited
			9	1941	4	1941								
				<u> </u>	6	1941	1	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
					7	1941	2	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
					8	1941	3	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
					10	194	5	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
							6	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
							7	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
				L			8	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
							9	1941	Rent of Land, Building Or Furniture			10,000.00	31-3-2010	1,000.00
							10	194H 107I	Commission Or Brokerage Rept of Land, Building Or Euroiture			10,000,00	31-12-2009	2,500.00
								1341	Total			1 50 000 00	31-3-2010	12 500.00
									Total			1,30,000.00		12,300.00

Figure 31. Annexure to Clause 27 (b) (1)

#### Button menus available in the TDS Summary screen



*F5: Expense Analysis:* Click this button or press *F5* to display the debit and credit details of the *TDS* and *Non TDS Expenses* and the closing balance.

*F11: Features:* Click this button or press *F11* to view the *Tax Audit Rules* on the payment schedule for statutory deductions.

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



## Clause 21- Payments under Sec 43B

Under this clause certain statutory payments made by an assessee are allowable as deductions to the income to the extent of the actual amount paid.

These payments are for liabilities in respect of:

- taxes and duties.
- **•** employer contribution to any provident fund or superannuation funds,etc.
- **n** interest on loans/borrowings.
- leave salary.

The condition is that the deductions are allowable if the assessee discharges the liabilities before the due date of filing the tax return for the financial year.

**Audit Scope**: To verify the actual payments of certain statutory dues to the Govt/Funds, etc. before the due date of filing the tax return.

#### 1. Select **Employer's Contribution** under **Payments under Section 43B** in the **Tax Audit Annexures to Form 3CD** screen to display the **Employer's Contribution** screen

The screen displays the following details:

- Amount contributed/deducted (Provident Fund/ESI- Employer and Employee related deductions and charges)
- **D** Amount paid and the difference
- Payment status (On Time or Due [Partially])
- Audit Status (Audited/Unaudited/Total)

The **Employer's Contribution** screen is displayed.

P: Print E: Export M: E-	Aail <u>O</u> : Upload		G: Language	K: Keyboard	K: Control Centre	: Support Centre	H: Help	F5: Masters
Employer's Contribution		Test Cor	mpany 09-10				Ctrl + M 🗙	F6: Payment Summary
Employer's Contribution Details						1-Apr-2009 t	o 31-Mar-2010	X: Exceptions
Particulars		Amount		Payment		Audit Status		<u> </u>
	Contributed /	Paid	Difference	Status	Audited	Unaudited	lotal	
	Deducted							<u> </u>
	4 50 007 44 0	4 40 500 44 5	0.544.00.0					
Provident Fund	1,50,097.11 Cr	1,40,586.11 Dr	9,511.00 Cr	Due (Partially)		37	31	
Employee's Other Charges	3 594 11 Cr	3 594 11 Dr	760.00 DI	On Time		32	32	
Employer's Statutory Contributions	40.709.00 Cr	30.418.00 Dr	10.291.00 Cr	Due (Partially)		37	37	<u> </u>
,,				,				
Employee State Insurance	14,561.00 Cr	13,620.00 Dr	941.00 Cr	Due (Partially)		36	36	
Employees' Statutory Deductions	5,750.00 Cr	5,750.00 Dr		On Time		36	36	
Employer's Statutory Contributions	8,811.00 Cr	7,870.00 Dr	941.00 Cr	Due (Partially)		36	36	ļ
								<u> </u>
								l
								l
Total						73	73	
Q: Quit					1			F11: Features
<u>.</u>			~				Ctrl + N	F12: Configure



The amounts in red colour indicate that they are due (partially) to be paid/deposited into the Funds.

