



## INDEPENDENT AUDITOR'S REPORT

To,

The Partners of ATK Manor Developers LLP

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **ATK Manor Developers LLP** ("the LLP") which comprise of the Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2020 and a summary of the significant accounting policies and other explanatory information.

### **PARTNERES RESPONSIBILITY FOR FINANCIAL STATEMENT**

The Partners are responsible for the matters stated in the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the LLP in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

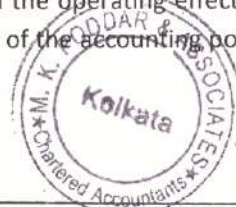
### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified issued by ICAI. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the LLP's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness





# M. K. PODDAR & ASSOCIATES

Chartered Accountants

of the accounting estimates made by the Partners, as well as evaluating the overall presentation of the consolidated financial statements.

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted:

- I. In the case of the Balance Sheet, of the state of affairs of the LLP as on 31<sup>st</sup> March, 2020.
- II. In the case of the profit & Loss Account of the surplus of the LLP as on 31<sup>st</sup> March, 2020.

## Report on Other Legal and Regulatory Requirements

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books;
- c) The Balance Sheet And Profit & Loss Account dealt with by this report is in agreement with the books of account;
- d) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report Comply with the accounting standards to the extent applicable.

Place: Kolkata

Date: 30/06/2020

UDIN-21068355AAAAAV9004



For M K PODDAR & ASSOCIATES  
Chartered Accountants  
FRN: 327104E

MADHUSUDAN KR. PODDAR  
(Partner)

Membership No.: 068355



**ATK MANOR DEVELOPERS LLP**

**Balance Sheet**

1-Apr-2019 to 31-Mar-2020

Liabilities	Amount	Amount	Assets	Amount	Amount
<b>Capital Account</b>			<b>Current Assets</b>		
Arpit Giria(50%)-Opening			Real Estate Project Work in Progress		6,179,805.00
Opening Balance	-8,686.00		Deposits (Asset)		18,100,000.00
Add: Profit/ Loss during the year	-17,212.95		Advance to Creditors		530,000.00
	<b>-25,898.95</b>				
Md. Nisar Rabbani(40%)			<b>Cash &amp; Bank Balances</b>		
Opening Balance	-6,949.00		Cash-in-Hand	367,450.00	
Add: introduced during the year	25,000.00		Bank Accounts	120,807.00	488,257.00
Add: Profit/ Loss during the year	-13,770.36				
	<b>4,280.64</b>				
Syed Abrar Imam(10%)					
Opening Balance	-1,737.00				
Add: introduced during the year	10,000.00				
Add: Profit/ Loss during the year	-3,442.59				
	<b>4,820.41</b>	-16,797.90			
<b>Loans (Liability)</b>					
Unsecured Loans		24,889,882.00			
<b>Current Liabilities</b>					
GST payable	14,526.00				
TDS payable	109,483.00				
Sundry Creditors	300,968.90	424,977.90			
<b>Total</b>		<b>25,298,062.00</b>	<b>Total</b>		<b>25,298,062.00</b>

For M K PODDAR & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)

