

Jagasheth & Co.

Chartered Accountants



201-02, "Nirman Bhavan",

Vijay Nagar - 3,

Opp. Majura Flyover,

Majuragate, Surat - 395001

Form No 3CB

[See rule 6G(1)(b)]

Audit report under section 44AB of the Income-Tax Act, 1961 in the case of a person referred to in clause (b) of sub-rule (1) of rule 6G

1. We have examined the balance sheet as on 31/03/2017, and the Profit and loss account for the period beginning from 01/04/2016 to ending on 31/03/2017, attached herewith of KAUTILYA CORPORATION, 78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT- MA, SANSKRUTI AC MARKET, OPP. ASTIK PARTY PLOT, NR. RUSHIVIHAR TOWNSHIP, SURAT, GUJARAT-395012. PAN - AAOFK1191N.
2. We certify that the balance sheet and the Profit and loss account are in agreement with the books of account maintained at the head office at 78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT- MA, SANSKRUTI AC MARKET, OPP. ASTIK PARTY PLOT, NR. RUSHIVIHAR TOWNSHIP, SURAT, GUJARAT-395012 and 0 branches.
3. (a) We report the following observations/comments/discrepancies/inconsistencies, if any:
 - i) We have not received confirmation from some of debtors, creditor and depositor
 - ii) Purchases, Sales and Expenses are not contra verified with parties(b) Subject to above -
 - (A) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.
 - (B) In our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from our examination of the books.
 - (C) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, if any give a true and fair view :-
 - (i) in the case of the balance sheet, of the state of the affairs of the assessee as at 31st March, 2017 and
 - (ii) in the case of the Profit and loss account of the Profit of the assessee for the year ended on that date.
4. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
5. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No. 3CD are true and correct subject to following observations/qualifications, if any

SN	Qualification Type	Observations/Qualifications
1	Valuation of closing stock is not possible.	Stock is valued and certified by the partners.
2	Records necessary to verify personal nature of expenses not maintained by the assessee.	No proper records like log book for car, telephone, travelling expenses maintained hence not able to



		verify personal elements included in such type of expenses.
3	Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not ascertainable	No such detailed maintained and hence not possible to ascertain creditors under Micro, small and medium Enterprise Development Act 2006.
4	Documents necessary to verify the reportable transaction were not made available.	Details regarding taxes dues other than Income Tax not produced before us for verification and hence not reported by us.

For M/S. JAGASHETH AND CO.
Chartered Accountants



P. Shah
Preetesh Pradipkumar Shah
(Partner)

M. No. : 153435
FRN : 0117322W
201 - 02, Nirman Bhavan, Vijay Nagar - 3,
Majura Gate, Surat-395002 Gujarat

Date : 31/10/2017
Place : Surat

FORM NO. 3CD
[See rule 6G(2)]

Statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961

PART-A

- 1 Name of the assessee : KAUTILYA CORPORATION
- 2 Address : 78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT-MA, SANSKRUTI AC MARKET, OPP. ASTIK PARTY PLOT, NR. RUSHIVIHAR TOWNSHIP, SURAT, GUJARAT-395012

- 3 Permanent Account Number : AAOFK1191N
- 4 Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, customs duty, etc. if yes, please furnish the registration number or any other identification number allotted for the same : Yes

SN	Type	Registration Number
1	Sales Tax/VAT	24221707290
2	Service Tax	AAOFK1191NSD002

- 5 Status : Firm
- 6 Previous year from : 01/04/2016 to 31/03/2017
- 7 Assessment year : 2017-18
- 8 Indicate the relevant clause of section 44AB under which the audit has been conducted

SN	Type
1	Third Proviso to sec 44AB : Audited under any other law

PART-B

- 9 a If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios :
- | Name | Profit Sharing Ratio (%) |
|--------------------------------|--------------------------|
| VARUNBHAI RAMESHBHAI VASANI | 50.00 |
| RAKESH RAVJIBHAI DESAI | 25.00 |
| PARIMALBHAI JIVANBHAI SALALIYA | 25.00 |

- b If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such Change.

Date of change	Name of partner/member	Type of change	Old profit sharing ratio	New profit sharing ratio	Remarks
NA	NA	NA	NA	NA	NA

- 10 a Nature of business or profession, :
- | Sector | Sub sector | Code |
|----------|--------------|------|
| Builders | Others(0404) | 0404 |

- b If there is any change in the nature of business or profession, the particulars of such change. : No

Business	Sector	Sub sector	Code
Nil	Nil	Nil	Nil

- 11 a Whether books of accounts are prescribed under section 44AA, if yes, list of books so prescribed. : Yes

Books prescribed
Bank Book, Cash Book, Purchase Register, Journals and Ledger
all are computer generated

- b List of books of account maintained and the address at which the books of accounts are kept. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.)



