ANNUAL REPORT

SAFAL ENGINEERS AND REALTIES LLP

B SAFAL HOUSE,NR.TEJ MOTORS

B/H MIRCH MASALA,S.G. HIGHWAY,

AHMEDABAD-380059

F.Y. 2014-15

VKJD & ASSOCIATES

CHARTERED ACCOUNTANTS

808, SPAN TRADE CENTER,
OPP. KOCHARAB ASHARAM,
NEAR PALDI CROSS ROADS,
ASHARAM ROAD,
AHMEDABAD - 380 007.
TEL. NO. 079-26582289

V K J D & ASSOCIATES
Chartered Accountants

808,Span Trade Centre,
Opp. Kocharab Ashram,
Nr. Paldi Cross Road,
Ashram Road,
Tele: 079 – 4009 2289
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INDEPENDENT AUDITORS' REPORT

To,
Partners,
SAFAL ENGINEERS AND REALTIES LLP,
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **SAFAL ENGINEERS AND REALTIES LLP** ("the LLP"),which comprise the balance sheet as at March 31,2015 and the Profit and Loss Account for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements in accordance with Limited Liability Partnership Act, 2008. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the LLP's preparation and fair presentation of the financial statement in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of **SAFAL ENGINEERS AND REALTIES LLP** give the information required in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:

(a) In case of the Balance sheet, of the state of affairs as at March, 31,2015;and

(b) In the case of the Profit and Loss Account, of the Profit/Loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 account as specified in the LLP Act, 2008 have been kept by the LLP so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received by us;

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

d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified by The Institute of Chartered Accountants of India.

FOR, VKJD & ASSOCIATES
CHARTERED ACCOUNTANTS

JIGNASHU K SHAH
PARTNER
M. No.117481
Firm Regn No. : 128985W

PLACE: AHMEDABAD
DATE: 04/09/2015

SAFAL ENGINEERS AND REALTIES LLP

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	SCHEDULE	2014-15 ₹	2013-14 ₹
SOURCES OF FUNDS :			
PARTNERS' CONTRIBUTION			
FIXED CAPITAL	A	1,000,000	1,000,000
CURRENT CAPITAL	B	384,568,879	-119,799
SECURED LOANS		0	0
UNECURED LOANS		0	0
DEFERRED TAX LIABILITIES		0	0
TOTAL ...		**385,568,879**	**880,201**
APPLICATION OF FUNDS :			
FIXED ASSETS :			
GROSS BLOCK		0	0
LESS : DEPRECIATION		0	0
		0	**0**
INVESTMENT		**0**	**0**
CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES		437,477,525	27,424,302
SUNDRY DEBTORS		0	0
CASH AND BANK BALANCES	C	61,211	283,047
OTHER LOANS AND ADVANCES	D	5,702,033	3,783,518
		443,240,769	31,490,867
LESS: SUNDRY CREDITORS & CURRENT LIABILITIES	E	57,671,890	30,610,666
NET CURRENT ASSETS...		**385,568,879**	**880,201**
TOTAL ...		**385,568,879**	**880,201**
Significant Accounting Policies & Notes Forming Part Of Accounts	H		

As Per Our Report Of Even Date
Attached Herewith

FOR, VKJD & ASSOCIATES
CHARTERED ACCOUNTANTS

JIGNASHU K SHAH
PARTNER
M. NO. 117481
FIRM REGN.NO.: 128985W

PLACE : AHMEDABAD
DATE : 04/09/2015

FOR, SAFAL ENGINEERS AND REALITIES LLP

RAJESH B BRAHMBHATT	**RUPESH B BRAHMBHATT**
DESIGNATED PARTNER	**DESIGNATED PARTNER**
DPIN:00055260	**DPIN:00329835**

PLACE : AHMEDABAD
DATE : 04/09/2015

SAFAL ENGINEERS AND REALTIES LLP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31ST MARCH, 2015

PARTICULARS	SCHEDULE	2014-15 ₹	2013-14 ₹
INCOME :			
SALES		0	0
CLOSING W.I.P.		437,477,525	27,424,302
TOTAL ...		**437,477,525**	**27,424,302**
EXPENDITURE :			
OPENING W.I.P		27,424,302	9,936,031
PURCHASE AND DIRECT EXPENSE	F	406,387,765	17,460,910
ADMINISTRATIVE & OTHER EXPENSE	G	3,665,457	49,846
DEPRECIATION		0	0
TOTAL ...		**437,477,524**	**27,446,787**
PROFIT BEFORE TAXATION FOR THE YEAR		**0**	**-22,485**
LESS : PROVISION FOR TAXATION			
CURRENT TAX		0	0
DEFERRED TAX		0	0
PROFIT AFTER TAX		**0**	**-22,485**
ADD : BALANCE CARRIED FROM PREVIOUS YEAR		0	0
AMOUNT AVAILABLE FOR APPROPRIATION		**0**	**-22,485**
BALANCE CARRIED TO PARTNERS' CAPITAL A/C		**0**	**-22,485**

