

DRAFT MANAGEMENT REPRESENTATION LETTER FOR COMPANY
PREPARED BY CA NITIN KANWAR

To,

Chartered Accountants

Add: _____

Sub: Representation for the purpose of Tax audit for the financial year 2022-2023(Assessment year 2023-2024)

Dear Sir/Madam,

This representation letter is provided in connection with Tax audit of the **books of accounts** of the _____ for the Year ended on **31/03/2023** for the purpose to ascertain/derive/report the requirements of Form Nos. 3CA/3CB and 3CD, to ensure that the books of account and other records are properly maintained, that they truly reflect the income of the taxpayer and claims for deduction/relief are correctly made by him & to checking fraudulent practices. We acknowledge our responsibility to keep and maintain such books of account and other documents as may enable the Tax auditor to do tax audit u/s 44AB, in accordance with the provisions of Income Tax Act, 1961.

The management understands its responsibility for the preparation of Form 3CD. Form 3CD should be duly filled & authenticated by the management. Yourself will only verify and confirm the same & on that basis form the opinion & issue the report in Form 3CA/3CB Subject to the observation, if any as the case may be.

We confirm, to the best of our knowledge and belief, the following:-

1. The name of the assessee as per PAN card is_____. **Copy of PAN Card has been attached herewith.**
2. The company is liable/not liable to pay indirect taxes & if yes, for that registration number is as follows:
 - a) Service Tax:
 - b) VAT:
 - c) Excise:
 - d) Import Export Code:
 - e) GST:

Copy of Registration Certificates has been attached herewith.

3. The relevant clause of Section 44AB under which the Tax Audit is being conducted is :

(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in any previous year.

4. Nature of Business or Profession carried during the year, along with sector, subsector, code is as follows:

Sector	Sub-sector	Code

5. There is no change in the nature of business or profession.

OR

There is change in the nature of business or profession. The particulars of such change is as follows:

Business	Sector	Sub-sector	Code

Certified copy of Board Resolution & altered MOA has been attached herewith.

6. List of Books of Account maintained and the address at which the books of accounts are kept as follows:

S No.	List of Books	Address

7. The Profit and loss account does not include any profits and gains assessable on presumptive basis.

OR

The Profit and loss account include the profits and gains assessable on presumptive basis. The details of which are as follows:

Section	Other Section	Amount

8. The company had employed **Mercantile Method** of accounting in the previous year.

9. There is no change in the method of accounting employed in the previous year as compared to employed in immediately preceding financial year i.e. F.Y. 2022-23.

OR

There has been a change in the method of accounting employed in the previous year as compared to employed in immediately preceding financial year i.e. F.Y. 2022-23. The effect of the same on profit is as follow:

Particulars	Increase in profit	Decrease in Profit

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10. No adjustment has been made to the profits or loss for complying with the provisions of ICDS.

OR

Adjustments is required to be made to the profits or loss for complying with the provisions of ICDS. The effects of such adjustments are as follow:

ICDS	Increase in Profit	Decrease in Profit	Net Effect

11. ICDS Disclosure: **Already mailed to you. Can also check @**

12. The company had employed _____ method of Valuation of Closing Stock during the year and there is no deviation from the method of valuation prescribed u/s 145A and this is tax neutral.

OR

The company had employed _____ method of Valuation of Closing Stock during the year. There is deviation from the method of valuation prescribed u/s 145, the details of which as follow:

Particulars	Increase in Profit	Decrease in Profit

13. None of the Capital Asset has been converted into Stock-in-trade.

OR

The Capital Assets has been converted into Stock-in-trade during the year i.e. F.Y. 2020-21 & the details of the same are, as under:

Description of Capital Assets	Date of Acquisition	Cost of Acquisition	Amount at which assets is converted into stock-in-trade

14. The detail of items not credited to Profit & Loss Account is as follows:

a) All items falling within the scope of section 28 has been credited to P/L Account.

OR

The following items falling within the scope of section 28 has not been credited to P/L Account:

Description	Amount

- b) The Credits, drawbacks, refund of duty of customs or excise or service tax or refund of sale tax, VAT, GST has been credited to P/L Account.

