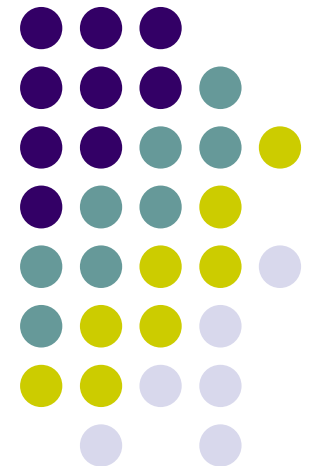


Documentation and Management Representation on Tax Audit

By
CA. Prakash Agarwal

Email
prakash1962_ca@hotmail.com



Auditing Standards



- **SA-210 Agreeing to the terms of Audit**
- **SA-230 Audit Documentation**
- **SA-580 Written Representations**

Appointment Letter

At least 1 month advance of audit



Date

- LETTER HEAD OF ASSESSEE
- ADDRESS
-
- To
-& Company
- Chartered Accountants
- Address
- -----
- Dear Sir,
- Sub: Request to conduct Tax Audit of our Firm, *reg.*
- Ref : Tax Audit U/s. 44AB for the Financial Year 2014-2015; Assessment year 2015-2016
- With reference to above and in pursuance of the provisions of sections 44AB of the Income-tax Act, 1961, We are pleased to inform you that you are being appointed as Auditor we are happy to appoint you as the first Tax Auditor of our proprietary firm M/s.to conduct Tax Audit u/s. 44AB of Income tax Act for the Financial Year 2014-2015 relevant to assessment year 2015-2016. Your remuneration shall be Rs...../decided by us upon consultation with you. We shall provide you password to open our online portal.
- We request you to give your consent to act as auditor for the year. You are also requested to kindly conduct the audit as early as possible. Kindly let us know the details and feedback you need to conduct the audit.
- Thanking you.
- Yours faithfully
- For.....
- (Name.....)
- Proprietor/ Partner

NOC from previous Auditor

Immediately after getting appointment letter

By Registered Post/ Speedpost



Date

- **LETTER HEAD OF CA Firm (Auditor)**
- **ADDRESS**
-
- **To**
- **.....& Company**
- **Chartered Accountants**
- **Address**
- **-----**
- **Dear Sir,**
- **Sub: NOC for our appointment as Tax Auditor of M/s....., reg.**
- **Ref : Letter No.....of Ms/.....dated.....**
- **With reference to above, we have to inform you that we have been appointed as the Tax Auditors of M/s.to conduct audit under Section 44AB of the Income-tax Act, 1961 for the financial year 2014-2015 corresponding to assessment year 2015-16**
- **You are requested to kindly let us know, if you have any objection, observation or any adverse comment upon having appointed us as the tax auditors of aforesaid firm. Kindly reply your comments within 15 days of receipts of this letter otherwise it shall be assumed that you have nothing to say and have no objection on our appointment.**
- **Kindly provide us the password you are using for filing of the Tax Audit report and Income Tax return of said assessee along with pertaining records of previous years.**
- **Thanking you.**
- **Yours faithfully**
- **For.....**
- **Chartered Accountants**
- **(Name.....)**
- **Proprietor/ Partner**

9/10/2015

Acceptance Letter



- On letter head of Chartered Accountant

- Date
- The....
- -----
- **Kind Attn :.....**
- Dear Sirs:
- Re.: Acceptante of our appointment as the Tax Auditors of your firm for the Financial Year 2014-2015.
- With reference to your letter No Nil dated 08-07-2015, we acknowledge your intimation to us regarding our firms' reappointment as the Tax Auditors of your Firm, M/s. (hereinafter to be referred as 'firm') for the Financial Year 2014-2015 Corresponding to Assessment Year 2015-2016.
- You have thereby requested us to conduct Tax audit of the Accounts of the firm for the Financial Year 2014-2015 and the related Balance Sheet as on 31-03-2015 and Statement of Profit and Loss Account for the period ended on that date. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Audit Principals



- We will conduct our audit in accordance with the auditing standards generally accepted in India and under the provisions and the requirements of the Companies Act, 1956 and the guidelines issued under the said statutes from time to time. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- However, having regard to the test nature of an audit, persuasive rather than conclusive nature of audit evidence together with inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements of financial statements, resulting from fraud, and to a lesser extent error, if either exists, may remain undetected.
- In addition to our report on the financial statements, we would happy to provide you with a separate letter concerning any material weaknesses in accounting and internal control systems which might come to our notice, if so desired.

