AUDIT REPORT

M/S DARSHAN DEVELOPERS

FINANCIAL YEAR 2015-16

ASSESSMENT YEAR 2016-17

AUDITORS

CA. MANISH JAJOO

SSMU & CO.

Chartered Accountants

201, 2nd Floor, Ratnadeep Chambers,

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8. NOTES ON ACCOUNTS (SIGNIFICANT ACCOUNTING POLICIES)
Forming Part of Accounts for the year ending on 31st March, 2016.

1. Significant Accounting Policies

A) BASIS OF ACCOUNTING (AS1): The accounts of this partnership firm are prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

B) INVENTORIES (AS2): Closing Inventories i.e. work in progress is valued at cost. Work in progress represents all the expenditure incurred on the project both direct and indirect for the purpose of construction and marketing thereof the project.

C) REVENUE RECOGNITION (AS9): Revenue is recognized when significant risk & reward of ownership is transferred to buyer since project is under construction and no Sale Deed is executed till date and also enforceable or not but the sale agreements entered till March 2016 hardly constitutes 10% of the total saleable area of the project. Therefore the revenue is not recognized under the **Revised Guidance Note on Accounting for Real Estate Transactions since the condition of 25% of booking is not completed. The project is also incomplete and no BUC received.**

D) BORROWING COST (AS-16) : Interest on unsecured loan and partners' capital is recognized as included in work in progress.

General Note:-

1. This concern is engaged in Construction.
2. There is no change in method of accounting employed during the previous year.
3. Books of accounts ware prepared on going concern basis.
4. Closing WIP and Stocks are accepted as certified by partners.

Preparation and maintenance of books of accounts is the responsibility of the concerned assessee and its management. We have examined the books of accounts maintained and furnished before us for verification and have expressed our opinion on the basis of verification of books of accounts and corresponding bills and vouchers furnished. Balances of Sundry creditors, unsecured loans & loans and Advances are as per the ledger and but subject to confirmation.

Schedules 1 to 8 form an integral part of Accounts

As per Our Report of Even Date

For DARSHAN DEVELOPERS

PARTNER

Place: SURAT
Date: 18/09/2016

For S S M U & CO
Chartered Accountants
FRN No. 119340W

S.S.M.U. & Co. M. No. 076601 SURAT Chartered Accountants

(CA. Manish Jajoo)
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