**Clarification Regarding Applicability of SA 700 on Tax Audit Report under Section 44AB of The Income-Tax Act, 1961. - (05-07-2013)**

As the members are aware that all audit reports in respect of audits of financial statements for period beginning on or after 1st April 2012 are to be issued in accordance with the requirements of SA 700(Revised) - Forming an Opinion and Reporting on Financial Statements. In this regard, ICAI has been receiving mails seeking clarification regarding applicability of SA 700 on tax audit reports, i.e. Form No. 3CA / 3CB.

Considering the fact that all tax audit reports are now mandatorily required to be filed online and that the format of tax audit report is prescribed by the Central Government, the Council in its 325th meeting held from 1st June to 3rd June, 2013 decided to defer the applicability of SA-700 (Revised) on the tax audit report under section 44AB of the Income-tax Act,1961 by one year i.e. the requirements of SA-700(Revised) are not applicable for tax audit reports filed up to 31st March, 2014.

ICAI is further taking up the matter with the appropriate authorities so that suitable changes can be brought in the forms relating to tax audit.