



## Independent Auditor's Report

To the Members of **Agrani Homes Private Limited**  
**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Agrani Homes Private Limited**, which comprise the balance sheet as at 31<sup>st</sup> March 2015, the statement of profit and loss for the period starting from 01<sup>st</sup> April 2014 and ending on 31<sup>st</sup> March 2015 and the cash flow statement for the year then ended,, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

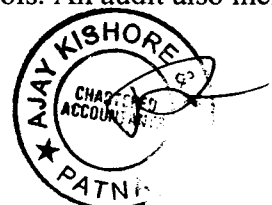
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements based on our 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 issued by Institute of Chartered Accountants of India. 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 Company'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 Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes

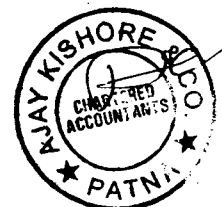


evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

- (a) Quantitative details in respect of purchases and consumption of stock of materials has not been disclosed in the accounts. The accounts, therefore, are not drawn in conformity with Schedule III to the Companies Act, 2013 to that extent.
- (b) Detailed workings for determining the value of work-in-progress, basis of transfer from work in progress by debiting to direct project expenditure in the Profit and Loss Account and evidence of physical verification not produced before us. As a result, we are unable to report whether the same are in conformity with stated accounting policies of the company or not.
- (c) Company has entered into Development Agreement for construction of residential flats in various projects on conversion basis with landlords and have received advance Rs 1,16,85,36,590.00 from customers against booking of flats even though the MAP for construction of projects has not been approved by the prescribed authority concerned State Government.
- (d) The Company has taken as advance against flat for projects namely Royal City- Shivala Patna, Block K to S of IOB Nagar- Sarari Danapur Patna, Kalwati Regancy- RPS Engineering Collage Danapur Patna, Impose Enclave- Mustafapur Khagaul Patna, Sunrised City- RK Puram Saguna More Patna, Suraj Suman Residency- Patliputra Station Patna, Laxmi - Ramkrishna Nagar Patna, Urmila- Ramkrishna Nagar Patna and Sampatchak projects - Sampatchak Patna but is is explained to us that approval of PMC / concerned authorities and for projects at Varansi, Uttar Pradesh are under process.
- (e) Expenses debited to Salary & Wages Account and Provident Fund Contribution could be verified with the evidence of payments. Returns, if any, filed with the Provident Fund Deptt and statutory books/registers required to be maintained in this regard, could not be provided to us. Hence, the liability of the company towards provident fund, employee's state insurance and bonus of workers employed through sub-contractors could not be ascertained or quantified.
- (f) Liability towards retirement benefits has neither been ascertained nor provided for in the accounts. The accounts are, therefore, not drawn in accordance with Accounting Standard 15 (AS 15) issued by the Institute of Chartered Accountants of India. The resultant effect on profit could not be ascertained



## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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 in India, of the state of affairs of the Company as at 31 March 2015 and its profit for the period starting from 01<sup>st</sup> April 2014 and ending on 31<sup>st</sup> March 2015

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (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.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet and the statement of profit dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Advance to Suppliers for Rs. 18,06,701, advance to Employees for Rs. 76,88,106.00 and advance against work executed for Rs. 27,75,000.00 are subject to confirmation.
    - ii. Sundry Creditors (Rs.1,05,69,217.93, Security Deposits for Rs.1,42,566.00 and Unsecured loans for Rs.10,00,000.00 are subject to confirmation.



- iii. Documents relating to payment of Agrani Developers for expenses incurred for Stamp of Rs.44,89,149.00 which is coming from earlier years with no changes in their balances appearing in the balance sheet of the company not produced are subject to confirmation
- iv. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
- v. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, **AJAY KISHORE & Co.**  
**CHARTERED ACCOUNTANTS**  
Firm's Reg. No. : 005899C



*(Handwritten Signature)*  
**AJAY KISHORE JHA**

**Partner**

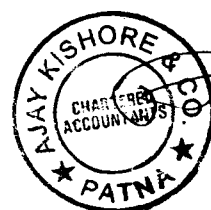
**M. No. : 055086**

**Place: Patna**  
**Date : 10.09.2015**

## Annexure to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification adopted by the company, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) (a) We have been explained that physical verification in respect of inventory has been conducted by the management at reasonable intervals but no records have been shown to us.  
  
