



INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

CHHATRAPATI SAMBAJINAGAR BRANCH OF ICAI, WIRC

NEWS LETTER FOR OCTOBER 2025



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Chairman's Message

Dear Professional Colleagues,

The month of August was a memorable one for our CSN Branch, marked by a wonderful balance of professional development, patriotic celebration, and student-centric initiatives. From insightful technical sessions on **Trusts, Internal Audit, and TDS/TCS**, to the spirited **Independence Day celebration and blood donation drive**, the month reflected our commitment to knowledge, service, and nation-building. The screening of "Well Done CA Sahab" and the **marathon revision sessions for Foundation and Inter students** further highlighted our focus on member and student engagement alike.

As we step into September, the momentum continues with a thoughtfully curated mix of programs. We begin with the **FTL Program in collaboration with RSS on 14th September**, followed by a **Blood Donation Camp on 17th September**, reinforcing our dedication to social responsibility. On the academic and technical front, members will benefit from a **One-Day Seminar on Tax Audit and Certification on 19th September** and a **Half-Day Seminar on GST on 27th September**, ensuring timely updates as we approach compliance deadlines.

For our students, WICASA will be hosting the much-awaited **National Talent Search on 16th September**, a platform to showcase skills, confidence, and creativity. Adding to the excitement, a two-day **AI Workshop on 20th and 21st September** will introduce participants to cutting-edge tools and applications, equipping them for the future of our profession. These initiatives not only enhance technical competence but also foster holistic growth by encouraging innovation, collaboration, and leadership.



With such diverse initiatives, September promises to be a month of learning, service, and inspiration. I invite each one of you to participate actively, grow with the branch, and carry forward the spirit of excellence with renewed energy and dedication.

Warm regards,

CA Mahesh Indani

Chairman, CSN Branch of ICAI (WIRC)

Photos and Activities for the Month September 2025



1. On 5th September 2025, Teacher's Day was celebrated at various classes felicitating Teachers related to CA.

2. Dated 6 Sept 2025, Ganpati Visarjan



3. On 16th September NTS Competition was conducted for:

- A. Instrumental
- B. Drama
- C. Chess
- D. Sketching



4. Dated 17 Sept 2025, Blood Donation Camp at TPA Hall, Chhatrapati Sambhajinagar



5. Dated 19 Sept 2025, One day Seminar on Tax Audit and Certification, Floral Welcome of Panelist CA. Alok Deora by Branch Committee Member CA. Aishwarya Bramhecha.

6. On 20th and 21st September AURA AI Session was conducted with Speakers CA Jignesh Patel and CA Kedar Gogate.





7. Dated 20 Sept 2025, Career Counseling program at Keraleeya samajam new english school by CA. Kavita Nath

8. Dated 21 Sept 2025, Webinar on ACE an any Interview by Ms. Shaikh Basheera

Intrepid Solutions presents
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Your Dream Job is Just One Confident Answer Away!
Are you nervous about interviews?
Do you want to stand out, speak with confidence,
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WHO CAN ATTEND?
● College Students & Fresh Graduates
● Job Seekers & Working Professionals
● Internship & Training Applicants
● Post-Graduates & MBA Aspirants
● Anyone who feels nervous or under confident in interviews
SPEAKER –
Shaikh Basheera (BBA, MPM, B.Ed, MA)
Dedicated Educator with 10+ years of teaching experience
Certified Soft Skills Trainer with 5+ years of
specialized coaching in:
■ Communication Skills
■ Interview Preparation
■ Personality Development
Guided Thousands of students & professionals to:
■ Overcome anxiety
■ Communicate with confidence
■ Achieve career goals
Bonus: Exclusive offers on our Interview Preparation &
Soft Skills Classes – including expert guidance,
mock interviews, and personalized feedback!
"Reserve your seat now and unlock the path to your dream job!"
Date : 21/09/2025
Sunday
Time: 11am -1pm
Confirm your registration
and get the link



