

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:704
ANSWERED ON:25.11.2011
AUDIT LIMIT OF PARTNERSHIP FIRMS
Agarwal Shri Jai Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any steps or contemplating to take any steps to increase the compulsory income tax audit limit according to index for partnership, proprietorship companies from the year 2006-07; and

(b) if so, the details thereof and if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) Yes Sir, the Government has already taken steps to increase in limit for compulsory tax audit, taking into account all relevant factors including index.

(b) Vide Finance Act, 2010, the limits for getting the books of accounts audited have been increased with effect from 1st April, 2011, as under:

(i) for the persons who are carrying on business, the prescribed limits of turnover/gross receipts has been increased from Rs.40 lakhs to Rs. 60 lakhs.

(ii) for the persons who are carrying on profession, the prescribed limits of turnover/gross receipts has been increased from Rs. 10 lakhs to Rs. 15 lakhs.