(b) The company is not maintaining proper records of inventory.
- (iii) (a) The Company has granted loans to companies namely as Agrani Homes Real Marketing Private limited for Rs. 58,20,000.00 and Agrani Homes Real Services Private limited for Rs. 10,00,000.00, which was not covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of goods and services. During the course of our audit, it is found that inventory and WIP register has not been maintained hence it is suggested a major weakness in the internal control system of the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the records of the company, Service tax amount amount as on 31.03.2015 for Rs. 1,85,51,189.00 from advance received against sale of Flat out of which for Rs. 1,35,64,189.00 has not been paid. Further the Company has not deposited the liability of Income Tax deduction at source for Rs. 44,02,957.23.  
  
(b) According to the records of the company, Company has enrolled with ESIC from December 2013 and EPF is applicable from June 2012, in absence of statement of PF & ESIC deduction and contribution, we are unable to comment on the actual provision of PF & ESIC liabilities..
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.



- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not raised any new term loans during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For, AJAY KISHORE & Co.**  
**CHARTERED ACCOUNTANTS**  
Firm's Reg. No. : 005899C



**AJAY KISHORE JHA**

**Partner**

**M. No. : 055086**

**Place: Patna**  
**Date :10.09.2015**

**AGRANI HOMES PRIVATE LIMITED**  
REGD. OFF.: C/O ALOK KUMAR HOUSE NO:- 15, WARD NO:- 1FA  
PATLIPUTRA COLONY, PATNA - 800013

**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No	Figures as at 31-03-2015	Figures as at 31-03-2014
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	1	200000.00	200000.00
(b) Reserves and Surplus	2	8773301.32	287360.75
<b>2 Liabilities :</b>			
(a) <b>Current Liabilities</b>	3	1207607756.86	778632913.67
(b) <b>Non-Current Liabilities</b>	4	1000000.00	1000000.00
(c) Deferred Tax Liability		0.00	63068.00
<b>Total</b>		<b><u>1217581058.18</u></b>	<b><u>780183342.42</u></b>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets - Tangible Assets	5 A	11830604.00	2124520.00
(b) Fixed assets - Intangible Assets	5 B	816842.00	751817.00
(c) Other Non Current assets	6	0.00	40000.00
(d) Deferred Tax Assets		38929.00	0.00
<b>2 Current assets</b>			
(a) Development Expenditure	7	1164491502.40	741081424.06
(b) Trade receivables	8	0.00	8982618.00
(c) Cash and cash equivalents	9	15325724.78	7157888.75
(d) Short-term loans and advances	10	25077456.00	20045074.61
<b>Total</b>		<b><u>1217581058.18</u></b>	<b><u>780183342.42</u></b>

Significant Accounting Policies & Notes to the financial statements from Note no. 1 to 17 form an Integral part of this Balance Sheet