9. Dated 24 Sept 2025, Career Counseling program at Shiv chhatrapati college by CA. Komal Rathi

10. Dated 28 Sept 2025, Half Day Seminar On Recent Changes in GST-Lightning of Lamp, Dignitaries on Dias L-R, Branch Secretary CA. Anand Totla, Vice Chairman Of GST & Indirect Taxes Committee CA. Umesh Sharma, Vice President of MASSSIA Mr. Manish R Agrawal, Treasurer of Marathwada chamber of Trade & Commerce Mr. Vikas Sahuji and President Mr. Adeshpal Singh Chhabda, Past Mayor Mr. Bapuji Ghadamode, Hon. Member of Rajya Sabha Shri. Bhagwat Karad and Hon'ble Minister of Renewable Energy and Minister of Dairy Development, Government of Maharashtra Shri Atulji Save. Branch Committee Member CA. Kedar Pande, Treasurer CA. Rafeeqe Pathan, WICASA Chairman CA. Sameer Shinde.



11. On 28th Sept, 2025 Navrang Nights - Garba, Navratri festival was celebrated

Certification Engagements Under ICAI's Guidance Note: A Comprehensive Practitioner's Guide

- By CA Piyush Chandak

By far, one of the most frequently requested services from Chartered Accountants—apart from statutory audits—is the issuance of certificates. Turnover certificates, net worth certificates, buyback compliance, ODI/APR certifications, derivative exposure confirmations, and dozens of specialised formats demanded by regulators, banks, and corporates form part of a CA's everyday professional workflow.

Yet, certification engagements are also one of the most misunderstood and risky areas of practice. Many practitioners unknowingly issue certificates without understanding:

- what level of assurance they are providing,
- what procedures they are required to perform,
- what documentation they must maintain, and
- their liability when the underlying information is misstated.

To bring clarity and structure to this domain, the Auditing and Assurance Standards Board (AASB) of ICAI first issued its *Guidance Note on Audit Reports and Certificates for Special Purposes* in 1984 and comprehensively revised it in 2016.

This article presents a deep-dive, practitioner-focused explanation of certification engagements under the 2016 Guidance Note—explained in simple language, in the same sequence and spirit of your PPT content, but with far more detail.

1. Evolution and Purpose of the Guidance Note

With increasing regulatory complexity and dependence on CA certifications, ICAI recognised the need for a structured framework addressing:

- What constitutes a certificate

- What level of assurance is required
- How the certificate should be drafted
- Documentation expectations
- Scope boundaries and responsibilities

Before 2016, practitioners largely relied on experience and precedent. But in the absence of uniform guidance, inconsistencies were found in:

- procedures performed for similar certificates,
- formats used,
- assumptions considered,
- levels of assurance expressed (often unknowingly).

The 2016 revision addressed these gaps by:

- standardising certificate components,
- prescribing responsibilities clearly,
- differentiating between reasonable and limited assurance,
- explaining compliance-based vs annexure-based certificates,
- clarifying how to deal with prescribed formats,
- emphasizing documentation and independence.

The Note applies to all engagements where a CA is required to issue a certificate or report other than statutory audits, reviews, or SRS-related assignments.

2. Understanding the Two Levels of Assurance

Certification engagements fall into two categories:

A. Reasonable Assurance — HIGH Assurance

This involves expressing a positive opinion, for example:

- "In our opinion, the net worth has been properly computed."

- "In our opinion and to the best of our knowledge, the turnover is fairly stated."

Characteristics

- Greater depth of work.
- More evidence is required.
- A deeper understanding of internal controls is necessary.
- Detailed risk assessment and procedures.
- Substantive testing may be extensive.

Example Certificates

- Turnover Certificate for last 3 financial years.
- Net Worth Certificate for lender purposes.
- Certificate of buyback compliance.
- Derivative/Forex exposure certificate.
- APR/ODI certificate under FEMA.