*M K Poddar*

Madhusudan Kr. Poddar  
PARTNER

Membership No.: 068355  
Place: KOLKATA

Date: 30/06/2020

UDIN-21068355AAAAV9004



For AT K Manors Developers LLP

*Syed Abrar Imam*

SYED ABRAR IMAM  
Partner

*Arpit Giria*

ARPIT GIRIA  
Partner

**ATK MANOR DEVELOPERS LLP**  
1-Apr-2019 to 31-Mar-2020

Particulars	Amount	Amount	Particulars	Amount	Amount
<b>Real Estate Project Manufacturing Account</b>					
<b>To Opening Value of Project Work in Progress</b>		1,325,034.00	<b>Closing Value of</b>		
			Project Work in Progress		6,179,805.00
<b>To Additional Project Cost incurred during the year</b>					
<b>Statutory Fees</b>					
Fire License Fees	955,491.00				
WBHIDCO Fees	501,517.00	1,457,008.00			
<b>Professional Fee</b>					
Architech Fee	344,722.00				
Structural Consultancy Fees	305,359.00				
3D Designing Charges	472,000.00	1,122,081.00			
<b>Finance cost</b>					
Interest on Loan		1,872,293.00			
<b>Site Expenses</b>					
Security Charges	320,229.00				
Salary Expenses	69,000.00	389,229.00			
<b>Other Project Expenses</b>					
Water Test Charges		14,160.00			
To Gross Profit					
<b>Total</b>		<b>6,179,805.00</b>	<b>Total</b>		<b>6,179,805.00</b>
<b>Profit &amp; Loss A/c</b>					
<b>To Indirect Expenses</b>			<b>By Net Loss</b>		
ROC Filling	29,450.00		Arpit Giria (50%)	17,212.95	
Audit Fees	2,500.00		Md. Nisar Rabbani (40%)	13,770.36	
GST late Payment	320.00		Syed Abrar Imam (10%)	3,442.59	34,425.90
Trade License	2,155.90	34,425.90			
<b>Total</b>		<b>34,425.90</b>	<b>Total</b>		<b>34,425.90</b>

For M K PODDAR & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)

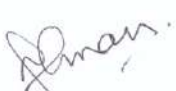
  
Madhusudan Kr. Poddar  
PARTNER

Membership No.: 068355  
Place: KOLKATA  
Date: 30/06/2020

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For AT K Manors Developers LLP

  
SYED ABRAR IMAM  
Partner

  
ARPIT GIRIA  
Partner



## **SIGNIFICANT ACCOUNTING POLICY**

### **Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India.

### **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 recognized in the period in which the results are materialized.

### **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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **Inventories**

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognized as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realizable value.
- ii. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Real estate work-in-progress is valued at lower of cost and net realizable value.
- iii. Building materials purchased, not identified with any specific project are valued at lower of cost and net realizable value. Cost is determined based on a weighted average basis.
- iv. Land inventory: Valued at lower of cost and net realizable value. Land inventory which is under development or held for development/ sale in near future is classified as current asset. Land which held for undetermined use or for future development is classified as noncurrent asset.





## **Revenue Recognition**

### **i. Recognition of revenue from contractual projects**

If the outcome of contractual contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity at year end (the percentage of completion method). The stage of completion on a project is measured on the basis of completion of a physical proportion of the contract work/ based upon the contracts/ agreements entered into by the Firm with its customers.

### **ii. Recognition of revenue from real estate projects**

Revenue from real estate projects including revenue from sale of undivided share of land [group housing] is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Firm still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

- (a) All critical approvals necessary for the commencement of the project have been obtained;
- (b) The expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
- (c) At least 25% of the saleable project area is secured by contracts/agreements with buyers; and
- (d) At least 10% of the contracts/agreements value is realized at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied project revenue (including from sale of undivided share of land) and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Where the Firm still has obligations to perform substantial acts even after the transfer of

### **iii. Recognition of revenue from sale of land and development rights**

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

### **iv. Other Revenue**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.



**Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 Profit and Loss account.

**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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Currently the company is not liable to pay any Post employment and other long term employee benefits.

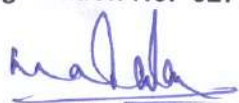
NOTES TO ACCOUNTS

1. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.
2. Loans and Advances are considered good in respect of which firm does not hold any security other than the personal guarantee of persons.
3. Previous year figures have been regrouped or rearranged whenever necessary.

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For M K PODDAR & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)

For A T K Manor Developers LLP

  
Madhusudan Kr. Poddar  
PARTNER  
Membership No.: 068355  
Place: Kolkata  
Date: 30/06/2020  
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