Accounts Responsibility:



- The responsibility for preparation of financial statements on a going concern basis is that of management and of your firm and thereby the partners of the firm (hereinafter may be referred as Management). The responsibility of preparation of tax Audit report in Form No. 3CD u/s. 44AB of the Income Tax Act, 1961 along with all annexures and schedules is that of management. Management is also responsible for selection and consistent application of appropriate accounting policies, including implementation of applicable accounting standards along with proper explanation relating to any material departures from those accounting standards. The management is also responsible for making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the entity at the end of the financial year and of the profit or loss of the entity for that period.
- Responsibility of management also includes maintenance of adequate accounting records, statutory records, stock records and internal controls for safeguarding of the assets of the company for the preventing and detecting fraud or other irregularities and also adheres to the proper compliances of all relevant tax and other laws/acts as may be applicable to the company. As part of our audit process, we will request from management written confirmation concerning authorization and representations to be made to us in connection with the audit.

Depth of Audit:



- We also wish to invite your attention that our audit process is subject to 'Peer Review' under the Chartered Accountants Act, 1949. The reviewer may examine our working papers during the course of the peer review.
- We look forward to full cooperation from you and we trust that you will make available to us whatever records; documentation and other information are requested in connection with our audit.
- **Meantime, we would request you to kindly have a look upon our previous audit report along with notes on accounts and make sure that shortcomings/ observations/comments made therein have been taken care of and addressed properly and are not repeated again in the current year audit.**



Request for Documents:

- **You are also requested to kindly provide us a copy of final Balance Sheet for the audit period and Profit and Loss Account along with duly filled in Tax Audit Report in Form No, 3CD along with all applicable schedules and annexures and other documents like Partnership Deed, Books of accounts, Ledgers, Sales Bills, Purchase Bills, Vouchers, Bank Statements and reconciliation statement thereof, All account confirmation statements from debtors, lenders and creditors, Stocks Statement, Physical verification reports etc. for our verification. We also request you to kindly provide us list of payment made to relatives, TDS details, Payment of Rs. 20000/- or more in cash and provisions applicable u/s. 43B and all other reporting details.**

Audit programme & Fee



- Our fees and actual out of pocket expenses as may be incurred in connection with the said assignment will be billed upon completion of our audit assignment.
- This letter will be effective for future years unless it is terminated, amended or superseded.
- Kindly acknowledge receipt and sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements.
- Thanking you
- Yours faithfully
- For
- Chartered Accountants
- **CA**.....
- Partner
- Phone:
- email:.....

FORM 3CB



1. We have examined the Balance Sheet as at 31st March 2015 and the Profit and Loss Account for the year ended on that date, attached herewith, of M/s.....**address**....., Having Income Tax PAN :.....with ITO Ward....., and Branches at.....

Documentation:

1. Proof of name of assessee- Registration Certificate with Co Act, VAT, Service tax, Income Tax or any other Department.
2. PAN: Copy of PAN.
3. Branches: Any other proof of branches

Cont.....



● Management Representation:

- That We run our partnership firm in the name and style of **M/s. having its HO at.....** and its branches at..... **in the form of shops/ office.**
- We have not changed the name and status of our business during the period.
- Most of the items traded by us are in retail market and our income tax assessment is categorized under clause 0202 as Retail traders.
- We mostly undertake local sales only. We have not exported any goods during the reporting period. We mostly undertake the trading activity and sale of exempted items. However in some cases, taxable items too are traded by us.

MR Cont..



- **Our PAN: AAAFK2702P** and VAT/ CST No. TIN: **07860220383** **New Delhi**. We do not have any other branch or godown. We generally deals in the sale business of....and.....
- We do not sale any other item. We do only trading activity.
- There was no change in the status of the firm and business of firm during the year *viz a viz* previous year.
- We have only one kind of aforesaid business.
- We are not liable to pay any other indirect taxes, levy or duty whatsoever (like service tax, excise duty, customs duty etc.) therefore are not registered under any other indirect tax department.
- We have not undertaken any manufacturing, consignment or job work activities during the year.
- We have not got any Job work done by others on our behalf and no contract for job work was given by us for any business activities. Our firm does not deal in shares or securities.

FORM 3CB



2. We certify that the Balance Sheet and the Profit and Loss Account are in agreement with the books of accounts maintained at the head office at Delhi and all the above named branches.

