**HN SAFAL REALTECH LLP**

Balance Sheet as at 31st March, 2015

| Particulars | Schedule | As at 31st March, 2015 Amount (Rs.) | Amount (Rs.) |
|---|---|---|---|
| **SOURCES OF FUNDS** | | | |
| Partners' Fixed Contribution | A | | 1 00 000 |
| Partners' Current Contribution | B | | 1 26 30 00 000 |
| Loan Funds | C | | 8 94 59 464 |
| Reserves & Surplus (Surplus being profit / (loss) made during the year) | | | 2 46 26 089 |
| **Total :** | | | 1 37 71 85 553 |
| **APPLICATION OF FUNDS** | | | |
| **Fixed Assets** | D | | |
| Gross Block | | 83 550 | |
| Less: Depreciation | | 33 435 | |
| Net Block : | | | 50 115 |
| **Current Assets, Loans and Advances** | E | | |
| Inventories | | 1 31 24 99 737 | |
| Cash and Bank Balances | | 6 09 85 353 | |
| Loans and Advances | | 74 42 901 | |
| | | 1 38 09 27 991 | |
| Less : **Current Liabilities and Provisions** | F | | |
| Current Liabilities | | 37 92 553 | |
| | | 37 92 553 | |
| | | | 1 37 71 35 438 |
| **Total :** | | | 1 37 71 85 553 |

Notes forming part of the Accounts — K

As per our attached Report of even date

**FOR G. K. CHOKSI & Co.**
[Firm Registration No. 101895W]
*Chartered Accountants*

Rohit Choksi

**ROHIT K. CHOKSI**
*Partner*
Mem. No. 31103

Place: Ahmedabad
Date 22 JUN 2015

**FOR HN SAFAL REALTECH LLP**

UD 97. H. Vora

*Designated Partner*

*Designated Partner*

Place : Ahmedabad
Date : 22 JUN 2015

## HN SAFAL REALTECH LLP

**Schedule - `A' : Partners' Fixed Contribution**

| Particulars | As at 31st March, 2015 | |
|---|---|---|
| | Amount (Rs.) | Amount (Rs.) |
| Dhiren H Vora | | |
| Goyal & Co. Cons.Pvt Ltd | | 20 000 |
| Nova Properties Pvt Ltd | | 40 000 |
| Orchied Plaza Design & Developers Pvt Ltd | | 5 000 |
| Safal Realty Pvt Ltd | | 5 000 |
| Teracon Project Pvt.Ltd. | | 5 000 |
| Uday H. Vora | | 5 000 |
| | | 20 000 |
| | | 1 00 000 |

## HN SAFAL REALTECH LLP

**Schedule - `B' : Partners' Current Contribution**

| Sr. No. | Name of the Partners | Profit Sharing Ratio( % ) 12/05/2014 to 14/05/2014 | 15/05/2014 to 06/08/2014 | 07/08/2014 to 28/02/2015 | 01/03/2015 to 31/03/2015 | As at 01/04/2014 Rs. | Additions Rs. | Total | Withdrawals Rs. | As at 31/03/2015 Rs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Dhiren H Vora | 50.00 | 22.50 | 20.00 | 20.00 | 0 | 0 | 0 | 0 | 0 |
| 2 | Goyal & Co. Cons.Pvt Ltd | - | 50.00 | 50.00 | 40.00 | 0 | 20 55 10 000 | 20 55 10 000 | 2 40 00 000 | 18 15 10 000 |
| 3 | Nova Properties Pvt Ltd | - | - | - | 5.00 | 0 | 37 00 00 000 | 37 00 00 000 | 5 000 | 36 99 95 000 |
| 4 | Orchid Plaza Design & Developers Pvt Ltd | - | - | - | 5.00 | 0 | 8 00 00 000 | 8 00 00 000 | 5 000 | 7 99 95 000 |
| 5 | Safal Realty Pvt Ltd | - | - | 5.00 | 5.00 | 0 | 8 23 00 000 | 8 23 00 000 | 4 29 00 000 | 3 94 00 000 |
| 6 | Teracon Project Pvt.Ltd. | - | 5.00 | 5.00 | 5.00 | 0 | 60 21 00 000 | 60 21 00 000 | 1 00 00 000 | 59 21 00 000 |
| 7 | Uday H. Vora | 50.00 | 22.50 | 20.00 | 20.00 | 0 | 0 | 0 | 0 | 0 |
| | Total : | 100.00 | 100.00 | 100.00 | 100.00 | 0.00 | 1 33 99 10 000 | 1 33 99 10 000 | 7 69 10 000 | 1 26 30 00 000 |

