KUVB & CO.
Chartered Accountants

Nikunj M. Patel
B.Com., A.C.A.

A/101, Nirman,
Opp. Havmor Restaurant,
Behind Navrangpura Bus-stop,
Navrangpura,
Ahmedabad-380 009.
Phone: 2642 2001
E-mail: kvkarkar@gmail.com

FORM NO. 3CB

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

Audit 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

1 We have examined the Balance Sheet as on 31st March, 2018, and the Profit and Loss Account for the period beginning from 01-04-2017 to ending on 31-03-2018, attached herewith, of VASTU REALTY, F. P. No. 277, 290, B/s. Navyug School, Mohannagar Road, Naroda, Ahmedabad - 382330, permanent account number: AAMFV9981F.

2 We certify that the Balance Sheet and the Profit and Loss Account are in agreement with the books of account maintained at the head office at above address and Nil branches.

3 a We report the following observations/comments/discrepancies/inconsistencies; if any:

Nil

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 purposes of the audit.

B In our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from our examination of the books.

C In our opinion and to 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 31st March, 2018; and

ii in the case of the Profit and Loss Account of the profit of the assessee for the year ended on that date.

4 The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.

KUVB & CO.
Chartered Accountants

Nikunj M. Patel
B.Com., A.C.A.

A/101, Nirman,
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Ahmedabad-380 009.
Phone: 2642 2001
E-mail: kvkarkar@gmail.com

VASTU REALTY

Asst. year: 2018-19 Pre year ended: 31-03-2018

FORM NO. 3CB
[See Rule 6G(1)(b)]

Audit 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

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

(i) Others:

a It is not possible for us to verify whether (1) the payments covered under sections 40A(3) and 40A(3A) have been made, (2) loans or deposits or specified sums have been taken or accepted u/s. 269SS of Rs. 20000 or more, (3) loans or deposits or specified advances have been repaid u/s. 269T of Rs. 20000 or more and (4) the receipts/ payments covered u/s. 269ST of Rs. 200000 or more have been accepted/ made otherwise than by account payee cheque drawn on a bank or account payee bank draft or by use of electronic clearing system through a bank account, as the necessary evidence is not in the possession of the assessee. We have relied upon the certificates issued by the assessee in this respect.

b In view of the note under sub-clauses 31(ba), (bb), (bc) and (bd) of the Form, particulars of payments made to Government have not been included under sub-clauses 31(bc) and 31(bd).

c As per Annexure

For KUVB & Co.
Chartered Accountants
Firm Reg No. 104843W

Sd/-

Place: Ahmedabad
Date: October 10, 2018

Nikunj M. Patel
Partner
M. No. 160078

KUVB & CO.
Chartered Accountants

Nikunj M. Patel
B.Com., A.C.A.

A/101, Nirman,
Opp. Havmor Restaurant,
Behind Navrangpura Bus-stop,
Navrangpura,
Ahmedabad-380 009.
Phone: 2642 2001
E-mail: kvkarkar@gmail.com

VASTU REALTY

Asst. year: 2018-19 Pre year ended: 31-03-2018

ANNEXURE TO FORM NO. 3CB
[See Rule 6G(1)(b)]

Assessee's Responsibility for the Financial Statements and the Statement of Particulars in Form 3CD

1 The assessee is responsible for the preparation of the aforesaid financial statements that give a true and fair view of the financial position and financial performance in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control 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.

2 The assessee is also responsible for the preparation of the statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961 annexed herewith in Form No. 3CD read with Rule 6G(1)(b) of Income-tax Rules, 1962 that give true and correct particulars as per the provisions of the Income-tax Act, 1961 read with Rules, Notifications, circulars, etc that are to be included in the Statement.

Tax Auditor's Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted this 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.

4 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 risks 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 preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. 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.

KUVB & CO.
Chartered Accountants

Nikunj M. Patel
B.Com., A.C.A.

A/101, Nirman,
Opp. Havmor Restaurant,
Behind Navrangpura Bus-stop,
Navrangpura,
Ahmedabad-380 009.
Phone: 2642 2001
E-mail: kvkarkar@gmail.com

VASTU REALTY

Asst. year: 2018-19 Pre year ended: 31-03-2018

ANNEXURE TO FORM NO. 3CB
[See Rule 6G(1)(b)]

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

6 We are also responsible for verifying the statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961 annexed herewith in Form No. 3CD read with Rule 6G(1)(b) of Income-tax Rules, 1962. We have conducted our verification of the statement in accordance with Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961, issued by the Institute of Chartered Accountants of India.

