AUDITED ANNUAL ACCOUNTS

OF

HAPPY HOME CORPORATION

FOR THE YEAR ENDED 31-03-2016

ASSESSMENT YEAR 2016 - 17

DSI & CO.

Chartered Accountants

MF / 14 - 26, Nariman Point Shopping Centre,
Near Raghuvir Bunglows, City Light Road, Surat - 395007.
Tele : 0261 2223020 / 2223030
E-mail : dsi.surat@gmail.com

Balance Sheet as at March 31, 2016

		Schedule		As at 31-03-2016 Amt. in Rs.	As at 31-03-2015 Amt. in Rs.
I	**SOURCES OF FUNDS**				
1	**Partners Capital**	1		4,43,67,98,398	3,06,14,22,725
2	**Loan Funds**				
(a)	Secured Loans	2		2,63,87,72,939	1,46,01,98,186
(b)	Unsecured Loans	3		1,62,59,50,311	2,78,62,85,006
				4,26,47,23,250	4,24,64,83,192
			Total	8,70,15,21,649	7,30,79,05,917
II	**APPLICATION OF FUNDS**				
1	**Fixed Assets**	4		23,74,90,233	24,73,59,731
2	**Investments**			-	-
3	**Current Assets, Loans & Advances**	5			
(a)	Inventories			7,83,12,73,339	6,92,31,89,021
(b)	Sundry Debtors			-	-
(c)	Cash & Bank Balances			39,71,34,470	25,54,19,154
(d)	Deposits, Loans & Advances			1,13,74,07,514	76,76,81,036
				9,36,58,15,323	7,94,62,89,211
Less:	**Current Liabilities & Provisions**	6			
(a)	Current Liabilities			87,60,85,621	84,79,44,063
(b)	Provisions			2,56,98,286	3,77,98,962
				90,17,83,907	88,57,43,025
	Net Current Assets			8,46,40,31,416	7,06,05,46,186
			Total	8,70,15,21,649	7,30,79,05,917
	Notes Forming part of Audited Annual Accounts	15			

For & On behalf of
Happy Home Corporation

Mukesh Patel
Partner

Place : Surat
Date : 26-09-2016

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

Parimal

Parimal Bhagat
Partner
Membership No. 103566

DSI & CO. Chartered Accountants SURAT

Place : Surat
Date : 26-09-2016

Profit & Loss Account for the year ended March 31, 2016

		Schedule	For the Year Ended 31-03-2016 Amt. in Rs.	For the Year Ended 31-03-2015 Amt. in Rs.
I	**INCOME**			
	Sales /Income from Operations	7	3,99,14,66,908	4,17,70,72,505
	Income Disclosed during Survey		2,89,17,174	7,64,56,217
	Closing Stock	8	7,81,25,29,430	6,92,11,35,423
	Increase (Decrease) in Stock of Traded Goods	9	1,66,90,311	20,53,598
	Other Income	10	26,05,855	18,94,179
		Total	11,85,22,09,678	11,17,86,11,922
II	**EXPENDITURE**			
	Opening Stock	11	6,92,11,35,423	7,34,59,65,288
	Land Purchase & Development Expenses		2,03,56,63,907	1,06,60,02,918
	Purchase of Traded Goods		1,71,93,681	20,53,598
	Construction Expenses	12	2,04,65,59,186	2,16,67,75,478
	Selling & Administrative Expenses	13	3,14,91,004	4,03,31,110
	Financial Expenses	14	23,70,08,169	29,19,85,244
	Depreciation		1,36,68,670	1,61,16,798
		Total	11,30,27,20,041	10,92,92,30,433
	Net Profit Before Appropriation & Tax		54,94,89,637	24,93,81,489
	Less: Appropriation			
	Remuneration to Partners		18,00,000	18,00,000
	Net Profit transfered to Partner's Capital Account		54,76,89,637	24,75,81,489

