**DEEPSPACE PROPERTIES LLP**

Profit and Loss Account for the year ended 31st March, 2017

| Particulars | Schedule | For the year ended 31/03/2017 Amount ₹ | For the year ended 31/03/2017 Amount ₹ | For the year ended 31/03/2016 Amount ₹ |
|---|---|---|---|---|
| **INCOME** | | | | |
| Closing Work-in-Progress | | | 2 67 51 000 | 2 61 41 000 |
| **EXPENDITURE** | | | | |
| Opening Work-in-Progress | | 2 61 41 000 | | 2 52 87 000 |
| Project Cost | E | 6 10 284 | | 8 53 283 |
| Other Administrative and Selling Expenses | F | 60 890 | | 84 498 |
| | | | 2 68 12 174 | 2 62 24 781 |
| Profit/(Loss) before Tax | | | ( 61 174) | ( 83 781) |
| **Less:** Provisions | | | | |
| For Current Tax | | 0 | | 0 |
| Short Provision of Income tax in earlier years | | 70 | | 0 |
| For Deferred Tax | | 0 | | 908 |
| | | | 70 | 908 |
| Profit/(Loss) transferred to Partners' Current Contribution | | | ( 61 244) | ( 84 689) |

Notes forming part of accounts `G'

As per our attached report of even date.

**FOR R. M. MULANI & CO.**
[Firm Registration No. 137669W]
*Chartered Accountants*

**RAJENDRA M. MULANI**
*Proprietor*
Mem. No. 40768

R. M. MULANI & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 15th April, 2017

**FOR DEEPSPACE PROPERTIES LLP**

**SHAAN ZAVERI**
*Designated Partner*
DIN - 00114826

**HARESH K. SHAH**
*(Partner of Manushi Real Estate Mgt. LLP)*
*Designated Partner*
DIN - 5005564

Place : Ahmedabad
Date : 15th April, 2017

DEEPSPACE PROPERTIES LLP

**Schedule - `E' : Project Cost**

| Particulars | For the year ended 31/03/2017 | | For the year ended 31/03/2016 |
|---|---|---|---|
| | Amount ₹ | Amount ₹ | Amount ₹ |
| Material | | 0 | 41 097 |
| Labour | | 16 000 | 22 262 |
| Other Direct Cost | | 5 94 284 | 7 89 924 |
| **Total :** | | 6 10 284 | 8 53 283 |

**Schedule - `F' : Other Administrative and Selling Expenses**

| | | | |
|---|---|---|---|
| Auditors Remuneration | | 17 250 | 17 175 |
| Staff Welfare | | 0 | 2 942 |
| Professional Expenses | | 35 541 | 44 809 |
| Insurance Premium | | 0 | 7 010 |
| Rates & Taxes | | 4 160 | 2 000 |
| Other Expenses | | 3 939 | 10 562 |
| **Total :** | | 60 890 | 84 498 |

R. M. MULANI & CO. AHMEDABAD CHARTERED ACCOUNTANTS

Schedule - `G' : Notes forming part of accounts

1. **Basis of preparation of Financial Statements**

   These financial statements have been prepared on the 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 of India.

2. **Use of estimates**

   The preparation of financial statements requires management to make estimates and assumptions 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 reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

   Significant estimates made by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area.

3. **Inventories**

   Direct expenditure relating to development of project is inventorised. Indirect expenditure during the period of project is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

   (i) Work-in-progress

   Work in Progress represents the cost incurred in respect of unsold area of the Real Estate Development Projects and cost incurred on Projects where the revenue is yet to be recognized.

   (ii) Finished Goods

   Valued at lower of cost and net realizable value.

4. **Revenue Recognition**

   Revenue is recognised upon transfer of risks and rewards of ownership without retaining effective control over real estate by the seller and reasonable expectation of ultimate collection exist.

   Revenue is recognised on "percentage completion method" where substantial acts are still to be performed after transfer of risks and rewards of ownership.

   Significant risks and rewards of ownership are considered as transferred when legal title passes on to the buyer or substantial acts are performed and substantial amount of sale price is received.

5. **Investments**

   Investments are valued at lower of cost or net realizable value.