Books maintained	Address line 1	Address line 2	City/Town/District	State	Pincode
Bank Book, Cash Book, Purchase Register, Journals and Ledger	78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT- MA, SANSKRUTI AC MARKET, OPP. ASTIK PARTY PLOT,	NR. RUSHIVIHAR TOWNSHIP	SURAT	GUJARAT	395012
All are computer generated	78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT- MA, SANSKRUTI AC MARKET, OPP. ASTIK PARTY PLOT,	NR. RUSHIVIHAR TOWNSHIP	SURAT	GUJARAT	395012

- c List of books of account and nature of relevant documents examined.

: Bank Book, Cash Book, Purchase Register, Journals and Ledger (All are computer generated)

- 12 Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section.)

: No

Section	Amount
Nil	Nil

- 13 a Method of accounting employed in the previous year. : Mercantile system

- b Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year. : No

- c If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.

Particulars	Increase in profit	Decrease in profit
Nil	Nil	Nil

- d Whether any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards notified under section 145(2). : No

- e If answer to (d) above is in the affirmative, give details of such adjustments:

ICDS	Increase in profit	Decrease in profit	Net Effect
Nil	Nil	Nil	Nil
Total			

- f Disclosure as per ICDS:

ICDS	Disclosure
ICDS I- Accounting Policies	Accounting policies adopted and followed by the assessee represent true and fair view of business and there is no change in any accounting policy during the year in concern.
ICDS II- Valuation of Inventories	Assessee valued inventories at cost as NRV can not be found for similar project and there is no change in method of valuation during the year in concern.
ICDS III- Construction Contracts	There is no construction contract activity carried out by the assessee and hence not applicable.
ICDS IV- Revenue Recognition	There is no such amount of revenue which is not recognized by the assessee due to lack of uncertainty of ultimate collection. All the revenue recognized on accrual basis with reasonable accuracy.
ICDS V- Tangible Fixed Assets	All fixed assets shown at cost less depreciation as per Income Tax Act and none of the asset revalued during the year in concern. Small parts of machinery used in repairs not capitalized but claim as revenue expenditure as repairs.
ICDS VII- Government Grants	No amount of government grant received during the year and hence not applicable.



ICDS IX Borrowing Costs	No amount of borrowing cost capitalized during the year.
ICDS X- Provisions, Contingent Liabilities and Contingent Assets	Provisions made for payable expenditure with reasonable accuracy and there no contingent assets or liability.

- a Method of valuation of closing stock employed in the previous year. : **At Cost**
- b In case of deviation from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish. : **No**

Particulars	Increase in profit	Decrease in profit
Nil	Nil	Nil

- 5 Give the following particulars of the capital asset converted into stock-in-trade: - : **NA**

- 6 Amounts not credited to the profit and loss account, being: -

- a The items falling within the scope of section 28. : **NA**
- b The proforma credits, drawbacks, refunds of duty of customs or excise or service tax or refunds of sales tax or value added tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned. : **NA**
- c Escalation claims accepted during the previous year. : **NA**
- d Any other item of income. : **NA**
- e Capital receipt, if any. : **NA**
- 17 Where any 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, please furnish: : **NA**
- 18 Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following Form :- : **NA**
- 19 Amount admissible under sections 32AC/33AB/33ABA/35/35ABB/35AC/35CCA/35CCB/35D/35DD/35DDA/35E : **NA**
- 20 a Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend, [section 36(1)(ii)] : **NA**
- b Details of contributions received from employees for various funds as referred to in section 36(1)(va): : **NA**
- 21 a Please furnish the details of amounts debited to the profit and loss account, being in the nature of capital, personal, advertisement expenditure etc.
- Capital expenditure : **NA**
- Personal expenditure : **NA**
- Advertisement expenditure in any souvenir, brochure, tract, pamphlet or the like published by a political party : **NA**
- Expenditure incurred at clubs being entrance fees and : **NA**



- subscriptions : NA
- Expenditure incurred at clubs being cost for club services and facilities used : NA
- Expenditure by way of penalty or fine for violation of any law for the time being force : NA
- Expenditure by way of any other penalty or fine not covered above : NA
- Expenditure incurred for any purpose which is an offence or which is prohibited by law : NA
- b. Amounts inadmissible under section 40(a):-
- i. as payment to non-resident referred to in sub-clause (i)
- (A) Details of payment on which tax is not deducted: : NA
- (B) Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1) : NA
- ii. as payment referred to in sub-clause (ia)
- (A) Details of payment on which tax is not deducted: : NA
- (B) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139 : NA
- iii. as payment referred to in sub-clause (ib)
- (A) Details of payment on which levy is not deducted: : NA
- (B) Details of payment on which levy has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139 : NA
- iv. Fringe benefit tax under sub-clause (1c) : Nil
- v. Wealth tax under sub-clause (iia) : Nil
- vi. Royalties, license fee, service fee etc. under sub-clause (iib) : Nil
- vii. Salary payable outside india/to a non resident without TDS etc. Under sub-clause (iii) : NA
- viii. Payment to PF/other fund etc, under sub-clause (iv) : Nil
- ix. Tax paid by employer for perquisites under sub-clause (v) : Nil
- c. Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof : NA
- d. Disallowance/deemed income under section 40A(3):