Qualification No. 2-3

Documentation:

- Previous years Accounts, P& L A/c. Balance Sheet, Tax Audit Report
- Cash Balance certificate, Physical verification report, Daily cash balance summary
- Bank Statement and reconciliation statements
- Stocks Statement, reconciliation statement, physical verification report, quantitative details and valuation thereof
- Duly Signed Trial Balance
- TDS Certificates
- VAT/ Service Tax/ Excise Returns
- TDS Returns



Documentation Cont:

- Reconciliation of Sale and purchase with VAT returns
- Interest certificate from parties/ Banks
- Account Confirmation Statements from parties/ Banks/ lenders
- Agreements and deeds
- Fix assets papers and documents
- Fix assets physical verification report.



Management Representation:

- That the Cash Balance as on 31-03-2015 was amounting to Rs..... The cash balance has been physically verified by us and no discrepancies were found. We have to keep and maintain heavy cash balance as per our business requirement and day to day cash needs.
- That we have carried out the physical verification of all stocks at the end of the year and no discrepancies were found. The value of closing stocks has been taken into books of account on the basis of physical verification carried out by us. The valuation of stocks is strictly done on the basis of cost or realization value whichever is less at first in first out method (FIFO) but as a good number of stocks are lying since long, some time costing has to be done on the basis of estimates. The valuation as such has been arrived and taken into books of accounts for Rs.311903/- as against last year Rs.308058.00. As the traded items of goods are very high and keeping the general trend of this business in mind, it is not practical to keep quantitative details of purchases, sales and stocks of each items of goods traded in proper format. There were no unserviceable and damaged goods at hand at the end of the year. There was no change in the system of valuation of closing stocks during the year *viz a viz* previous year. As there is no change in accounting system therefore no deviation in terms of accounting standards prescribed u/s. 145A. We do not keep any proper stock records except that some memorandum details of stocks is maintained for our internal purposes.



MR Cont...

- We do hereby undertake that the sundry debtors, advances recoverable, all type of sundry creditors as shown in the accounts are correctly shown in the books of accounts and are good and fully receivable/ payable as the case may be. We are in regular interaction with all concerned parties and the balances are duly reconciled with all the parties.
- We do hereby certify that no loans or advances have been taken or given by the firm. All sundry creditors as shown in the accounts are indeed suppliers of the goods. All the creditors are payable on demand.



MR Cont...

- During the year under report, total sales were booked amounting to Rs.....which includes VAT sales amounting to Rs.,..... All VAT Returns have been properly filed by us in time. All the sales were backed by proper invoices and bills.
- Total Purchase was Rs.....and all other office and shop expenses were booked amounting to Rs.....Depreciation Rs....and salary to partners Rs.....-. The resulting profit during the year is Rs..... We do hereby undertake that all the accounting entries were correctly and truly made in the books of accounts and represent the business transactions.

FORM 3CB



3 We report the following observations/
comments/ discrepancies/
inconsistencies, if any

Documentation:

1. Check all the disclaimers and checks given in drop down box in online Form.
2. Any discrepancy not found in drop down box in online Form should be reported separately in Column No 3A.
3. Check all the 16 specific type of qualifications to be reported independently in Form No 3CB. Either you should report or a suitable Management Representation / documents should be obtained.

FORM NO 3CD



1-3, Name, Address and PAN of assessee

1. **Documentation and MR already explained with Form No 3 CB**
2. **There should be only one Name and one PAN of one assessee whose audit is conducted.**
3. **Obtain name and addresses of all trade names and addresses, godowns, offices with proof or MR.**
4. **Obtain all TAN numbers**

FORM NO 3CD



4. Regn No of excise duty, service tax, sales tax, customs duty,etc.

Documentation:

- Obtain copy of all Registrations of each offices, branches.

MR

- We are registered with.....and a copy of registration certificate is enclosed herewith for your need. We do hereby undertake that we are not liable to pay any other indirect taxes, levy or duty whatsoever (like service tax, excise duty, customs duty etc.) therefore are not registered under any other indirect tax department.

FORM NO 3CD



5. Status of Assessee.

Documentation:

- **Proprietor: Copy of License, any Regn Document**
- **Partnership Firm: Copy of Partnership Deed**
- **Company: Incorporation Certificate, Copy of MOA, AOA.**

MR

- That We run our business as.....firm in the name and style of **M/s.its HO at.....**and its branches at....
- We do not have any other firm or trading name/ activity except those as reported herein above.