2. Click any of the contribution amounts under **Provident Fund/Employee State Insurance** in the **Employer's Contribution** screen

Payroll Monthly Summary			Test Company 09	-10				Ctrl + M ×
Statutory Pay Type : Pr Pay Head Type : En	ovident Fund nployees' Statuto	ry Deductions				1-A	pr-2009 to 3	1-Mar-2010
Particulars		Amount		Int & Other	Payment		Audit Status	•
	Contribution / Deducted	Paid	Difference	Payments	Status	Audited	Unaudited	Total
April	6,718.00 Cr	7,498.00 Dr	780.00 Dr		On Time		3	3
May June Juny August September October November December January February March	8,511.00 Cr 8,908.00 Cr 9,042.00 Cr 9,141.00 Cr 9,139.00 Cr 9,139.00 Cr 9,180.00 Cr 9,064.00 Cr 9,055.00 Cr	8 511.00 Dr 8 908 00 Dr 9.042.00 Dr 9.141.00 Dr 9.139.00 Dr 9.139.00 Dr 9.180.00 Dr 9.064.00 Dr 9.065.00 Dr			On Time On Time On Time On Time On Time On Time On Time On Time On Time		3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3
Grand Total	1,05,794.00 Cr	1,06,574.00 Dr	780.00 Dr				37	37

The **Payroll Monthly Summary** screen is displayed.

Figure 33. Payroll Monthly Summary - Provident Fund

- 3. Select any month and click the amount in the Paid field
- 4. The **Provident Fund Payment Vouchers** screen is displayed.

P: Print	E: Export	<u>M</u> : E-M	lail O	Upload	G: Lang	uage K: Keybo	ard K: Control Cer	ntre H: Support Centre H: Help	F6: Payment Summary					
Provident Fu	und Payment Vo	uchers			Test Company 09-1	0		Ctrl + M 🙁	F9: Audit					
Provident F	Provident Fund Payment for April ( All Vouchers ) 1-Apr-2009 to 30-Apr-2009													
Date	Vch No.	Challan Date	Due Date	Payment Status	Amount	Interest Payments	Audit Status	Audit Note						
30-4-2009	27		15-5-2009	Unknown	1,837.00 Dr		<sup>J</sup> Unknown							
30-4-2009 30-4-2009	28 29		15-5-2009 15-5-2009	Unknown Unknown	2,859.00 Dr 2,802.00 Dr									
Total					7,498.00 Dr									
Q: Quit	Accept							Space: Select Space: Select	F11: Features F12: Configure					



- 5. Select a payment entry by clicking the spacebar
- 6. Click F9: Audit or press F9 to display the Audit Details for Payroll window
- 7. Select the required value for Audit Status
- 8. Enter the comments under **Audit Note**

The **Audit Details** window in the **Audit Details** screen is displayed.

	Audit De	etails
	Audit Status	roll
Audit Status	<sup>J</sup> Unknown	Audit Note
Paid on Time	Disallowed Late Paid Need Clarification Paid on Time Under Observation	/ment-Paid on time

Figure 35. Audit Details with Audit Status and Audit Note



- *i.* You have to enable the **Payroll** option under **Statutory & Taxation** of **F11** in Tally.ERP 9 to perform audit under this clause.
- ii. To audit a statutory deduction is remitted to the respective fund within time, execute these steps: Tally MAIN->Gateway of Tally->Audit & Compliance->Tax Audit->Employer's Contribution->Payroll Monthly

Similarly you can audit the employer's deductions under **Employees State Insurance** scheme and taxes payable under **Service Tax**, **Value Added Tax** and **Tax Collected at Source** and generate the required Annexures.

9. Click **Alt+P** to print the annexure to the clause



The Annexure to	Clause 16	and 21	report is	enclosed.