When to provide reasonable assurance?

When the certificate user (bank, authority, regulator) expects strong reliability, especially when material decisions depend on it.

B. Limited Assurance — MODERATE Assurance

This type expresses negative assurance, such as:

- "Nothing has come to our attention that causes us to believe the particulars are not true."

Characteristics

- Moderate-level procedures.
- Focuses on plausibility rather than verification.
- Does not require extensive testing.

Example Certificates

- Prosecution details for company/directors.
- Certification of old agreements for which evidence is incomplete.
- Certificates requiring confirmation of events or facts not entirely in the possession of the practitioner.

3. Choosing Between Reasonable and Limited Assurance

This is a professional judgment decision, influenced by:

1. Nature of financial reporting involved.

If the certificate depends heavily on numbers derived from financial records—turnover, net worth, exposure—reasonable assurance is often required.

2. Internal control environment.

Weak controls may require stronger procedures.

3. Nature of the subject matter.

If inherently subjective, limited assurance may be appropriate.

4. Availability and quality of evidence.

Even if evidence is difficult to obtain, you cannot downgrade to limited assurance.

In such case, a:

- qualified opinion,
- disclaimer,
- or withdrawal from engagement

is required.

5. Time and cost constraints.

Practical considerations matter, but they do not override assurance requirements.

6. Use of professional judgment.

Materiality considerations (both quantitative & qualitative) remain constant irrespective of assurance type.

4. Essential Components of a Certificate

Every certificate—regardless of type—must include all of the following elements:

A. Title

Must clearly state:

"Independent Auditor's/Practitioner's Certificate"
depending on whether you are statutory auditor.

B. Addressee

Clearly mention who the certificate is being issued to:

- Bank manager
- RBI/SEBI authority
- Management / Board
- Any specific department

C. Subject Matter Information

Specify whether:

- the certificate relates to a specific point in time
(e.g., net worth as on 31 March 2025)
- or a period
(e.g., turnover for FY 2022-23)

D. Applicable Criteria

This is crucial.

Criteria are the benchmarks against which you evaluate the subject matter.

Examples:

- Companies Act

- Accounting Standards
- FEMA circulars
- RBI guidelines
- Management-approved policies
- ICAI Guidance Note itself

Without criteria, the certificate has no basis.

E. Management Responsibility Statement

State clearly that:

- management prepared the information,
- management is responsible for internal controls,
- management is responsible for the accuracy of particulars.

F. Practitioner/Auditor's Responsibility

Describe:

- scope of work performed,
- adherence to the 2016 Guidance Note,
- application of SQC 1 in your firm,
- assurance level (reasonable/limited).

G. Summary of Work Performed

Important especially in limited assurance.

Avoid vague phrases like "verified as per books," instead explain:

- What was checked
- How evidence was obtained
- What procedures were performed

H. Opinion/Conclusion

- Positive opinion → reasonable assurance

- Negative conclusion → limited assurance

I. Signature Block

Include:

- Firm Name
- Firm Registration Number
- Name & Membership No.
- Place & Date
- UDIN Mandatory

5. Types of Certificates Based on Subject Matter

Your PPT classifies these into three types. We expand each with examples and practical insights:

Type 1 — Certificates Where Particulars Are Provided by Management

In these, management gives you a statement/annexure, and your role is to certify it.

Example

- Certificate of shareholding pattern
- Certificate of related party transactions
- Certificate of utilisation of funds

Required Approach

1. Define the statement in your introductory paragraph.
2. Refer to the annexure repeatedly in your certificate.
3. Enclose the annexure with your signature/stamp.
4. Add management responsibility for preparing the statement.
5. Give your opinion on the statement.

This is the most common category.

Type 2 — Certificates on Compliance with Law Where No Annexure Exists

In these cases, you independently evaluate compliance.

