

AUDITED ANNUAL ACCOUNTS

OF

HAPPY HOME CORPORATION

FOR THE YEAR ENDED 31-03-2014

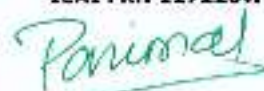
ASSESSMENT YEAR 2014 - 15

DSI & CO.
Chartered Accountants

MF / 14 - 26, Narmada Point Shopping Centre,
Near Raghuvir Bungalows, City Light Road, Surat - 395007.
Tele : 0261 3992929 / 3994747 • Fax : 0261 3053838
e-mail : dsi.surat@gmail.com

	Schedule	As at 31-03-2014 ₹	As at 31-03-2013 ₹
I SOURCES OF FUNDS			
1 Partners Capital	1	770,862,758	90,594,527
2 Loan Funds			
(a) Secured Loans	2	2,573,000,956	2,020,593,354
(b) Unsecured Loans	3	3,949,948,778	3,255,758,802
		<u>6,522,949,734</u>	<u>5,276,352,156</u>
Total		7,293,812,492	5,366,946,683
II APPLICATION OF FUNDS			
1 Fixed Assets	4	201,210,473	43,032,952
2 Investments		-	-
3 Current Assets, Loans & Advances	5		
(a) Inventories		7,345,965,288	6,520,435,235
(b) Sundry Debtors		-	-
(c) Cash & Bank Balances		100,687,271	56,849,735
(d) Deposits, Loans & Advances		<u>906,794,198</u>	<u>975,316,149</u>
		8,353,446,757	7,496,601,118
Less: Current Liabilities & Provisions	6		
(a) Current Liabilities		1,260,844,737	2,128,687,387
(b) Provisions		-	-
		<u>1,260,844,737</u>	<u>2,128,687,387</u>
Net Current Assets		7,092,602,019	5,323,913,731
Total		7,293,812,492	5,366,946,683

Notes Forming part of Audited Annual Accounts 14

For & On behalf of
Happy Home CorporationMukesh Patel
PartnerPlace : Surat
Date : 29-09-2014As per our report of even date
For DSI & Co.
Chartered Accountants
ICAI FRN 127226WParimal Bhagat
Partner
Membership No. 103566Place : Surat
Date : 29-09-2014

Profit & Loss Account for the year ended March 31, 2014

	Schedule	For the Year Ended 31-03-2014 ₹	For the Year Ended 31-03-2013 ₹
I INCOME			
Sales	7	2,948,885,304	532,157,999
Closing Stock	8	7,345,965,288	6,520,435,235
Income Disclosed during Survey		94,727,714	26,715,180
Other Income	9	309,021	272,350
Total		10,389,887,327	7,079,580,724
II EXPENDITURE			
Opening Stock	10	6,520,435,235	3,927,453,817
Land Purchase & Development Expenses		1,193,622,729	637,079,300
Construction Expenses	11	2,163,352,630	2,427,009,037
Selling & Administrative Expenses	12	38,811,260	30,424,953
Financial Expenses	13	279,299,148	7,895,862
Depreciation		7,037,856	7,017,565
Total		10,202,558,858	7,036,880,535
Net Profit Before Appropriation & Tax		187,328,468	42,700,189
Less: Appropriation			
Remuneration to Partners		1,800,000	1,200,000
Interest on Partners Capital		-	625,912
		1,800,000	1,825,912
Net Profit transferred to Partner's Capital Account		185,528,468	40,874,277
Notes Forming part of Audited Annual Accounts	14		

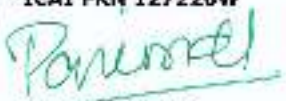
For & On behalf of
Happy Home Corporation


Mukesh Patel
Partner

Place : Surat
Date : 29-09-2014

As per our report of even date

For DSI & Co.
Chartered Accountants
ICAI FRN 127226W


Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 29-09-2014



Cash Flow Statement for the year ended March 31, 2014

For the
year ended
31-03-2014
₹

A Cash Flow from Operating Activities

Net Profit / (Loss) before Tax 185,528,468

Add: Adjustments

Interest Expenses 654,161,376

Depreciation 7,037,856

Operating Profit / (Loss) before working capital changes 846,727,700

Add: Adjustments for

Inventories (825,530,053)