(A) On the basis of the examination of books of account and other relevant documents/evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details : Yes

Date of payment	Nature of payment	Amount	Name of the payee	PAN of the payee
Nil	Nil	Nil Nil		Nil



(B) On the basis of the examination of books of account and other relevant documents/evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A) : Yes

Date of payment	Nature of payment	Amount	Name of the payee	PAN of the payee
Nil	Nil	Nil	Nil	Nil

- e provision for payment of gratuity not allowable under section 40A(7) : Nil
- f any sum paid by the assessee as an employer not allowable under section 40A(9) : Nil
- g Particulars of any liability of a contingent nature : NA
- h Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income : NA
- i amount inadmissible under the proviso to section 36(1)(iii) : Nil
- 22 Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. : Nil
- 23 Particulars of any payment made to persons specified under section 40A(2)(b). : NA
- 24 Amounts deemed to be profits and gains under section 32AC or 33AB or 33ABA or 33AC. : NA
- 25 Any amounts of profits chargeable to tax under section 41 and computation thereof : NA
- 26 (i) In respect of any sum referred to in clause (a),(b),(c),(d),(e) or (f) of section 43B the liability for which:-
- A Pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was:-
- (a) Paid during the previous year : NA
- (b) Not paid during the previous year; : NA
- B 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 139(1); : NA
- (b) Not paid on or before the aforesaid date. : NA
- State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost etc. is passed through the profits and loss : No
- 27 a Amount of Central Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts. : No
- b Particulars of income or expenditure of prior period credited or debited to the profit and loss account. : NA
- 28 Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested, : NA



without consideration or for inadequate consideration as referred to in section 56(2)(vii), if yes, please furnish the details of the same.

- 29 Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(vii), if yes, please furnish the details of the same. : NA

- 30 Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque, (Section 69D) : No

Name of person from whom amount borrowed or repaid on hundi	PAN of the person	Address line 1	Address line 2	City/Town/District	State	Pincode	Amount borrowed	Date of borrowing	Amount due including interest	Amount repaid	Date of repayment
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- 31 a Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :-

Name of the lender or depositor	Address of the lender or depositor	PAN of the lender or depositor	Amount of loan or deposit taken or accepted	Whether the loan/deposit was squared up during the Previous Year	Maximum amount outstanding in the account at any time during the Previous Year	whether the loan or deposit was taken or accepted by cheque or bank draft or use of electronic clearing system through a bank account	in case the loan or deposit 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
Akshar Corporation	1, Hanumanpara, GID C Road, Amreli - 365601	AIAPR7987H	900000	No	800000	Yes-Cheque	Account payee cheque
C. S. Traders	"Gokuldharm", Varasada Road, Amreli - 365601		300000	Yes	300000	Yes-Cheque	Account payee cheque
Deep Enterprise	"Gokuldharm", Varasada Road, Amreli - 365601		3700000	No	3700000	Yes-Cheque	Account payee cheque
Ekdant Reality Pvt. Ltd.	surat		3000000	No	3000000	Yes-Cheque	Account payee cheque
M.N. Chotaliya	Room No.7, Moriya Chawk, Maqbool Compound, Pathanwadi, Malad (E), Mumbai - 400097	AJAPC0263E	300000	No	303563	Yes-Cheque	Account payee cheque
Rakeshbhai Vasanwala	Morar nagar, Rander Road, Adajan, Surat	ADNPV8758J	920000	No	920000	Yes-Cheque	Account payee cheque
Rameshchandra Ratanshibhai	702, Riddhi Palace, S V Road, Borivali	AACPV554	2500000	No	2837500	Yes-Cheque	Account payee



Vasani	(West) - Mumbai - 400092						cheque
Vinayak Overseas	Sreet No.2. Near Juna Chora, Jeshingpara, Amreli - 365601		5750000	No	5750000	Yes-Cheque	Account payee cheque

- b Particulars of each specified sum in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:- : NA

- c Particulars of each repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T made during the previous year:—

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
Akshar Corporation	1, Hanumanpara, GID C Road, Amreli - 365601	AIAPR7987H	900000	800000	Yes-Cheque	Account payee cheque
C. S. Traders	"Gokuldham", Varasada Road, Amreli - 365601		300000	300000	Yes-Cheque	Account payee cheque

