

**FORM NO. 3AA**

[See rule 5AB]

**Audit Report under section 32AB(5)**

**Part I**

*Audit report under section 32AB(5) of the Income-tax Act, 1961 in a case where the accounts of the business or profession of a person have been audited under any other law*

\*I/We have to report that the statutory audit of .....  
[name and address of the assessee]  
..... was conducted by \*me/us/M/s..... in  
[permanent account No.]  
pursuance of the provisions of the..... Act, and \*I/we annex hereto a copy of the audit report dated  
..... along with a copy of each of the audited \*profit and loss account/income and expenditure  
statement for the year ended on ..... and a copy of the audited balance sheet as at .....  
along with the documents declared by the relevant Act to be part of, or annexed to the profit and loss  
account/income and expenditure statement and the balance sheet.

A further report as required under the proviso to section 32AB(5) is furnished in Part III of this Form.

In \*my/our opinion and to the best of \*my/our information and according to the explanations given to \*me/  
us, the particulars given in Part III of this Form are true and correct.

Place: .....

.....

Date: .....

\*\*Signed

**Notes:**

1. \*Delete whichever is not applicable.
2. Where any of the matters stated in this report is answered in the negative or with a qualification, the report shall state the reasons therefor.
3. \*\*This report has to be given by-
  - (i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949);or
  - (ii) any person who, in relation to any State, is, by virtue of the provisions of sub-section (2) of section 226 of the Companies Act, 1956 (1 of 1956), entitled to be appointed to act as an auditor of companies registered in that State; or
  - (iii) any person who is, by virtue of any other law, entitled to audit the accounts of the assessee for the relevant previous year.

**Part II**

*Audit report under section 32AB(5) of the income-tax Act, 1961, in a case where the accounts of the business or profession of a person have not been audited under any other law*

\*I/We have examined the balance sheet of .....  
[name and address of the assessee]  
..... as at ..... and the \*profit and loss  
[permanent account No.]  
account/income and expenditure statement for the year ended on that date which are in agreement with the

books of account maintained at the head office at ..... and branches at.....

\*I/We have obtained all the informatipn,and explanations which to the best of \*my/our knowledge and belief were necessary for the purposes of the audit. In \*my/our opinion, proper books of account have been kept by the head office and the branches of the assessee so far as appears from \*my/our examination of books, subject to the comments given below :

In \*my/our opinion and to the best of \*my/our information and according to the explanations given to \*me/us, the said accounts give a true and fair view —

- (i) in the case of the balance sheet, of the state of the abovenamed assessee’s affairs as at .....; and
- (ii) in the case of the \*profit and loss account/the income and expenditure statement, of the profit or the income or loss of the abovenamed assessee for the accounting year ending on .....

The particulars required for verification of the claim for deduction under section 32AB are given in Part III of this form. In \*my/our opinion and to the best of \*my/our information and according to the explanations given to \*me/us, the particulars given in Part III hereof are true and correct.

Place .....  
Date: .....

.....  
*Signed*  
*\*\*Accountant*

**Notes:**

- 1. \*Delete whichever is not applicable.
- 2. Where any of the matters stated in this report is answered in the negative or with a qualification, the report shall state the reason therefor.
- 3. \*\*This report has to be given by-
  - (i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or
  - (ii) any person who, in relation to any State, is, by virtue of the provisions of sub-section (2) of section 226 of the Companies Act. 1956 (1 of 1956), entitled to be appointed to act as an auditor of companies registered in that State.

**Part III**

***Statement of particulars relating to the claim for deduction under section 32AB***

- 1. Books of account examined
- 2. Method of accounting employed [Please indicate whether there is any change from the method of accounting employed in the immediately preceding previous year].
- 3. Whether separate accounts in respect of eligible business or profession are maintained.
- 4. If the answer to item 3 above is in the affirmative, please indicate (irrespective of whether the assessee is a company or not), the amount of profit computed in accordance with the requirements of Parts II and III of the Sixth Schedule to the Companies Act, 1956.

Plus :

- (i) the amount of depreciation;

- (ii) the amount of income-tax paid or payable, and provision therefor;
- (iii) the amount of surtax paid or payable under the Companies (Profits) Surtax Act, 1964 (7 of 1964);
- (iv) the amounts carried to any reserves, by whatever name called;
- (v) the amount or amounts set aside to provisions made for meeting liabilities, other than ascertained liabilities;
- (v) the amount by way of provision for losses of subsidiary companies; and
- (vii) the amount or amounts of dividends paid or proposed, if any, debited in the audited profit and loss account or income and expenditure statement.

Gross Amount

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Less :

- (i) the amount of depreciation computed in accordance with the provisions of section 32(1); and
- (ii) the amount or amounts withdrawn from reserves or provisions, if such amounts are credited to the audited profit and loss account or income and expenditure statement.

Net Amount

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5. In case separate accounts are not maintained or are not available, please indicate-
  - (i) total sales, turnover and gross receipts of the eligible business or profession;
  - (ii) total sales, turnover and gross receipts of the assessee's business or profession; and
  - (iii) the proportionate profit of the eligible business or profession computed in accordance with the provisions of section 32AB.
6. The amounts deposited before the expiry of six months from the end of the previous year or before furnishing the return of income, whichever is earlier, with the Development Bank in accordance with the Scheme, out of the income of the previous year chargeable to tax under the head "Profits and gains of business or profession" (Please indicate the account number, the branch of the *concerned* Development Bank and the dates and the amount of deposits).
7. Withdrawals made from the account referred to in item 6 with dates and amounts of withdrawals.
8. Purposes for which the withdrawals referred to in item 7 were made.
9. The amounts utilised out of the withdrawals referred to in item 7 above with details regarding the purposes for which and the dates on which the amounts were utilised

10. The amounts withdrawn from the Development Bank but not utilised during the previous year for the purposes specified in section 32AB and the scheme
11. The amounts (other than those referred to in item 7 above) out of income chargeable to tax under the head 'Profits and gains of business or profession', utilised in accordance with the provisions of section 32AB and the Scheme
12. Whether any asset acquired in accordance with the provisions of section 32AB and the Scheme is sold or otherwise transferred during the previous year. If the answer is in the affirmative, please indicate separately in respect of each asset, the date of acquisition, the cost of acquisition, date of sale or transfer, consideration for sale or transfer and the names of persons to whom the asset was sold or transferred.
13. The amount of deduction permissible in accordance with the provisions of section 32AB.

.....  
*\*Signed*

**Notes:**

1. "Eligible business or profession" has the same meaning as that under section 32AB(2).
2. "Development Bank" has the same meaning as that in clause (b) of the Explanation to section 32AB.
3. The "Scheme" mentioned above refers to the Investment Deposit Account Scheme, 1986.
4. \*This part of the report is to be signed by the person signing Part I or Part II of the report.
5. Please attach the profit and loss account/income and expenditure statement and the balance sheet to this report. If separate accounts are maintained for eligible business or profession, the profit and loss account/income and expenditure statement and balance sheet may be attached separately for such business.