**To,**

**M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Chartered Accountants**

**\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Dear Sir,**

**Sub: Management representation letter in respect of GST Audit for Financial Year 17-18 of M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [GSTN \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]**

With reference to the audit conducted by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and as required under the provisions of Section 35(5) and Section 44(2) of the Goods And Service Tax Act, 2017 (In short “GST Act”) read with rule 80(3) of the Goods and Service Tax Rules (In short “GST Rules, 2017”) for the financial year ended March 31, 2018 we acknowledge our responsibility for the maintenance of books of accounts, related documents, relevant registers in accordance with the requirements of the GST laws and as per the recognized accounting standards and practices as issued by the ICAI.

This letter is provided to you in connection with the conduct of audit by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ under the GST Laws, and for the purpose of carrying out the attest function in GSTR 9C based on our letter of engagement \_\_\_\_\_\_\_\_\_\_\_ and your acceptance letter \_\_\_\_\_\_\_\_\_. We confirm to the best of our knowledge and belief that:

**I. Place of Business**

a) We do not have other place of business inside the State other than those stated in the Registration Certificate. We confirm that each of the places of business stated in the said Registration Certificate is duly registered under the GST Laws within the State.

**II. Outward Supply**

a) We have not affected any supply of goods or services or both from places other than those declared in the certificate of registration and the returns filed from time to time. All kinds (inter-State and intra-State) of supplies / supply returns including sale of assets, if any, have been duly classified and properly accounted for in the Outward Supply Register or duly recorded in the appropriate books of accounts. They have been properly reflected in the returns filed under the GST laws.

b) The Classification of data in respect of B2B and B2C outward supplies have been correctly classified and accounted in our Returns.

c) The Deemed supply transactions viz., supplies to Related Parties or supplies between distinct entities / distinct persons are valued as per Valuation Rules.

**III. Inward Supply**

a) We have not affected any intra-State, inter-State inward supplies or imports into the State other than those declared in GSTR 9 and GSTR 9C and the returns filed as prescribed. All inward supplies of goods and / or services / inward supply returns including inward supplies of assets, if any, have been duly classified and properly accounted in the relevant register/s. They have been properly reflected in the returns filed from time to time.

**IV. Transitional Credits**

a) We have claimed transitional credits as per the provisions of the GST laws.

b) We confirm that the goods cleared to / by / from Job workers by way of stock transfers, sale on approvals and supplies to agents have been reconciled with the transactions as declared in Books of Accounts. We have reconciled the data of Trans-1 / Trans-2 with the data as declared in Books of Accounts.

c) We confirm having complied with the provisions of Section 171 of the CGST Act in respect of Anti-profiteering.

**V. Documentation**

a) We confirm that we have issued the E-way bill /Delivery note as per the provisions of the GST law.

b) We confirm that we have obtained the statutory Forms / declarations like LUT, etc from the GST Authority as per the provisions of the GST law.

c) During the year, appeals, if any, are filed against the Demand order / Refund Rejected Order\* mainly on the ground of …. and the matter is pending hearing / adjudication\* before the appropriate authority.

d) The Entries in Electronic Liability Ledger, Electronic Credit ledger and Electronic Cash Ledger for the financial year are reconciled with the transactions in Returns and the Books of Accounts.

e) We have issued the Self-Invoice and payment vouchers in respect of transactions that are liable to tax on reverse charge in case of inward supplies effected from unregistered suppliers.

f) We have maintained relevant records in respect of goods sent to / received from job workers and correctly accounted for those transactions. We confirm that all goods sent to job workers have been received back within the timelines prescribed.

g) We have not raised any tax invoices or supply bills other than the series reported in the supply ledgers. However, in respect of deemed supply, Advances, the Invoice series differ and are duly accounted.

h) We confirm we have maintained appropriate stock records as required under the GST laws.

i) We have issued only ONE ORIGINAL Tax Invoice / Bill of Supply / Debit Note or credit

Note as the case may be, and all other copies are marked as DUPLICATE / TRIPLICATE etc.

j) We have prepared the monthly returns based on the books of accounts maintained. The copies of the returns filed with the authorities were submitted / furnished to you for the purpose of your GST audit.

k) We confirm that the relevant registers relating to Form \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_etc have been produced to you for your verification and report.

**VI. Classification**

a) We have classified the goods/Services supplied by our concern and charged the rate of tax, in accordance with the applicable schedules and/ or notifications/ Advance Rulings etc., under the GST Act 2017.

b) We confirm that we have correctly classified the activities as supply of goods and / or supply of services as per Second Schedule of GST law.

c) The turnovers of inward and outward supplies relating to classification of goods and / or services based on HSN affected by us and as shown on the invoices, books and records and in the financial statement are correct.

d) During the year, application for Advance Ruling has been sought and the same is pending before the Authority.