Significant Accounting Policies & Notes Forming Part Of Accounts — H

As Per Our Report Of Even Date Attached Herewith

FOR, VKJD & ASSOCIATES
CHARTERED ACCOUNTANTS

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DATE : 04/09/2015

SAFAL ENGINEERS AND REALTIES LLP(F.Y.2014-15)

SCHEDULE - `A' : PARTNERS' FIXED CAPITAL

PARTICULARS	BALANCE AS AT 31/03/2015	BALANCE AS AT 31/03/2014
Rajesh B. Brahmbhatt	50000	50000
Rupesh B. Brahmbhatt	50000	50000
Safal Constructions Pvt. Limited	370000	700000
Super Comoodities Pvt. Limited	200000	200000
Khandvala & Zaveri Developers LLP	330000	0
TOTAL...	**1000000**	**1000000**

SCHEDULE - `B' : PARTNERS' CURRENT CAPITAL

PARTICULARS	PROFIT/LOSS SHARING RATIO	BALANCE AS AT 01.04.2014	ADDITION DURING THE YEAR	PROFIT/(LOSS) FOR THE YEAR	TOTAL	WITHDRAWAL	BALANCE AS AT 31.03.2015
Rajesh B. Brahmbhatt	5%	4135	56691050	0	56695185	0	56695185
Rupesh B. Brahmbhatt	5%	(365)	56691050	0	56690685	0	56690685
Safal Constructions Pvt. Limited	49%	(101601)	147731458	0	147629857	1894880	145734977
Super Comoodities Pvt. Limited	16%	(21968)	0	0	(21968)	0	(21968)
Khandvala & Zaveri Developers LLP	25%	0	125800000	0	125800000	330000	125470000
TOTAL...	100%	**(119799)**	**386913558**	**0**	**386793759**	**2224880**	**384568879**

SAFAL ENGINEERS AND REALTIES LLP

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C

SCHEDULE	PARTICULARS	2014-15 ₹	2013-14 ₹
C	**CASH & BANK BALANCE**		
	BALANCE WITH BANKS	50431	272567
	CASH ON HAND	10780	10480
	TOTAL...	**61211**	**283047**
D	**OTHER LOANS & ADVANCES**		
	DEPOSITS	85000	50000
	RECEIVABLE FROM REVENUE AUTHORITY	5613333	3733518
	STAFF LOAN	3700	0
	TOTAL...	**5702033**	**3783518**
E	**SUNDRY CREDITORS &CURRENT LIABILITIES**		
	SERVICE TAX PAYABLE	850082	3621307
	TDS PAYABLE	557281	132787
	PROFESSIONAL TAX	2880	0
	VAT PAYABLE	331140	0
	CREDITORS FOR PURCHASE	0	1050
	CREDITORS FOR EXPENSES	727967	5742982
	MEMBERS CONTRIBUTION	55190000	21100000
	RETENTION	12539	12539
	TOTAL...	**57671889**	**30610665**
F	**PURCHASE & DIRECT EXPENSES**		
	(A) PURCHASE		
	BRICKS	6000	22800
	CARTING PURCHASE	10695	13696
	GENERAL PURCHASE	13250	0
	ELECTRICAL GOODS	12670	6355
	LABOUR PURCHASE	4833696	268463
	LAND	380835100	0
	PAINTS / COLOUR EXPENSE	10317	0
	PLUMBING MATERIALS	19500	0
	READY MIX CONCRETING PUR	3021225	0
	SAND PURCHASE	0	1050
	SAFETY MATERIAL	3141	0
	STEEL PURCHASE	3829337	0
	AIR CONDITIONER	31900	0
	GREET / KAPCHI / METAL	0	6707
	FABRICATED CABIN	301530	0
	CEMENT PURCHASE	0	91000
	TOTAL (A)	**392928361**	**410071**