R. M. MULANI & CO. AHMEDABAD CHARTERED ACCOUNTANTS

6. **Taxation**

(i) Current year tax is provided based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realisation. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realisation.

7. Preliminary expenses are being written off in the year of commencement of Commercial Operations.

8. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised nor disclosed in the financial statements.

R. M. MANI & CO. CHARTERED ACCOUNTANTS AHMEDABAD

9. **Contingent Liabilities and Commitments**

[Amount in ₹]

| Particulars | 2016-2017 | 2015-2016 |
|---|---|---|
| Contingent Liabilities | NIL | NIL |
| Capital and Other Commitments | NIL | NIL |

10. **Related Party Disclosures**

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year and relationship:

| Sr. No. | Name of related party | Relationship |
|---|---|---|
| 1 | Amaya Properties LLP | Partner |
| 2 | Chetas Shah | Partner |
| 3 | Manushi Real Estate Management LLP | Partner |
| 4 | Shaan Anand Zaveri | Partner |

(b) Transactions with related parties

[Amount in ₹]

| Description of the Nature of Transaction | Description of Relationship | Related Party | 2016-2017 | 2015-2016 |
|---|---|---|---|---|
| Addition to Current Contribution | Partner | Amaya Properties LLP | 35 50 000 | 88 50 472 |
| | Partner | Shaan Anand Zaveri | -- | 1 50 000 |
| Withdrawal from Current Contribution | Partner | Amaya Properties LLP | 2 00 000 | 1 05 00 472 |
| | Partner | Manushi Real Estate Management LLP | -- | 1 50 000 |
| Profit / (Loss) Distributed | Partner | Amaya Properties LLP | ( 11 024) | 8 876 |
| | Partner | Chetas Shah | ( 1 837) | 1 479 |
| | Partner | Manushi Real Estate Management LLP | ( 42 871) | 34 516 |
| | Partner | Shaan Anand Zaveri | ( 5 512) | 4 438 |
| Reimbursement of Expenses | Enterprise in which Partner has significant influence | Corvus Properties LLP | 43 728 | -- |

R. M. MODANI & CO. AHMEDABAD CHARTERED ACCOUNTANTS

(c) Outstanding Balances as at March 31, 2017

[Amount in ₹]

| Sr. No. | Particulars | Relationship | 2016-2017 | 2015-2016 |
|---|---|---|---|---|
| (i) | Balance (Receivable) / Payable | | | |
| (A) | - Towards Partners' Capital Contribution | | | |
| | Amaya Properties LLP | Partner | 18 000 | 18 000 |
| | Chetas Shah | Partner | 3 000 | 3 000 |
| | Manushi Real Estate Management LLP | Partner | 70 000 | 70 000 |
| | Shaan Anand Zaveri | Partner | 9 000 | 9 000 |
| (B) | - Towards Partners' Current Contribution | | | |
| | Amaya Properties LLP | Partner | 92 87 795 | 59 48 819 |
| | Chetas Shah | Partner | 3 68 522 | 3 70 359 |
| | Manushi Real Estate Management LLP | Partner | (2 23 26 646) | ( 2 22 83 775) |
| | Shaan Anand Zaveri | Partner | 12 55 566 | 12 61 078 |

11. The LLP has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the LLP from its suppliers.

12. In the opinion of the Designated Partners, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet.

13. Balances of creditors, loans and advances are subject to confirmation by the parties concerned.

14. The previous year's figures have been regrouped, reworked and reclassified wherever necessary.

As per our attached accounts of even date.

FOR R. M. MULANI & CO.
[Firm Registration No. 137669W]
*Chartered Accountants*

RAJENDRA M. MULANI
*Proprietor*
Mem. No. 40768

Place : Ahmedabad
Date : 15th April, 2017

FOR DEEPSPACE PROPERTIES LLP

SHAAN ZAVERI

*Designated Partner*
DIN - 00114826

HARESH K. SHAH
*(Partner of Manushi Real Estate Mgt LLP)*
*Designated Partner*
DIN - 5005564

Place : Ahmedabad
Date : 15th April, 2017

R. M. MULANI & CO. AHMEDABAD CHARTERED ACCOUNTANTS