OR

The Credits, drawbacks, refund of duty of customs or excise or service tax or refund of sale tax, VAT, GST has not been credited to P/L Account, details of which as follow:

Description	Amount	Remarks

- c) Escalation claim accepted during the year has been credited to Profit And loss Account.

OR

Escalation claim accepted during the year has not been credited to Profit And loss Account, details of which as follow:

Description	Amount

- d) The details of Other Items not credited to profit & loss Account is as under:

Description	Amount

- e) The details of Capital receipts not credited to profit & loss Account is as under:

Description	Amount

15. No Land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, details has been furnished in the annexure

OR

Land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, details is as follow:

Detail of Property	Address of Property	Consideration received or accrued	Value adopted or assessed or assessable

16. Copy of Depreciation Chart along with copy of FAR has been attached herewith.

17. The company does not have any investment linked deduction u/s 32AC, 32AD, 33AB, 33ABA, 35(1)(i), 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(1)(iv), 35(2AA), 35(2AB), 35ABB, 35AC, 35AD, 35CCA, 35CCB, 35CCC, 35CCD, 35D, 35DD, 35DDA, 35E

OR

The company have claimed investment linked deductions u/s_____. **Copy of amount paid and other supporting has been attached herewith.**

18. The company had not paid any sum to the employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section36(1)(ii)]

OR

The company had paid any sum to the employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend, [Section36(1)(ii)] details as follows:

Description	Amount

19. The company have not received any contributions from employees for various funds as referred to in section 36(1)(va)

OR

The company have received any contributions from employees for various funds as referred to in section 36(1)(va)

Nature of Fund	Sum received from employees	Due date of payment	The Actual amount paid	The actual amount date of payment to concerned Authorities

Challans has been attached herewith.

20. The company has not debited to the profit and loss account, any amount being in the nature of capital, personal, advertisement expenditure etc.

OR

The company has debited to the profit and loss account, any amount being in the nature of capital, personal, advertisement expenditure etc, the details as follow:

Capital Expenditure:

Particulars	Amount

Personal Expenditure:

Particulars	Amount

Expenditure on advertisement being souvenir, brochure, tract, pamphlet, etc published by a Political Party:

Particulars	Amount

Expenditure incurred at clubs

Particulars	Amount

Expenditure by way of penalty or fine for violation of law or otherwise or for offence or which is prohibited by law:-

Particulars	Amount

Expenditure incurred for any purpose which is an offence or which is prohibited by law:

Particulars	Amount

21. The company had not made any payment to non-resident on which tax is notdeducted.

OR

The company had made payment to non-resident on which tax is not deducted, details is as follow:

Date of Payment	Amount	Nature of payment	Name of payee	PAN of payee	Address

22. The company had not made any payment to non-resident on which tax has been deducted but not paid during the previous year.

OR

The company had made payment to non-resident on which tax has been deducted but not paid during the previous year, details is as follow:

Date of Payment	Amount	Nature of payment	Name of payee	PAN of payee	Address	Amount of TDS

23. The company had not made any payment on which tax is not deducted.

OR

The company had made payment on which tax is not deducted, details is as follow:

Date of Payment	Amount	Nature of payment	Name of payee	PAN of payee	Address

24. The company had not made any payment on which tax has been deducted but not paid during the previous year. **Challans of TDS has been attached herewith.**

OR

The company had made payment on which tax has been deducted but not paid during the previous year, details is as follow:

Date of Payment	Amount	Nature of payment	Name of payee	PAN of payee	Address	Amount of TDS

25. The company have not paid any salary outside India or to a non-resident without TDS.

OR

The company have paid any salary outside India or to a non-resident without TDS, details of which are as follows:

Date of Payment	Amount	Nature of payment	Name of payee	PAN of payee	Address

26. The company had not debited the amount to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba).

OR

The company had debited the amount to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and details are as under:

Particulars	Section	Amount debited to P/L	Amount admissible	Amount inadmissible	Remarks

27. No expenditure has been made by the company other than account payee cheque drawn on a bank or account payee bank draft.

OR

The company has made other than account payee cheque drawn on a bank or account payee bank draft, details as follows:

Detail of Payment	Nature of Payment	Amount	Name of payee	PAN of Payee

28. The company had made provision of Gratuity of Rs. _____ during the year & had paid Rs. _____ of Gratuity. **Supporting of Payment has been attached herewith.**

29. The company does not have any contingent liability.

OR

The company is having contingent liability of Rs. _____ on account of _____.