FORM NO 3CD



6. Accounting Year

Documentation:

- Books of accounts

MR

- We have followed our accounting period from 01-04-2014 to 31-03-2015. We are consistently following the same method of accounting. There is no change in accounting period of our firm year *viz-a-viz* previous year

FORM NO 3CD



8. Indicate the relevant clause of section 44AB under which the audit has been conducted

Documentation:

- **Trial Balance, Balance Sheet & P& L Account**

MR

- **That our total turnover for the reporting period is below the limit of tax audit prescribed under section 44 AB of Income Tax Act. We are required to get our accounts audited U/s. 44AB(d) of the Income Tax Act, as the profit of the firm is not upto the level and ceiling of minimum 8% profit of sales as prescribed under section 44AD of the Income tax Act. One of the main reasons for lower profit margin is that we have a big work force comparing to our sale and available margin in present market trend. Other reasons are that the market trend during previous year was very volatile and under recession. The cost of material increased substantially but the sale price could not be increased due to increased competition, bad economic condition and recession. High inflation and increased cost of operation resulted into lower profit in spite of higher turnover comparing to previous year.**

FORM NO 3CD



9. If Firm or AOP, indicate name and profit sharing ratio and report change

Documentation:

- **Partnership Deed.**

MR

- **That our firm havepartners, namely Shri....and Shri.....and their profit sharing ratio is....**
- **That during the year no new partner was added or retired.**
- **That there was no change in the profit sharing ratio of the partners.**
- **That all the partners are working partners**
- **That the partnership deed provided to you is still in force and no clause has since been altered/ modified.**

FORM NO 3CD

10. Nature of Business and report change



Documentation:

- Trade License, Stocks statement, Bills,

MR

- We generally deals in the sale business of.....and....
- There was no change in the status of the firm and business of firm during the year *viz a viz* previous year.
- We have only one kind of aforesaid business.

FORM NO 3CD

11. Books of accounts prescribed, maintained and examined



Qualification No. 1

Documentation:

- Take a list of books
- Physically verify the books.

MR

We have to inform you that no books of accounts have been prescribed for us under Income tax Act. We maintain Cash Book, Ledger, Purchase Book etc. at our branch level and the same are complied at our HO at..... We maintain and keep our accounts for the period consisting from 1st April to 31st March every year. There is no change in the accounting period of the firm therefore there is no deviation in any financial figures.

FORM NO 3CD



12. Profit profits and gains assessable on presumptive basis like sec 44AD

Documentation:

P& L Account

MR

We do hereby undertake and inform you that the profit and loss account our firm does not includes any profits and gains assessable on presumptive basis u/s. 44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section for the reporting period.

FORM NO 3CD



13. Method of accounting employed

Documentation:

- Check P & L Account.

MR

That our firm follows mercantile system of accounting therefore all expenses and incomes have been accounted for on accrual basis except Gratuity, Government and other Statutory dues where cash/payment basis was applied. As these expenses are of recurring nature therefore there is no impact on the profit & Loss Account of the firm. Tax and other personal expenses have been booked to our capital account.

FORM NO 3CD

13. Deviation u/s. 145



MR

- We do hereby certify that all expenses debited into the profit and loss account are genuine and have been fairly and correctly booked into the accounts and these are exclusively related to the routine business activities only. We do not see any escaped or unaccounted business expenses and do not foresee any further liability under this account.
- We followed the same method of accounting employed during the year *viz-a-viz* previous year and there is no change in the method of accounting during the year. As there is no change in accounting system therefore no deviation in terms of accounting standards prescribed u/s. 145.

FORM NO 3CD

14. Method of Valuation of closing stocks

Qualification No 4, 5 and 6



Documentation:

- **Quantitative Stock Statement and valuation report thereof.**

MR

- **That we have carried out the physical verification of all stocks at the end of the year and no discrepancies were found.**
- **The value of closing stocks has been taken into books of account on the basis of physical verification carried out by us.**
- **The valuation of stocks is strictly done on the basis of cost or realization value whichever is less at first in first out method (FIFO).**
- **As a good number of stocks are lying since long, some time costing has to be done on the basis of estimates.**

FORM NO 3CD



14. Method of Valuation of closing stocks

MR cont...