Example

- Certificate of compliance with Section 68 for buyback
- Certificate under CSR regulations
- Compliance certificate for customs/excise incentives

Required Approach

- No reference to management-prepared annexure
- No management responsibility for preparing statement
- But management responsibility for providing information still applies
- You form opinion based on evidence you gather

Type 3 — Certificates in a Format Prescribed by Law/Authority

Some authorities prescribe a specific layout (e.g., APR, ODI, SAD).

Key Requirements

1. Certificate must follow the exact prescribed layout.
2. A separate statement must be attached containing essential assurance elements.
3. Insert line before signature:
"To be read with the enclosed statement of even date."
4. Opinion paragraph should be in the main certificate, not in the attached statement.

Common Pitfall

Many CAs wrongly modify prescribed formats → high exposure to scrutiny.

6. Most Commonly Requested Certificates

Based on the PPT, we expand with context:

A. Reasonable Assurance Certificates

1. Turnover Certification

Used by:

- Banks
- Tendering authorities
- Government departments
- Start-up platforms

Requires verification of:

- sales as per audited books
- sample invoices
- revenue recognition policies

2. Net Worth Certificate

Used in:

- Bank loans
- Net worth-based licensing (RERA, SEBI)
- Startup equity issuance
- Merger/acquisition processes

Requires:

- computation as per Companies Act definition
- exclusion of intangible assets
- adjustments for contingent liabilities

3. Derivative Exposure Certificate

Required by banks before granting forex facilities.

Requires:

- detailed analysis of all derivative contracts
- maturity dates
- open positions
- MTM valuations

4. Buyback Compliance Certificate

Under Section 68 read with SEBI regulations.

Requires verifying:

- free reserves
- debt-equity ratio
- extinguishment of shares

5. APR/ODI Certificates

Required under FEMA regulations for overseas investments.

Involve checking:

- financial commitments
- disinvestments
- share swaps
- step-down subsidiaries

B. Limited Assurance Certificates

1. Prosecution Details

Certifies whether:

- any prosecutions were launched
- any notices were received

Evidence often incomplete—hence limited assurance.

2. Certification of Old Agreements

Used when:

- agreements are lost
- only photocopies exist
- confirmations are unavailable

Only limited verification possible.

7. Documentation Requirements (Most Important for Safeguarding CA)

ICAI's Guidance Note stresses maintaining robust documentation:

Essential Documents for Every Certificate

1. Engagement Letter (mandatory)
2. Management's written request
3. Copy of certificate issued
4. Copy of annexures
5. Evidence gathered
6. Working papers
7. Written representations (if required)
8. Independence declaration (where relevant)

Why Documentation Matters

- Protects in disciplinary proceedings
- Helps during peer review
- Supports work in case of disputes
- Ensures consistency across engagements

8. Key Practical Points and Pitfalls to Avoid

A. When the subject matter includes items from audited financial statements

If you are statutory auditor:

- mention type of audit opinion,
- reference audit report date.

If a predecessor auditor audited the year:

- mention this fact clearly.

B. When you are NOT the statutory auditor

Use Practitioner instead of Auditor.

C. AUP Assignments

Sometimes clients ask:

- "Sir, bas ye figures verify karke sign kar dijiye."

In such cases, issue an:

Agreed Upon Procedures (AUP) Report under SRS 4400

Key difference:

AUP	Certificate
Only factual findings	Provides assurance
No opinion expressed	Opinion / conclusion required
Based on agreed procedures	Based on Guidance Note

D. Emphasis of Matter & Other Matter Paragraphs

Use when:

- something needs highlighting (e.g., significant assumptions)
- but opinion is not affected

E. Written Representation

Obtain only if required to support other evidence, never as a substitute for evidence.