30. The company have not earned any exempt income during the year.

OR

The company have earned exempt income and the details of amount of expenditure incurred in relation to such income are as follows:

Particulars	Amount

31. The company has not paid any interest on delayed payment to the Micro, Small and Medium Enterprises Development Act, 2006.

OR

The company has paid the interest of Rs. _____ on delayed payment to the Micro, Small and Medium Enterprises Development Act, 2006.

32. The company had not made any payments during the previous year to the related parties.

OR

The company had made any payments during the previous year to the related parties, details are as follows:

Name of related parties	PAN	Relation	Nature of transaction	Amount

33. The company does not have any new setup of Plant and Machinery in backward area or Tea Development Account, Coffee Development Account and Rubber Development Account or Site Restoration etc. Thus no Deemed Profits/Gains under Section 32AD/33AB/33ABA.

OR

The company have any new setup of Plant and Machinery in backward area or Tea Development Account, Coffee Development Account and Rubber Development Account or Site Restoration etc. the details of Deemed Profits/Gains under Section 32AD/33AB/33ABA, details are as follows:

Section	Description	Amount

34. The company does not have any Reversal/writing back of trading liability, Sale of assets of undertaking, Sale of assets used in scientific research, Recovery of Bad Debts allowed earlier, Withdrawal from special reserve, Adjustment/ Set off of loss etc. Thus there is no amount of profit chargeable to tax u/s 41.

OR

The company does have any Reversal/writing back of trading liability, Sale of assets of undertaking, Sale of assets used in scientific research, Recovery of Bad Debts allowed earlier, Withdrawal from special reserve, Adjustment/ Set off of loss etc. Thus the details of amount of profit chargeable to tax u/s 41 is as follows:

Name of Party	Amount of Income	Section	Description of Transaction	Computation

35. The details of liability pre-existed on the first day of the previous year i.e. F.Y. 2020-21 but was not allowed in the assessment of any preceding previous year i.e. F.Y. 2019-20 and was
(a) paid during the previous year is Rs. _____ (Copy of challan or other supporting has been attached herewith.)
(b) not paid during the previous year is Rs. _____

OR

The company does not have any liability pre-existed on the first day of the previous year i.e. F.Y. 2020-2021 but was not allowed in the assessment of any preceding previous year i.e. F.Y. 2019-20.

36. The details of liability was incurred in the previous year and was
(a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1) of Rs. _____ (Copy of challan or other supporting has been attached herewith.)
(b) not paid on or before the aforesaid date of Rs. _____

OR

The company had not incurred any liability in the previous year.

37. The company does not have availed or utilized any CENVAT Credit during theyear.

OR

The amount of CENVAT Credit availed or utilized by the company during the year is as follows:

CENVAT	Amount	Treatment in Profit & loss Account
Opening Balance		
CENVAT Availed		
CENVAT Utilized		
Closing/Outstanding Balance		

38. The company have not credited or debited any Prior Period Income or Expenditure during the year.

OR

The company have Prior Period Income or Expenditure during the year, details as follows:

Type	Particulars	Amount	Period to which it relates

39. The company have not received any property without consideration or for inadequate consideration as referred to in section 56(2) (viiia)

OR

The company have received any property without consideration or for inadequate consideration as referred to in section 56(2) (viiia), the details of the same is as under:

Name of person from whom shares is received	PAN of Person	Name of company whose shares are received	No. of shares received	Amount of Consideration received	FMV of Shares

40. The company have not received any consideration for issuance of shares which exceeds the FMV of shares as referred to in section 56(2) (viib)

OR

The company have received any consideration for issuance of shares which exceeds the FMV of shares as referred to in section 56(2) (viib)

Name of Person from whom consideration received	PAN of person	No of shares	Amount of consideration	FMV of shares

41. The company have not received any amount which is to be included as income chargeable under the head 'income from other sources' as referred to in section 56(2)(ix) or section 56(2)(x) .