**VII. Reconciliation**

a) We understand that reconciliation of data provided to you based on the books and records, returns, relevant registers etc., have been matched with financials and relevant returns filed by us from time to time in terms of the GST laws. We reiterate and confirm that in respect of auditors appointed by us to carry out the attest function under the GST Laws in respect of other States / Union Territories have been provided the relevant data from the very same books and records maintained by us. We confirm that the inward and outward supplies including non-GST transactions, deemed supplies (transactions without consideration) and such other transactions have been duly consolidated and matched with the financials.

b) We confirm that we have internally derived the turnover from the Audited financial statement in case of Multi GSTIN units under same PAN and reconciled the total turnover as arrived in 5A of Form GSTR 9C.

c) We have taken adequate care to reconcile the data with books, records and financial statements in respect of the first quarter of the financial year 2017-18 since; such data relates to the erstwhile indirect tax laws.

**VIII. Input Tax Credit**

a) We have paid CGST / SGST and IGST as per GST laws. In case of wrong payment or wrong declaration, we have repaid the correct taxes and claimed refund of the wrong payment of taxes.

b) We confirm that we have not availed input tax credits in respect of inward supplies affected by us where we have not paid the supplier within a period of 180 days in terms of proviso to Section 16(2) of the CGST Act. In such of those cases where we have availed input tax credits we confirm we have reversed such credits incorrectly availed together with interest.

c) None of the goods on which we have claimed input credit are subsequently lost or destroyed or disposed of by way of gift, free samples, etc., requiring reversal of input credit and we understand the responsibility of preservation of various documents under the GST Act.

d) We confirm that we have not taken any input tax credit in respect of goods/Services restricted in terms of Section 17(5) of the CGST Act

e) We confirm that we have availed input tax credits in line with the law laid down in terms of Section 49 of the CGST Act.

f) In respect of inward supplies of goods and / or services we confirm we have not expensed the taxes and claimed input tax credit of the very same transactions.

g) During the year, we have not affected any inward supplies from unregistered persons other than those supported by valid self-purchase bills / Payment Vouchers declared in GSTR 9C and the returns filed. Input tax credit for GST paid / payable on Inward supplies affected from such unregistered suppliers (up to 12th October 2017) has been availed in terms of the GST laws.

h) We have claimed input tax credit on the following basis on fulfillment of the relevant conditions stipulated under the relevant provisions of the GST laws

i) We confirm that input tax credit availed by us are in respect of use in course or furtherance of business.

j) We are in possession of all the original tax invoices of inward / outward supplies. We confirm having produced such original invoices for your verification during the course of your audit proceedings. We reiterate that we have availed input tax credits based on such original invoices relating to inward supplies.

k) We have verified the calculations for reversal of credits as applicable under rule 37, 42 and 43 as at the end of the year.

**IX. General**

a) The accounting policies adopted by us are set out and elaborated in Notes to Accounts attached to the financial statements.

b) None of the business premises were a subject matter of inspection by GST Department Officers during the year.

c) We confirm that we have adhered to the provisions relating to time of supply of goods and time of supply of services in terms of Section 12 and Section 13 of the GST Act, 2017. We confirm we have furnished to you / your firm a policy document in respect of time and place of supply of goods and / or services.

d) We confirm and reiterate that while we have our books and records in compliance with the applicable statutes. We are in/not in a position to furnish the State-wise financial Statements for review / audit purposes.

e) In respect of certain transactions on which the valuation Rules stand applicable under the GST laws we confirm that such transactions have been recorded in the books and records appropriately while reiterating that such valuations would not stand to scrutiny under other Statutes.

f) We have noted the observations made in by you / your firm during the course of your audit and we hereby confirm that we shall be solely responsible for the impact, if any, on our tax liability by virtue of such observations.

g) We certify that the following statements, among others, submitted to you to be true and correct:

i) Statement of monthly summaries of outward supplies and Inward supplies (with tax analysis);

ii) Statement of debit note and credit note as also journal entries (with tax analysis);

iii) Statement of goods received inside the State and sent outside the State;

iv) Outward Supplies and Inward supplies of fixed assets;

v) Details of Other income / Miscellaneous income;

vi) Details of expenses on which input tax credit is claimed together with tax analysis thereof;

vii) Reconciliation of outward supply and Inward supply with ledger.

The word “certify” or “true and correct “indicate absolute level of assurance expected to be provided by the practitioner on the subject matter. Absolute assurance indicates that a practitioner has performed procedures considered appropriate to reduce the engagement risk to zero.

For **M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [GSTN \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]**

Proprietor

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