F. Independence and Quality Control

Always comply with:

- ICAI Code of Ethics
- SQC 1
- Documentation retention guidelines

9. Certificate Risk Management Tips

To safeguard your practice:

- Never issue certificates based on verbal assurances.
- Do not sign blank or unsigned annexures.
- Do not deviate from prescribed formats unless allowed.
- Maintain copy of every certificate issued (digitally + physical).
- Record rationale for assurance level selection.
- Retain client communication trail.
- Use UDIN for every certificate—without exception.

Conclusion

Certification engagements form the backbone of many financial, regulatory, and managerial decisions. The quality, clarity, and reliability of these certificates depend heavily on how well practitioners understand the ICAI Guidance Note and implement its principles in real-world scenarios.

For Chartered Accountants, mastering certification engagements is not just a technical requirement—it is a professional safeguard.

With the right approach, structured documentation, and deep understanding of assurance concepts, certification engagements can be carried out confidently, compliantly, and with significantly lower risk.

TAX AUDIT UNDER SECTION 44AB: A DETAILED PRACTITIONER'S GUIDE FOR 2025

Tax audit continues to be one of the most significant annual responsibilities for practising Chartered Accountants. The role of a tax auditor is not just to verify figures but to ensure a fair representation of the taxpayer's financial affairs to the Income Tax Department. Over time, the interplay between turnover definitions, presumptive taxation, reporting under Form 3CA/3CB-3CD, and compliance with the Guidance Note issued by ICAI has become increasingly intricate.

This detailed article expands each point of your PPT with deeper explanations, detailed illustrations, and professional insights—while remaining crisp enough for a high-quality newsletter, seminar handout, or CA study circle publication.

1. APPLICABILITY OF TAX AUDIT UNDER SECTION 44AB

Section 44AB mandates compulsory tax audit for both business and professional assessees once specific monetary thresholds are crossed. But the landscape has evolved considerably with the introduction of digital compliance incentives and presumptive taxation schemes.

1.1 Basic Thresholds for Tax Audit

(A) For Business

A tax audit is applicable when:

- **Total sales/turnover/gross receipts exceed ₹1 crore,**
- **OR**
- **Turnover exceeds ₹10 crore, provided cash receipts AND cash payments do not exceed 5% of total receipts and payments, respectively.**

In practice:

Most MSMEs, traders, small manufacturers, contractors, and distributors fall under the business tax audit category.

(B) For Profession

Tax audit applies where:

- Gross receipts exceed ₹50 lakh

This applies to:

- Doctors
- Engineers
- Lawyers
- CAs, architects, designers
- Consultants, coaches, trainers

2. SECTION 44AD VIS-À-VIS 44AB: UNDERSTANDING THE PRESUMPTIVE TRIGGER

Section 44AD provides a simplified taxation scheme for *eligible businesses* with turnover up to ₹3 crore (subject to digital receipt criteria).

Its interaction with Section 44AB often determines whether tax audit becomes mandatory.

2.1 When 44AD removes the need for tax audit

If the assessee:

- is **eligible for 44AD, AND**
- declares income at presumptive rate (8% for cash, 6% for digital),
- AND turnover is up to ₹3 crore,

then no tax audit is required.

2.2 When 44AD forces a tax audit

Tax audit becomes compulsory even if turnover is **below ₹1 crore** when:

(A) Taxpayer declares income below presumptive rate

Example:

Turnover = ₹80 lakh

Income declared = ₹3 lakh

Presumptive income = ₹4.8 lakh

→ Tax audit applies if total income exceeds exemption limit.

(B) Taxpayer opt-outs from 44AD

If a taxpayer opts out of 44AD once, then:

- he cannot opt back in for **five years**,
- and must maintain books,
- and tax audit applies if turnover crosses ₹1 crore (or ₹10 crore with digital condition).

Professional Insight

Most litigation on 44AD arises from misunderstanding withdrawal conditions under 44AD(4) & 44AD(5).

3. MEANING OF TURNOVER AS PER GAAP - PARAGRAPH 5.8 OF ICAI GUIDANCE NOTE

Turnover is the foundation of applying Section 44AB. Misunderstanding its meaning results in incorrect tax audit applicability.