As per our report of even date attached

**For AJAY KISHORE & CO.**  
**Chartered Accountants**

*Alok Kumar*

**DIRECTOR**

*P. Jha*

**DIRECTOR**



*Ajay Kishore Jha*  
**CA Ajay Kishore Jha**  
**PARTNER**  
**Mem. : 055086**

Place : Patna  
Date : 10.09.2015

**AGRANI HOMES PRIVATE LIMITED**  
REGD. OFF.: C/O ALOK KUMAR HOUSE NO:- 15, WARD NO:- 1FA  
PATLIPUTRA COLONY, PATNA – 800013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No	Figures as at the end of current Year	Figures as at the end of previous Year
1 Revenue from operations	11	33,50,03,984.00	4,58,76,478.00
2 Other Income	12	0.00	0.00
<b>3 Total Revenue</b>		<b><u>33,50,03,984.00</u></b>	<b><u>4,58,76,478.00</u></b>
<b>4 Expenses:</b>			
Purchase Cost	13	26,30,45,698.00	3,61,67,915.00
Employee benefit expense	14	4,87,97,716.00	66,51,488.00
Financial costs	15	2,59,354.97	1,07,656.18
Other expenses	16	64,79,179.46	9,24,709.00
Depreciation	5	28,78,388.00	5,79,297.00
<b>Total Expenses</b>		<b><u>32,14,60,336.43</u></b>	<b><u>4,44,31,065.18</u></b>
5 Profit before tax		1,35,43,647.57	14,45,412.82
9 Tax expense:			
(a) Current Income tax		51,80,374.00	4,88,740.00
(b) Income tax Earlier Year		-20,670.00	0.00
(c) Deferred tax Assets		-1,01,997.00	63,068.00
7 Profit/(Loss) for the period		<b><u>84,85,940.57</u></b>	<b><u>8,93,604.82</u></b>
8 Earning per equity share:			
(a) Basic			
(b) Diluted			

As per our report of even date attached

For **AJAY KISHORE & CO.**  
Chartered Accountants

*Alok Kumar*  
DIRECTOR

*P.K.*  
DIRECTOR



*Ajay Kishore Jha*  
CA Ajay Kishore Jha  
PARTNER  
Mem. : 055086

Place : Patna  
Date : 10.09.2015

**AGRANI HOMES PRIVATE LIMITED****Notes forming part of the financial statements**

PARTICULARS	Figures as at 31-03-2015	Figures as at 31-03-2014
<b>NOTE NO. - 1 - SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000 Equity Share of Rs. 100/- each	<u>1000000.00</u>	<u>1000000.00</u>
<b>Issued, Subscribed &amp; Paid up</b>		
2,000 Equity Share of Rs. 100/- Each	<u>200000.00</u>	<u>200000.00</u>
<b>Total</b>	<u>200000.00</u>	<u>200000.00</u>
<b>Shareholders holding more than 5 percent shares</b>		
<b>Name</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>% No. of Shares</b>	<b>% No. of Shares</b>
Sri Alok Kumar	90 1800	90 1800
Sri Padum Singh	10 200	10 200
<b>NOTE NO. - 2 - RESERVE AND SURPLUS</b>		
<b>Surplus</b>		
Opening Balance	287360.75	-606244.07
Add: Profit/ (Loss) for the Year	<u>8485940.57</u>	<u>893604.82</u>
<b>TOTAL</b>	<u>8773301.32</u>	<u>287360.75</u>
<b>NOTE NO. - 3 - CURRENT LIABILITIES</b>		
<b>Trade Payables (Acceptance)</b>		
Liabilities for Supplies	10569217.93	14207282.44
Liabilities for Expenses	34200.00	117108.00
Advance against Flat	1168536590.00	751595251.00
Security Deposits	142566.70	0.00
<b>Other Current Liabilities</b>		
Service tax Payable	18551189.00	6990119.00
TDS Payable	4402957.23	4931650.23
EPF Payable	71175.00	92426.00
ESI Payable	119487.00	210337.00
<b>Short term Provision</b>		
Provision for Income tax	5180374.00	488740.00
<b>TOTAL</b>	<u>1207607756.86</u>	<u>778632913.67</u>
<b>NOTE NO. - 4 - NON-CURRENT LIABILITIES</b>		
<b>Long-term Borrowings</b>		
Unsecured Loan	<u>1000000.00</u>	<u>1000000.00</u>
<b>TOTAL</b>	<u>1000000.00</u>	<u>1000000.00</u>
<b>NOTE NO. - 6 - OTHER NON CURRENT ASSETS</b>		
Misc Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses	<u>0.00</u>	<u>40000.00</u>
<b>TOTAL</b>	<u>0.00</u>	<u>40000.00</u>



