

Smt. Nirmala Sitharaman  
Hon'ble Finance Minister,  
Ministry of Finance, Government of India  
New Delhi.

Hon'ble Madam,

Our Chamber, Nagpur Chamber of Commerce Limited, was formed almost 70 yrs back and is one of the oldest organization of the traders & business fraternity not only of Nagpur but of entire Vidarbha Region. The Chamber is member of FICCI and serving to almost **5000** traders & business entities.

**Representation for scrap the Clause No. 44 of the Tax Audit Report (Form 3CD) under the Income Tax Act, 1961.**

The taxpayers who are in the business or profession with turnover above the threshold limit are required to get their books of accounts audited and also required to furnish tax audit report in Form No 3CD duly verified and certified from a qualified Chartered Accountant.

The clause 44 in Form No 3CD was introduced via Notification No. 33/2018 for the first time on 20<sup>th</sup> July 2018 but the implementation of this clause was deferred 4 times in the past.

Our Chamber would like to bring the following for your kind consideration :

1. Madam, if you really discuss the relevance of this clause with your policy makers, you will find that this clause is totally irrelevant in the Form 3CD. The same is just for statistical purposes and the same is not at all impacting in working and computation of income and tax thereon.
2. It was brought by then policy maker at the time of introduction and implementation of GST. Since then, GST laws and procedures have gone through complete overhauling since that time and under your able leadership all the required information and data is now available on the GST portal itself.
3. The Income Tax Department has also not come up with any clarification or guidelines since introduction of this clause as the information sought by this clause is not serving any purpose in computation of income.
4. Even ICAI, the premier body of Chartered Accountants (i.e. Auditors) is not bother to issue any guidance note or clarification regarding this clause to address 'N' number of issues, these shows that this clause is not at all important in tax audit report.
5. Madam, now as the time started for finalisation of the accounts and to provide detail to auditors, the clause 44 of the tax audit report started creating panic in the mind of the business, industry and trade. For the business both small or big, to provide the required data to a Chartered Accountant is very voluminous, clerical work and mainly not serving any purpose of the Income tax Department. The burden to provide the complete details as per clause 44 is on the taxpayer (businessmen). The CA will just verify it. For verification of these irrelevant GST data the CA will charge extra fees in addition to his regular fees. The preparation of this bulky data from an accountant and getting verified from Auditors will increase the load on businessmen both timewise and financially.

Drilling this information and verification of the same by auditors is very tedious work. There are no consequences of incorrect information as it is not making any difference in gross total income declared by the taxpayer. It is very difficult to verify the authenticity of the data submitted.

Considering the above-mentioned points & difficulties, it is a humble request to please instruct CBDT for scrapping of clause 44 of tax audit report (Form No 3CD) under the Income Tax Act, 1961.

With Warm Regards

Kailash Jogani  
President - Nagpur Chamber of Commerce Limited  
CBDT nominated Member of Regional Direct Tax Advisory Committee

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Cc. : The Revenue Secretary, Department of Revenue, Ministry of Finance.  
The Chairman, Central Board of Direct Taxes.