OR

The company have received any amount which is to be included as income chargeable under the head 'income from other sources' as referred to in section 56(2)(ix)/ section 56(2)(x), details are as under:

Nature of Income	Amount

42. The company does not have amount borrowed on Hundi or any amount repaid thereon otherwise than account payee cheque.

OR

The company have amount borrowed on Hundi or had amount repaid thereon otherwise than account payee cheque, details of the same are as under:

Name of person	PAN	Address	Amount borrowed	Date of borrowing	Amount due including interest	Amount repaid	Date of repayment

43. No primary Adjustment have been made to transfer price, as referred to in sub-section (1) of section 92CE, has been made during the previous year. TP Report attached herewith.

OR

Primary Adjustment have been made to transfer price, as referred to in sub-section (1) of section 92CE, has been made during the previous year, details has been disclosed in the annexure.

SN	Under which clause of sub-section (1) of section 92CE primary adjustment is made?	Amount of primary adjustment	Whether the excess money available with the associated enterprise is required to be repatriated to India as per the provisions of sub-section (2) of section 92CE	If yes, whether the excess money has been repatriated within the prescribed time	If no, the amount (in Rs.) of imputed interest income on such excess money which has not been repatriated within the prescribed time	Expected date of repatriation of money

44. The company has not incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B.

OR

The company has not incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B, details is as under:

SN	Amount (in Rs.) of expenditure by way of interest or of similar nature incurred	Earnings before interest, tax, depreciation and amortization (EBITDA) during the previous year	Amount (in Rs.) of expenditure by way of interest or of similar nature as per (i) above which exceeds 30% of EBITDA as per (ii) above	Details of interest expenditure brought forward as per sub-section (4) of section 94B		Details of interest expenditure carried forward as per sub-section (4) of section 94B	
				Assessment Year	Amount	Assessment Year	Amount

45. The company have not taken or accepted any loan or deposit in an amount exceeding the limit specified in section 269SS during the previous year otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account

OR

The company have taken or accepted any loan or deposit in an amount exceeding the limit specified in section 269SS during the previous year otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account, details are as follow:

SN	Name of the person from whom specified sum is received	Address of the person from whom specified sum is received	PAN of the person from whom specified sum is received	Amount of specified sum taken or accepted	Whether the specified sum was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account	In case the specified sum was taken or accepted by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft

46. The company had not received an amount of two lakh rupees or more from a person in a day, in respect of single transaction, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account as specified in section 269ST

OR

The company had received an amount of two lakh rupees or more from a person in a day, in respect of single transaction, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account as specified in section 269ST, details of the same as under

SN	Name of the Payee	Address of the Payee	PAN of the Payee	Nature of transaction	Amount of Payment	Date Of Payment

47. The company have not repaid any loan or deposit in an amount exceeding the limit specified in section 269T during the previous year otherwise than by an account payee cheque or account payee bank draft drawn or by use of electronic clearing system through a bank account.

OR

The company have repaid any loan or deposit in an amount exceeding the limit specified in section 269T during the previous year otherwise than by an account payee cheque or account payee bank draft drawn or by use of electronic clearing system through a bank account, details are as follow:

SN	Name of the payee	Address of the payee	PAN of the payee	Amount of the repayment	Maximum amount outstanding in the account at any time during the previous year	Whether the repayment was made by cheque or bank draft or use of electronic clearing system through a bank account	In case the repayment was made by cheque or bank draft, whether the same was taken or accepted by an account payee cheque or an account payee bank draft

48. The company does not have any brought forward loss or depreciation.

OR

The company have any brought forward loss or depreciation, details are as follow:

SN	Assessment Year:	Nature of loss / Depreciation allowance	Amount returned as	Amount as assessed		Remarks
				Amount	Order No and Date	

49. There is no change in the shareholding of the company.

OR

Change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79, details as follow. **Copy of Board resolution and Share Certificates has been attached herewith.**

50. The company has not incurred any speculation loss during the previous year.

OR

The company has incurred speculation loss of Rs. _____ during the previous year.

51. The company has not incurred any loss in respect of specified business during the previous year.

OR

The company has incurred loss of Rs. _____ in respect of specified business during the previous year.

