

AUDITOR'S REPORT

To
The
Members of
SHREE SHAKTI REALTY PVT. LTD.
AHMEDABAD

1. We have audited the attached Balance Sheet of **M/S. SHREE SHAKTI REALTY PVT. LTD., AHMEDABAD**, as at **31st March, 2014** and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, is not applicable to this company.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of books;
 - (c) the balance sheet and the profit and loss Account referred to in this report are in agreement with the books of accounts ;
 - (d) in our opinion, the profit and loss account and balance sheet generally comply with the accounting standards referred in section 211(3C) of the Companies Act, 1956.
 - (e) on the basis of written representations received from the directors of the company as at 31st March 2014 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account read together with the notes thereon, give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view :

- (i) in the case of Balance Sheet, of the state of the affairs of the company as on 31st March, 2014
and
- (ii) in the case of Profit and Loss Account , of the loss for the year ended on that date.

**For, MEHUL THAKKER & CO.
CHARTERED ACCOUNTANTS**

PLACE: AHMEDABAD

DATE: 03 / 09 /2013

**(S. P. THAKKER)
PARTNER
M.NO. 032233**

Note 1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS:

These financial statements have been drawn up using the historical cost convention and following the accrual method of accounting in accordance with the applicable mandatory accounting standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of Companies Act, 1956.

2. REVENUE RECOGNITION:

Income and Expenditure is recognized on Accrual basis.

3. TAXES ON INCOME:

Taxes on income is computed using the tax effect accounting method whereby such taxes are accrued in the same period as the revenue and expense to which they relate.

Current tax liability is measured using the applicable tax rate and tax laws and the necessary provision is made annually.

4. IMPAIRMENT OF ASSETS:

At every balance sheet date, the company determines whether the provisions should be made for the impairment loss on fixed assets by considering the indications that the carrying amount of fixed asset exceeds the recoverable amount as per AS-28 "Impairment of Assets". Considering this, the management is of opinion that there is no impairment of assets during the year under audit; hence no provision is required to be made.

5. PROVISIONS

The company recognizes provision when there is a present obligation of the enterprise arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

Provision for contractual obligation has been provided for in accounts based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

6. CONTINGENT LIABILITIES:

The company recognizes contingent liability for disclosure in notes to accounts, if any of the following conditions are fulfilled:

- i) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise; or
- ii) a present obligation that arises from past events but is not recognized because:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of the obligation cannot be made.