Notes Forming part of Audited Annual Accounts

For & On behalf of
Happy Home Corporation

Mukesh Patel
Partner

Place : Surat
Date : 26-09-2016

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

DSI & Co. Chartered Accountants SURAT

Parimal

Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 26-09-2016

Cash Flow Statement for the year ended March 31, 2016

		For the year ended 31-03-2016 Amt. in Rs.
A	**Cash Flow from Operating Activities**	
	Net Profit / (Loss) before Tax	54,76,89,637
	Add: Adjustments	
	Interest Expenses	73,53,94,111
	Depreciation	1,36,68,670
	Operating Profit / (Loss) before working capital changes	1,29,67,52,419
	Add: Adjustments for	
	Inventories	(90,80,84,318)
	Loans & Advances	(36,97,26,478)
	Current Liabilities & Provisions	1,60,40,882
	Net Cash generated from Operating Activities	3,49,82,505
B	**Cash Flow from Investing Activities**	
	Purchase of Fixed Assets	(85,75,762)
	Sale of Fixed Assets	47,76,590
	Net Cash generated from (used in) Investing Activities	(37,99,172)
C	**Cash Flow from Financing Activities**	
	Partners Capital	82,76,86,036
	Secured Loans	1,17,85,74,753
	Unsecured Loans	(1,16,03,34,695)
	Interest Expenses	(73,53,94,111)
	Net Cash used in Financing Activities	11,05,31,983
	Net Increase / (Decrease) in Cash & Cash Equivalents	14,17,15,316
	Cash and cash equivalents at beginning of the year	25,54,19,154
	Cash and cash equivalents at the end of the year	39,71,34,470
	Summary of Cash and cash equivalents as at the end of the year	
	Cash on Hand	34,18,91,939
	Balance with Banks	3,39,81,012
	Balance in Fixed Deposit	2,12,61,519
		39,71,34,470

For & On behalf of
Happy Home Corporation

Mukesh Patel
Partner

Place : Surat
Date : 26-09-2016

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For DSI & Co.
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DSI & CO. Chartered Accountants SURAT

Parimal

Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 26-09-2016

Schedule

1

PARTNER'S CAPITAL

Amt. in Rs.

Sr. No.	Name of Partners	Balance as on 01-04-2015	Addition / (Drawings) during year	Remun. to Partner	Interest on Capital	Net Profit for the year	Balance as on 31-03-2016
1	Himmat B. Sorathiya	1,51,13,23,342	43,13,31,973	-	15,40,05,940	27,09,42,198	**2,36,76,03,453**
2	Mukesh B. Patel	1,51,28,06,673	15,30,72,105	-	12,49,98,330	27,09,42,198	**2,06,18,19,306**
3	Mahesh K. Vithani	13,53,706	(12,05,000)	3,00,000	-	18,72,124	**23,20,830**
4	Paresh P. Naliyadara	88,15,706	(86,50,000)	3,00,000	-	18,72,124	**23,37,830**
5	Nishant G. Panchal	48,91,422	(40,79,283)	6,00,000	-	5,79,244	**19,91,384**
6	Vipul J. Golakia	90,67,011	(95,20,659)	6,00,000	-	5,79,244	**7,25,597**
7	Sanjay B. Sorathiya	1,31,64,866	(1,40,67,370)	-	-	9,02,504	**-**
	Total	**3,06,14,22,725**	**54,68,81,766**	**18,00,000**	**27,90,04,270**	**54,76,89,637**	**4,43,67,98,398**
	Previous year	77,08,62,758	1,95,00,26,121	18,00,000	9,11,52,357	24,75,81,489	3,06,14,22,725

