

MAHAKOSH PROPERTY DEVELOPERS



AUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2016-17

RRHL Realty Limited

[Signature]
Authorised Signatory

M/S MAHAKOSH PROPERTY DEVELOPERS

BALANCE SHEET AS ON 31ST MARCH 2017

LIABILITIES	Sch. No.	AMOUNT	ASSETS	Sch. No.	AMOUNT
PARTNER'S FIXED CAPITAL ACCOUNT	A	2,490,000	FIXED ASSETS	E	4,795,909
PARTNER'S CURRENT ACCOUNT	A	206,773,415	CURRENT ASSETS, LOANS & ADVANCES		
CURRENT LIABILITIES & PROVISIONS:			A) CURRENT ASSETS		
A) CURRENT LIABILITIES:			INVENTORY : (AT COST)		
(i) Sundry Creditors		29,314,738	Project Site At Tangra - Commercial WIP		346,748,472
(ii) Advance From Customers		93,587,395	Land - at 5 Paymental Garden Lane, Kolkata (As valued & certified by the managing partners)		21,761,329
(iii) Statutory Liabilities	B	2,910,236	Cash and Bank Balance	F	637,192
(iv) Other Current Liabilities	C	4,177,075			
(v) Current Account with Ruchi Realty Holdings Limited [Developer]		118,407,496	B) LOANS & ADVANCES		
B) PROVISIONS:			(Advance recoverable in cash or in kind or for value to be received)		
For Taxation	D	22,000,000	Loans & Advances	G	94,487,172
			Sundry Deposits	H	11,230,280
TOTAL		479,660,354	TOTAL		479,660,354

Notes : Significant Accounting Policies & Notes on accounts forming part of financial statements are enclosed

Examined and Found in accordance with books of accounts.

For: P. D. Nagar & Co.
Chartered Accountants

Oliver Seena
MB

Sure M. Shukla
SB

Oliver Seena



P. D. Nagar

(P. D. Nagar)
Proprietor

M.No.8627 / FRN 001231C

Date: 29/05/2017
Place: Indore

Partner

Partner

RRHL Realty Limited

[Signature]
Authorised Signatory

M/S MAHAKOSH PROPERTY DEVELOPERS

CONSTRUCTION WORK IN PROGRESS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2017

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Opening Inventory		Closing Inventory	
Tangra Site - 'Commercial'-		Tangra Site - 'Commercial'-	
(i) Proportionate Land at Tangara	31,522,854	(i) Proportionate Land at Tangara	31,522,854
(ii) Work in Progress	252,274,187	(ii) Work in Progress	298,290,108
(iii) Stock In Hand - Stores	16,229,698	(iii) Stock In Hand - Stores	16,935,511
	300,026,739		346,748,472
Direct Expenses Related to Commercial Project at Tangra Site			
To Construction Material	13,819,308		
To Payment to Contractors	29,862,608		
To Architect & Consultants Fees	20,100		
To Admin Expenses:			
Security Service Charges	2,155,634		
Marketing & Selling Expenses	861,713		
Interest on Service Tax	2,370		
	3,019,717		
SUB TOTAL	346,748,472	SUB TOTAL	346,748,472

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2017

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Partner's Remuneration	3,300,000	Sales Consideration	
Interest to Partner	23,364,119	33% Share of gross receipts of Residential units from Developer at Tangra Site	128,319,050
Interest on Secured Loan from HDFC Ltd.	6,211,153		
Interest to Others	22,496,605	Other Income (Sch. 'I')	802,744
Legal & Professional Expenses	103,156		
Salary, Bonus & Allowance	6,714,728		
Travelling & Conveyance & Hotel Expenses	908,381		
Audit Fees	46,000		
Bank Charges	356,538		
Insurance Expenses	201,436		
Medical Exps.	52,263		
Rates & Taxes	2,500		
Printing & Stationery Exps.	163,345		
Repairs and Maintenance	1,149,421		
Vehicle Maintenance Exps.	7,000		
Misc. Expenses	29,954		
Bad Debts written off	3,650,483		
Depreciation	632,043		
Sundry Advances written off	200,000		
Interest on Delay Payment of Income Tax	1,464,331		
Interest on TDS	32,290		
Provision for Income Tax	22,000,000		
Net Profit	36,036,048		
	129,121,794		129,121,794

Notes : Significant Accounting Policies & Notes on accounts forming part of financial statements are enclosed

Examined and Found in accordance with books of accounts.

