

# De-Constructing Tax Audit Requirement Provisions.

## Turnover is not the only criteria for Tax Audit Exemption.

*(applicable for FY 2019-20)*

For companies, LLP, specified individuals (other than specified professionals), HUF & Firms the tax audit threshold limit stands increased from INR 1 crore to INR 5 crores. Provided the cash receipts & cash payments are less than 5% respectively.

(if cash receipts OR cash payments are more than 5% of the cash receipts & payments respectively the threshold limit remains INR 1 crore). And applicable ONLY for resident assesses.

*Criteria for individuals (other than specified professional individuals) HUF's & firms (not for LLP & Companies)*

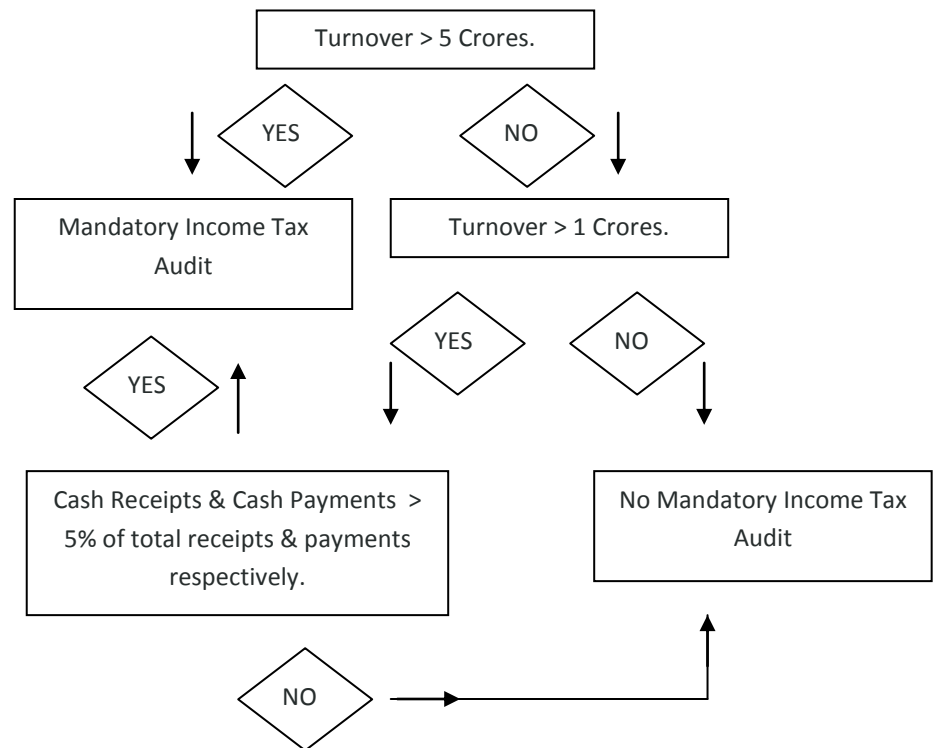
<i>Turnover &gt; INR 5 crores</i>	- <i>Compulsory tax audit.</i>
<i>5 crores &lt; Turnover &gt; 2 crores</i>	- <i>Cash receipts/payments &lt; 5% No tax audit.</i>
<i>5 crores &lt; Turnover &gt; 2 crores</i>	- <i>Cash receipts/payments &gt; 5% Tax audit.</i>
<i>Turnover &lt; 2 crores</i>	- <i>not applied presumptive tax u/s 44AD(1) for the last 5 PYs and tax for current year &lt; than presumptive rate, then tax audit applicable.</i>