- d Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year:— : NA

- e Particulars of repayment of loan or deposit or any specified advance in an amount exceeding the limit specified in section 269T received by a cheque or bank draft which is not an account payee cheque or account payee bank draft during the previous year:— : NA

- 32 a Details of brought forward loss or depreciation allowance, in the following manner, to extent available:-

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

- b Whether a 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. : No
- c Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same. : No
- d Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year. : No
- e In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73. : No



Disclosure of Accounting policies and notes to the accounts for the year ended on
31.03.2017

(1) Accounting Policies:-

Significant accounting policies adopted in the preparation and the presentation of the accounts and stated as under.

These accounting policies adopted by the firm are as per standard accounting policies prescribed by the Institute of Chartered Accountants of India.

(a) Method of Accounting:-

The firm is maintaining accounts on historical cost convention on mercantile basis. However in respect of expenditure related to Income Tax the accounts are maintained on cash basis of accounting.

(b) Revenue recognition:-

Revenue has been recognized to trading account on mercantile basis.

(c) Fixed Assets:-

None of the fixed assets has been revalued during the year in concern.

(d) Inventory:-

Opening and closing are valued at cost as NRV is not easily find out for similar projects.

(e) There is no provision of any contingent liability by the concern for the year in concern.

(f) There are no prior period or extra ordinary expenses debited to Profit and Loss accounts.

(2) Cross verification of income and expenditures has not been carried out.

(3) Balance of creditors, debtors and unsecured loans are subjects to confirmation.

(4) Vouchers/ documentary evidences of certain expenditure not produced before us for verification.

(5) Final accounts have been prepared on Going Concern assumption.



- 35 a In the case of a trading concern, give quantitative details of principal items of goods traded : NA
- b In the case of manufacturing concern, give quantitative details of the principal items of raw materials, finished products any by-products : NA
- (A) Raw materials : NA
- (B) Finished products : NA
- (B) By products : NA
- 36 In the case of Domestic Company, details of tax on distributed profits under section 115-O in the following forms : NA
- 37 Whether any cost audit was carried out. ? : Yes
If yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the cost auditor. : Nil
- 38 Whether any audit was conducted under the Central Excise Act, 1944. ? : No
- 39 Whether any 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 service as may be reported/identified by the auditor. ? : No
- 40 Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Particulars	Previous year			Preceding previous year		
			0			0
Total turnover of the assessee			0			0
Gross profit/turnover	0	0	0.00	0	0	0.00
Net profit/turnover	0	0	0.00	0	0	0.00
Stock-in-trade/turnover	103854134	0	0.00	0	0	0.00
material consumed/Finished goods produced	Nil	Nil	Nil	Nil	Nil	Nil

- 41 Please furnish 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. : NA

For M/S. JAGASHETH AND CO.
Chartered Accountants



Shah
Preetesh Pradipkumar Shah
(Partner)
M. No. 153435
FRN.: 0117322W
201 - 02, Nirman Bhavan, Vijay Nagar - 3,
Majura Gate, Surat-395002 Gujarat

Date : 31/10/2017
Place : Surat

FORM ITR.

KAUTILYA CORPORATION
78/A, F.P. NO. 79, T. P. SCHEME NO. 19 (PARVAT- MA, SANSKRUTI AC MARKET, OPP. ASTIK
PARTY PLOT, NR. RUSHIVIHAR TOWNSHIP, SURAT
TRADING ACCOUNT FOR THE YEAR ENDING ON 31ST MARCH, 2017

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
TO OPENING STOCK		BY INVENTORY	
OPENING STOCK		CLOSING STOCK	10,38,54,134
TO PURCHASE A/C	5,64,63,810		
PURCHASES AND OTHER			
EXPENSES	4,06,78,220		
TO DIRECT EXPENSES			
BANK CHARGES	5,520		
BANK CHARGES COSMOS	6,94,939		
CONSULTANCY EXPENSES	7,55,000		
INSURANCE	35,724		
INTEREST ON LOANS	31,17,871		
INTEREST ON TDS	16,851		
INTEREST ON UNSECURED	14,54,350		
LOANS			
LEGAL FEES	5,55,500		
OFFICE EXPENSES	13,825		
S.B. CESS	62,724		
	67,12,104		
	10,38,54,134		10,38,54,134

For KAUTILYA CORPORATION

[Signature]

PARTNER

Place : SURAT
Date : 31/10/2017



In terms of our attached report of even date

For M/S. JAGASHETH AND CO.
CHARTERED ACCOUNTANTS

[Signature]

PREETESH PRADIPKUMAR SHAH
(PARTNER)
M. NO. : 153435
FRN : 0117322W