



Applicability of Tax Audit

- Tax audit is applicable where the sales, turnover or gross receipts of business of the taxpayer exceed Rs 1 crore and in case of taxpayer carrying on profession, if gross receipts exceed Rs 50 lakhs in a financial year.
- As per Finance Act 2021, With effect from 1st April 2021, the threshold limit for applicability of tax audit is increased to Rs 10 crore in case cash transactions do not exceed 5% of the total transactions. (i.e., Cash receipts and cash payments does not exceed 5% of the total receipts and total payments respectively)