

The CBDT has issued an order no. 10/2020 dated 27-04-2020 which again defers the reporting requirements of the revised Tax Audit Report in Form 3CD relating to Clauses 30C and 44 relevant to GAAR and GST respectively on account of outbreak of Covid-19 and due to representations made by our Institute of Chartered Accountants of India. The implementation of these clauses have already been deferred from 20th August 2018, 31st March 2019 and 31st March 2020.

As per the said Order, the reporting requirements have been deferred to 31st March 2021.

The clauses are as under:

Clause 30C of Form 3CD

- (a) **Whether the assessee has entered into an impermissible avoidance arrangement, as referred to in section 96, during the previous year? (Yes/No)**
- (b) **If yes, please specify:**
- (i) **Nature of the impermissible avoidance arrangement:**
 - (ii) **Amount (in Rs.) of tax benefit in the previous year arising, in aggregate, to all the parties to the arrangement”;**

Comment: An impermissible avoidance arrangement would be an arrangement where the main purpose is to obtain a tax benefit and is not at arm's length, results in tax evasion (directly or indirectly), lacks commercial substance or is carried out in a manner that does not otherwise occur if the arrangement was for bona fide purposes.

Clause 44 of Form 3CD

Break-up of total expenditure of entities registered or not registered under the GST

This clause requires the auditor to provide a break-up of the total expenditure into various fields that are relevant from the GST point of view. It pertains to

Exempt goods / services under GST

Payments to entities under the Composition Scheme

Payments to entities which are not registered under GST etc.

A similar schedule is available as a part of the Income Tax return forms to be filled up by those not liable for tax audit.

It is to be noted that relief from reporting the GST details in Form 3CD is applicable only for taxpayers those who are liable to tax audit, i.e. this relief has nothing to do with ITR Form 6 requiring a company, which is not subject to tax audit, to give various details relating to GST.

CBDT Income Tax Circular 10/2020 dt. 24 April 2020: Clause 30C (GAAR)/ 44 (GST) of Revised 3CD further extended upto 31 March 2021