*Alok Kumar*

**AGRANI HOMES PRIVATE LIMITED****Notes forming part of the financial statements**

<b>PARTICULARS</b>	<b>Figures as at 31-03-2015</b>	<b>Figures as at 31-03-2014</b>
<b>NOTE NO. - 7 - INVENTORIES</b>		
Opening Stock of Development Expenditure (WIP)	741081424.06	329081635.67
Purchase of Materials	164117135.59	194466097.39
Labour, Development and Site Expenses	66107341.00	130894064.00
Office Rent	3878970.00	1999696.00
Salary, Wages & Benefits	0.00	24514291.00
Advertisement Expenses	21742477.00	10495790.00
Legal & Consultancy Charges	7879875.00	5011056.00
Printing - Brouchers	1605811.00	475979.00
Rent- Plant & Machinery	1575000.00	2260000.00
Incentives and Brokerage	8967159.00	0.00
Business Promotion	0.00	2585297.00
Interest on Service Tax	0.00	584612.00
Security Charge	444033.00	430866.00
Land development / acquisition Expenses	407929242.00	73332393.00
Telephone, Mobile and Internet Expenses	2208732.75	1117562.00
	<b>1427537200.40</b>	<b>777249339.06</b>
Less : Cost of Flat sold	263045698.00	36167915.00
<b>TOTAL</b>	<b>1164491502.40</b>	<b>741081424.06</b>
<b>NOTE NO. - 8 - TRADE RECEIVABLES</b>		
(Secured, Unsecured Considered good & doubtful)		
Debts more than 6 months	0.00	0.00
Other Debts	0.00	8982618.00
<b>TOTAL</b>	<b>0.00</b>	<b>8982618.00</b>
<b>NOTE NO. - 9 - CASH AND CASH EQUIVALENTS</b>		
<u>Balance with Banks</u>		
- In Current A/C	15153825.78	7043757.75
Cash in Hand	171899.00	114131.00
<b>TOTAL</b>	<b>15325724.78</b>	<b>7157888.75</b>
<b>NOTE NO. - 10 - SHORT TERM LOAN AND ADVANCES</b>		
Advance to Suppliers	1806701.00	11418446.61
Security Deposit against Rent	1498500.00	944500.00
Agrani Developers (Expenses incurred for Stamp)	4489149.00	4489149.00
Advance to Sister Concern Company	6820000.00	0.00
Advance against Work Executed	2775000.00	0.00
Advance to Employees	7688106.00	935000.00
Advance for Flat Purchased	0.00	270000.00
Office Renovation Expenses (Under Progress)	0.00	1987979.00
(Deferred Revenue Expenses)		
<b>TOTAL</b>	<b>25077456.00</b>	<b>20045074.61</b>