For KUVB & Co.
Chartered Accountants
Firm Reg No. 104843W

Sd/-

Place: Ahmedabad
Date: October 10, 2018

Nikunj M. Patel
Partner
M. No. 160078

VASTU REALTY

BALANCE SHEET AS AT 31ST MARCH, 2018

		Schedule	Rupees	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
CAPITAL AND LIABILITIES					
1	Partners' capital	A		60135777.56	44479140.00
2	Unsecured loans	B		109559370.00	104736522.00
3	Current liabilities and provisions	C		50068603.89	29952523.68
	Total			219763751.45	179168185.68
PROPERTIES AND ASSETS					
4	Property, plant and equipment:	D			
	Gross block		130501.70		114400.00
	Less: Depreciation		70405.70		48893.00
	Net block			60096.00	65507.00
5	Current assets:	E			
	Inventories		193509354.51		178193787.18
	Receivables		14709279.00		0.00
	Advances on current account		7123298.20		122657.00
	Cash and bank balances		4361723.74		786234.50
				219703655.45	179102678.68
	Total			219763751.45	179168185.68
6	Notes forming part of the accounts	J			

As per our report attached

For KUVB & Co.
Chartered Accountants

Sd/-

Nikunj M. Patel
Partner

Ahmedabad
October 10, 2018

For Vastu Realty

Sd/-

Partner

Ahmedabad
October 10, 2018

VASTU REALTY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

		Sche-dule	Rupees	2017-18 Rupees	2016-17 Rupees
INCOME					
1	Building sales			54917660.00	0.00
2	Other income	F		40918.24	40157.00
3	Closing stock:				
	Land		77519148.00		75691105.00
	Work-in-progress		115484000.00	193003148.00	101022795.00
	Total			247961726.24	176754057.00
EXPENDITURE					
4	Opening stock:				
	Land		75691105.00		73987007.00
	Work-in-progress		101022795.00	176713900.00	55385492.00
5	Development expenses	G		40642644.75	31187488.25
6	Labour charges			15331489.00	7789310.00
7	Operational and other expenses	H		2642309.23	1411986.75
8	Interest	I		12508799.00	6929143.00
9	Depreciation			21512.70	46723.00
	Total			247860654.68	176737150.00
10	Profit before tax			101071.56	16907.00
11	Less: Provision for current tax		85000.00		5300.00
	Prior period tax		3656.00	88656.00	0.00
12	Profit after tax			12415.56	11607.00
13	Notes forming part of the accounts	J			

As per our report attached to balance sheet

For KUVB & Co.
Chartered Accountants

Sd/-

Nikunj M. Patel
Partner

Ahmedabad
October 10, 2018

For Vastu Realty

Sd/-

Partner

Ahmedabad
October 10, 2018

VASTU REALTY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

SCHEDULE A

PARTNERS' CAPITAL ACCOUNTS

(Amount in rupees)

Sr. No.	Name of partner	Balance as at 01-04-2017	Brought in during the year	Interest on capital	Salary to partners	Share in profit	Withdr-awals	Balance as at 31-03-2018
1	Shri Vipulkumar Narsinhbhai Polara	1508097.80	5200000.00	287718.00	0.00	3724.67	1500000.00	5499540.47
2	Shri Hiteshbhai Narshibhai Polara	11121015.80	2500000.00	1042193.00	0.00	3724.67	0.00	14666933.47
3	Shri Rameshbhai Parshottambhai Kathiriya	7137319.94	0.00	642359.00	0.00	931.17	0.00	7780610.11
4	Shri Dharmesh Bhikhabhai Mangarolia	3218417.95	5000000.00	537466.00	0.00	931.16	0.00	8756815.11
5	Shri Chandrakantbhai Gangarambhai Patel	21493613.85	0.00	1934425.00	0.00	2793.50	0.00	23430832.35
6	Shri Jitendrakumar Vinodrai Bhatt	674.66	0.00	61.00	0.00	310.39	0.00	1046.05
	Total	44479140.00	12700000.00	4444222.00	0.00	12415.56	1500000.00	60135777.56
	Previous year	28822788.00	15675000.00	0.00	0.00	11607.00	30255.00	44479140.00

VASTU REALTY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

	Rupees	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
SCHEDULE B			
UNSECURED LOANS			
a. From relatives		9631039.00	6354625.00
b. From others		99928331.00	98381897.00
		109559370.00	104736522.00
SCHEDULE C			
CURRENT LIABILITIES AND PROVISIONS			
A. Current liabilities:			
a. Sundry creditors:			
Other than micro and small enterprises		34722520.89	14858912.68
b. Advances from customers		15263621.00	15090002.00
B. Provisions:			
For income-tax (net)		82462.00	3609.00
		50068603.89	29952523.68

VASTU REALTY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

SCHEDULE D

PROPERTY, PLANT AND EQUIPMENT

(Amount in rupees)