Loans & Advances (31,478,049)

Current Liabilities & Provisions (867,842,650)

Net Cash generated from Operating Activities (878,123,051)

B Cash Flow from Investing Activities

Purchase of Fixed Assets (165,215,377)

Net Cash generated from (used in) Investing Activities (165,215,377)

C Cash Flow from Financing Activities

Partners Capital 494,739,764

Secured Loans 552,407,602

Unsecured Loans 694,189,975

Interest Expenses (654,161,376)

Net Cash used in Financing Activities 1,087,175,965

Net Increase / (Decrease) in Cash & Cash Equivalents 43,837,536

Cash and cash equivalents at beginning of the year 56,849,735

Cash and cash equivalents at the end of the year 100,687,271

For & On behalf of
Happy Home Corporation

Mukesh Patel
Partner

Place : Surat
Date : 29-09-2014

As per our report of even date
For DSI & Co.
Chartered Accountants
ICAI FRN 127226W

Parimal



Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 29-09-2014

HAPPY HOME CORPORATION

Schedules Forming part of the Audited Annual Accounts

PARTNER'S CAPITAL		Schedule					
		1					
Sr. No.	Name of Partners	Balance as on 01-04-2013	Addition / (Drawings) during year	Remun. to Partner	Interest on Capital	Net Profit for the year	₹ Balance as on 31-03-2014
1	Himmat B. Sorathiya	44,247,270	220,545,600	-	-	86,983,944	351,776,815
2	Mukesh B. Patel	94,496,819	220,069,256	-	-	86,983,944	401,550,019
3	Mahesh K. Vithani	(15,262,452)	13,478,288	300,000	-	3,756,394	2,272,231
4	Paresh P. Naliyadara	(13,924,452)	13,952,288	300,000	-	3,756,394	4,084,231
5	Nishant G. Panchal	(1,303,511)	(650,000)	600,000	-	2,018,904	665,392
6	Vipul J. Golakia	(12,743,672)	14,652,662	600,000	-	2,018,904	4,527,893
7	Sanjay B. Sorathiya	(5,956,475)	11,937,661	-	-	4,992	5,986,178
8	Vijay D. Bhattar	1,041,000	(1,045,992)	-	-	4,992	-
Total		90,594,527	492,939,764	1,800,000	-	185,528,468	770,862,758

Schedules Forming part of the Audited Annual Accounts

	Schedule	31-03-2014 ₹	31-03-2013 ₹
SECURED LOANS	2		
<u>Term Loans</u>			
Bank of Baroda		259,383,556	65,407,425
Bank of India		11,632,757	87,560,501
Central Bank of India		602,761,069	504,963,027
Dena Bank		172,108,895	221,062,313
ICICI Bank		15,580,072	-
Religare Finvest Ltd.		215,638,555	-
State Bank of India		110,961,449	227,405,472
Union Bank of India		1,052,505,859	748,635,585
<u>Overdraft Facility</u>			
Dena Bank		123,562,195	152,127,446
<u>Vehicle Loans</u>			
ICICI Bank		8,866,549	13,431,585
Total		2,573,000,956	2,020,593,354
UNSECURED LOANS	3		
From Partners & their Relatives		50,863,402	89,138,045
From Friends of the Partners		3,899,085,376	3,166,620,757
Total		3,949,948,778	3,255,758,802
CURRENT ASSETS, LOANS & ADVANCES	5		
(a) Inventories <i>(As taken, valued & certified by the partners)</i>			
Land		3,130,171,263	2,416,797,576
Construction WIP		4,215,794,025	4,103,647,659
		7,345,965,288	6,520,435,235
(b) Sundry Debtors		-	-
(c) Cash & Bank Balances			
Cash on Hand		79,131,442	25,749,345
Balance with Banks		466,318	28,094,651
Balance in Fixed Deposit		21,089,511	3,005,739
		100,687,271	56,849,735
(d) Deposits, Loans & Advances			
Income Tax & TDS		66,524,321	16,064,057
Service Tax Receivable		-	334,345
Deposits		37,169	37,169
Sundry Receivables		94,727,714	-
Advance for Purchase of Land		720,504,994	833,890,578
Other Loans & Advances		25,000,000	25,000,000
Interdivision Balances		-	-
		906,794,198	875,316,149
Total		8,353,446,757	7,452,601,118



