TAX AUDIT REPORT U/S 44AB OF THE IT ACT

OF

M/s .FORTUNE ENTERPRISE

FOR THE YEAR ENDING

ON 31ST MARCH 2016

KAKARIA & ASSOCIATES

CHARTERED ACCOUNTANTS

Address: "Kakaria's Excellenza's, Royal Fortune Complex, Daman Road, Chala, Vapi-396191.
Tele Fax : (0260) - 3981000 (30 Lines)
Website : www.kakariaassociates.com
Email ID : ho@kakariaassociates.com

ARIA & ASSOCIATES
RTERED ACCOUNTANTS
L K. KAKARIA B. Com., B.L., F.C.A.
HASH S. KOTADIA B. Com.(HONS.) F.C.A.
RAKASH H. SHETHIYA B. Com., F.C.A.
ESH V. VASANI B. Com., D.B.M., F.C.A.

YOUR REF. :
OUR REF. :
DATE :

FORM NO. 3CB

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

dit 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

have examined the Balance Sheet as on 31-MAR-2016, and the Profit and Loss count for the period beginning from 1-APR-2015 to ending on 31-MAR-2016, ached herewith, of

/s **FORTUNE ENTERPRISE**
OT NO.165/C/3,OPP FORTUNE MALL,VIA ROAD,GIDC,VAPI
N **AACFF1627J**

e certify that the Balance Sheet and the Profit and Loss Account are in agreement ith the books of account maintained at CITY SURVEY NO. 653, NEAR MAIN BUS TAND, MARKET AREA, UMBERGAON TOWN, UMBERGAON and Nil Branches

) We report the following observations/comments/discrepancies/inconsistencies; if any

AS SET OUT IN NOTES TO ACCOUNTS FORMING PART OF OUR REPORT.

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 purpose of the audit.

(B) In our opinion, proper books of account have been kept by the head office 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 31-MAR-2016; and

(ii) in the case of the Profit and Loss Account of the profit of the assessee for the year ended on that date statement of particulars required to be furnished under section 44AB is annexed ewith in Form No. 3CD.

our opinion and to the best of our information and according to explanations given us, the particulars given in the said Form No. 3CD are true and correct subject to owing observations/qualifications, if any:

Qualification Type	Observations/Qualifications
Records produced for verification of payments through account payee cheque were not sufficient	The assessee has not made any payments exceeding the limit in section 40A(3)/269SS/269T in Cash. However, it is not possible for us to verify whether the payments in excess the specified limit in section 40A(3) /269SS/269T have been made otherwise than by account payee cheque or account payee bank draft, as the necessary evidence are not in possession of the assessee.
Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not ascertainable	The information regarding applicability of MSMED Act, 2006 to the various suppliers/parties is not available with the assessee, hence information as required vide Clause 22 of Chapter V of MSMED Act, 2006 is not been given.
Information regarding demand raised or refund issued during the previous year under any tax laws other than Income-tax Act, 1961 and Wealth tax Act, 1957 was not made available.	This has been reported as informed to us by the management.

For KAKARIA & ASSOCIATES
Chartered Accountants
(Firm Regn No.: 104558W)

KAKARIA & ASSOCIATES CHARTERED ACCOUNTANTS M. NO 47954 VAPI

(JIGNESH V VASANI)
PARTNER
Membership No: 047954

Place :Vapi
Date : 15/10/2016

Plot No.165/C/3,Opp Fortune Mall,

Via Road,Gidc,Vapi.

Date : 18/07/2016

To,
KAKARIA & ASSOCIATES,
CHARTERED ACCOUNTANTS
KAKARIA'S EXCELLENZA,
ROYAL FORTUNE COMPLEX,
DAMAN ROAD, CHALA
VAPI - 396191.

Sir,

Subject : Appointment as Tax Auditors Under Section 44AB of the Income Tax Act, 1961, for the Accounting Year Ending on 31.03.2016 relevant to Assessment year 2016-2017.

We are pleased to inform you that your firm has been appointed as tax auditors of our firms for conducting the audit under section 44AB of the Income Tax Act, 1961 for the **assessment year 2016-2017.**

We will be grateful if you would kindly send us your acceptance of this appointment.

Yours Faithfully,

FOR M/s. FORTUNE ENTERPRISE

PARTNER

AKARIA & ASSOCIATES
IARTERED ACCOUNTANTS
IWAL K. KAKARIA B. Com., B.L., F.C.A.
JBHASH S. KOTADIA B. Com.(HONS.) F.C.A.
JPRAKASH H. SHETHIYA B. Com., F.C.A.
GNESH V. VASANI B. Com., D.B.M., F.C.A.