Sr. No.	Description	Gross block				Depreciation				Net block	
		As at 01-04-2017	Addi- tions	Deduc- tions	As at 31-03-2018	As at 01-04-2017	For the year	Adjust- ments	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
1	Computer	71000.00	0.00	0.00	71000.00	42600.00	11360.00	0.00	53960.00	17040.00	28400.00
2	Air conditioner	33900.00	0.00	0.00	33900.00	4915.00	2899.00	0.00	7814.00	26086.00	28985.00
3	Office fan - H. S. Plus	6700.00	0.00	0.00	6700.00	972.00	573.00	0.00	1545.00	5155.00	5728.00
4	Tally ERP9	0.00	16101.70	0.00	16101.70	0.00	6441.70	0.00	6441.70	9660.00	0.00
5	Office fan - Havells	2800.00	0.00	0.00	2800.00	406.00	239.00	0.00	645.00	2155.00	2394.00
	Total	114400.00	16101.70	0.00	130501.70	48893.00	21512.70	0.00	70405.70	60096.00	65507.00
	Previous year	43400.00	71000.00	0.00	114400.00	2170.00	46723.00	0.00	48893.00	65507.00	

Note: Depreciation has been calculated on written down value basis at the rates specified and in accordance with the provisions of the Income-tax Act, 1961.

VASTU REALTY

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

	Rupees	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
SCHEDULE E			
CURRENT ASSETS			
a. Inventories (As ascertained, valued and certified by a partner):			
(At lower of cost or net realisable value)			
Construction materials	506206.51		1479887.18
Land	77519148.00		75691105.00
Work-in-progress	115484000.00		101022795.00
		193509354.51	178193787.18
b. Receivables: (Unsecured, considered good)			
Other than exceeding one year	14709279.00		0.00
		14709279.00	0.00
c. Advances on current account: (Unsecured, considered good)			
Advances to suppliers	0.00		46000.00
Advances recoverable in cash or in kind or for value to be received	7123298.20		73001.00
Advance payment of taxes	0.00		3656.00
		7123298.20	122657.00
d. Cash and bank balances:			
Cash on hand	33746.00		29762.00
Balance in current account with a bank	4327977.74		756472.50
		4361723.74	786234.50
		219703655.45	179102678.68

VASTU REALTY

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

		2017-18	2016-17
	Rupees	Rupees	Rupees
SCHEDULE F			
OTHER INCOME			
Bank interest		25383.00	16907.00
Vatav kasar		15456.24	23250.00
Excess income-tax provision written back		79.00	0.00
		40918.24	40157.00
SCHEDULE G			
DEVELOPMENT EXPENSES			
Construction materials consumed:			
Opening stock		1479887.18	19024.75
Add: Purchases	32521300.94		17137673.47
VAT on purchases	414940.32		1453438.13
Carting expenses	2900739.82		2891126.08
Service tax on carting	54268.00		0.00
Krishi Kalyan cess on carting	1939.00		0.00
Swachh Bharat cess on carting	1939.00		4878.00
		35895127.08	21487115.68
		37375014.26	21506140.43
Less: Closing stock		506206.51	1479887.18
		36868807.75	20026253.25
Other development expenses:			
Architect/Engineer fees	660700.00		499200.00
Bore expenses	0.00		144878.00
Electric bill expenses	309147.00		139549.00
JCB rent	140100.00		620773.00
Labour insurance expenses	8956.00		8076.00
Plan approval expenses	2275715.00		9553226.00
Plumbing consulting charges	100000.00		0.00
Royalty charges	0.00		169004.00
RERA registration fee	62505.00		0.00
Municipal tax (Includes prior period tax of Rs. 18285 - Previous year Rs. Nil)	36570.00		14379.00
Site CCTV camera	89545.00		0.00
Site expenses	90599.00		12150.00
		3773837.00	11161235.00
		40642644.75	31187488.25

VASTU REALTY

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

		2017-18	2016-17
	Rupees	Rupees	Rupees
SCHEDULE H			
OPERATIONAL AND OTHER EXPENSES			
Salary		256000.00	65000.00
Stationery and printing		3462.00	342600.00
Telephone expenses		18150.00	19650.00
Vehicle expenses		111350.00	71200.00
Professional fees		102500.00	15000.00
Audit fee		50000.00	35000.00
VAT audit fees		0.00	7500.00
Miscellaneous expenses:			
Accounting fee	120000.00		
Bank charges	1666.76		
Donation	51000.00		
GST late filing fees	3600.00		
RERA late filing fees	10000.00		
Service tax penalty	19403.00		
TDS late filing fees	20311.00		
Internet charges	6439.84		
Postage expenses	350.00		
Tea & refreshment expenses	45780.00		
Xerox expenses	11699.00		
		290249.60	75955.75
Advertisement expenses		1383196.70	185940.00
Service tax (Including prior period tax of Rs. 51358 - Previous year of Rs. Nil)		356250.00	492853.00
Swachh Bharat cess		11745.93	20628.00
Krishi Kalyan cess		10889.00	16094.00
VAT		48516.00	64566.00
		2642309.23	1411986.75