DSI & CO. Chartered Accountants SURAT

	Schedule	As at 31-03-2016 Amt. in Rs.	As at 31-03-2015 Amt. in Rs.
SECURED LOANS	2		
Term Loans			
Bank of Baroda		**35,44,97,792**	37,90,26,303
Central Bank of India		**-**	22,84,19,587
Dena Bank		**37,34,60,000**	6,70,76,521
India Bulls Housing Finance Ltd.		**7,16,47,409**	-
Religare Finvest Ltd.		**5,09,24,487**	14,00,86,043
Shriram City Union Finance Ltd.		**6,75,47,868**	-
Syndicate Bank		**1,53,05,62,129**	50,01,781
Union Bank of India		**-**	40,00,57,340
Overdraft Facility			
Dena Bank		**18,65,23,460**	23,36,57,852
Vehicle Loans			
ICICI Bank		**36,09,795**	68,72,759
	Total	**2,63,87,72,939**	1,46,01,98,186
UNSECURED LOANS	3		
From Partners & their Relatives		**3,14,51,246**	2,00,00,000
From Friends of the Partners		**1,59,44,99,065**	2,76,62,85,006
	Total	**1,62,59,50,311**	2,78,62,85,006
CURRENT ASSETS, LOANS & ADVANCES	5		
(a) Inventories *(As taken, valued & certified by the partners)*			
Land		**4,50,41,12,922**	3,29,42,31,927
Construction WIP		**3,30,84,16,508**	3,62,69,03,496
Traded Goods		**1,87,43,909**	20,53,598
		7,83,12,73,339	6,92,31,89,021
(b) Sundry Debtors		**-**	-
(c) Cash & Bank Balances			
Cash on Hand		**34,18,91,939**	10,40,72,196
Balance with Banks		**3,39,81,012**	12,78,72,510
Balance in Fixed Deposit		**2,12,61,519**	2,34,74,448
		39,71,34,470	25,54,19,154

DSI & CO. Chartered Accountants SURAT

FIXED ASSETS **4**

Amt. in Rs.

Sr. No.	Particulars	Balance as on 01-04-2015	Addition upto 30-09-2015	Addition after 30-09-2015	Deletion during the year	Depreciation during the year	Balance as on 31-03-2016
1	Land	8,09,65,370	-	-	-	-	**8,09,65,370**
2	Office Building	4,98,13,929	-	-	-	49,81,393	**4,48,32,536**
3	Plant & Machineries	19,98,661	21,682	-	98,619	2,88,258	**16,33,466**
4	Office Equipments	96,04,946	1,05,000	2,15,000	1,38,827	14,51,792	**83,34,327**
5	Vehicles	3,20,34,311	-	-	45,39,144	41,24,276	**2,33,70,891**
6	Furniture & Fixtures	2,28,14,712	-	-	-	22,81,471	**2,05,33,241**
7	Computer System	7,70,914	99,050	65,000	-	5,41,480	**3,93,484**
8	Work-in-Progress	4,93,56,888	77,01,635	3,68,395	-	-	**5,74,26,918**
	Total	**24,73,59,731**	**79,27,367**	**6,48,395**	**47,76,590**	**1,36,68,670**	**23,74,90,233**
	Previous year	20,12,10,473	2,49,60,478	3,73,05,578	-	1,61,16,798	24,73,59,731

DSI & CO. Chartered Accountants SURAT

	Schedule	As at 31-03-2016 Amt. in Rs.	As at 31-03-2015 Amt. in Rs.
(d) Deposits, Loans & Advances			
Income Tax & TDS		**6,70,80,753**	10,01,52,139
Deposits		**33,869**	37,169
Sundry Receivables		**6,05,888**	-
Advance for Purchase of Land		**95,44,75,545**	64,24,91,728
Other Loans & Advances		**11,52,11,459**	2,50,00,000
		1,13,74,07,514	76,76,81,036
	Total	**9,36,58,15,323**	7,94,62,89,211
CURRENT LIABILITIES & PROVISIONS	**6**		
(a) Current Liabilities			
Sundry Creditors		**12,54,92,061**	6,90,03,683
Advance from Customers		**20,92,89,887**	74,40,44,218
Balance with Banks (Due to Reconciliation)		**54,13,03,673**	3,48,96,162
		87,60,85,621	84,79,44,063
(b) Provisions			
Service Tax Collection Account		**89,02,019**	1,05,53,298
Professional Tax Payable		**3,630**	5,890
Provident Fund Payable		**59,274**	-
TDS Payable		**1,41,55,859**	2,47,41,839
VAT Payable		**25,77,504**	24,97,935
		2,56,98,286	3,77,98,962
	Total	**90,17,83,907**	88,57,43,025