3.1 What constitutes "turnover"?

Turnover includes:

- Value of goods sold
- Value of services rendered (if considered part of business)
- Duties & taxes forming part of sales (if not shown separately)
- Sale proceeds from main business activities

3.2 What is NOT turnover?

- Sale of fixed assets
- Sale of investments
- Capital receipts

- GST collected separately
- Recovery from employees (canteen, uniforms, deposits)
- Discounts allowed or received
- Advances not resulting in income

3.3 Practical Examples

Example 1 — GST Treatment

If invoice is:

Goods ₹1,00,000

GST ₹18,000

Total = ₹1,18,000

If accounted as ₹1,00,000 Sales + ₹18,000 GST payable →

Turnover = ₹1,00,000

If booked as a single entry →

Turnover = ₹1,18,000

Example 2 — Commission Agents

For commission agents, turnover = **commission income** and not the value of goods traded on behalf of others.

4. TURNOVER IN SHARES, SECURITIES & DERIVATIVES (PARA 5.11)

This is one of the most misunderstood areas of tax audit today.

4.1 Delivery-based Share Trading

Turnover = **Total sale value of shares traded on delivery basis**

If shares are purchased for delivery and later sold:

Turnover = Sale value of shares
(not the difference)

4.2 Non-delivery Based Trading (Intraday)

Intraday trading is speculative.

Turnover = **Absolute profit + Absolute loss**

Example:

Profit = ₹50,000

Loss = ₹80,000

Turnover = ₹1,30,000

4.3 Futures & Options (F&O)

F&O turnover is calculated as:

- Absolute profit + absolute loss
- Plus **premium received** in case of options

4.4 Why this matters?

- Wrong turnover computation leads to incorrect 44AB applicability.
- F&O traders often fall under tax audit unexpectedly.
- Even "loss traders" may trigger tax audit.

5. GROSS RECEIPTS – PARA 5.13 & 5.14 OF THE GUIDANCE NOTE

5.1 What are Gross Receipts for Professionals?

Includes:

- Consultation fees
- Appearance fees
- Professional retainers
- Fees for certifying documents
- Reimbursements *if included in income*

5.2 What does NOT form part of Gross Receipts?

- Pure reimbursements (if credited separately)
- Advances not resulting in income
- Taxes collected and remitted

- Security deposits
- Out-of-pocket expenses billed at actuals

6. MULTIPLE BUSINESSES OR BOTH BUSINESS & PROFESSION

This is highly relevant to contractors, doctors who also sell medicines, CAs running coaching classes, etc.

6.1 Key principles

(A) Business turnover must be aggregated

If a person runs 3 businesses:

- Turnover of all 3 must be combined to check applicability.

(B) Professional receipts are evaluated separately

Professional threshold = ₹50 lakh.

(C) If either business or profession crosses limit

Tax audit applies for **all books**, including:

- business 1
- business 2
- profession

6.2 Example for Clarity

Particulars	Amount
-------------	--------

Business A turnover ₹60 lakh

Business B turnover ₹55 lakh

CA Practice Receipts ₹38 lakh

Total business turnover = ₹1.15 crore →

Tax audit applies for entire set of accounts, including CA practice.

7. APPLICABILITY OF FORM 3CA VS FORM 3CB

One of the simplest yet commonly misapplied rules.

7.1 Form 3CA

Used when the assessee is subject to **any other statutory audit**, such as:

- Company audit (Companies Act)
- LLP audit
- Co-operative audit
- Societies audit
- Trust audit (if mandated)

7.2 Form 3CB

Used when:

- No statutory audit is applicable
- Typical cases include:
 - proprietary concerns
 - partnership firms not crossing audit limits
 - freelancers
 - HUFs

7.3 Professional Insight

Using 3CB for companies or LLPs is an outright **error** and may lead to:

- defective return notice
- peer review observations
- disciplinary risk

8. REVISION OF TAX AUDIT REPORT

(Rule 6G(3) + Para 15.20 of ICAI GN)

Revision of tax audit report is a sensitive matter.

