AHS DEVELOPERS

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Schedule	As at 31/03/2019 Rupees
Partner's Capital	1	91,07,506
Unsecured Loans	2	24,36,80,174
Total		25,27,87,680
Current Assets :		
Inventories	3	25,25,31,978
Cash & Bank Balances	4	6,78,500
		25,32,10,478
Less :		
Current Liabilities & Provisions	5	4,22,798
Net Current Assets		25,27,87,680
Total		25,27,87,680
Accounting Policies and Notes Forming Part of Account	9	

As per Our Report of Even Date Attached Herewith

For Mehul S. Shah
Chartered Accountant

Shah
Mehul

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Mehul S. Shah
Mem.No. 100092

For AHS Developers

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Partners

Place : Ahmedabad
Date : 23.09.2019

AHS DEVELOPERS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2019

Particulars	Schedule	2018-19 Rupees
Income :		
Revenue from Projects		-
Work In Progress		25,25,31,978
Other Income	10	-
		25,25,31,978
Expenses :		
Opening Stock		-
Direct Costs	6	24,92,89,500
Administrative Expenditure	7	1,57,000
Interest Expenses	8	30,85,478
Depreciation		-
		25,25,31,978
Net Profit transferred to Partner's Capital A/c		-
Accounting Policies and Notes Forming Part of Account	9	

As per Our Report of Even Date Attached Herewith

For Mehul S. Shah
Chartered Accountant

Shah Mehul

Mehul S. Shah
Mem.No. 100092

For AHS Developers

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Partners

Place : Ahmedabad
Date : 23.09.2019

AHS DEVELOPERS

SCHEDULES FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2019

SCHEDULE - 1 : PARTNER'S CAPITAL ACCOUNT

Particulars	As at 31/03/2019 Rupees
Shri Amish Gautambhai Choksi	10,11,178
Shri Ashir Gautambhai Choksi	10,11,178
Shri Asitbhai Hasmukhbhai Shah	25,30,411
Shri Chintan Jitendrabhai Shah	11,13,381
Shri Gunjan Narendrabhai Vora	10,12,164
Shri Tejas Ajitbhai Shah	14,17,030
Shri Vipulkumar Rasiklal Shah	10,12,164
	91,07,506

SCHEDULE - 2 : UNSECURED LOANS

Unsecured Loans	24,36,80,174
	24,36,80,174

SCHEDULE - 3 : INVENTORIES

Work in Progress	25,25,31,978
	25,25,31,978

SCHEDULE - 4 : CASH & BANK BALANCE

Cash on hand	-
Balance with Banks	6,78,500
	6,78,500

SCHEDULE - 5 : CURRENT LIABILITIES & PROVISIONS

Sundry Creditors for Expenses	1,12,500
Statutory Liabilities	3,10,298
	4,22,798

AHS DEVELOPERS

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	2018-19 Rupees
SCHEDULE - 6 : DIRECT COSTS	
Cost of Land	24,92,89,500
	24,92,89,500
SCHEDULE - 7 : ADMINISTRATIVE EXPENSES	
Security Charges	30,000
Office and General Expenses	2,000
Professional Fees	1,25,000
	1,57,000
SCHEDULE - 8 : INTEREST COSTS	
Interest to Partners	1,07,506
Interest on Other Loans	29,77,972
	30,85,478

AHS DEVELOPERS

SCHEDULE : 9

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNT :

Significant Accounting Policies :

1. **Basis of preparation and presentation of financial statements :**

The accounts have been prepared on Mercantile Method of Accounting under Historical Cost Convention and ongoing concern basis in accordance with the normally accepted accounting standards and using accrual method of accounting unless stated otherwise herein after

2. **Use of estimates :**

The preparation of financial statements in conformity with normally accepted accounting standards requires that the proprietor makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

3. **Fixed Assets :**

Fixed assets are stated at cost, net of tax / duty credit availed, if any, less accumulated depreciation, amortisation and impairment, if any. The cost includes the related expenses like freight, taxes and other incidental and erection expenses. Costs directly attributable to acquisition are capitalised until the assets are ready for use.

4. **Depreciation :**

The depreciation on fixed assets is provided on written down method as per the rates prescribed under the Income Tax Act, 1961.

5. **Investments :**

Investments are shown at cost.

6. **Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognized for liabilities that can be measured by using substantial degree of estimation only if the proprietor has a present obligation as a result of past event and it is probable that there will be outflow of resources to settle the obligation.

