



30th July, 2025

Public Announcement

Limit on number of tax audits (effective from 1.4.2026)

In order to ensure the quality of tax audit, the Council of the Institute has, at its 442nd meeting held on 26th and 27th May, 2025 and its 443rd meeting held on 30th June, 2025 and 1st July, 2025, decided the limit on the number of tax audits, to be effected by issuance of new guidelines, as follows -

- (i) the existing limit of 60 tax audit assignments per member to be retained, but the same shall be in respect of tax audit assignments **in a particular financial year**.
- (ii) the said limit of **60 would be the aggregate limit in respect of all tax audits accepted and signed by a member**, both in his individual capacity and as a partner of a firm(s). **In other words, an individual member cannot sign more than 60 tax audit reports in a financial year.**
- (iii) the limit on number of tax audit assignments per partner in a CA Firm **cannot** be distributed/or shared between the partners.
- (iv) the limit of 60 would, however, **not** apply to tax audit assignments arising out of the requirements under clause (c), clause (d) and clause (e) of section 44AB, in relation to persons covered **under section 44AE, 44ADA and 44AD**, respectively.
- (v) in the case of revision of tax audit report, the **revised tax audit report shall not be taken into account** for the purpose of reckoning the said limit of 60.

These changes shall be effective for the tax audits under section 44AB of the Income-tax Act, 1961 from 01st April, 2026 and shall continue to be in force until further orders.

Detailed Guidelines are hosted on ICAI website and are accessible at:

<https://resource.cdn.icai.org/87307dtc-aps1799-gazette-notification.pdf>