YOUR REF. :
OUR REF. :
DATE :

Date: 27/07/2016

To
M/s. FORTUNE ENTERPRISE
PLOT NO.165/C/3,,
OPP FORTUNE MALL,
VIA ROAD,GIDC,VAPI - 396195.

Dear Sir,

We thank you for your letter dated **18/07/2016** appointing us as auditors of your Firm for conducting the audit under section 44AB of the Income Tax Act, 1961 for the accounting year ending on **31.03.2016** relevant to assessment year **2016-2017**. We have pleasure in confirming our acceptance of the engagement by means of this letter.

We understand that you will make available to us all relevant books, records, vouchers and other information required by us for the proper conduct of the audit.

The responsibility for the preparation of Financial Statements on going concern basis is that of yours. We will conduct audit in accordance with auditing standards generally accepted in India with the object to give particulars in the prescribed form as required u/s. 44AB of the Income Tax Act, 1961.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements.

"KAKARIA'S Excellenza"
Royal Fortune Complex, Daman Road, Chala, Vapi-396191
TeleFax : 0260 3981000 (30 Lines). Email : ho@kakariaassociates.com Website : www.kakariaassociates.com

For this purpose we will perform adequate tests to obtain reasonable assurance that the information contained in the various accounting records and other source date is sufficiently reliable and free from material misstatements. We will also require from your written confirmation regarding information supplied to us in connection has been omitted from us.

Our fees for conduct of this audit will be based on time required upon the degree of responsibility and skill involved and the time necessarily occupied on the work. Our bills for the travelling and out of pocket expenses if any, will be submitted separately.

We shall be grateful if you will acknowledge receipt of this letter. If the contents are not in accordance with your understanding of our instruction, we shall be pleased to receive your comments and to give your any further information that you may required.

For KAKARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO.: 104558W

KAKARIA'S EXCELLENZA,
ROYAL FORTUNE COMPLEX,
DAMAN ROAD, VAPI - 396 191

KAKARIA & ASSOCIATES CHARTERED ACCOUNTANTS M. NO. 47954 VAPI

JIGNESH V. VASANI
(PARTNER)
M.NO.: 047954

PLACE : VAPI
DATE : 27/07/2016

M/s. FORTUNE ENTERPRISE

Plot No.165/C/3,Opp Fortune Mall,
Via Road,Gidc,Vapi.

Date : 16/08/2016

TO WHOMSOEVER IT MAY CONCERN

A) This is to certify that with reference to the provisions of Section 40A(3) and Section 40A(3A) of the Income Tax Act, 1961, during the Financial Year 2015-16 on any day we have not made cash payment or aggregate of cash payments to any person :

i) for any expenditure in excess of Rs. 20,000/-

ii) for any expenditure on account of transportation, in excess of Rs. 35,000/- .

This is to further certify that during the F.Y. 2015-16 we have not made payments by bearer or crossed cheque or Bank draft for :

i) any expenditure in excess of Rs. 20,000/- and

ii) any expenditure on account of transportation in excess of Rs. 35,000/-.

B) This is to further certify that, during the Financial Year 2015-16 we have neither accepted loans/deposits nor we have repaid loans/deposits in cash or by bearer/crossed Cheques/Bank Drafts for a sum of Rs. 20,000/- or more from any persons by violating the provisions of Section 269SS and Section 269T of the Income Tax Act. 1961.

FOR M/s FORTUNE ENTERPRISE

PARTNER

M/s. FORTUNE ENTERPRISE

Plot No.165/C/3,Opp Fortune Mall,
Via Road,Gidc,Vapi.

Date : 05/10/2016

To,
KAKARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
KAKARIA'S EXCELLENZA,
ROYAL FORTUNE COMPLEX,
DAMAN ROAD, CHALA,
VAPI – 396 191

Dear Sir,

Sub. : Representation letter for audit U/s. 44AB for the Assessment Year 2016-2017

This representation letter is provided in connection with your audit for the financial year 2015-2016.

1. We acknowledge our primary responsibility for the preparation of financial statements in accordance with the requirements of the Income Tax Act, 1961 as also for providing details in respect of items covered by Form No. 3 CD.

2. **We confirm, to the best of our knowledge and belief, the following representation :**

   i) We are engaged in the business of **Builders & Developers** and we confirm that there is no change in our business in comparison to last year.