52. The company has not claimed any deduction under Chapter VIA.

OR

The company has claimed any deduction under Chapter VIA, details are as follow:

Section	Amount

53. The company is not required to deduct or collect tax as per provisions of the Act.

OR

The company is required to deduct or collect tax as per provisions of the Act, the details are as follow:

TAN/PAN	Section	Nature of Payment	Total amount of payment of receipt of nature specified in column (3)	Amount on which tax was required to be deducted or collected	Amount on which tax deducted or collected at specified rate	Amount of tax deducted or collected	Amount on which tax is deducted or collected at rate less than specified rate	Amount of tax deducted or collected at less rate	Amount of tax deducted or collected but not deposited with Government.

TDS Challans has been attached herewith.

54. The company is not required to furnish the TDS Returns

OR

The company is required to furnish the TDS Returns, the details are as follow:

SN	Tax deduction and collection Account Number (TAN)	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted or collected contains	If not, please furnish list of details/transactions which are not

57. The company had not received any amount in nature of dividend as referred in Section 2(22)(e)

OR

The company had received any amount in nature of dividend as referred in Section 2(22)(e), details are as follows:

Amount Received	Date of Receipts

58. The company had not distributed any profits on which tax is required to be paid under section 115-O

OR

The company had distributed any profits on which tax is required to be paid under section 115-O, details are as follows:

SN	Total amount of distributed profits	Amount of reduction referred to in section O(1A)(i)	of as referred to in section 115-O(1A)(ii)	Amount of reduction referred to in section 115-O(1A)(ii)	Total tax paid thereon	Amount	Dates of payment

59. The company is not required to carry out any cost audit.

OR

Cost Audit of the company was carried out any during the year, the details of any disqualification or disagreement on any matter etc. identified by the cost auditor is as follow:

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60. The company is not required to carry out any audit under the Central Excise Act, 1944

OR

Audit under the Central Excise Act, 1944 of the company was carried out any during the year, the details of any disqualification or disagreement on any matter etc. identified by the auditor is as follow:

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61. The company is not required to carry out any audit under the Section 72A of Finance Act, 1994

OR

Audit under the Section 72A of Finance Act, 1994 of the company was carried out any during the year, the details of any disqualification or disagreement on any matter etc. identified by the auditor is as follow:

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62. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Particulars	Previous year			Preceding previous year		
Total turnover of the assessee						
Gross profit/turnover						
Net profit/turnover						
Stock-in-trade/turnover						
material consumed/Finished goods produced						

63. No demand or refund has been raised against the company during the year

OR

The details of demand raised or refund issued during the previous year under any tax laws other than Income tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings, is as follows:

Financial year to which demand/refund relates to	Name of other tax law	Type (Demand raised/Refund received)	Date of demand raised/refund received	Amount	Remarks

64. The company was not required to furnish any statement in Form No.61 or Form No. 61A or Form No. 61B.

OR

The company is required to furnish statement in Form No.61 or Form No. 61A or Form No. 61B, the detail is as follow:

Income-tax Department Reporting Entity Identification Number	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the Form contains information about all details/transactions which are required to be reported	If not, please furnish list of the details/transactions which are not reported

65. The company is not liable to furnish the report as referred to in sub-section (2) of section 286, the details is as follow

OR

The company or its parent entity or alternate reporting entity is liable to furnish the report as referred to in sub-section (2) of section 286, the details is as follow:

Whether report has been furnished by the assessee or its parent entity or an alternate reporting entity	Name of parent entity	Name of alternate reporting entity (if applicable)	Date of furnishing of report

66. **Clause 44: We have been informed by the assessee that the information required under this clause has not been maintained by it in absence of any disclosure requirement thereof under the Goods and Service tax statute. It is not possible to determine break-up of total expenditure of entities registered or not registered under the GST, as necessary information is not maintained by the assessee in its books of accounts. Further the standard accounting software used by Assessee is not configured to generate any report in respect of such historical data in absence of any prevailing statutory requirement regarding the requisite information in this clause. In view of above we are unable to verify and report the desired information in this clause**

We hereby declare that the above stated information is correct and true and best to management knowledge.

For & on behalf of _____

Director/Partner/Prop_____

Note:

Whenever the assessee is not reporting or differently reporting in tax Audit report, Please ask him to give the reference of case laws, he relied upon.