SAFAL ENGINEERS AND REALTIES LLP

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C

SCHEDULE	PARTICULARS	2014-15 ₹	2013-14 ₹
	(B) DIRECT EXPENSES		
	SITE EXPENSE	150030	24920
	ARCHITECTURE FEES	9088128	15316842
	CONSULTANCY EXPENSE	942750	315500
	PLANTATION EXPENSE	0	11855
	ELECTRICITY EXPENSE	38849	8812
	TESTING EXPENSE	12000	195000
	SECURITY EXPENSE	0	78571
	SERVEYOR EXPENSE	0	33994
	PLAN PASSING EXPENSE	2030801	0
	DESIGN WORKS EXPENSE	31500	0
	SALARY EXPENSE	226100	0
	STAFF WELFARE EXPENSE	19800	0
	TRAVELLING EXPENSE	0	296388
	PRINTING & STATIONERY	12038	0
	PROFESSIOAL TAX EXPENSE	2280	0
	ROC FILLING CHARGES	4400	0
	INTEREST ON SERVICE TAX	188209	0
	OFFICE EXPENSE	0	25000
	BANK CHARGES	23479	14733
	INTEREST ON LATE PAYMENT OF TDS	0	22485
	MISCELLANIOUS EXPENSE	13250	12030
	AUDIT FEES	25000	5000
	LEGAL FEES	0	650000
	PROFESSIONAL FEES	297350	39709
	SERVICE TAX EXPENSE	22300	0
	VAT EXPENSE	331140	0
	TOTAL (B)	**13459404**	**17050839**
	TOTAL(A+B)	**406387765**	**17460910**
G	**ADMINISTRATIVE & OTHER EXPS**		
	BROKERAGE EXPENSE	200000	0
	BUSINESS PROMOTION EXPENSE	3465457	22346
	ADVERTISEMENT EXPENSE	0	27500
	TOTAL...	**3665457**	**49846**

SAFAL ENGINEERS AND REALTIES LLP
(F.Y. 2014-15)

NOTES 'H': SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1. Basis of Preparation of Financial Statements:

These financial statements have been prepared on an accrual basis of accounting, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants and are in line with relevant laws, provisions as well as guidelines prescribed under LLP Partnership Act, 2008.

2. Revenue Recognition:

(a) Sales

Sales are accounted for on accrual basis.

(b) Other Operation

Interest and other income are accounted for on accrual basis.

3. 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 financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/determined.

10. The components of the deferred tax balances are as follows:

(Amount in ₹)

	2014-15		2013-14	
Particulars	**Deferred Tax Liability**	**Deferred Tax Assets**	**Deferred Tax Liability**	**Deferred Tax Assets**
Net Deferred Tax Liability on account of Difference between Book and Tax Depreciation	NIL Nil	Nil Nil	NIL Nil	Nil Nil
Unabsorbed Depreciation & Carry Forward Loss	NIL	Nil	NIL	Nil
	NIL	Nil	NIL	Nil
Net Deferred Tax Liability				

11. Balance of unsecured loan, Loans and Advance are subject to confirmation by the parties concerned.

12. Disclosure in respect of Related Parties pursuant to Accounting Standard 18. (As identified by the Management)

I. Name of related parties & description of relationship
   (a) Controlling Companies
   -Nil-
   (b) Related Parties
   -Nil-
   (c) Joint Control
   -Nil-
   (d) Relatives
   -Nil-

II. Nature and volume of transaction with related Parties:

(Amount in ₹)

Sr.No.	Particulars	Related Parties	Partners	Relatives
1	Sales	--	--	--
2	Purchase	--	38,01,82,100 (P.Y. Nil)	--
3	Rent	--	--	--
4	Interest Exp.	--	--	--
5	Remuneration	--	--	--
6	Salary	--	--	
	Balance Outstanding as on 31.3.2015	0	0	0

Purchase of Land Development Rights from :
1) Rajesh Brahmbhatt – Rs. 19,00,91,050/-
2) Rupesh Brahmbhatt – Rs. 19,00,91,050/-

13. Auditors' Remuneration is made up of:

(Amount in ₹)

Financial Year	**2014-15**	**2013-14**
Audit Fees	28090	5618
Total...	28090	5618

14. Whenever external evidences are not available, we relied on the explanation given by the management.

15. During the year there is change in the constitution of the partnership. Fixed Capital Contribution and profit / loss sharing ratio during the year and in the previous year is as under.

Sr. No.	Name of Partner	Fixed capital as on 31/03/2015	Fixed capital as on 31/03/2014	Share as on 31/03/2015	Share as on 31/03/2014
1	RAJESH B. BRAHMBHATT	5%	5%	5%	5%
2	RUPESH B. BRAHMBHATT	5%	5%	5%	5%
3	SAFAL CONSTRUCTIONS PVT LIMITED	37%	70%	49%	74%
4	SUPER COMMODITIES PRIVATE LIMITED	20%	20%	16%	16%
5	KHANDWALA & ZAVERI DEVELOPERS LLP	33%	0%	25%	0%

16. Previous year's figures have been regrouped/rearranged wherever necessary to confirm the classification adopted for the current year.

FOR, VKJD & ASSOCIATES
CHARTERED ACCOUNTANTS

AHMEDABAD

JIGNASHU K SHAH
PARTNER
M. NO. 117481
FIRM REGN.NO.: 128985W

PLACE : AHMEDABAD
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