Contingent liability is disclosed in case it is not probable that an outflow of resources will be required to settle the present obligation arising from past event or the probability of outflow of resources is remote for a possible obligation.

Contingent Assets are neither disclosed nor recognized.

7. **Inventories :**

Inventories are valued at lower of cost and realisable value. Cost includes all direct and indirect cost (including borrowing costs) directly attributable to construction activity incurred during construction period.

Work in progress represents cost incurred in respect of unsold units of the project or cost incurred on project where the revenue is yet to be recognised. Work in progress is valued at lower of cost and realisable value.

Finished goods are valued at lower of cost and realisable value.

8. **Borrowing Costs :**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale. All other borrowing costs are recognized as expense in the period in which they are incurred.

9. **Revenue Recognition :**

Revenue from projects is recognised when all significant risks and rewards of ownership in the units are transferred to the buyer as per the terms of sale, which generally coincides with the firming of the sale contracts/agreements, and no significant uncertainty as to measurability or ultimate collection exists. Revenue from units is measured at the fair value of consideration received or receivable and are recognised on execution of the sale contracts/agreements

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis. Dividend income on investments is recognised as and when received.

Notes forming Part of Account :

1. This is the first year of operation of the firm.
2. The value of closing stock is taken as valued and certified by the partners of the firm.
3. Cash on hand balance is taken as certified by the partners.
4. Balances of sundry debtors, sundry creditors, loans and advances accepted and given in Balance Sheet are subject to confirmation.

For and on behalf of
MEHUL S. SHAH
Chartered Accountant

Shah Mehul

Mehul S. Shah
Mem. No. 100092

Place : Ahmedabad
Date : 23.09.2019

FOR AHS Developers,

ASHIR GAUTAMBHAI CHOKSHI

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Partners

AHS DEVELOPERS

Assessment Year : 2019-2020
Accounting Year : 2018-2019

OBSERVATIONS / COMMENTS / NOTES ATTACHED TO AND FORMING PART OF FORM NO. 3CB AND 3CD.

FORM 3CB :

Clause 5 : Observations / Qualification, if any :

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

1 The partners are responsible for the preparation of the financial statements that give a true and fair view of the state of affairs, results of operations of the assessee in accordance with the accounting principles generally accepted in 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.

In preparing the financial statements, partners is responsible for assessing the assessee's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless partners either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial process.

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

1 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2 We conducted our audit in accordance with the Standards on Auditing. We are independent of the assessee in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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

4 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."

Others

1. This is the first year of operation of the firm.

2. The value of closing stock is taken as valued and certified by the partners of the firm.

3. Cash on hand balance is taken as certified by the partners.

4. Balances of sundry debtors, sundry creditors, loans and advances accepted and given in Balance Sheet are subject to confirmation.

FORM 3CD :

1. Refer Clause 11(a) :

   No books of account are prescribed under section 44AA of the Income Tax Act, 1961. However, the assessee has maintained such books of account and documents as may enable the Assessing Officer to compute the total income of the assessee in accordance with the provisions of the Income Tax Act, 1961.

2. Refer Clause 13(f) :

   Significant Accounting Policies :

   a. Basis of preparation and presentation of financial statements :

   The accounts have been prepared on Mercantile Method of Accounting under Historical Cost Convention and ongoing concern basis in accordance with the normally accepted accounting standards and using accrual method of accounting unless stated otherwise herein after

   b. Use of estimates :

   The preparation of financial statements in conformity with normally accepted accounting standards requires that the proprietor makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

c. Fixed Assets :

Fixed assets are stated at cost, net of tax / duty credit availed, if any, less accumulated depreciation, amortisation and impairment, if any. The cost includes the related expenses like freight, taxes and other incidental and erection expenses. Costs directly attributable to acquisition are capitalised until the assets are ready for use.

d. Depreciation :

The depreciation on fixed assets is provided on written down method as per the rates prescribed under the Income Tax Act, 1961.

e. Investments :

Investments are shown at cost.

f. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognized for liabilities that can be measured by using substantial degree of estimation only if the proprietor has a present obligation as a result of past event and it is probable that there will be outflow of resources to settle the obligation.

Contingent liability is disclosed in case it is not probable that an outflow of resources will be required to settle the present obligation arising from past event or the probability of outflow of resources is remote for a possible obligation.