HAPPY HOME CORPORATION

Schedules Forming part of the Audited Annual Accounts

FIXED ASSETS							
		₹					
Sr. No.	Particulars	Balance as on 01-04-2013	Addition upto 30-09-2013	Addition after 30-09-2013	Deletion during the year	Depreciation during the year	Balance as on 31-03-2014
1	Land	-	-	80,965,370	-	-	80,965,370
2	Plant & Machineries	1,421,687	139,646	-	-	234,201	1,327,132
3	Office Equipments	3,080,014	498,332	321,602	-	568,613	3,331,335
4	Vehicles	30,606,173	-	5,533,575	-	5,005,945	31,133,803
5	Furniture & Fixtures	7,684,932	-	-	-	768,494	6,916,438
6	Computer System	240,146	490,575	73,900	-	460,603	344,018
7	Work-in-Progress	-	-	77,192,377	-	-	77,192,377
Total		43,032,952	1,128,553	164,086,824	-	7,037,856	201,210,473
Previous year		39,553,730	6,939,347	3,877,337	319,897	7,017,565	43,032,952



	Schedule	31-03-2014 ₹	31-03-2013 ₹
CURRENT LIABILITIES & PROVISIONS	6		
(a) Current Liabilities			
Sundry Creditors		157,134,934	59,423,315
Advance from Customers		1,045,360,406	2,028,293,976
Balance with Banks (Due to Reconciliation)		27,265,106	29,824,574
Service Tax Collection Account		4,698,761	-
TDS Payable		25,531,862	10,404,089
VAT Payable		853,668	741,434
		<u>1,260,844,737</u>	<u>2,128,687,387</u>
(b) Provisions		-	-
Total		<u>1,260,844,737</u>	<u>2,128,687,387</u>
SALES	7		
Sales of Flats / Shops		2,947,793,304	532,157,959
Sales of Land		1,092,000	-
Total		<u>2,948,885,304</u>	<u>532,157,959</u>
CLOSING STOCK	8		
Land		3,130,171,263	2,416,787,576
Construction WIP / Flats / Shops		4,215,794,025	4,103,647,659
Total		<u>7,345,965,288</u>	<u>6,520,435,235</u>
OTHER INCOME	9		
Interest on Bank FD		286,170	227,800
Interest on Electricity Deposit		22,851	44,550
Total		<u>309,021</u>	<u>272,350</u>
OPENING STOCK	10		
Land		2,416,165,640	1,873,325,985
Construction WIP / Flats / Shops		4,104,269,595	2,054,127,832
Total		<u>6,520,435,235</u>	<u>3,927,453,817</u>
CONSTRUCTION EXPENSES	11		
Purchases of Building Material		1,245,876,968	1,357,179,801
Labour Charges		398,970,168	459,361,123
Gas / Electricity Connection Expenses		9,039,092	11,703,984
Site Electricity Expenses		12,397,376	15,949,775
SMC / Suda Expenses		33,764,760	121,739,985
Security Expenses		8,152,257	4,684,717
Site Salary Expenses		31,035,541	23,589,725
Consultant Charges		14,695,586	8,697,368
Selling & Administration Expenses		23,504,486	15,927,389
Financial Expenses		385,916,396	397,965,170
Total		<u>2,163,352,630</u>	<u>2,427,009,037</u>