*Alok Kumar*

**AGRANI HOMES PRIVATE LIMITED****Notes forming part of the financial statements**

PARTICULARS	Figures as at 31-03-2015	Figures as at 31-03-2014
<b>NOTE NO. - 11- Revenue from operations</b>		
Sale of Flats	335003984.00	45876478.00
<b>Total</b>	<b><u>335003984.00</u></b>	<b><u>45876478.00</u></b>
<b>NOTE NO. - 12 - Other Income</b>		
Miscellaneous Expenses	0.00	0.00
<b>TOTAL</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>
<b>NOTE NO. - 13A - Consumption Cost</b>		
Cost of Flats	263045698.00	36167915.00
<b>TOTAL</b>	<b><u>263045698.00</u></b>	<b><u>36167915.00</u></b>
<b>NOTE NO. - 14 - Employee benefit expense</b>		
Salary, Bonus and Other Benefits	40867972.00	2615366.00
Director's Remuneration	7500000.00	3900000.00
Staff Welfare	429744.00	136122.00
<b>TOTAL</b>	<b><u>48797716.00</u></b>	<b><u>6651488.00</u></b>
<b>NOTE NO. - 15 - Financial cost</b>		
Bank Charges	259354.97	107656.18
<b>TOTAL</b>	<b><u>259354.97</u></b>	<b><u>107656.18</u></b>
<b>NOTE NO. - 16 - Other expenses</b>		
Travelling & Conveyance	249380.00	237285.00
Office Maintenance	757191.00	74823.00
Audit Fee	34200.00	33708.00
Electrical Expenses	177546.00	135303.00
Miscellaneous Expenses	156573.46	91160.00
Repairs & Maintenance	553414.00	156204.00
Printing & Stationery	102351.00	68593.00
Postage, Stamp & Legal Expenses	222570.00	117633.00
Generator Running & Maintenance	49173.00	0.00
Hotel and Boarding Expenses	3412281.00	0.00
Interest on delayed Payment of TDS	267843.00	0.00
TDS Fine (Penalty)	420800.00	0.00
Vehicle Running & Maintenance	35857.00	0.00
Preliminary Expenses W/off	40000.00	10000.00
<b>TOTAL</b>	<b><u>6479179.46</u></b>	<b><u>924709.00</u></b>



*Alok Kumar*

## AGRANI HOMES PRIVATE LIMITED

### NOTE NO. - '5' OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS ON 31.03.2015

#### NOTE NO. - '5' A- Tangible Assets

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	as on 01.04.2014	Addition	TOTAL	Upto 01.04.2014	During the year	TOTAL	WDV as on 31.03.2015	WDV as on 31.03.2014
Furniture & Fixtures	501385.00	4282337.00	4783722.00	159141.00	241885.00	401026.00	4382696.00	342244.00
Air Conditioners	528890.00	1148500.00	1677390.00	131078.00	202770.00	333848.00	1343542.00	397812.00
Computer & Accessories	852349.00	590700.00	1443049.00	178896.00	588863.00	767759.00	675290.00	673453.00
Computer Printer	19850.00	41050.00	60900.00	9480.00	23678.00	33158.00	27742.00	10370.00
Telephone & Mobile Accessories	121490.00	191690.00	313180.00	30010.00	79207.00	109217.00	203963.00	91480.00
Inverter	29930.00	151700.00	181630.00	1551.00	23959.00	25510.00	156120.00	28379.00
Vibrator Machine	42680.00	0.00	42680.00	13139.00	5587.00	18726.00	23954.00	29541.00
Photo Copier	40000.00	220500.00	260500.00	12422.00	62492.00	74914.00	185586.00	27578.00
CCTV Camera	50966.00	70550.00	121516.00	10718.00	33762.00	44480.00	77036.00	40248.00
Tools & Machinery	404319.00	6855.00	411174.00	14701.00	72040.00	86741.00	324433.00	389618.00
Mixture Machine	110000.00	0.00	110000.00	16203.00	17278.00	33481.00	76519.00	93797.00
Electrical Fittings	0.00	487000.00	487000.00	0.00	25839.00	25839.00	461161.00	0.00
Office Equipments	0.00	119750.00	119750.00	0.00	22184.00	22184.00	97566.00	0.00
Vehicles	0.00	4238464.00	4238464.00	0.00	443468.00	443468.00	3794996.00	0.00
<b>TOTAL Rs. (A)</b>	<b>2701859.00</b>	<b>11549096.00</b>	<b>14250955.00</b>	<b>577339.00</b>	<b>1843012.00</b>	<b>2420351.00</b>	<b>11830604.00</b>	<b>2124520.00</b>