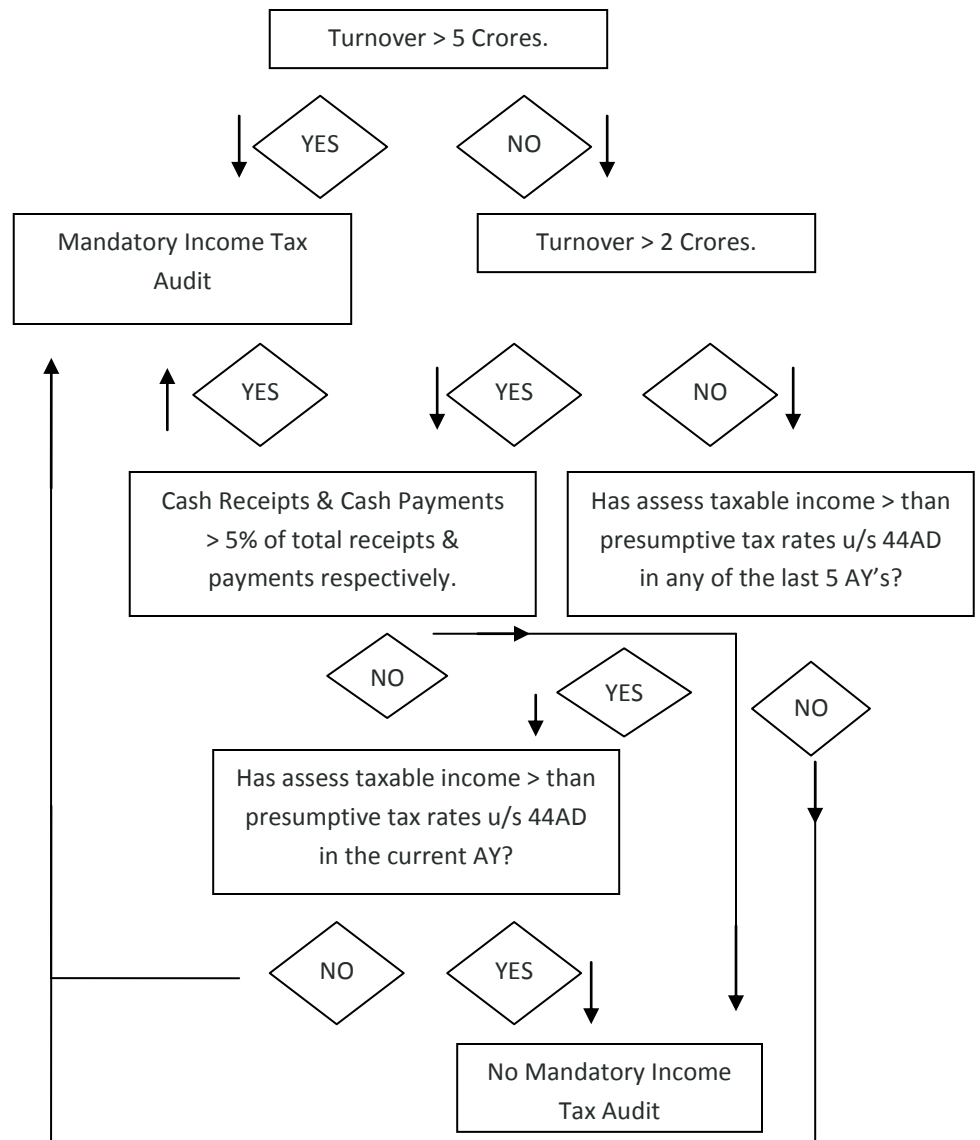


**Note :** When INR 2 crores < turnover > 1 crore , the provisions u/s 44AD i.e presumptive tax rates will get applicable when turnover below INR 2 crores. The condition for the 5% of cash payments / receipts will not be applicable.

Income-tax Audit criteria for Companies, LLPs and Individuals, HUFs & Firms engaged in business of agency, brokerage or commission.



Income-tax Audit criteria for Individuals, HUFs & Firms not engaged in business of agency, brokerage or commission.



## Contact Us

Raghu Nath Rai & Co.  
Chartered Accountants.  
9 Mathura Road, Jangpura B  
New Delhi – 110014.  
+91 11 24372181  
admin@rnr.in  
www.rnr.in

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*On a lighter note :*

- 1. Which web browser is made by Microsoft ?*
- 2. Name the sport in which a left hand player is not allowed?*
- 3. Who dropped Sunil Gavaskar in each of his innings in his debut test match?*

*Ans:*

- 1. Internet Explorer*
- 2. Polo.*
- 3. Sir Gary Sobers.*

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