			Annexure to CI Bonus P	ause 16 a ayments	and 21							
Name and	Address of th	ne Assessee		Previous Ye	ar Ended	: 31-M	lar-2010					
Test Com			Anne	exure to C Professional	Clause 16 Tax Payme	and 21 ents						
269, 80π H 10th Block	Name and	Address of th	e Assessee		Previous	ear Ended	1 : 31	-Mar-2010				
Bangalore	Test Com			٨٣		Clause	16 and 2	4				
Details of E	rest com			An	ES	Payments	16 and 2	1				
Particul	289, 80ft R 10th Block	Name and	Address of the Asse	8800		Previou	is Year Fno	led ·	31-Mar-2010			
April 2009	Bangalore	nume und	Address of the Asse	3500		Treviou	is rear End		51 Mar 2010	,		
May 2009	Details of F	Test Comp			A	nnexure	to Claus	e 16 and	21			
June 2009	Particul	289, 80ft R				Provid	ent Fund Pa	ayments				
July 2009		Bangalore	Name and Addres	s of the Ass	essee		Pr	evious Yea	r Ended	: 31-Mar-	2010	
August 200	April 2009	Details of F	Test Company				As	sessment \	/ear	: 2010 - 1	1	
September	May 2009	Particul	289, 80ft Road,				P/	N/TAN Nu	mber	: EEENM	16586	
October 20	July 2009		10th Block, Korama	ingala,								
November	August 200	April 2009	Daligatore									
December	September	May 2009	Details of Provident	Fund Payme	nts	Admin	Other	Total	Due	0.5	Daid On	Demorke
January 20	October 20	June 2009	Particulars	Employees	Employer's	Charges	Charges	Total	Employees	Employer's	Faid Off	Remains
March 2010	November:	July 2009										
March 20 ft	December:	August 200	April 2009	6,718.00	1,837.00	210.60		8,765.60	15-5-2009	15-5-2009	30-4-2009	
Grand T	January 20 <sup>.</sup>	September	May 2009	8,511.00	3,171.00	303.30		11,985.30	15-6-2009	15-6-2009	31-5-2009	
	February 20	October 20(	June 2009	8,908.00	3,808.00	364.21		13,080.21	15-7-2009	15-7-2009	30-6-2009	
	March 2010	November 2	August 2009	9,008.00	941.00	368.06		9,363.10	15-8-2009	15-0-2009	31-8-2000	
	Grand T	December :	September 2009	9 141 00	3 480 00	331.90		12 952 90	15-10-2009	15-10-2009	30-9-2009	
		January 201	October 2009	9.139.00	0,100.000	329.77		9.468.77	15-11-2009	15-11-2009	31-10-2009	
		February 20	November 2009	9,118.00	3,457.00	329.77		12,904.77	15-12-2009	15-12-2009	30-11-2009	
		March 2010	December 2009	8,910.00	3,326.00	317.60		12,553.60	15-1-2010	15-1-2010	31-12-2009	
		Grand T	January 2010	9,180.00	3,480.00	331.90		12,991.90	15-2-2010	15-2-2010	31-1-2010	
	L.		February 2010	9,064.00	3,480.00	331.90		12,875.90	15-3-2010	15-3-2010	28-2-2010	
			March 2010	9,055.00	3,438.00			12,493.00	15-4-2010	15-4-2010	31-3-2010	
			Grand Total	1,05,794.00	30,418.00	3,594.11		1,39,806.11				

Figure 36. Annexure to Clause 21

#### Button menus available in the Employer's Contribution screen



**F5**: **Masters**: Click this button or press **F5** display the **List of Pay Heads** screen.

**F6: Payment Summary:** Click this button or press **F6** to display the **Payments Summary** details relating to **Bonus**, **Employee State Insurance**, **Professional Tax** and **Provident Fund** for displaying the respective payment details.

Alt+X: Exceptions: Click this button or press Alt and X together to display only the exception details for audit. Click Alt+X: All to return to the earlier screen.

*F11: Features*: Click this button or press *F11* to view the *Tax Audit Rules* on the payment schedule for statutory deductions

**F12**: **Configure**: Click this button or press **F12** to define the configuration details for the display of details under the clause.



# Form 3CD

The assessees whose accounts are to be audited under Sec44AB of the IT Act have to furnish a statement of particulars as required by the Income Tax Dept in Form 3CD.