- The valuation as such has been arrived and taken into books of accounts for Rs..... as against last year Rs.,.....
- As the traded items of goods are very high and keeping the general trend of this business in mind, it is not practical to keep quantitative details of purchases, sales and stocks of each items of goods traded in proper format.
- There were no unserviceable and damaged goods at hand at the end of the year.
- There was no change in the system of valuation of closing stocks during the year *viz a viz* previous year. As there is no change in accounting system therefore no deviation in terms of accounting standards prescribed u/s. 145A.
- We do not keep any proper stock records except that some memorandum details of stocks is maintained for our internal purposes.

FORM NO 3CD



15. Capital Stocks converted into stocks

MR

No capital assets converted into stocks

No stocks converted into capital assets

FORM NO 3CD

16. Capital receipts or grants



MR

There were no capital receipts during the year. All income or amounts u/s. 28 have been duly credited in profit and loss account where applicable as and when the same are arise. There was no other income escaped or unaccounted in the books of accounts. No escalation claims accepted during the year. We do hereby certify that all income credited into the profit and loss account are genuine and have been fairly and correctly booked into the accounts and these are exclusively related to the routine business activities only. We do not see any escaped or unaccounted business income in the books of accounts and do not foresee any further receipt under this account. No escalation claims accepted during the year. There was no amount received on account of performa credits, draw backs, refunds of duty of customs or excise or refund of sales tax, VAT and no such credits, draw backs or refunds were admitted as due by the authorities concerned during the period. There were no other Income or Capital receipts during the year.

FORM NO 3CD



17. Transfer of properties without adequate considerations

MR.

- We have to inform you that no assets or properties belonging to our firm has been transferred to our related parties or persons during the year in section 43CA or 50C .
- We have to inform you that wherever such properties transferred, full and adequate considerations at prevailing market rates have been taken.

FORM NO 3CD



18. Particulars of depreciation

MR.

- We do hereby undertake, authenticate and certify that all the fixed assets shown in the Balance Sheet.
- The title of all these assets is clear and marketable. These assets have not been pledged or are not subjected to any litigation.
- The fixed assets shown in the balance sheet are physically existed as on date and are in good working condition.
- No new addition or disposal is carried out during the year.
- Depreciation on fixed assets has been provided on written down value system as per prevailing Income Tax rates.
- We do hereby undertake that all the depreciable assets were fully and exclusively used for business purpose only.
- There was no change in the system of calculation of depreciation on fixed assets during the year *viz a viz* previous year.
- The assets on which depreciation was not provided were of the nature of personal assets.

FORM NO 3CD



19. Expenses allowable us/. 32-35 relating to Rebates, development and encouragements

MR.

We do hereby undertake that there is no additional amounts admissible as per the provisions of the Income Tax Act, 1961 and also in terms and conditions, if any specified under the relevant provisions of Income Tax Act, 1961 or Income Tax Rules, 1962 or any other guidelines, circular, etc., issued in this behalf under Sections 32AC, 33AB, 33ABA, 33AC (Wherever applicable), 35(1)(i), 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(1)(iv), 35(2AA), 35(2AB), 35ABB, 35AC, 35AD, 35CCA, 35CCB, 35CCD, 35D, 35DD, 35DDA, 35E of the Income Tax Act.

FORM NO 3CD



20. Sums paid to employees and sums received from employees as EPF, ESI, Bonus

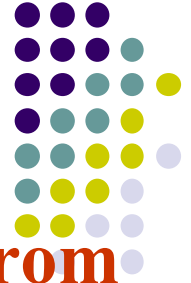
Documentation:

- Signed Detail of EPF, ESI, Bonus and other benefits given
- Registration certificates
- Copy of relevant returns.

MR.

- That our firm is registered with ESI and EPF for the welfare of our employees. Certificates to this effect are enclosed.
- We do hereby undertake that the statutory dues under relevant laws have been properly deducted and timely paid to the concerned authority during the year.
- We do further undertake that all relevant returns have been filed properly within due dates.

FORM NO 3CD



20. Sums paid to employees and sums received from employees as EPF, ESI, Bonus

MR cont...