For: P. D. Nagar & Co.
Chartered Accountants

Recin Seema
MB

Sure, M. Shoke
SB



P. D. Nagar
(P. D. Nagar)
Proprietor

Date: 29/05/2017
Place: Indore

Partner

Partner

M.No.8627 / FRN 001231C

RRHL Realty Limited

[Signature]
Authorized Signatory

M/S. MAHAKOSH PROPERTY DEVELOPERS

Schedule Forming Part of Audited Balance Sheet As on 31/03/2017

Schedule "A"

Partner's Fixed Capital A/c as on 31/03/2017

Name of the Partner	Profit Sharing Ratio	Balance as on 01/04/2016	Balance as on 31/03/2017
M/s Anik Industries Ltd.	21%	100,000	100,000
M/s Osprey Traders & Agencies P. Ltd.	15%	50,000	50,000
Shri Sureshchand Shahra (HUF)	21%	1,050,000	1,050,000
Smt. Mriduladevi Shahra	11%	1,050,000	1,050,000
Shri Nitesh Shahra	11%	100,000	100,000
Shri Manish Shahra	21%	140,000	140,000
Total		2,490,000	2,490,000

Partner's Current A/c as on 31/03/2017

Name of the Partner	Balance as on 01/04/16	Deposits during the year	Interest Credited	Withdrawals during the year	Share in Net Profit	Balance as on 31/03/2017
M/s Anik Industries Ltd.	80,762,387	7,000,000	9,732,911	-	7,567,570	105,062,868
Osprey Trades & Agencies Pvt Ltd.	(33,723,331)	-	-	-	5,405,407	(28,317,924)
Shri Sureshchand Shahra (HUF)	54,393,629	4,500,000	6,706,989	1,125,000	7,567,570	72,043,188
Smt. Mriduladevi Shahra	12,193,951	1,500,000	1,489,267	17,672,250	3,963,965	1,474,933
Shri Nitesh Shahra	32,701,021	-	3,871,931	625,000	3,963,965	39,911,917
Shri Manish Shahra	14,766,593	4,000,000	1,563,021	11,298,750	7,567,570	16,598,434
Total	161,094,248	17,000,000	23,364,119	30,721,000	36,036,048	206,773,415

Manish Shahra
MR

Smt. Mriduladevi Shahra
S.P.



RRHL Realty Limited

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Authorized Signatory

M/S. MAHAKOSH PROPERTY DEVELOPERS		
Schedule "B"		
Statutory Liabilities as on 31/03/2017		
Particulars	Amount	
(i) TDS Payable:		
On Contractor Payments	94,941	
On Salary	427,900	
On Interest	2,249,660	
On Professional Fees	4,000	
On Rent of Plant, Machinery & Equipments	784	
(ii) Professional Tax Payable	550	
(iii) Works Contract Tax	132,401	
Total	2,910,236	
Schedule "C"		
Other Current Liabilities as on 31/03/2017		
Particulars	Amount	
Salary Payable	3,971,465	
Electricity Expenses Payable	205,610	
Total	4,177,075	
Schedule "D"		
Provisions as on 31/03/2017		
Particulars	Amount	Amount
Provision for Income Tax	22,000,000	
Less: Advance Tax Paid Per Contra	-	22,000,000
Total		22,000,000

Devin Savana
MB

Surender
C.S.P.



