

5 Key Features of New Form and Benefits to the Stakeholders:

Sl. No.	Key Features of New Form	Benefits to Stakeholders
1.	All three erstwhile audit forms have been consolidated into a single smart, unified form with structured and standardised reporting.	Consolidation of forms and removal of repetitive disclosures significantly reduces effort for taxpayers and auditors.
2.	Audit clauses and disclosures have been rationalised and aligned with the ITR framework to ensure consistency between audit reports and returns of income.	Alignment with ITR structure is expected to substantially reduce mismatches, thereby lowering CPC adjustments, rectifications, appeals, and grievances.
3.	Clause relating to disallowable expenditure has been streamlined to a single consolidated disclosure instead of detailed item-wise reporting	Simplified clauses and safeguards against double disallowance help avoid automated disallowances and unnecessary litigation.
4.	GST-related reporting is now limited.	Rationalised GST reporting focuses on high-risk areas while avoiding excessive compliance requirements.

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5.	Mandatory disclosure of auditor's membership number, firm registration number, and UDIN has been introduced.	Mandatory identification details and UDIN strengthen audit traceability, accountability, and confidence in audit reports.
6.	Dedicated fields have been introduced for reporting capital receipts and deemed incomes not routed through the Profit & Loss Account.	Overall simplification makes the audit process more user-friendly and predictable, improving voluntary compliance.

6 Key benefits of new simplified Form:

- Simplified and Streamlined Compliance:**

The consolidation of Form Nos. 3CA, 3CB, and 3CD into a single smart form, along with tabulated reporting, lower compliance complexity and effort for taxpayers and auditors.
- Improved Data Accuracy and Analytics:**

Auto-populated fields and drop downs will reduce errors and ease the compliance procedure. Structured, tabulated disclosures enable accurate data capture, easier extraction, and more effective risk assessment by the tax authorities.
- Significant Reduction in ITR–Audit Report Mismatches:**

Rationalisation and alignment of reporting clauses reduce erroneous CPC adjustments, thereby minimizing rectifications, appeals, and taxpayer grievances.
- Lower Compliance Requirements with Focused Reporting:**

Reduction in detailed reporting and simplification of low-utility clauses (e.g., GST reporting) ensure that only material violations and relevant transactions are reported.

Enhanced Transparency and Accountability:

Mandatory disclosure of auditor identification details (membership number, firm registration number, UDIN) strengthens audit traceability and credibility of reports.

7 QR Code of “Samvaad” session:

For the benefit of the Taxpayers and auditors, the QR code of the link to the “Samvaad” session with the officer involved in drafting of the new Form, is given at the bottom of the brochure. This may be referred to for detailed discussion on the **Form No. 26** (Erstwhile Form Nos. 3CA, 3CB and 3CD).



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Income Tax Department
Central Board of Direct Taxes



Form No. 26 (Erstwhile
Form Nos. 3CA/3CB/3CD)



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NEW INCOME TAX FORMS: A USER FRIENDLY HANDBOOK Form No. 26 (Erstwhile Form Nos. 3CA/3CB/3CD)

BACKGROUND:

The Income Tax Department has introduced simplified tax Forms under the Income-tax Act, 2025, effective April 1, 2026, to improve ease of compliance for all stakeholders. The new Forms use simpler language, standardized pre-filled formats, and technology-driven processes to reduce errors and facilitate compliance.

As part of the "Taxpayer Information Series," we have selected frequently used forms or those forms that have undergone significant business process re-engineering. This brochure focuses on **Form No. 26** which merges erstwhile Form Nos. 3CA, Form 3CB & Form 3CD.

1 Purpose of Form No. 26:

Form No. 26 is an audit report and statement of particulars required to be furnished under Section 63 of Income-tax Act, which mandates a tax audit for certain individuals and entities engaged in business or a profession, based on specific financial thresholds.

2 Who should file:

The requirement to file **Form No. 26** is triggered when a business or profession meets specific financial thresholds or conditions that mandate a tax audit. The key criteria are:

For Businesses

A tax audit is mandatory if total sales, turnover, or gross receipts exceed:

₹1 crore in the financial year.

₹10 crore in the financial year, provided that cash receipts and cash payments do not exceed 5% of the total receipts and payments, respectively

For Professions

A tax audit is mandatory if gross receipts from the profession exceed **₹50 lakh** in the financial year.

Under Presumptive Taxation Schemes

Form No. 26 is also required for taxpayers who opt for a presumptive taxation scheme but later do not meet any of the following specified conditions:

- » **Section 58(2) or 61(2) (Table: Sl. Nos 4 and 5):** If an eligible business or profession declares profits lower than the prescribed rate. Or
- » Governed by provisions of Section 58(7) and 58(8) of the Income-tax Act, 2025.

3 Present structure of Form No. 26:

Form No. 26 is divided into the following parts.

Part A: Certificate and Audit report u/s 63 of the Income-tax Act, 2025 in case where accounts of the assessee have been audited under any other law (corresponding to erstwhile Form No. 3CA)

Part B: Certificate and Audit report u/s 63 of the Income-tax Act, 2025 in case where accounts of the assessee **have not** been audited under any other law (corresponding to erstwhile Form No. 3CB)

Part C: Particulars of the assessee

Part D: Statement of particulars containing, General information, Accounting information, Computation of receipt/income, Computation of expenses, Prior Period, Losses, Depreciation, & Deductions, International Taxation, Other Key Parameters, TDS/TCS, GST, and Quantitative details.

Periodicity of filing this form is :

Form No. 26 is furnished annually one month prior to the due date for furnishing the return of income under Section 263(1) of the Income Tax Act, 2025.

4 What are the documents required to file Form No. 26?

Following documents may be required for filing **Form No. 26**:

- » Books of account / relevant documents of the business (Balance Sheet, Profit & Loss Account or Income & Expenditure statement).
- » Audit report, if audited under any other law
- » Supporting documentation for Part D disclosures
- » GST/TDS returns and reconciliations
- » Inventory records (if applicable)