VASTU REALTY

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

		2017-18	2016-17
	Rupees	Rupees	Rupees
SCHEDULE I			
INTEREST			
On partners' capital		4444222.00	0.00
On unsecured loans		7924657.00	6907196.00
On TDS		49888.00	0.00
On Service tax		34912.00	21155.00
On GST		49766.00	0.00
On VAT		3326.00	792.00
On municipal tax		2028.00	0.00
		12508799.00	6929143.00

VASTU REALTY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

SCHEDULE J
NOTES FORMING PART OF THE ACCOUNTS

1 Significant accounting policies:

a Method of accounting:

The firm is maintaining its accounts on accrual basis. Revenue from real estate sales is recognised when all significant risks and rewards of ownership in such properties are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists. However if, at the time of transfer, substantial acts are yet to be performed, revenue is recognised using the percentage of completion method. As per this method, revenue is recognised in proportion to the actual cost incurred as against the total estimated cost of the project. If the actual project cost incurred exceeds 25% of the total estimated project cost, at least 25% of the saleable project area is secured by contracts or agreements with buyers and at least 10% of the total revenue in respect of each of the contracts or agreements is realised, revenue is recognised in respect of that project in the relevant period.

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

b 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.

c Property, plant and equipment:

Property, plant and equipment are stated at cost net of recoverable taxes, trade discout and rebates, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost and cost directly attributable to bringing the asset to its working condition and indirect costs specifically attributable to construction of the asset. Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Assets retired from active use are carried at lower of book value and estimated net realisable value.

d Depreciation:

The firm provides for depreciation on assets on written down value method as per the provisions of the Income-tax Act, 1961.

VASTU REALTY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

SCHEDULE J
NOTES FORMING PART OF THE ACCOUNTS

1 Significant accounting policies: (contd)

e Impairment of assets:

An asset is treated as impaired when the carrying cost of asset 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 recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

f Inventories:

The inventories are valued at lower of cost or net realisable value, using first in, first out formula. Cost of inventories comprises of cost of purchase and development costs incurred in bringing them to their respective present location and condition. Work-in-progress is valued after considering direct overheads.

g Employee benefits:

Wages, salaries and paid annual leave are accrued in the year in which the services are rendered by the employees. The firm does not permit accumulating of unused leaves. The firm does not provide any long-term employee benefits.

As the number of employees is less than 10 and in absence of any informal practice prevailing in the firm, payment of gratuity is required neither by law nor on the basis of constructive obligation. Hence, no provision for the same has been recognised.

The firm is not having any defined contribution plan.

h Borrowing costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised 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 revenue.

i Taxation:

Provision for income-tax is made as per the provisions of the Income-tax Act, 1961 after considering exemptions/ deductions.

VASTU REALTY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

SCHEDULE J
NOTES FORMING PART OF THE ACCOUNTS

1 Significant accounting policies: (contd)

i Taxation: (contd)

Deferred tax resulting from timing difference between taxable income and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

j Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2 Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India:

(Amount in rupees)

	Particulars	2017-18	2016-17
1	Amount of project revenue recognised for the financial year	54917660	0
2	Aggregate amount of costs incurred and profits recognised as at the end of financial year	54917660	0
3	Amount of advances received	15263621	15090002
4	Amount of work-in-progress and the value of inventories	193509355	178193787
5	Excess of revenue recognised over actual bills raised (unbilled revenue)	0	0

3 The balances of unsecured loans, sundry creditors, advances from customers, receivables, advances on current account and auto sweep account with Kotak Mahindra Bank are subject to confirmation.

4 There is neither deferred tax asset nor deferred tax liability as at 31st March, 2018 (Previous year: Rs. Nil).

VASTU REALTY

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

SCHEDULE J
NOTES FORMING PART OF THE ACCOUNTS

5 The firm does not owe any sum to any micro and small enterprise.

This is based on information available with the firm.

6 There is no sale of real estate which is not recognised as revenue during the year due to lack of reasonable certainty of its ultimate collection.

7 Previous year's figures have been regrouped, wherever necessary.

Signatures to Schedules A to J

to balance sheet

For KUVB & Co.	For Vastu Realty
Chartered Accountants	
Sd/-	Sd/-
Nikunj M. Patel	Partner
Partner	
Ahmedabad	Ahmedabad
October 10, 2018	October 10, 2018