   We carry on our business from our Site situated at:
   CITY SURVEY NO. 653, NEAR MAIN BUS STAND, MARKET AREA , UMBERGAON TOWN, UMBERGAON, GUJARAT, 396195.

   However, for Income Tax purpose our address is as follows; which is our regd. office.
   PLOT NO.165/C/3,OPP FORTUNE MALL,VIA ROAD,GIDC,VAPI.

joined the business of the firm and there was no change in the constitution of the firm except mentioned above and revised profit sharing ratios of the existing partners are as follows:

Name of Partner	Old PSR	New PSR
Bhavesh Bhupatrai Shah	50.00	50.00
Bharatbhai Rasiklal Tanna	50.00	50.00
TOTAL	**100%**	**100%**

iii) Being liable for following taxes, we have obtained registration under :

i) VAT Registration No:. **24250503032**
ii) CST Registration No.: **24750503032**
iii) Service tax Registration No.: **AACFF1627JSD001**

iv) We have maintained computerized Books of Accounts, which includes Petty Cash Book, Cash Book, Bank Book, Purchase & Sales Register, Debtors & Creditors Register, General Ledger & Journal Register. **Further we have maintained various documents, inter alia, Bills, Vouchers, etc.**

Further, we confirm that our Books of Accounts are maintained at above given address: **CITY SURVEY NO. 653, NEAR MAIN BUS STAND, MARKET AREA , UMBERGAON TOWN, UMBERGAON, GUJARAT, 396195.**

v) We are following mercantile system of accounting and there is no change in method of accounting in current year as compared to that of preceding year.

vi) We confirm that **at the year end i.e. 31.03.16,** closing stock WIP is **Rs.46,289,140/-.**

vii) We confirm that during the year under consideration we have not converted capital assets into stock in trade.

viii) We confirm that we have not received any order intimating refund of duty of customs or excise or service tax , sales tax or VAT or pro forma credits due to us.

ix) We confirm that no personal and capital expenses debited to Profit & Loss account.

x) We confirm that during the year on any day aggregate of payment made in cash for any expenditure, other than Lorry Hire Expenditure, does not exceeds Rs. 20,000/- and in respect of payments made by cheques/Bank Demand Drafts I confirm that for any expenditure I have not made payment exceeding Rs. 20,000/- other wise than by Account Payee Cheque or Account Payee bank draft.

xi) Further in respect of Lorry Hire Expenditure, we confirm that during the year on any day we have not made aggregate of payments above Rs. 35,000/- other wise than by Account Payee Cheque or Account Payee bank draft.

xii) We confirm that we have not utilised interest bearing funds for making investments generating income not liable to taxation.

xiii) We confirm that during the year under consideration we had entered into following transactions with following persons related within the meaning of Section 40A(2)(b) of the Income Tax Act, 1961:

Name of Related Party	Relation	Payment made	Nature of transaction	PAN
Aksahr Enterprise	Partner is Partner	42,031	Purchase	AAWFA3603K
Arihant Electricals	Partner is Partner	1,206,427	Purchase	AAWFA3604Q
Arihant Power Equipments Pvt. Ltd.	Partner is Director	338,674	Purchase	AAHCA7198P

xiv) Further we confirm that no cash loan exceeding Rs. 20,000/- is taken or repaid at any time during the year under Audit. Further we confirm that we have not taken/accepted/repaid any loan from any person by bearer cheque or crossed cheque .We have taken / accepted/ repaid loan/ deposits exceeding Rs. 20,000/- by a/c payee cheques/ bank drafts or by way of RTGS/NEFT only.

xv) We confirm that there are neither brought forward losses, or unabsorbed depreciation allowance.

xvi) Further, we confirm that during the year under consideration we have not received any orders/ notice demanding taxes/ granting refunds under tax laws other than Income tax act, 1961 and Wealth Tax Act, 1957.

xvii) We confirm that we have timely deducted tax at source from all types of payments requiring deduction of Tax at Source, except where there was dispute about billed amount or where bills were received late, and also deposited the same in time to the credit of central government and have filed Quarterly TDS / TCS Returns for all quarters

xviii) We confirm that as at the close of the last day, i.e. 31st March, 2016, Cash Balance was **Rs. 14,448/-**.

xix) We hereby confirm that from 1st Jan,2016, we have quoted PAN on all invoices of all transaction.

xx) We confirm that there is no omission of material misstatement in the financial statement. All known Income & Expenditure and Assets and Liabilities have been recorded at their transaction value.

xxi) We confirm that all the information that has been provided to you in connection with your auditor are true and correct.