#### The **Form 3CD** screen is displayed.

P: Print	E: Export	M: E-Mail	O: Upload		G: Language	K: Keyboar	d <u>K</u> : Cont	rol Centre <u>H</u> : S	upport Centre	H: Help	F1: Detailed
Form 3CD				Test Comp	any 09-10					Ctrl + M 🗵	F2: Period
Form 3CD								1	-Apr-2009 t	o 31-Mar-2010	
Clause	Partic	ulars									
No.											
4 6	Destinulas	-6.0									
1-0 7 (= 8 h)	Particulars	of Assessee	/ Deutroper								
7 (a & D)	Particulars	or members	/ Parmers								
o (a & b)	Nature of B	usiness or Pi	roression								
9 (a - c)	BOOKS OF AC	count									
10	Presumptiv	e income									
11 (a - d)	Method of A	Accounting									
12 (a & b)	Valuation o	or Closing Sto	DCK								
12 A (a - d)	Capital Ass	et converted	Into Stock-In-Ira	ie .							
13 (a - e)	Items of Inc	come not Cre	dited to P&L Acc	bunt							
14 (a - f)	Particulars	of Depreciat	10N								
15 (a - 1)	Deduction	Under Sectio	INS JOAR - JOE								
16 (a & b)	Bonus, Con	nmission, PF	Recoveries, etc.								
17 (a - m)	Details und	er Clause 1/									
17 A	Amount of	Interest inad	missible Under Se	ection 23 (MSM	E)						
18	Payments r	nade to Spe	cified Persons'								
19	Deemed Pr	ofits									
20	Profits Cha	rgeable Unde	er Section 41								
21 (A & B)	Payments I	Jnder Section	n 43B								
22 (a & b)	CENVAT Cr	edits & Prior	Period Expenditu	ire							
23	Hundi Loan	15									
24 (a - c)	Loans/Depo	osits									
25 (a & b)	Brought Fo	rward Loss /	Depreciation								
26	Deductions	under Chap	ter VIA								
27 (a & b)	Tax Deduct	ted at Source	9								
28 (a & b)	Quantitativ	e Details									
										5 more ↓	
Q: Quit 0	: Copy From										
							_				F11: Features

Figure 37. Form 3CD Annexures

The Auditors' Edition of Tally.ERP 9 provides a means to enter details for the clauses in the Form 3CD report. The supporting annexures are generated by executing the clauses discussed in the beginning of this document.

The report comes with user-friendly option to copy the content of the report from one financial year to another or from one company to another. There is also a facility to copy a single clause details from one company to another. Apart from these, you can also select text for quicker entry of details.



#### Short cut buttons in the screen:

**Ctrl** + **O**: **Copy From**-Click this button or click **Ctrl** and **O** together to copy the form details from another company or from another financial year.

The **Data Configuration** screen is displayed.

Data Configu	ration Test Company 09-10	Ctrl + M
		List of Companies
		National Traders 08-09
		Test Company 09-10
	Valuation of Closing Stock Capital Asset converted into Stock-in-Trade Items of Income not Credited to P&L Account	
	Particulars of Depreciation Deduction Under Sections Bonus, Commission, PF Re Copy From Company Copy From Financial Year: Copy Financial Ye	-
18 19 20 21 (A & B) 22 (a & b)	Payments made to 'Specified Persons' Deemed Profits Profits Chargeable Under Section 41 Payments Under Section 43B CENVAT Credits & Prior Period Expenditure	

Figure 38. Data Configuration Screen - Copy of Form 3CD details from another Company/FY



There is another option to copy clause wise details from another financial year or company.

Click **Alt + R**: **Copy From** button or click **Alt** and **R** together in the relevant clause to copy the details from another financial year or company to the current year/company in the **Data Configuration** screen.

Alt + T: Select Text: Select any Tax Audit clause in the Form 3CD screen and press Enter.

The **Details of Books of Accounts** window in the **Details of Books of Accounts** screen is displayed.



Details of Boo	ks of Account Test C	ompany 09-10				Ctrl + M ×
11 (a						
12 (a	Details of	Books of Account				
Clause	No.					
14 (a 9 (a)	Whether Books of Account are prescribed Under Section 44AA, if Yes, List of Books so prescribed	Not Applicable				
16 (a 9 (b) 17 (a	Books of Account maintained (In case Books of Account are maintained in a Computer System, mention the Books of Account generated by such Computer System)	: Cash Book - Bank Book - Le Register - Sales Register (in	dger - Journ General) in	al Register - computerise	Purchase d system	
18 9 (c)	List of Books of Account examined	Same As Above				
19 20						
21 (A & B)	Payments Under Section 43B					
	Deductions under Chapter VIA					
	Tax Deducted at Source					
	Quantitative Details					
						5 more J
Q: Quit T:	Select Text R: Copy From					

Figure 39. Select Text Option- Form 3CD

Click this button or click  ${\bf Alt}$  and  ${\bf T}$  together and select the required text to be filled in the field.

The **Select Text** window in the **Select Item** screen is displayed.

Test Company 09-10
Select Text
Quite et Treet
Select Text
Add User Defined Text
J Remove User Defined Text
As per Annexure
N.A.
Nil
Not Applicable

Figure 40. Selection of Text- Form 3CD

Select the required text or add a text for selection. There is an option to remove the user defined text.