RRHL Realty Limited
[Signature]
Authorised Signatory

M/S. MAHAKOSH PROPERTY DEVELOPERS

Schedule "E"

Fixed Assets forming part of Balance Sheet as on 31/03/2017

Particulars	Rate of Depn.	Op. Balance on 01/04/2016	Additions		Balance as on 31.03.2017	Depreciation	Net Balance as on 31/03/2017
			Before Sept.	After Sept.			
Vehicles							
Car	15%	309,901	-	-	309,901	46,485	263,416
Cycle	15%	728	-	-	728	109	619
Computer	60%	801	-	-	801	481	320
Electrical Instruments	15%	471,617	-	-	471,617	70,743	400,874
Furniture & Fixtures	10%	3,650,212	-	-	3,650,212	365,021	3,285,191
Office Equipments							
Air Conditioner	15%	248,930	-	-	248,930	37,340	211,591
Aquagaurd	15%	10,236	-	-	10,236	1,535	8,700
Office Equipment	15%	3,803	-	-	3,803	570	3,232
Theodilite & Auto Level Insutrumnt	15%	8,650	-	-	8,650	1,297	7,352
Fire Extinguisher	15%	512	-	-	512	77	435
Generator	15%	14,740	-	-	14,740	2,211	12,529
Mobile	15%	19,787	-	-	19,787	2,968	16,819
Refrigerator	15%	127,133	-	-	127,133	19,070	108,063
Digital Camera	15%	4,071	-	-	4,071	611	3,461
LCD	15%	48,967	-	-	48,967	7,345	41,622
Micro wave Oven	15%	1,574	-	-	1,574	236	1,338
Weighbridge	15%	506,289	-	-	506,289	75,943	430,346
Total		5,427,952	-	-	5,427,952	632,043	4,795,909

Manoj Kumar
MB

Sunil Kumar
SB



RRHL Realty Limited
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Authorised Signatory

M/S. MAHAKOSH PROPERTY DEVELOPERS	
Schedule "F"	
Cash & Bank Balances as on 31/03/2017	
Particulars	Amount
Cash in Hand	200,723
State Bank Of Travancore	78,360
IDBI BANK LTD. 2615 INDORE	259,564
CENTRAL BANK OF INDIA, INDORE	11,000
AXIS BANK LTD-A/C No.913020027518992	87,544
Total	637,192
Schedule "G"	
Loan & Advances as on 31/03/2017	
Particulars	Amount
Anik Ferrow Alloys Pvt.Ltd.	80,880,000
Arav Housing Pvt.Ltd.	4,750,000
Santuary Housing Private Limited	1,380,199
Advance Tax for Regular Assessment (A.Y 2014-15)	573,917
Advances to Employee against Salary	34,500
Advances to Employee against Expenses	4,000
Service Tax Credit Available	2,861,615
Krishi Kalyan Cess	54,178
Prepaid Expenses	12,763
Total	94,487,172
Schedule "H"	
Sundry Deposits as on 31/03/2017	
Particulars	Amount
FDR with Bank of Maharashtra Against BG	6,000,000
Interest Receivable on FDR	2,538,702
Interest Receivable on Deposits with CESC Ltd.	66,283
Security Deposits	2,362,602
Tax Deducted at Source (AY 2011-12)	30,595
Tax Deducted at Source (AY 2017-18)	232,097
Total	11,230,280
Schedule "I"	
Other Misc. Income -	
Particulars	Amount
Rent Received form CESC	58,080
Interest Received on FDR	678,381
Interest Received on Deposits	66,283
Total	802,744

Cecilia Cecilia
MB

S. M. Shobha
FCB



RRHL Realty Limited
[Signature]
Authorised Signatory

M/S. MAHAKOSH PROPERTY DEVELOPERS, INDORE
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR
ENDED ON 31.03.2017.

A) SIGNIFICANT ACCOUNTING POLICIES:

1. The accounts are prepared under the historical cost basis.
2. Mercantile system of accounting has been consistently followed by the firm.
3. a) Fixed assets are valued at cost including cost of acquisition.
b) Depreciation has been provided at the rates prescribed under the Income Tax rules.

