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**C. R. Sharedalal & Co.**
**Chartered Accountants**

# INDEPENDENT AUDITORS' REPORT

**To the Partners of Amazo Realty LLP**

## Report on the Financial Statements

We have audited the accompanying financial statements of **Amazo Realty LLP** ("the LLP"), which comprise the Balance Sheet as at 31st March, 2017, the Profit and Loss Account for the period then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The LLP's Partners are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Limited Liability Partnership Act, 2008 ("the Act") for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting and the operating



C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the LLP's Partners, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at 31st March, 2017 and its loss for the period ended on that date.

**Further, we report that:**

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. in our opinion proper books of account as required by law have been kept by the LLP so far as appears from our examination of those books;

c. the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

**For C.R. SHAREDALAL & CO.**
**CHARTERED ACCOUNTANTS,**
(Registration No.109943W)

**PLACE : AHMEDABAD**
**DATE : 31-08-2017**

C. R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD

**(C. R. SHAREDALAL)**
PARTNER
Membership
No.002571

**AMAZO REALTY LLP**

**BALANCE SHEET AS AT 31ST MARCH 2017**

| **PARTICULARS** | **NOTE** | **As at 31-03-2017 Amt in Rs.** |
|---|---|---|
| **CONTRIBUTION AND LIABILITIES** | | |
| Contribution towards Capital | 1 | 10000000 |
| Partners' Current Accounts | 2 | 34335281 |
| Unsecured Loans | 3 | 5321000 |
| Current liabilities & Provisions | 4 | 1039654 |
| | | **50695935** |
| **ASSETS** | | |
| Fixed Assets | 5 | 942361 |
| Inventory | 6 | 14813925 |
| Cash & Bank Balances | 7 | 258851 |
| Loans & Advances | 8 | 34680798 |
| **Total** | | **50695935** |

Significant Accounting Policies and Notes Forming Part of Accounts **12**

As per our attached report of even date

**FOR C.R. SHAREDALAL & CO.**
**CHARTERED ACCOUNTANTS**
**( Firm Reg. No. 109943W )**

**( C.R. SHAREDALAL )**
**PARTNER**
**MEMBERSHIP NO. 002571**

**DATE : 31/08/2017**
**PLACE : AHMEDABAD**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

**FOR AMAZO REALTY LLP**

**SNEH MANDALIA**
**DESIGNATED PARTNER**

**JAYESH KHANDWALA**
**DESIGNATED PARTNER**

**DATE : 31/08/2017**
**PLACE : AHMEDABAD**

**AMAZO REALTY LLP**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2017**

| PARTICULARS | NOTE | For The Period Ended 31-03-2017<br>Amt in Rs. |
|---|---|---|
| **Income** | | |
| Sales & Operations Income | | 0 |
| Other Income | 9 | 111498 |
| **Total** | | **111498** |
| **Expenses** | | |
| Construction Expenses | 10 | 0 |
| Administrative Expenses : | 11 | 903715 |
| Employees benefit expenses | | 72502 |
| **Total** | | **976217** |
| **Net Profit/(Loss) before Tax** | | (864719) |
| Provsion for income tax | | 0 |
| **Net Profit/(Loss) Allocated to Partners** | | **(864719)** |
| Significant Accounting Policies and Notes Forming Part of Accounts | 12 | |

As per our attached report of even date

**FOR C.R. SHAREDALAL & CO.**
**CHARTERED ACCOUNTANTS**
**( Firm Reg. No. 109943W )**

**( C.R. SHAREDALAL )**
**PARTNER**
**MEMBERSHIP NO. 002571**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

**DATE : 31/08/2017**
**PLACE : AHMEDABAD**

**FOR AMAZO REALTY LLP**

**SNEH MANDALIA**
**DESIGNATED PARTNER**

**JAYESH KHANDWALA**
**DESIGNATED PARTNER**

**DATE : 31/08/2017**
**PLACE : AHMEDABAD**

**AMAZO REALTY LLP**
**Notes forming part of accounts**

**1 Contribution towards Capital**

| Name of Partner | As at 31-03-2017 Amt in Rs. |
|---|---|
| KIFS Trading LLP | 3000000 |
| Parko Comtrade LLP | 3000000 |
| Zaveri Infracon LLP | 4000000 |
| | **10000000** |

**2 Partners' Current Accounts**

| Name of Partner | Profit /(Loss) % | Opening Balance Rs. | Addition Rs. | Withdrawal Rs. | Profit/Loss Rs. | Closing Balance Rs. |
|---|---|---|---|---|---|---|
| KIFS Trading LLP | 30% | 0 | 10650000 | 0 | (259416) | 10390584 |
| Parko Comtrade LLP | 30% | 0 | 10650000 | | (259416) | 10390584 |
| Zaveri Infracon LLP | 40% | 0 | 13900000 | 0 | (345887) | 13554113 |
| | | **0** | **35200000** | **0** | **(864719)** | **34335281** |