For M/s. FORTUNE ENTERPRISE

PARTNER

M/s. FORTUNE ENTERPRISE

PLOT NO.165/C/3,OPP FORTUNE MALL,

VIA ROAD,GIDC,VAPI.

A/C. YEAR : 01.04.2015 TO 31.03.2016

NOTES ATTACHED TO & FORMING PART OF ACCOUNTS

1. **BUSINESS ACTIVITY :**

The assessee is engaged in the business of **Developers & Builders**, which is carried on in the name and style of **M/s. FORTUNE ENTERPRISE.**

2. **DISCLOSURE FOR ACCOUNTING STANDARDS:**

i) **AS – 1: Disclosure of Significant accounting principles:**

a. The assessee has followed mercantile system of accounting for all incomes and expenditure except otherwise stated and the accounting principles generally followed in India and recommended by the ICAI.

b. VAT: Set off claimed on amount of VAT paid on purchase is reduced from the cost of purchase.

ii) **AS – 2: Valuation of Inventories:**

a. Stock is valued at Cost or net realizable value, whichever is lower.

b. The stock at the end of the year is taken, valued and certified by the partners.

iii) **AS – 6: Accounting for Depreciation:**

a. Depreciation is provided as per written down value method as per the rates provided in the Income Tax Rules.

iv) **AS – 9: Revenue recognition:**

Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company. Revenue from construction and project related activity is recognized by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost).

Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%.

v) **AS – 10: Accounting for fixed assets:**

a. Fixed assets are stated at cost including expenses incurred prior to being put to use and as reduced by the amount depreciation.

3. Sundry Debtors / Receivables and Sundry Creditors / Payables and outstanding balances are subject to Confirmation.

For KAKARIA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO.: 104558W

For M/s. FORTUNE ENTERPRISE

KAKARIA & ASSOCIATES
M. NO. 47954
VAPI
CHARTERED ACCOUNTANTS

JIGNESH V. VASANI
(PARTNER)
M.NO.: 047954

(PARTNER)

KAKARIA'S EXCELLENZA,
ROYAL FORTUNE COMPLEX,
DAMAN ROAD, VAPI - 396 191

PLACE : VAPI
DATE : 15/10/2016

M/s. FORTUNE ENTERPRISE

PLOT NO.165/C/3,OPP FORTUNE MALL,

VIA ROAD,GIDC,VAPI.

A/C. YEAR : 01.04.2015 TO 31.03.2016

NOTES ATTACHED TO & FORMING PART OF REPORT IN FORM 3-CD

1. **PARTICULARS OF PARTNERS AND THEIR PROFIT SHARING RATIO :**

(Clause 9 (a):

Name of Partner	Profit Sharing Ratio (%)	Loss Sharing Ratio (%)
Bhavesh Bhupatrai Shah	50.00	50.00
Bharatbhai Rasiklal Tanna	50.00	50.00
TOTAL	100%	100%

2. **NATURE OF BUSINESSS/ BUSINESS ACTIVITY:**

(Clause 10(a) :

The assessee is engaged in the business of **Builders & Property Developers** which is carried on in the name and style of **FORTUNE ENTERPRISE.**

Sector	Sub-sector	Code
BUILDERS	OTHERS	0404

3. **PARTICULARS OF LAND OR BUILDING TRANSFERRED WITH REFERENCE TO SECTION 43CA/ 50C:**

(Clause No.17)

It is explained to us that necessary details are not available with the assessee regarding the transfer of land or building or both for a consideration less than value adopted or assessed or assessable by the authority of the state government referred to in section 43CA/ 50C.Further, there was even sale booked in nature of " Percentage Completion Method" where no actual transfer incurred.

4. PERSONAL EXPENSES DEBITED TO PROFIT & LOSS ACCOUNT

(Clause No. 21(a))

It was not possible for us to verify the personal expenses if any, debited to profit & loss account, However, we have been informed by the assessee that no personal expenses have been debited to the profit and loss account.

5. PARTICULARS OF PAYMENTS REFERRED IN SEC.40 A(3) & 40A(3A) READ WITH RULE 6 DD :

(Clause 21(d))

Aggregate of Cash payments made by the assessee in a day to any person in respect of any expenditure does not exceed Rs. 20,000/- & Rs.35000/- in case of transporters for plying, leasing, hiring of goods carriage.