- During the year we have paid bonus to employees @.....a work sheet thereof is attached herewith for your reference.
- We do hereby undertake that the bonus is already paid to employees or shall be paid on or before the due date of filing of Income tax return
- Gratuity is being accounted for on payment basis. No provision for gratuity has been made in accounts. During the year one employee Mr.....was retired on....and his due share of Gratuity amounting to Rs.....was paid to him

FORM NO 3CD



21a. Inadmissible expenses debited to P&L account Qualification No. 7

MR

- **No expense of the capital nature or personal nature have been debited to profit & loss account. No expenses incurred at clubs, or fees or subscription or other such services from club. No expenditure is incurred for the purpose which is an offence. No penalty or fine in violation of any law has been imposed or debited in Profit & Loss Account.**
- There was no payment in contradiction of provisions of section 40 or 40A. We do not foresee any liability of contingent nature. All statutory dues too have been paid within due dates.
- No payment made to NRI or foreign nationals.

FORM NO 3CD

21b. Expenses disallowable

Qualification No 8



MR

We do hereby certify and undertake that:

- No payment has been made to NRI or foreign national without TDS
- We are partnership firm and are liable to conduct the Tax Audit u/s. 44AB(d) of the Income Tax Act.
- We do hereby undertake and confirm that during the year our firm is not liable to deduct or collect Tax at source under the provisions of Chapter XVII-B or Chapter XVII-BB relating to Tax Deduction at Source, Tax Collection at Source and Payment thereof. Payments of all applicable statutory dues have been made in time. Therefore disallowance u/s. 40a is not applicable to us.
- Likewise other provisions u/s. 40a like FBT [sub section (ic)], wealth Tax [sub section (iia)], Royalty or license fee [sub section (iib)], Salary Payable outside India [sub section (iii)], payment to any funds, PF etc. [sub section (iv)], tax paid by employer [sub section (v)], Interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) are not applicable to us for the reporting period.

FORM NO 3CD



21c. Salary paid to partners of firm

Documentation:

- Partnership deed
- Calculation of profit share and distribution

MR

- We do hereby certify and undertake that:
- As there was not adequate profit in the firm therefore no remuneration was paid to partners
- That there was Rs.....as available profit in the firm for the reporting period and the same was paid in accordance with the Clause No.....of the Partnership Deed.
- Unallowable expenses has been taken into account while computing taxable income
- All our partners are working partners.

FORM NO 3CD



21d. Disallowance u/s. 40A(3) on cash payment

Qualification No.9

MR

We do hereby certify that (A) all payments relating to any expenditure covered under section 40A(3) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be, and (B) regarding taking or accepting loan or deposit, or repayment of the same, have been made through an account payee cheque or an account payee bank draft. We do hereby further undertake that no payment of Rs.20000/- or more has been paid in cash to any party/ creditors/ lenders whatsoever.

FORM NO 3CD

21e. Provision of Gratuity and other matters u/s. 40A

Qualification No 10



MR

We do hereby undertake that no provision for payment of gratuity not allowable under section 40A(7) has been made in the books of accounts; no sum has been paid by us as an employer not allowable under section 40A(9); there is no liability of the contingent nature booked in the accounts; We do hereby conform that no expenditure has been incurred and/ or debited to the P & L Account in relation to income which does not form part of the total income, in terms of section 14A. We do further confirm that all expenses shown in the profit and loss accounts are relating to the business activities of the firm only. We do further confirm that all expenses shown in the profit and loss accounts are relating to the business activities of the firm only. No expenses have been booked into accounts for our investment portfolio, which we undertake within our personal capacity. We also undertake that there is no amount inadmissible under the provision to section 36(1)(iii).

FORM NO 3CD



22. Interest to Micro and Small entities u/s 23

Qualification No 11

MR

We do hereby confirm and undertake that no firm of creditors, lenders or debtors are reported to be Micro, Small or Medium Enterprise in Term of Micro, Small and Medium Enterprise Development Act 2006. We do further undertake that no interest has been debited into books under this account during the period.

FORM NO 3CD



23. Payments made to relatives u/s. 40A(2)(b).

MR

- We do hereby undertake that the firm has not entered into any transactions of the nature of sale and purchase with any related party / person during the year.
- We also undertake that no payments have been made to any related persons or parties specified under section 40A(2)(b) (*Husband, wife, brother, sister or any lineal ascendant or descendant of individual*) or to our relatives as defined in Income Tax Act except as under:
- Salary to partners, Interest on capital to Partners, Other payments.

FORM NO 3CD



24. Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC.