## Printing of FORM NO. 3CD Report

## Click **Alt** + **P**:**Print** to print the **FORM NO.3CD** report.

## The **FORM NO**. **3CD** report is generated.

		Income-Tax Act	, 1961		
		PART A			
1.	Nan	ne of the Assessee	Test Com	npa	ny
2.	Add	ress :	289, 80ft 10th Bloc Bangalor 560068 Karnatak	Ro :k, l e a	ad, Koramangala,
3.	Perr	nanent Account Number :	EEENM16	58	6
4.	Stat	us :			
5.	Prev	ious Year ended :	31-Mar-2	010	)
6.	Ass	essment Year :	2010 - 11		
		PART B			
7.	(a)	If firm or association of persons, indicate names of partn /members and thier profit sharing ratios	ers	;	As Per Annexure
	(b)	If there is any change in the partners or members or in the sharing ratio since the last date of the preceding year, the particulars of such change	eir profit	:	As Per Annexure
В.	(a)	Nature of business or profession (if more than one busin profession is carried on during the previous year, nature business or profession)	ness or of every	:	Real Estate - builder developer
	(b)	If there is any change in the nature of business or profest particulars of such change	sion, the	;	There Is No Change
9.	(a)	Whether book of account are prescribed Under Section 4 yes, list of books so prescribed	14.AA, if	:	Not Applicable
	(b)	Books of account maintained (in case books of account a maintained in a computer system, mention the books of generated by such computer system)	are account	:	Cash Book - Bank Book - Ledger - Journal Register - Purchase Register - Sales Register (in General) in computerised system
	(C)	List of books of account examined		:	Same As Above
10.		Whether the profit and loss account includes any profits a assessable on presumptive basis, if yes, indicate the am the relevant sections (44AD, 44AE, 44AE, 44B, 44BB, 44BB 44BBB or any other relevant section)	and gains nount and 3BA,	:	The Profit and Loss Account Does Not Include Any Profits and Gains Assessable on Presumptive Basis.
11.	(a)	Method of accounting employed in the previous year		:	Mercantile System
	(b)	Whether there has been any change in the method of acc employed vis-a-vis the method employed in the immedia preceding previous year	counting itely	:	No Change
	(C)	If answer to (b) above is in the affirmative, give details of s change, and the effect thereof on the profit or loss	such	:	N.A.
	(d)	Details of deviation, if any, in the method of accounting er in the previous year from accounting standards prescribe Section 145 and the effect thereof on the profit or loss	mployed ed Under	:	No Deviation
12.	(a)	Method of valuation of closing stock employed in the prev	ious year	1	Cost Or Market Value Whichever Is Lesser
	(b)	Details of deviation, if any, from the method of valuation p Under Section 145A, and the effect thereof on the profit or	rescribed r loss	1	Nil

Figure 41. Form 3 CD Annexure



		(a) Description of capital asset		As Der Anneyure
		(b) Date of acquisition	Ĵ,	12_lan_2009
		(c) Cost of acquisition	Ĵ,	N A
		(d) Amount at which the asset is converted into stock-in-trade	1	N.A.
12	Ame	aunte not credited to the profit and loss account being	1	1.0.
10.	(a)	The items falling within the scope of section 28	1	Nil
	(a) (b)	The proforma credite, drawbacke, refund of duty of customs or	÷.	Nil
	(0)	where such credits, drawbacks 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	1	N.A.
	(d)	Any other item of income	1	N.A.
	(e)	Capital receipt, if any	1	Not Applicable
14.	Part 196 be, i	iculars of depreciation allowable as per the Income-Tax Act, 1 in respect of each asset or block of assets, as the case may in the following form		
	(a)	Description of asset/block of assets	÷	As Per Annexure
	(b)	Rate of depreciation	1	10%
	(C)	Actual cost or written down value, as the case may be	1	N.A.
	(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	1	N.A.
		<ul> <li>Modified Value Added Tax credit claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March, 1994</li> </ul>	:	As Per Annexure
		(ii) Change in rate of exchange of currency, and	÷	As Per Annexure
		(iii) Subsidy or grant or reimbursement, by whatever name called	1	As Per Annexure
	(e)	Depreciation allowable	1	256666
	(f)	Written down value at the end of the year	÷	3566664
15.	Amo	ounts admissible Under Sections		
	(a)	33AB	1	Nil
	(b)	33ABA	1	NIL
	(C)	33AC (wherever applicable)	1	NIL
	(d)	35	1	NIL
	(e)	35ABB	1	NIL
	(f)	35AC	1	NIL
	(g)	35CCA	1	NIL
	(h)	35CCB	1	NIL
	(i)	35D	1	25666
	(j)	35DD	÷	NIL
	(k)	35DDA	1	NIL
	(I)	35E	1	NIL
				continued

