SAVITA CORPORATION

ASST. YEAR 2016 - 2017

NOTES FORMING PART OF FORM NO. 3CB & FORM NO. 3CD :

[1] The assessee has running the business in the name & style of **SAVITA CORPORATION [A PARTNERSHIP FIRM]** having the Business of Builders and Developers.

[2] The assessee has adopted the **MERCANTILE METHOD** of accounting.

[3] The assesee has adopted the proceder for the revenue recognisation at the time of execution of the Sale Deed to the Member/Purchaser.

[4] Cash on hand and 'inventory as on **31st MARCH,2016** was not physically verified by us.

[5] Whenever the original bills/vouchers were not available,we have relied on the explanation, bills/vouchers (with supporting details) prepared, produced and certified by the assessee.

[6] All the balances of **PARTIES** and **BANKS** are subject to confirmation.

[7] **Personnel Expenditure**
It was stated by assessee that no personnel expenses has been debited in profit and loss account. It was stated by the assessee that exeoppnses debited to profit and loss account are incurred wholly exclusively & necessarily for the commercial expendiency of the businessand allowable as business and allowable as business expenditure. However, The expenditure like, income tax provision, interest on income tax and interest on tds has been reported under the specified para in 3CD.

[8] **Amount disallowable u/s 40(a)**
Considering the diverse nature & the volume of transaction in respect of which tax is deducted at source under chapter XVII B of the Act 1961, we have verified the comploance of the provisions of the said chapter in accordance with the Auditing Standards Generally Accepted in India which includes test check & concept of materiality. We have also relied upon information furnished by the assessee subject to such verification consider appropriate.

[9] **Payments in excess of Rs 20000/- [CLAUSE 21(d)]**
In respect of payment by cheques, we have to state that it is not possible for us to verify whether the payment in excess of 20,000/- have been made otherwise than by crossed cheques or crossed drafts, as the necessary evidence is not in possession of assessee. According to us, for cash monetory limit is applicable to each payment at a time and not to the totality of expenditure as such for this we have relied upon the judgement reported 121 ITR (Orissa) 680 in the case of ALOO SUPPLY CO and 84 TAXMANN 319 [Pune] SHARMA ASSOCIATES v/s A.C.I.T. No cash payment in excess of rs 20,000/- at one time in contravention of above judgement.

[10] **Details of Deposit Received & Repaid U/s 269SS 269T respectively.**

i. Regarding the receipt of deposit it is not possible for us to verify whether loans & depsoits have been taken or accepted otherwise than by an account payee cheque or account payee bank draft as the necessary evidences are not in the possession of the assessee.

ii. Regarding the repayment of deposit it is not possible for us to verify whether loans & deposits have been taken or repaid otherwise than by an account payee chequ or account payee draft as the necessary evidences are not in the possession of the assessee.

iii. The transaction reported under the above clauses is not including the transaction with bank as the same is not within the preview of the provision of the Act.

[11] **Transfer of Land and Building for a consideration less than value adopted/ assessed/ assessable by any authority of State Govt referred to in section 43CA/ 50C.**

The firm has made transaction of sale of land during the year of consideration. However, by verification of document provided to us for the purpose of audit, We found that there is no transfer of land or building less than the value assessable by any authority of State Govt referred to in section 43CA/ 50C.

[12] The firm has not made provision for income tax in the books of accounts.

:SIGNIFICANT ACCOUNTING POLICIES :

[1] **Method of Accounting**

1. System of accounting

(i) The accounts are prepared on the historical basis.

(ii) Accounting policies, not specifically referred to otherwise, are consistent and consonance with generally accepted accounting principals

(iii) All expenditures and income to the extent considered payable and the receivable respectively are accounted for on accrual basis.

[2] **FIXED ASSETS :**

As there is no any Fixed Assets, hence no comments on the Point.

[3] **DEPRECIATION :**

As there is no any Fixed Assets, hence no comments on the Point.

[4] **INVENTORY :**

There is Stock of Building Material and Work in Progress,hence No Comment.

Vithalani Akshatkumar Suryakantbhai

PLACE : AHMEDABAD.

DATE : 31/08/2016 **CHARTERED ACCOUNTANTS**