Schedule	31-03-2014 ₹	31-03-2013 ₹
SELLING & ADMINISTRATIVE EXPENSES	12	
Audit Fees	1,015,000	1,420,000
Advertisement Expenses	4,211,924	2,785,566
Conveyance Expenses	2,110,692	1,396,108
Donation	11,041,000	7,014,501
Office Electricity Expenses	1,335,380	885,488
Insurance Expenses	2,140,085	1,202,298
Legal & Professional Charges	720,860	1,447,027
Mess Expenses	1,209,712	912,921
Office Expenses	5,190,468	6,014,618
Office Rent Expenses	1,680,000	1,716,000
Rates & Taxes	8,798,181	6,252,515
Salary Expenses	21,892,290	14,569,413
Telephone & Mobile Phone Expenses	970,154	735,887
	<u>62,315,746</u>	<u>46,352,342</u>
Less: Considered as Construction Expenses	<u>23,504,486</u>	<u>15,927,389</u>
Total	38,811,260	30,424,953

FINANCIAL EXPENSES	13	
Bank Charges & Commission	11,054,168	20,447,453
Interest On Bank Loan	354,669,278	146,329,669
Interest On Car Loan	1,031,364	1,621,369
Interest On Unsecured Loan	298,460,734	237,462,541
	<u>665,215,544</u>	<u>405,861,032</u>
Less: Considered as Construction Expenses	<u>385,916,396</u>	<u>397,965,170</u>
Total	279,299,148	7,895,862



14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. Accounting policies have been followed consistently otherwise that stated specifically.

(b) Fixed Assets:

Fixed Assets are stated at cost less depreciation.

(c) Depreciation:

Depreciation has been provided as per Written Down Value Method and at the rates as specified in Income Tax Act, 1961. Depreciation has not been provided on Land and Capital Work-in-progress shown under the head 'Fixed Assets'.

(d) Inventories:

Closing stock of land and construction WIP is valued at cost.

(e) Revenue Recognition:

The firm is engaged in the activity of developing and building of various residential & commercial projects.

The firm is recognizing the revenue at the time of transfer of ownership / possession of the flats / shops to the customers, in accordance with Accounting Standard-9 (AS-9).

In case of the projects, under progress as at the year end and where there is no sale or handing over of the possession during the year, the entire cost i.e. the construction expenses, the administrative & selling expenses, interest expenses and depreciation on fixed assets pertaining to the project are debited to the Construction work-in-progress account.

(f) The balances of unsecured loans, sundry creditors and advances are subject to confirmation however, the partners have certified the respective balances.

(g) Figures have been rounded off to the nearest rupee. Previous year's figures have been regrouped/ re-arranged wherever necessary.

(j) The detail of Related Party disclosure, as required by AS-18 "Related Party Disclosure" is as under.

(i) List of related parties and nature of relationship:

Sr. No.	Nature of Relationship	Name of the Related Party
1	Key Management Personal	Himmat B. Sorathiya Mukesh B. Patel



Sr. No.	Nature of Relationship	Name of the Related Party
	Key Management Personal	Mahesh K. Vithani Paresh P. Naliadara Nishant G. Panchal Vipul J. Golakiya
2	Relatives of Key Management Personal	Himmat B. Sorathiya (HUF) Mukesh B. Patel (HUF)

(ii) Transaction with related parties

Sr. No.	Particulars	Nature of Transaction	Amount (₹)
1	Himmat B. Sorathiya	Office Rent	840,000
2	Mukesh B. Patel	Office Rent	840,000
3	Mahesh K. Vithani	Partners Remuneration	300,000
4	Paresh P. Naliadara	Partners Remuneration	300,000
5	Nishant G. Panchal	Partners Remuneration	600,000
6	Vipul J. Golakiya	Partners Remuneration	600,000
7	Himmat B. Sorathiya (HUF)	Interest on Unsecured Loan	600,000
8	Mukesh B. Patel (HUF)	Interest on Unsecured Loan	600,000

- (f) These financial statements are the responsibility of the partners. The auditor's responsibility is to express an opinion on these financial statements based on their audit.

We have conducted our audit in accordance with 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 disclosure in the financial statement.

An audit also includes assessing the accounting principles used and significant estimates made by partners, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

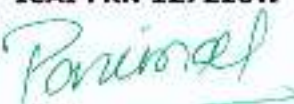
For & On behalf of
Happy Home Corporation


Mukesh Patel
Partner

Place : Surat
Date : 29-09-2014

As per our report of even date
For DSI & Co.
Chartered Accountants
ICAI FRN 127226W




Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 29-09-2014