Figure 42. Form 3 CD Annexure



		(a) Debited to the profit and loss account (showing the amount debited and deduction allowable under each section separately)	:	NIL
		(b) Not debited to the profit and loss account	÷	NIL
16.	(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)]	:	N.A.
	(b)	Any sum received from 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 $36(1)(va)$	:	Nil
17.	Amo	ounts debited to the profit and loss account, being		
	(a)	Expenditure of capital nature	÷	N.A.
	(b)	Expenditure of personal nature	1	No Personal Expenses Has Been Debited to P&L Account
	(C)	Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party	:	Nil
	(d)	Expenditure incurred at clubs		
		(i) As entrance fees and subscriptions	1	Nil
		(ii) As cost for club services and facilities used	1	Nil
	(e)	(i) Expenditure by way of penalty or fine for violation of any law for the time being in force	1	N.A.
		(ii) Any other penalty or fine	1	Nil
		<li>(iii) Expenditure incurred for any purpose which is an offence or which is prohibited by law</li>	1	Nil
	(f)	Amounts inadmissible Under Section 40(a)	1	N.A.
_	(g)	Interest, salary, bonus, commission or remuneration inadmissible Under Section $40(b)/40(ba)$ and computation thereof	1	Nil
	(h)	(A) Whether a certificate has been obtained from the assessee regarding payments relating to any expenditure covered Under Section 40A(3) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be	:	As Per Annexure
		(B) Amount inadmissible Under Section 40A(3), read with rule 6DD [with break-up of inadmissible amounts]	:	N.A.
	(i)	Provision for payment of gratuity not allowable Under Section 40A(7)	:	As Per Annexure
	(j)	Any sum paid by the assessee as an employer not allowable Under Section 40A(9) $% \left( 0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,$	:	As Per Annexure
	(k)	Particulars of any liability of a contingent nature	1	As Per Annexure
	(l)	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	:	Nil
	(m)	Amount inadmissible under the proviso to section 36(1)(iii)	÷	Nil
17 A.		Amount of interest inadmissible Under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006	:	Nil
18.		Particulars of payments made to persons specified Under Section $40A(2)(b)$	:	Not Applicable
19.		Amounts deemed to be profits and gains Under Section 33AB or 33ABA or 33AC	1	N.A.

Figure 43. Form 3 CD Annexure



# Form 3CA

This is an report that has to be furnished by an auditor who performs the statutory audit of the assessee's business or profession as required under any other law (other than the audit under Sec44AB). The auditor has to file the audited copies of final statements of profit & loss account, the balance sheet and annexure, to the IT Department in addition to the report under Form 3CD report.

The **Print Report** screen for generating **Form 3CA** is displayed.

	Printi	ing		
Printer : Printer-05 (Work Station No. of Copies : 1	on 161) (Ne02:)		Paper Type :	A4
Print Language: English Method : Neat Mode Page Range : All			Paper Size : (8.27" x 11.6 Print Area : (7.95" x 11.3	(Printing Dimensions) 9") or (210 mm x 297 mm) 4") or (202 mm x 288 mm)
	Report 1	Titles		
	Form 3	3CA		
	(with Print) Without Compa	Preview) ny Phone No.		
	Print with Signatures	? Yes		
Input I	Details		Others Details	
Annexed Statement : profit	and loss F	Firm Name	ABC & Co	
Status : INDIV	DUAL F	FRN	: 3423432	
Name of the Act.(Under Audit):	N	lame of Chartered Accountant	Ranganath	
Report Date :	A	Address	: Jayanagar 3rd Block	Bangalore
Place : Banga Date : 30-Se	olore 5 p-2010	Salutation	: Partner	Print ?
	I.	VIECIN	. 123213	Yes or No

Figure 44. Form 3CA Print Report Screen

Accept the selections/entries for generating the report.