Documentation: if any/ applicable

- **Tea/ coffee development license.**
- **Shipping license.**
- **Site restoration scheme**
- **Rehabilitation scheme**

MR

1. We do undertake that there is no amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC.

FORM NO 3CD



25. Amounts deemed to be profits u.s 41 Rebates taken earlier, taken back.

Documentation: if any/ applicable

- **Documents of any such allowance/ rebate/ discount/ deduction/ subsidy taken earlier**
- **Computation of such benefits taken earlier**

MR

1. We do undertake that there is no amounts deemed to be profits and gains 41 as we have never obtained/ taken any special or privileged deduction or allowance in earlier years for any scheme
2. We have never rolled back or taken back any relevant investment after availing of such schemes, therefore the provisions of this section are not applicable to us.

FORM NO 3CD



26. Payments allowable in cash basis section 43B

VAT/ Excise/ Bonus/ EPF/ ESI etc.

Documentation: if any/ applicable

- All relevant Returns
- Payment proof

MR

- We do hereby confirm and undertake that all statutory dues, rebate for which is admissible on payment basis under section 43B of the Income Tax Act have been paid within due dates.
- The outstanding balances at the end of the year have been paid within due date well before the due date of filing of Income Tax Return.
- Bonus has been paid on.....before filing of due date of ITR.

FORM NO 3CD



26. Payments allowable in cash basis section 43B

VAT/ Excise/ Bonus/ EPF/ ESI etc.

MR cont...

- We do hereby undertake that all related returns of VAT/ CST have been properly and timely filed with the concerned authorities and are reconciled with the books of accounts.
- No fine or penalty has been imposed by any statutory authority.
- Copies of VAT returns are enclosed herewith
- During the year following payments were made/ adjusted u/s. 43B which is correctly claimed and accounted.
- We do hereby undertake that these taxes and duties have not been passed through Profit & Loss Account.

FORM NO 3CD



27a . MODVAT utilization 27 b. Previous year expenses/ Income Qualification No 12

Documentation: if any/ applicable

- All relevant Returns
- Input proof and calculations
- Payment proof

MR

- During the reporting period we have not availed or utilized any amount of Central Modified value Added Tax credits during the previous year.
- We do hereby undertake that no amount of income or expenditure of prior period credited or debited to the profit and loss account during the reporting period.

FORM NO 3CD



28-29 acquisition of shares without adequate considerations:

Section 56(2)(vii-a) and 56(2)(vii-b)

Qualification No 13

Documentation: if any/ applicable

- **List of investments**
- **DMAT Account statement**
- **Title deed/ receipt of all investments**

MR

1. During the previous year we have not received any property, being share of a company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(vii-a); nor received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(vii-b).

FORM NO 3CD

30. Amount Borrowed on Hundi: Section 69(D)



Documentation: if any/ applicable

- **Hundi register**
- **Agreement with bank**

MR

During the reporting period, no any amount has been borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque. [Section 69D].

FORM NO 3CD



31. Particulars of Loans acceptance and repayment

Documentation: if any/ applicable

- Account Confirmation Statements
- Reconciliation with Interest payment
- TDS certificates

MR

- We do hereby certify that no loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year by the firm.
- We do hereby certify that no loan or deposit in an amount exceeding the limit specified in section 269T repaid during the previous year by the firm.
- No Loan/ deposit was taken from related parties/persons.

FORM NO 3CD

32. Brought Forward Loss/ depreciation



Documentation: if any/ applicable

- **Accounts of related year**
- **ITR and computation of related years**

MR

1. **There is no brought forward loss or depreciation allowance during the reporting period.**
2. **List and detail of brought forward loss and depreciation allowance of earlier years is enclosed herewith along with related returns and computation thereof.**

FORM NO 3CD



32. Change in capital or Speculation Loss

Documentation: if any/ applicable

- **Capital introduction proof**
- **Shares sale / purchase documents**

MR

- No change in capital of the firm has taken place in the previous year due to which the losses might have been incurred prior to the previous year can not be allowed to be carried forward in terms of section 79. That the owner has not introduced any new capital in the firm during the year. The drawing made by owner has been shown in his personal name under drawing account. Income Tax payable by the firm is shown in his personal expense.
- We have not incurred any speculation loss referred to in section 73 or any loss referred to in section 73A in respect of any specified business during the previous year.

FORM NO 3CD



33. Section wise deduction under Chapter VIA

Documentation:

- **Proof of all deductions**

MR

- We are not eligible for any rebate/ deduction under Chapter VIA of the Income tax Act.
- We are eligible for following deductions/ rebates under Chapter VI A of the Income tax Act. Necessary proof is enclosed herewith for your reference.
- We do hereby undertake that these rebates have been correctly claimed by us.