#### NOTE NO. - '5' B- Intangible Assets

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	as on 01.04.2014	Addition	TOTAL	Upto 01.04.2014	During the year	TOTAL	WDV as on 31.03.2015	WDV as on 31.03.2014
Computer Software	1029608.00	1100401.00	2130009.00	277791.00	1035376.00	1313167.00	816842.00	751817.00
<b>TOTAL Rs. (B)</b>	<b>1029608.00</b>	<b>1100401.00</b>	<b>2130009.00</b>	<b>277791.00</b>	<b>1035376.00</b>	<b>1313167.00</b>	<b>816842.00</b>	<b>751817.00</b>
<b>GRAND TOTAL</b>	<b>3731467.00</b>	<b>12649497.00</b>	<b>16380964.00</b>	<b>855130.00</b>	<b>2878388.00</b>	<b>3733518.00</b>	<b>12647446.00</b>	<b>2876337.00</b>

Previous year's figures

1561570.00	2169897.00	3731467.00	275833.00	579297.00	855130.00	2876337.00
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*Shakti Kumar*

NOTE NO. 17 OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements are prepared in accordance with historical cost convention and generally accept accounting principles and generally comply with the mandatory accounting standards. Significant items of income and expenditure are recognised on accrual basis.

**(b) Use of Estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which results are known/ materialized.

**(c) Revenue recognition**

The main activity of the company is that of a “builder and property developer”. The company is following the “percentage of completion method”, in consonance with accounting standard 7(AS-7) issued by the institute of chartered accountants of India on “Accounting for construction contracts”. The value of increase in construction work-in-progress work done during the year is determined as follows:

- i) In the case of where the actual expenditure incurred up to the end of the accounting year on a project is below 30% of its total estimated expenditure, it the actual cost incurred on the project, together with administrative and other expenses directly allocable to the project.
- ii) In the case of projects completed during the years, it is the difference between the value of construction on completion of projects and the value of construction at the beginning of the accounting year.
- iii) In the case of projects in progress at the close of the accounting year, it is the difference between the value of construction determined at close of accounting year and the value of construction at the beginning of the accounting year.

**(d) Sale/allotment value of construction in respect of completed project is the full value that is paid/payable by the customers for the project(s) on this account. However, the only sale/allotment made during the year were of parking space in completed projects, not treated as saleable earlier.**

**(e) Fixed Assets and Depreciation**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy / reimbursement / contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Depreciation on fixed assets has been provided on all depreciable assets on diminishing balance method on prorata basis at the rates specified in Schedule - XIV of the Companies Act, 1956 as amended from time to time.

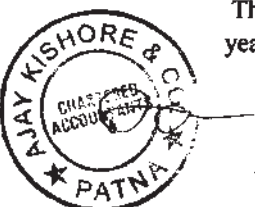
**(f) Investment**

The Company has not held any investment during the financial year.

**(g) Valuation of stock**

- i Raw Material in Stock: At cost or net realizable value whichever is lower.
- ii Raw material in Transit and finished goods : At cost or net realizable value whichever is lower.
- iii Finished Goods : At lower of cost or net realizable value.
- iv Stores and Spares: At weighted average cost or net realizable value whichever is lower
- v Materials in Process: At cost or net realizable value whichever is lower.
- vi Scrap and saleable waste: At net realizable price.
- vii Useable wastes: At weighted average cost or net realizable value whichever is lower

The net realizable value mentioned above means the net realizable value prevalent on the close of the financial year. Wherever the net realizable value is not available, cost is adopted.



*Alok Kumar*

**AGRANI HOMES PRIVATE LIMITED**  
**REGD. OFF.: C/O ALOK KUMAR HOUSE NO:- 15, WARD NO:- 1FA**  
**PATLIPUTRA COLONY, PATNA – 800013**

**NOTE NO. 17 OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Stock of building materials are valued at cost (First in First out basis). Woodenscaffolding and shuttering materials and other building hardware materials like belcha, karai, gaitha, dhama, etc. are charged to development expenditure in the year of purchase.