## The FORM NO. 3CA report is displayed.

I have to re 289, 80ft F	port that the statutory audit of <u>Test Company</u> , cad., 10th Block, Koramangala,, Bangalore,Karnataka - 560068 ,
289, 80ft F	oad,, 10th Block, Koramangala,, Bangalore,Karnataka - 560068 ,
Permanent	
	Account No. EEENM16586 , was conducted by me Ranganath
Jayanaga	3rd Block, Bangalore
in pursuan	e of the provisions of theAct, and I annex
nereto a ci	by or my audit report dated along with a copy or each of the audited profit and loss
	he descent destand by the estimate A state he end of a second de the second second second
and baland	e sheet.
and baland A further m opinion and 3CD and th	e sheet. port as required under provision to section 44AB is furnished in Form No. 3CD annexed hereto. In my to the best of my information and according to explanations given to me, the particulars given in Form a annexure thereto are true and correct.
and balance A further r opinion and 3CD and th	e sheet. port as required under provision to section 44AB is furnished in Form No. 3CD annexed hereto. In my to the best of my information and according to explanations given to me, the particulars given in Form e annexure thereto are true and correct. For ABC i Chartered Account FRN : 342 Address : Jayanagar 3rd Block, Bang
and balanc A further n opinion an 3CD and ti Place	e sheet. port as required under provision to section 44AB is furnished in Form No. 3CD annexed hereto. In my to the best of my information and according to explanations given to me, the particulars given in Form e annexure thereto are true and correct. For ABC i Chartered Account FRN : 342 Address : Jayanagar 3rd Block, Bang : Bangalore Ranga

Figure 45. Form No. 3CA Annexure



# Form 3CB

This is another audit report under Sec 44AB which applies to a person who carries on business or profession, but not being a person referred to in clause 1 (a) of Rule 6G.

**Note**: Clause1 (a) of Rule 6G states:

(1) The report of audit of the accounts of a person required to be furnished under section 44AB shall,-

a. in the case of a person who carries on business or profession and who is required by or under any other law to get his accounts audited, be in Form No. 3CA;

The **Print Report** screen for generating **Form 3CB** is displayed.

Printing						
Printer : Printer-05 (Work Station 161) (Ne02:)				Paper Type :	A4	
Print Language: English Method : Neat Mode Page Range : All				(Printing Dimensions) Paper Size : (8.21" x 11.69") or (210 mm x 297 mm) Print Area : (7.95" x 11.34") or (202 mm x 288 mm)		
Report Titles						
Form 3CB						
(with Print Preview) Without Company Phone No.						
		Print with Signatures	? Yes			
	Input Details			Others Details		
Annexed Statement	exed Statement : profit and loss		Name	: ABC & Co		
Status	: INDIVIDUAL	FRN		: 3423432		
Place	: Bangalore	Name of Chartered Accountar		tant : Ranganath		
Date	: 30-Sep-2010	Addr	ess	: Jayanagar 3rd Block, Bangalore		
Head Office Location						
Number of Branches		Salu	tation	: Partner	Print ?	
Observations (if any 3(a)): Yes		MRN		: 123213	Yes or No	



Figure 46. Form 3CB Print Report Screen

The auditor can add observations to the Form 3CB report generated by selecting **Yes** against **Observations** (**if any 3(a**)) in the above image.

Accept the selections/entries for generating the report.



#### The FORM NO. 3CB report is displayed.



Figure 47. Form No. 3CB Annexure



### Tax Audit Checklist:

As an Auditor performing the Tax Audit, you have to ensure the minimum requirements for the conducting an efficient and complete audit.

- **D** To ensure the audit is conducted efficiently, ensure you get the updated/latest data
- **D** Plan the audit and the extent of scrutiny based on the nature and operation of business
- **D** Collect details relating to the assessee on:
  - Partners/Directors
  - Branch/Division
  - Related Party
  - Maintenance of Books of Accounts
  - Methods of Accounting
  - Valuation of closing stock
  - Quantitative details of stock traded
  - Admissible expenses
  - Amounts debited to P&L A/c
  - Particulars of Loans & Deposits accepted and repaid
  - Accounting ratios

For assistance on the product, contact the Help Line Telephone: 1-800-258-2559

Support Hours: 9.30am to 6.30pm IST (GMT +5:30 hrs)