C.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

HN SAFAL REALTECH LLP

**Schedule - `C': Loan Funds**

| Particulars | As at 31st March, 2015 | |
|---|---|---|
| | Amount (Rs.) | Amount (Rs.) |
| **Secured Loan** | | |
| Axis Bank | | 8 94 59 464 |
| [Secured against all current assets and movable fixed assets (both present and future),exclusive equitable mortgage charge of entire project,land and building of project-"Sumel 8". Further guaranteed by Partners] | | |
| | | 8 94 59 464 |

**HN SAFAL REALTECH LLP**

**Schedule - `E' : Current Assets, Loans and Advances**

| Particulars | As at 31st March, 2015 | |
|---|---|---|
| | Amount (Rs.) | Amount (Rs.) |
| **Inventories** | | |
| Closing Work in Progress | | 1 31 24 99 737 |
| **Cash and Bank Balances** | | |
| Cash on Hand | 87 929 | |
| Bank Balance | 6 08 97 424 | |
| | | 6 09 85 353 |
| **Loans and Advances** | | |
| Advances recoverable in cash or in kind or for value to be received : | 59 58 478 | |
| Deposit | 35 000 | |
| Cenvat Credit Receivable | 14 49 423 | |
| | | 74 42 901 |
| **Total :** | | 1 38 09 27 991 |

**Schedule - `F': Current Liabilities and Provisions**

| | |
|---|---|
| **Cureent Liabilities** | |
| Sundry Creditors | 2 15 085 |
| Deposit from Purchaser | 30 54 913 |
| Other Liabilities | 62 555 |
| Provision for Tax | 4 60 000 |
| **Total :** | 37 92 553 |

HN SAFAL REALTECH LLP

**Schedule - `K' : 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**

(i) 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.

(ii) 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.

**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 the legal title passes on to the buyer.

5. **Fixed Assets**

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

6. **Depreciation**

Depreciation on Fixed Assets is provided on W.D.V at method rates and in the manner specified in Income Tax Act, 1961.

7. **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 recognized 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 recognized 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.

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.

9. The LLP had acquired 100% shares of Bharat Bobbins Ltd. for Rs. 91,22,66,170 and 100% shares of Machinery Equipment & Manufacturing Pvt. Ltd. for Rs 28,38,11,960 . Subsequently both the companies went for voluntary liquidation U/S 511 of The Companies Act, 1956. On such liquidation, the LLP has received land admeasuring 44,514 Sq. Mt. The market value of the said land being Rs. 119,74,27,500 (as per valuation report) has been treated as cost of acquisition of the said land and difference between the cost of acquisition of the shares and such valuation of the land being Rs. 13,49,370 has been treated as Gain on Transfer of Shares. Subsequently the said land has been converted into stock in trade by the LLP at the same value of Rs. 1,19,74,27,500.