FORM NO 3CD

34. TDS



Documentation:

- All TDS Returns
- Copy of ledger accounts of all expenses of TDS

MR

1. We are partnership firm and are liable to conduct the Tax Audit u/s. 44AB(d) of the Income Tax Act. We do hereby undertake and confirm that during the year our firm is not liable to deduct or collect Tax at source under the provisions of Chapter XVII-B or Chapter XVII-BB relating to Tax Deduction at Source, Tax Collection at Source and Payment thereof. Payments of all applicable statutory dues have been made in time. Detailed representation on applicability of TDS provisions on us is as under:
2. As the provisions of TDS are not applicable therefore respective returns have not been filed
3. We have not obtained TAN/ Our TAN is.....

FORM NO 3CD



35. Quantitative Details of Stocks, Raw Materials

Documentation:

- **Stocks statement**
- **Physical verification report**

MR

- Stocks statement showing opening balance, addition, sale, scraps etc is enclosed herewith.
- As the traded items are so high in volume and number of items therefore it is not possible to provide you list of all items. However a list of major items is attached herewith.

FORM NO 3CD



36. In case of Company, tax u/s. 115-O

Documentation:

- **Calculation Sheet**
- **MR**
- As we are a partnership firm therefore provisions of section 115-O are not applicable to us.
- Calculation of distributed profit u/s. 115-O is enclosed herewith for your reference and we undertake that the same was correctly calculated.

FORM NO 3CD

37-39. Cost audit/ Excise Audit or u/s. 72A Qualification No. 14



Documentation:

- **Respective Audit reports**
- **MR**

No cost audit was carried out or prescribed under Section 139(9) and no audit was conducted or prescribed under the Central Excise Act, 1944, therefore the report of such audits is not available.

No audit was conducted under section 72A of the Finance Act, 1994 in relation to valuation of taxable services, Finance Act, 1994 in relation to valuation of taxable services.

FORM NO 3CD



40. Various Ratio Qualification No 15

Documentation:

- **Calculation Sheet**
- **MR**

Various ratio and calculations thereof have been duly filled in Form No 3CD. We do hereby authenticate and certify the correctness of all these ratio analysis.

FORM NO 3CD



41. Demands Raised/ paid Qualification No. 16

Documentation:

- **Demand Note/ payment proof**
- **MR**

We do hereby undertake and certify that no demand of any type whatsoever from any department was raised nor any refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 and no related proceedings have been initiated against our firm during the year.

FORM NO 3CD



Other Representations:

Bank Accounts:

- We have to inform you that at our firm was maintaining account in the name of firm withat..... We do hereby certify that the Bank Account of the firm have been duly reconciled at the end of the year.
- We understand that the cheques issued to various parties but not presented for payment till the end of the year have been presented and for payment in due course in next year and the same have been promptly paid. Most of these cheques are issued to creditors against purchases of goods and are issued in normal business practice.
- We do hereby confirm that we have not taken/obtained any type of credit/loan facility from the banks during the reporting period.
- At the end of the year under report, the bank balance with.....Bank shows a credit of Rs..... Bank reconciliation statement too is enclosed herewith for your reference.
- No cheque was bounced back due to this.
- In addition to this, we have other banks namely.....with them balance at the end of the year was.....
- All bank accounts have been duly reconciled at the end of the year.

FORM NO 3CD



Other Representations:

Authentication of books of accounts:

- We do hereby approve, adopt and authenticate the contents, particulars and details filled in pre audit Balance Sheet, Profit & Loss Account with all details, Duly filled in Form No 3CB, 3CD, Computation of Total Income and filled Form No. ITR 5 as prepared and produced before you for signing.
- We do hereby also approve, adopt and authenticate the contents, particulars and details filled in Final audited Balance Sheet, Profit & Loss Account with all details, Duly filled in Form No 3CB, 3CD, Computation of Total Income and filled Form No. ITR 5 as prepared and produced before us for signing. We are agreeing to the all disclaimers and qualifications reported therein.
- We do hereby undertake that we have read, noted and fully understood the final prepared Financial Statements, filled in Tax Audit Forms, Audit Reports, Form 5 of the firm and agree with the same.
- We do hereby authorize you to file and upload the duly filled in and audited Tax Audit Forms and Audit Reports together with Balance Sheet and Profit & Loss Account and Income tax Return of the firm in Form No. 5 at the e filing portal of income tax department.



Thank You

CA. Prakash Agarwal

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