8.1 Legal Basis

Rule 6G(3) permits revision of a Tax Audit Report **only when**:

- there is a **bona fide error**,
- revision is done **before the end of the relevant Assessment Year**,
- and reasons for revision are recorded and demonstrable.

8.2 ICAI Guidance Note Adds:

(A) Same auditor must revise the TAR

A new auditor cannot revise TAR issued by a previous auditor.

(B) Fresh UDIN is mandatory

Each revised TAR must have a new, unique UDIN.

(C) Original TAR must be referred to

Revised TAR should clearly state:

"This Tax Audit Report revises the report issued on [earlier date] due to [nature of error]."

8.3 Valid examples of revision

- understated turnover discovered during GST reconciliation
- depreciation schedule error in Clause 18
- incorrect reporting in Clause 31 (loans & advances)
- misclassification of capital vs revenue items

8.4 Non-acceptable reasons

- Change of opinion
- Client requests revision without a valid reason
- Adjustment made solely to reduce tax liability

9. SIGNATURES ON AUDITED FINANCIAL STATEMENTS

Even experienced practitioners occasionally misinterpret signature requirements.

9.1 Key Rules

(A) Statutory auditor must sign FS

If statutory audit exists, tax auditor **cannot** sign financial statements.

(B) In 3CB cases

Tax auditor must sign:

- Balance Sheet
- Profit and Loss Account
- Notes
- Schedules
- Annexures

(C) Digital signatures

Permitted if:

- affixed using valid DSC
- traceable
- UDIN generated properly

(D) Every page should be initialled

This prevents:

- post-signing alterations
- litigation
- assessment disputes

10. PRACTICAL AND PROFESSIONAL INSIGHTS FOR TAX AUDIT 2025

This section combines technical guidance with field experience—extremely useful for practitioners and newsletter readers.

10.1 Ensure Turnover Classification is Bulletproof

Especially for:

- builders (work-in-progress complexities)
- stockbrokers
- agencies/distributors
- online sellers
- businesses with barter transactions
- F&O traders
- crypto traders (treated similar to derivatives)**

10.2 GST Reconciliation is Critical

The following must reconcile:

- GSTR-1
- GSTR-3B
- Books
- Clause 44 of 3CD
- Clause 33 of 3CD
- Turnover declared for 44AB

Mismatches often trigger scrutiny notices and further audits.

10.3 TDS Reconciliation

Clause 34A requires reconciliation between:

- TDS returns (26Q, 24Q, 27Q)
- Books
- Form 26AS

10.4 Maintain Proper Working Papers

Retain:

- ledgers
- sampling sheets
- computation notes
- management representations
- GST turnover reconciliation
- UDIN logs
- query sheets
- clause-wise checklists

10.5 Avoid Last Date Rush

Most errors in TAR occur because:

- GST numbers are not synced,
- depreciation schedules are incomplete,
- stock valuation is pending,
- Clause 31 is not filled properly,
- related party disclosures are incomplete.

CONCLUSION

Tax audit continues to evolve, not just as a statutory requirement but as a key checkpoint of financial accuracy and tax transparency. For professionals, deep understanding of turnover rules, presumptive taxation interplay, interpretations from the ICAI Guidance Note, and procedural requirements under Rule 6G is essential for executing a high-quality tax audit.

This detailed newsletter-style article aims to bridge the gap between the quick summaries usually found in presentations and the rich, elaborate explanation needed by practitioners during the audit season.

Upcoming events

1. 4th Oct 2025 - Workshop on new and emerging business opportunities.



2. 11th Oct 2025 - Seminar on for day-to-day office work.



3. 16th Oct 2025 - Workshop on valuation & HUF.