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:

S.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

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

| Sr. No. | Name of related party | Relationship |
|---|---|---|
| 1 | Dhiren H Vora | Partner |
| 2 | Goyal & Co. Construction Pvt. Ltd. | Partner w.e.f. 15/05/2014 |
| 3 | Safal Realty Pvt. Ltd. | Partner w.e.f. 07/08/2014 |
| 4 | Teracon Project Pvt. Ltd. | Partner w.e.f. 15/05/2014 |
| 5 | Uday H Vora | Partner |
| 6 | Nova Properties Pvt. Ltd. | Partner w.e.f. 01/03/2015 |
| 7 | Orchid Plaza Design & Developers Pvt. Ltd. | Partner w.e.f. 01/03/2015 |

(b) Transactions with related parties

[Amount in Rs]

| Description of the Nature of Transaction | Description of Relationship | Related Party | 2014-2015 |
|---|---|---|---|
| Current Capital – Funds Raised | Partner | Goyal & Co. Construction Pvt. Ltd. | 20 55 10 000 |
| | Partner | Nova Properties Pvt Ltd | 37 00 00 000 |
| | Partner | Orchid Plaza Design & Developers Pvt Ltd | 8 00 00 000 |
| | Partner | Safal Realty Pvt. Ltd. | 8 23 00 000 |
| | Partner | Teracon Project Pvt. Ltd. | 60 21 00 000 |
| Current Capital – Withdrawn | Partner | Goyal & Co. Construction Pvt. Ltd. | 2 40 00 000 |
| | Partner | Nova Properties Pvt Ltd | 5 000 |
| | Partner | Orchid Plaza Design & Developers Pvt Ltd | 5 000 |
| | Partner | Safal Realty Pvt. Ltd. | 4 29 00 000 |
| | Partner | Teracon Project Pvt. Ltd. | 1 00 00 000 |
| Fixed Capital – Funds Raised | | | |
| | Partner | Dhiren H Vora | 4 55 000 |
| | Partner | Goyal & Co. Construction Pvt. Ltd. | 40 000 |
| | Partner | Nova Properties Pvt Ltd | 5 000 |
| | Partner | Orchied Plaza Design & Developers Pvt Ltd | 5 000 |
| | Partner | Safal Realty Pvt. Ltd. | 5 000 |
| | Partner | Teracon Project Pvt. Ltd. | 5 000 |
| | Partner | Uday H Vora | 18 55 000 |
| Fixed Capital – Funds Withdrawn | Partner | Dhiren H Vora | 4 35 000 |
| | Partner | Uday H Vora | 18 35 000 |

CHARTERED ACCOUNTANTS

(c) Outstanding Balances as at March 31, 2015

[Amount in Rs.]

| Sr. No. | Particulars | Relationship | 31st March 2015 |
|---|---|---|---|
| (i) | Balance Payable<br>**Fixed Capital** | | |
| | - Dhiren H Vora | Partner | 20 000 |
| | - Goyal & Co.Construction Pvt Ltd. | Partner | 40 000 |
| | - Nova Properties Pvt Ltd | Partner | 5 000 |
| | - Orchid Plaza Design and Developers Pvt Ltd | Partner | 5 000 |
| | - Safal Realty Pvt. Ltd. | Partner | 5 000 |
| | - Teracon Project Pvt. Ltd. | Partner | 5 000 |
| | - Uday H Vora | Partner | 20 000 |
| | **Current Capital** | | |
| | - Goyal & Co.Construction Pvt Ltd. | Partner | 18 15 10 000 |
| | - Nova Properties Pvt. Ltd. | Partner | 36 99 95 000 |
| | - Orchid Plaza Design & Developers Pvt. Ltd. | Partner | 7 99 95 000 |
| | - Safal Realty Pvt. Ltd. | Partner | 3 94 00 000 |
| | - Teracon Project Pvt. Ltd. | Partner | 59 21 00 000 |

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). However, in the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.

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. Limited Liability Partnership has been formed on 12th May, 2014 and hence comparative figures of the previous year are not given.

As per our attached accounts of even date.

**FOR G. K. CHOKSI & CO.**
[Firm Registration No. 101895W]
*Chartered Accountants*

**ROHIT K. CHOKSI**
*Partner*
Mem. No. 31103

Place : Ahmedabad
Date : 22 JUN 2015

**FOR HN SAFAL REALTECH LLP**

UDAY. H. Vora

*Designated Partner*

*Designated Partner*

Place : Ahmedabad
Date : 22 JUN 2015