In respect of payment made by cheque/DD it is not possible for us to verify whether the payments made by the assessee to any person in respect of any expenditure in a day to any person in excess of Rs. 20,000/- & Rs.35,000/- in case of transporters, were made otherwise than by account payee cheque or bank draft, as necessary evidences are not in the possession of the assessee.

6. PARTICULARS OF INTEREST INADMISSIBLE U/S 23 OF THE MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(Clause 22)

As the assessee has neither provided for nor has paid any Interest payable under the MSMED Act, 2006, no amount is inadmissible u/s 23 of MSMED act.

It is explained to us that as necessary details are not available with the assessee, has not identified whether the supplier is either Micro Enterprises or Small Enterprises or Medium Enterprises.

7. PARTICULARS OF PAYMENTS MADE TO PERSONS SPECIFIED UNDER SECTION 40A(2)(b):

(Clause 23)

Name of Related Party	Relation	Payment made	Nature of transaction	PAN of Related Party
Aksahr Enterprise	Partner is Partner	42,031	Purchase	AAWFA3603K
Arihant Electricals	Partner is Partner	1,206,427	Purchase	AAWFA3604Q
Arihant Power Equipments Pvt. Ltd.	Partner is Director	338,674	Purchase	AAHCA7198P

8. **PARTICULARS OF TDS / TCS :**

(Clause 34)

The particulars of TDS / TCS are as per **Annexure I**.

9. **RATIO :**

(Clause No. 40)

Particulars	Previous Year		%	Preceding previous Year		%
Total turnover of the assessee		21,654,139			54,224,879	
Gross profit/turnover	2,852,151	21,654,139	13.17	4,889,518	54,224,879	9.02
Net profit/turnover	1,675,150	21,654,139	7.74	2,621,544	54,224,879	4.83
Stock-in-trade/turnover	0	21,654,139	0.00	0	54,224,879	0.00
Material consumed/finished goods produced	0	0	0.00	0	0	0.00

10. **PARTICULARS OF DEMAND RAISED/ REDUND ISSUED DURING THE PREVIOUS YEAR:**

(Clause No. 41)

Information regarding demand raised or refund issued during the previous year under other tax laws was not made available.

For KAKARIA & ASSOCIATES
Chartered Accountants
(Firm Regn No.: 104558W)

(JIGNESH V VASANI)
PARTNER
Membership No: 047954

Place :Vapi
Date : 15/10/2016

M/s. FORTUNE ENTERPRISE

A/C. YEAR : 01.04.2015 TO 31.03.2016

ANNEXURE ATTACHED TO & FORMING PART OF REPORT IN FORM 3-CD

ANNEXURE I

The particulars of TDS / TCS

(a) Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:

Tax duction and llection ccount umber (TAN)	Section	Nature of payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was required to be deducted or collected out of (4)	Total amount on which tax was deducted or collected at specified rate out of (5)	Amount of tax deducted or collected out of (6)	Total amount on which tax was deducted or collected at less than specified rate out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected not deposited to the credit of the Central Government out of (6) and (8)	Remarks if any:
1	2	3	4	5	6	7	8	9	10	11
RTF0038G	194C	Payments to contractors	55,90,600	55,90,600	96,612	96,612	0	0	0	

M/s. FORTUNE ENTERPRISE

A/c Year 01.04.2015 To 31.03.2016

Fixed Assets

Annexure "A"

Name of the asset	Rate of dep.	W.D.V. as on 01.04.15	Additions upto 02.10.2015	Additions after 02.10.2015	Ded./ Sales	Adj. (+/-)	Dep. for the year	W.D.V. as on 31.03.2016
Machinery & Plant								
Block - I @ 60%								
Computer	60%	8,400		-	-	-	5,040	3,360
Total		**8,400**	-	-	-	-	**5,040**	**3,360**
Machinery & Plant								
Block - II @ 15%								
Air Conditioner	15%	43,350		-	-	-	6,503	36,848
Total		**43,350**	-	-	-	-	**6,503**	**36,848**
Furniture & Fixture								
Block - III @ 10%								
Furniture & fitting	10%	57,825	-	-	-	-	5,783	52,043
Total		**57,825**	-	-	-	-	**5,783**	**52,043**
Gross Total		**109,575**	-	-	-	-	**17,325**	**92,250**

Notes to Above:

(1.) Modified Value Added Tax credit claimed and allowed under the Central Excise rules, 1994, in respect of assets acquired on or after 1st March, 1994 is NIL.

(2.) Change in rate of exchange of currency is NIL.

(3.) Subsidy or grant or reimbursement, by whatever name called is NIL.