		For the Year Ended 31-03-2016 Amt. in Rs.	For the Year Ended 31-03-2015 Amt. in Rs.
SALES/INCOME FROM OPERATIONS	**7**		
Sales of Flats / Shops		**3,57,64,63,538**	3,65,55,00,871
Sales of Land		**1,45,00,000**	52,15,71,634
Sales of Traded Goods		**5,03,370**	-
Voluntarily Disclosure of Income		**40,00,00,000**	-
	Total	**3,99,14,66,908**	4,17,70,72,505

DSI & CO. Chartered Accountants SURAT

	Schedule		For the Year Ended 31-03-2016 Amt. in Rs.	For the Year Ended 31-03-2015 Amt. in Rs.
CLOSING STOCK	8			
Land			4,50,41,12,922	3,29,42,31,927
Construction WIP / Flats / Shops			3,30,84,16,508	3,62,69,03,496
		Total	7,81,25,29,430	6,92,11,35,423
INCREASE (DECREASE) IN STOCK OF TRADED GOODS	9			
Closing Stock			1,87,43,909	20,53,598
Less: Opening Stock			(20,53,598)	-
		Total	1,66,90,311	20,53,598
OTHER INCOME	10			
Interest on Bank FD			18,96,632	18,35,327
Interest on SB A/c.			1,504	-
Interest on Income Tax Refund			5,20,020	-
Interest on Electricity Deposit			41,701	58,852
Commission Income			1,45,998	-
		Total	26,05,855	18,94,179
OPENING STOCK	11			
Land			3,29,50,69,890	3,13,01,71,263
Construction WIP / Flats / Shops			3,62,60,65,533	4,21,57,94,025
		Total	6,92,11,35,423	7,34,59,65,288
CONSTRUCTION EXPENSES	12			
Purchases of Building Material			67,97,72,870	1,18,38,03,390
Carting Expenses			4,12,54,767	4,75,13,405
Labour Charges			34,00,93,667	32,84,37,324
Gas / Electricity Connection Expenses			47,78,282	99,35,395
Site Electricity Expenses			1,05,34,613	1,38,00,558
SMC / Suda Expenses			34,00,41,838	9,24,03,177
Diesel Expenses			9,83,549	13,21,265
Security Expenses			82,19,795	89,18,003
Site Salary Expenses			2,84,04,192	3,27,16,991
Consultant Charges			85,57,713	1,36,99,798
Selling & Administration Expenses			8,62,25,539	4,05,91,608
Financial Expenses			49,76,92,361	39,36,34,563
		Total	2,04,65,59,186	2,16,67,75,478

DSI & CO. Chartered Accountants SURAT

	Schedule	For the Year Ended 31-03-2016 Amt. in Rs.	For the Year Ended 31-03-2015 Amt. in Rs.
SELLING & ADMINISTRATIVE EXPENSES	13		
Audit Fees		**5,63,752**	5,35,000
Advertisement Expenses		**5,66,51,236**	34,33,109
Brokerage Expenses		**-**	5,00,000
Conveyance Expenses		**20,69,002**	20,45,578
Donation		**49,34,111**	1,58,56,000
Donation u/s. 35AC		**25,00,000**	50,00,000
Office Electricity Expenses		**14,78,262**	13,48,010
Insurance Expenses		**27,50,929**	19,26,503
Legal & Professional Charges		**35,77,882**	46,00,065
Mess Expenses		**9,93,043**	10,40,558
Office Expenses		**38,06,080**	19,74,663
Rates & Taxes		**1,22,94,331**	1,21,59,714
Salary Expenses		**2,30,80,454**	2,62,35,040
Sales Promotion Expenses		**20,53,076**	32,86,318
Telephone & Mobile Phone Expenses		**9,64,385**	9,82,160
		11,77,16,543	8,09,22,718
Less: Considered as Construction Expenses		**8,62,25,539**	4,05,91,608
	Total	**3,14,91,004**	4,03,31,110