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**AMAZO REALTY LLP**

**Notes forming part of accounts**

| | | As at 31-03-2017 Amt in Rs. |
|---|---|---|
| **3** | **Unsecured Loans** | |
| | Pravinkumar K Sanghvi | 100000 |
| | Sunita Kaul & Devendrakumar Kaul | 4700000 |
| | Vipul Bansal | 521000 |
| | **Total** | **5321000** |
| **4** | **Current Liabilities & Provision** | |
| | **Current liabilities** | |
| | TDS Payable | 63732 |
| | Work Contract Tax Payable | 18980 |
| | Sundry Creditors For Goods & Expenses | 956942 |
| | **( A )** | **1039654** |
| | **Provision for Expense** | 0 |
| | **( B )** | **0** |
| | **Total ( A + B )** | **1039654** |
| **6** | **Inventory** | |
| | Work in Progress | 14813925 |
| | **Total** | **14813925** |
| **7** | **Cash & Bank Balances** | |
| | Cash on hand | 48330 |
| | Bank balances | 210521 |
| | **Total** | **258851** |
| **8** | **Loans & Advances** | |
| | Advance for Land Purchase | 20381620 |
| | Advance to Suppliers | 13449352 |
| | Torrent Power Security Deposit | 156640 |
| | Advance Tax & TDS Receivable | 25000 |
| | VAT Security Deposit | 35000 |
| | Service Tax Receivable | 633186 |
| | **Total** | **34680798** |

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**AMAZO REALTY LLP**

**Notes forming part of accounts**

**5 Fixed Assets**

| DESCRIPTION | Rate | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|
| | | Additions | Deletions | As at 31-03-2017 | For the Year | Deletions | Up to 31-03-2017 | As at 31-03-2017 |
| Plant & Machinery | 15% | 936200 | 0 | 936200 | 8918 | 0 | 8918 | 927282 |
| Computer | 60% | 18900 | 0 | 18900 | 3821 | 0 | 3821 | 15079 |
| **Total** | | **955100** | **0** | **955100** | **12739** | **0** | **12739** | **942361** |

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

**AMAZO REALTY LLP**

**Notes forming part of accounts**

| | | For The Period Ended 31/03/2017 Amt in Rs. |
|---|---|---|
| **9** | **Other Income** | |
| | Profit on sale of Mutual Fund | 111498 |
| | **Total** | **111498** |
| **10** | **Construction Exp** | |
| | Material | 1119477 |
| | Legal & Professional fees | 12237153 |
| | Employees benefit expenses | 394067 |
| | Labour expenses and contractual payment | 815384 |
| | Electricity expenses | 84525 |
| | Financial charges | 0 |
| | Other expenses | 141606 |
| | Water expenses | 8975 |
| | Depreciation | 12739 |
| | **Less** | |
| | Transfer to Work in progress | 14813925 |
| | **Total** | **0** |
| **11** | **Administrative Exp** | |
| | Bank Charges | 1265 |
| | Legal & Professional Fees | 13500 |
| | Kasar | (234) |
| | Sales promotion | 754918 |
| | Professional Tax | 2400 |
| | Rounding Off | (3) |
| | Late Filling Penalty for TDS Return | 104626 |
| | TDS filing fees | 88 |
| | Interest on Late TDS | 10792 |
| | Preliminary Expense A/C | 15900 |
| | Misc Exp | 463 |
| | **Total** | **903715** |

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**AMAZO REALTY LLP**
**Notes forming part of accounts**

## 12 Notes forming part of accounts :

**A** Balances in respect of Loans and Advances and Current Liabilities are subject to confirmation from the respective parties and reconciliation, if any.

**B** Figures are rounded off to the nearest Rupee.

**C** No provision has been made in the accounts towards Income Tax liability in view of Loss.

**D** In the opinion of the management, the Current Assets, Loans and Advances are realizable at the values stated in the financial statements in the ordinary course of business and adequate provision for all known liabilities has been made in the accounts.

**E** Inventories are as taken, valued and certified by the Partner.

**F** This is the first year of the firm, Previous years figures are not applicable.

**G** **Significant Accounting Policies :**

**(i) Basis of preparation of financial statements**
The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP)

**(ii) Use of estimates**
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**(iii) Fixed assets**
Fixed Assets are stated at cost less accumulated depreciation. The cost comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

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AHMEDABAD

**AMAZO REALTY LLP**

**Notes forming part of accounts**

**(iv) Depreciation**

Depreciation on fixed assets has been provided on Written down Value method at the rates mentioned in Note 5.

**(v) REVENUE RECOGNITION**

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the allotment letter / agreements.

**(vi) PURCHASE AND EXPENSES :**

The purchases are shown exclusive of Value Added Tax wherever input tax credit availed. The major items of the expenses are accounted for on time /pro-rata basis and necessary provisions for the same are made.

**(vii) Inventory**

**-Work-in-progress**

Work in progress is valued at cost or net realizable value whichever is lower. Cost includes cost of land, development rights, materials cost, construction costs, rates and taxes, borrowing costs, other direct expenditure and other incidental expenses.

**(viii) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised / included as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss Account.

**(ix) Employee Benefits**

Short-term employee benefits are recognized as expenses in the Profit and Loss account of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

Post employment benefits e.g. gratuity is recognized as expenses at the undiscounted amount i.e. on actual basis in the Profit and Loss account.

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**AMAZO REALTY LLP**

**Notes forming part of accounts**

**(x) Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

**(xi) Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**(xii) Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

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