Contingent Assets are neither disclosed nor recognized.

g. Inventories :

Inventories are valued at lower of cost and realisable value. Cost includes all direct and indirect cost (including borrowing costs) directly attributable to construction activity incurred during construction period.

Work in progress represents cost incurred in respect of unsold units of the project or cost incurred on project where the revenue is yet to be recognised. Work in progress is valued at lower of cost and realisable value.

Finished goods are valued at lower of cost and realisable value.

h. Borrowing Costs :

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale. All other borrowing costs are recognized as expense in the period in which they are incurred.

i. **Revenue Recognition :**

Revenue from projects is recognised when all significant risks and rewards of ownership in the units are transferred to the buyer as per the terms of sale, which generally coincides with the firming of the sale contracts/agreements, and no significant uncertainty as to measurability or ultimate collection exists. Revenue from units is measured at the fair value of consideration received or receivable and are recognised on execution of the sale contracts/agreements

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis. Dividend income on investments is recognised as and when received.

3. Refer Clause 14 (a):

Based on the recommendation of the Institute of Chartered Accountants of India in its publication "Guidance Note on Tax Audit under section 44AB of the Income Tax Act, 1961 - Revised 2014 Edition at Para 23.3 Stock-in-trade is understood to mean "Raw Materials" and "Finished Goods" only.

4. Refer Clause 16:

The particulars under this clause have been given by the assessee on which we have placed reliance. The figures have been verified with the books of account and other records produced before us and particulars, if any, have been accordingly disclosed.

5. Refer Clause 21 (A) (b):

The expenditure incurred on benefits and perquisites granted to employees as per the terms and conditions of employment and as per generally accepted business practice are not considered as personal expenses.

6. Refer Clause 21 (D):

In respect of payments made from various bank accounts above Rs.20,000/- each, we are unable to make any report whether all such payments were by crossed cheques, since no full evidence by way of paid cheques could be produced by the assessee for our verification. Restriction under section 40A(3) are considered applicable to payments to outsiders only and not to employees who are easily identifiable and taxes can be deducted wherever applicable.

7. Refer Clause 21(H) :

In respect of deduction inadmissible in terms of section 14A in respect of expenditure incurred in relation to income which does not form part of the total income, the assessee contends that no expenditure has been incurred by him in relation to income which does not form part of total income under the Income Tax Act, 1961, other than that reported in the clause.

8. Refer Clause 22 :

Information about interest inadmissible under section 23 of the Micro Small and Medium Enterprises Development Act, 2006 are given on the basis of the list of suppliers covered under this section as given by the assessee on which we have placed reliance.

9. Refer Clause 23:

Particulars of expenditure in respect of which the payment has been made or is to be made to persons specified in section 40A(2)(b) of the Income Tax Act, 1961 are given on the basis of the list of persons covered under this section as given by the assessee on which we have placed reliance.

10. Refer Clause 27 (b):

This is the first year of operation of the firm hence there is no question of expenditure / income of any earlier years debited or credited to Profit & Loss Account for the year ended 31st March, 2019.

11. Refer Clause 31 :

The requirement is understood to mean it does not cover loans from banks and financial institution and trade deposits received in the normal course of business.

In respect of loan and deposit accepted and / or repaid otherwise than by an account payee cheque or bank draft, we have been represented by the assessee that all acceptances / repayments are made through account payee cheque or bank draft on which we have placed reliance since no full evidence by way of paid cheques could be produced by the assessee for our verification.

12. Refer Clause 34 :

We have verified the compliance with the provisions of Chapter XVII-B or Chapter XVII-BB regarding the deduction or collection of tax at source and regarding the payment thereof to the credit of Central Government in accordance with the auditing standards generally accepted in India which includes test checks and the concept of materiality.

13. Refer Clause 37, 38 and 39 :

Based on the recommendation of the Institute of Chartered Accountants of India in its publication "Guidance Note on Tax Audit under section 44AB of the Income Tax Act, 1961 - Revised 2014 Edition at Para 64.3, 65.3 and 66.3 with respect to the details of disqualifications on any matter/item/value/quantity as may be reported/identified by the auditor, the information are understood to be furnished only in respect of such audit report the time period of which falls within the relevant previous year. Therefore, information is furnished for the audit conducted for the previous year 2018-19 relevant to assessment year 2019-20.

14. Refer Clause 40 :

This is the first year of operation of the firm hence accounting ratios for the preceding previous year is not applicable.

Shah Mehul

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