	Schedule	For the Year Ended 31-03-2016 Amt. in Rs.	For the Year Ended 31-03-2015 Amt. in Rs.
FINANCIAL EXPENSES	14		
Bank Charges & Commission		**50,593**	1,03,538
Loan Processing Charges		**78,24,114**	82,87,689
Interest on Bank Loan		**25,07,26,076**	25,64,51,899
Interest on NBFC Loan		**1,82,90,556**	3,10,92,161
Interest on Car Loan		**5,18,636**	7,23,899
Interest on Unsecured Loan		**18,68,54,574**	29,78,08,264
Interest on Partners Capital		**27,90,04,270**	9,11,52,357
Interest Recovered on Advances		**(85,68,288)**	-
		73,47,00,530	68,56,19,807
Less: Considered as Construction Expenses		**49,76,92,361**	39,36,34,563
	Total	**23,70,08,169**	29,19,85,244

DSI & CO. Chartered Accountants SURAT

15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 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.

2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2 Fixed Assets

Fixed Assets other than 'Land' and 'Capital Work-in-progress' are stated at cost less depreciation.

3 Depreciation

Depreciation has been provided as per Written Down Value Method and at the rates as specified in Income Tax Act, 1961.

4 Inventories

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

5 Revenue Recognition

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

The firm is recognizing the revenue in accordance with Accounting Standard-9 (AS-9) i.e. at the time of transfer of ownership by registered sale deed or handing over of possession of the flats / shops to the customers, whichever is earlier.

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.

6 The balances of unsecured loans, sundry creditors, advance from customers and loand & advances are subject to confirmation however, the partners have certified the respective balances.

7 Figures have been rounded off to the nearest rupee.

8 Previous Year's Figures

Previous year's figures have been regrouped, reworked and re-arranged wherever found necessary to make them comparable with the current year's figures.

9 Retirement Benefits to Employee's

Contribution to employee's benefit funds remitted to statutory authority is charged to revenue. No Provision has been made for accruing liability for gratuity to employees. Gratuity payable will be accounted as and when payments are made.

DSI & CO. Chartered Accountants SURAT

10 Borrowing Cost

The total borrowing cost on the acquisition of fixed assets if pertaining to the period up to the date on which the said fixed assets have been put-to-use, has been capitalized in the respective fixed assets and the cost for the period after the said fixed assets have been put-to-use has been debited to the Profit & Loss Account.
The interest expenses on project loan from banks, NBFCs, unsecured loan and partner's capital is proportionately included in the cost of closing stock of flats, shops and land since, the firm is engaged in the development & sale of real estate projects which take considerable time and involve substantial expenditure including significant interest cost.
Accordingly, the interest cost incurred to finance the activity of real estate is being capitalised proportionately in the closing stock and is not being fully charged as revenue against sales.

11 Segment Reporting

The firm has only one business segment and geographical segment. Therefore there is no separate reportable segment as per AS-17.

12 Contigent Liabilities

The firm claimed to have no contingent liability and hence, it is not provided for.

13 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 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) Babubhai Sorathiya Bhayabhai Patel

(ii) Transaction with related parties

Sr. No.	Particulars	Nature of Transaction	31-03-2016 Amt. in Rs.
1	Mahesh K. Vithani	Partners Remuneration	3,00,000
2	Paresh P. Naliadara	Partners Remuneration	3,00,000
3	Nishant G. Panchal	Partners Remuneration	6,00,000
4	Vipul J. Golakiya	Partners Remuneration	6,00,000
5	Himmat B. Sorathiya	Interest on Parner's Capital	15,40,05,940
6	Mukesh B. Patel	Interest on Parner's Capital	12,49,98,330
7	Himmat B. Sorathiya (HUF)	Interest on Unsecured Loan	6,00,000
8	Mukesh B. Patel (HUF)	Interest on Unsecured Loan	6,00,000

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14 Micro, Small and Medium Enterprises

The firm is not in position to identify amount of balances due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) in absence of sufficient information from suppliers regarding their status.

15 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 : 26-09-2016

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

Parimal

DSI & CO. Chartered Accountants SURAT

Parimal Bhagat
Partner
Membership No. 103566

Place : Surat
Date : 26-09-2016