

**As Recommended by ICAI**

**Certificate under the State Goods and Services Tax Act, 2017 (in short "SGST Act") and the Central Goods and Services Tax Act, 2017 (in short "CGST Act") in terms of Section 18(3) of the said Acts**

1. M/s. \_\_\_\_\_ (hereinafter referred to as the "Applicant" or "Transferor") is a registered person vide GSTIN..... and is having its principal place of business at \_\_\_\_\_ in the State of \_\_\_\_\_. The Applicant has the following additional places of business duly registered in the State of \_\_\_\_\_:

a. \_\_\_\_\_

b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_

2. In terms of Section 18(3) of the CGST and SGST Acts, where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provisions for transfer of liabilities, the said registered person shall be allowed to transfer the input tax credit which remains un-utilized in his electronic credit ledger to such sold, merged, demerged, amalgamated, leased or transferred business in the manner prescribed in the CGST / SGST Rules, 2017.

3. The Applicant has sold / merged / de-merged / amalgamated / leased / transferred [strike whichever not applicable] its business to M/s Sujatha Enterprises GSTIN : xxxxxxxx (hereinafter referred to as "Transferee") vide amalgamation / merger Order No..... dated ..... passed by ...../ Business Transfer Agreement dated ..... with a specific provision for the transfer of liabilities vide Clause .... of the said document.

4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that the Applicant is entitled to transfer the input tax credit aggregating Rs..... (detailed below) to the Transferee.

<b>Nature of credit</b>	<b>Amount of matched ITC available</b>	<b>Amount of matched ITC to be transferred</b>
Central Tax		
State Tax		
UT Tax		
Integrated Tax		
Cess		
<b>Total</b>		

5. This certificate has been issued in terms of Section 18(3) of the CGST / SGST Acts, 2017 read with Rule 41 (2) of the CGST / SGST Rules, 2017.

For

\_\_\_\_\_  
, Chartered  
Accountants

Place:  
Date:

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

### **Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-02 is filed by the tax payer on GST portal declaring the above amounts in the appropriate columns.
- iii. Ensure that the transferee has a valid GSTIN. The Amalgamation / Merger Order or relevant Business Transfer Agreements should be thoroughly perused to ensure that there is a specific provision for transfer of liabilities.
- iv. Document the mode of transfer i.e. sale, merger, demerger, amalgamation, lease or transfer or change in ownership of business. In case of demerger, ensure that the input tax credit is apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.
- v. Cross check the amount of ITC to be transferred with latest return filed by the Applicant.
- vi. Ensure that the inputs or capital goods whose credit is proposed to be transferred are also accounted in books of the Applicant as transferred.
- vii. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- viii. This certificate is to be issued in respect of a person who has sold / merged / demerged / amalgamated / leased / transferred its business with a specific provision for the transfer of liabilities.
- ix. Ensure that the certificate issued is in accordance with the Guidance note on Reports and Certificates for special purpose issued by the ICAI.