B) NOTES ON ACCOUNTS

1. The Firm was constituted on 01.05.2004 to carry on real estate business. It had purchased a property located at 54/10, D.C. Dey Road, Kolkata, popularly known as Tangra Site, Kolkata from Tyre Corporation of India Ltd. consisting of land, factory building, plant & machinery & fittings etc. Plant & Machinery including factory building and other fixtures attached to plot of land were dismantled & sale consideration thereof was reduced from the cost of asset purchased.
2. The firm, thereafter, had entered into an agreement with M/s. Ruchi Reality Holdings Limited on 31.03.2008 for development of aforesaid property in accordance with the sanctioned map. As per the site plan entire land was de-marketed for two different projects i.e. a) Residential Tower and b) Commercial Tower. The construction of all residential towers was covered in development agreement with "Ruchi" whereas right to construct commercial tower was retained by the firm. Therefore, proportionate cost of land allocated for "Commercial tower" valued at Rs.3,15,22,854/- was excluded while arriving at the surplus on residential Towers.
3. The significant accounting aspects of the agreement executed with M/s. Ruchi Reality Holdings Limited (hereinafter referred to as "Ruchi" are:
 - i) Entire cost of construction & development expenses excluding fees payable to statutory bodies (Municipal Corporation) be borne by "Ruchi" - the "Developer".
 - ii) Architect fees and other direct and indirect expenditure including depreciation, interest on term loan to be borne by the firm "Mahakosh Property Developers".
 - iii) The responsibility of construction, risk of development subsequent to the execution of agreement, the power to sell the developed units of the property to be vested in "Ruchi" i.e. the Developer.
 - iv) M/s. "Ruchi" (developer) shall have absolute rights to market and sell the apartments so constructed as a principal and not as an agent. "Mahakosh" need not be a confirming party to the agreement with flat owners i.e. prospective buyers. The contracts and/are agreement will be entered into between prospective buyers and "Ruchi" pursuant to the development agreement as the principal. The firm "Mahakosh" would have no obligation, whatsoever, save and except signing and executing sale deeds / documents.

Arjun Sharma
AMB

Surendra Singh
SR
Ruchi Reality Limited
Shree
Chartered Accountant



4. On execution of the joint venture agreement with "Ruchi", the status of "Mahakosh" became a passive participant in the joint venture with an right to receive an amount equal to 33% of the gross sale proceeds collected by "Ruchi" from prospective buyers against its costs incurred till the date of the agreement.
5. As the agreement with the flat owners are being entered into by "Ruchi" in its capacity as principal and not agent, passing of substantial risk and reward in favor of the flat owners is absolute responsibility of "Ruchi" Therefore, 33% of the gross sale proceeds was appropriated towards cost and the surplus over and above the cost is being considered as income of "Mahakosh".
6. By the end of the financial year 2013-14 construction of four "Residential Towers" out of six was over in all respect. The firm did not follow percentage completion method since 31.03.2008 and proportionate cost of land and other administrative & finance cost have already been recovered in full till Financial year 2012-13 hence thereafter entire receipts from the developer (33% share) have been considered as revenue receipts to arrive at the "Surplus" or net profit from residential project.
7. Remaining site located at "Tangra" was allocated for "Commercial tower" valued at Rs.3,15,22,854/- has been treated as stock in trade. Such proportionate cost of land therefore does not form part of profit and loss account. The firm had commenced construction of commercial Tower and also received advances against booking of offices in Commercial Tower based on agreements being executed with prospective buyers. As the construction of such offices are continued, therefore, the firm decided to recognize the revenue by following percentage completion method. The significant risks and rewards of ownership of Commercial Space can be considered to have transferred only on execution of registered sale deeds with the buyers and during the year, registered sale deeds in favour of any buyer have not been executed hence revenue is not being recognized for the year ended on 31.03.2017 in relation to Commercial Tower Project. Expenditure incurred which are directly related to construction of Commercial project have been capitalized and considered as cost of "work in progress".
8. While providing liability towards income tax for the year, interest payable u/s 234B of the Act has not been considered in full as it will depend upon the date of payment u/s 140A of the Act therefore, its determination is not possible at this stage.

MB
SUNIL SHARMA
SR

Place: Indore

Date: 29.05.2017

RRHL Realty Limited

[Signature]
Authorised Signatory

For: P.D.Nagar & Co.
Chartered Accountants

[Signature]
(P.D. Nagar)

Proprietor

M. No.: 8627

FRN: 001231C