**(h) Work-in-progress**

Work-in-progress in respect of each project in progress is first valued at the close of the accounting year at the aggregate of the cost of materials consumed, labour charges and other expenditure incurred on the project. Thereafter, an adjustment for value addition is to be made on the following basis (applicable only of 30% of the project is completed):

- i) Where the actual expenditure incurred up to the end of the accounting year on a project is between 30% and 89% of its total estimated expenditure, and this total expenditure is less than its total estimated revenue, value addition is determined as 2/3rds of the proportionate estimated surplus (such proportion being the percentage of actual expenditure to total estimated expenditure). Where however the actual expenditure of a project up to the close of the accounting year is above 89% of the total estimated expenditure of the project, value addition is determined as 4/5<sup>th</sup> of the proportionate estimated surplus (such proportion being the percentage of actual expenditure to total estimated expenditure).
- ii) Where total estimated expenditure of a project is in excess of its total estimated revenue, the entire excess is reduced from the aggregate of the cost of materials consumed, labour and other expenditure incurred on the project and only the balance deemed to be the value of work-in-progress.

**(i) Employees Benefits**

The Company has not incurred any liability towards the provisions in form of Gratuity, leave encashment post retirement medical scheme etc.

**(h) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**2. NOTES ON ACCOUNTS**

1. The company has taken loan of Rs. 1000000.00 (Previous Year) from others and It is still outstanding as on 31st March 2015.
2. Confirmation of balances in respect of creditors, advance's, loans ,*debtors and bank balances* are in process.
3. Project cost includes cost of land, Material Cost, Labour Charges, Site Expenses, Development Cost, Design & Architect Fees Freight Charges etc. Development expenditure (Inventory) is debited to profit & loss a/c on proportionate basis for the flat sold during the year.
4. The amount received from each customer against flat booking is inclusive of service tax. However ,The amount shown under "Advance against Flat" is net off service tax.
5. Sale is recognised on receipt basis of agreement value made with each flat holder.
6. Considering the nature of business, where proper supporting vouchers in respect of expenditures were not available the vouchers were internally prepared.



*Alok Kumar*

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NOTE NO. 17 OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

7. Regarding sales tax (VAT) on material consumed and labour cess on labour payment, management has decided that It would be accounted on payment basis.
8. Service tax amount incurred for Rs.3,79,80,053.00 during the financial year from advance received against sale of Flat, out of which Rs. 1,94,28,864.00 was deposited with appropriate authorities. Further the Company has not deposited the liability of Income Tax deduction at source for Rs. 44,02,957.23.
9. The approval of 10 (ten) Projects against which amount received as advance against various project flat sale from purposed buyers is under process with the concerned authorities are as Royal City, Patna, IOB Nagar, Block K to S, Patna, Kalwati Regancy, Patna, Impose Enclave, Patna, Sunrised City, Patna, Suraj Suman Residency, Patna, Laxmi Patna, Urmila, Patna and Sampatchak, Patna.
10. In accordance with the Accounting Statandard-22 (AS-22), regarding 'Accounting for Tax on Income', issued by the Institute of Chartered Accountants of India, the Cumulative tax effects of significant timing difference, that resulted in Deferred Tax Assets & Liabilities and description of item thereof that creates difference are as follows :
- Excess of Book amortisation expenses over Tax is taken to calculate deferred Tax Assets/ Liabilities are :
- |                                  |                      |
|----------------------------------|----------------------|
| Opening Deferred Tax Liabilities | Rs. 63068.00         |
| During the year (Assets)         | <u>Rs. 101997.00</u> |
| Total Deferred Tax Assets        | <u>Rs. 38929.00</u>  |
11. **Related Parties and Transactions**  
The disclosures pertaining to name of related parties, discription of relationship and transactions therewith are set out as below
- |  |                                     |
|--|-------------------------------------|
| A. Alok Kumar, Director of the Company               | - Remuneration for Rs. 66,00,000.00 |
| B. Padum Singh, Director of the Company              | - Remuneration for Rs. 9,00,000.00  |
| C. Vijaya Raj Laxmi, Wife of Director of the Company | - Remuneration for Rs. 42,00,000.00 |
| D. Vijaya Raj Laxmi, Wife of Director of the Company | - Rent of P&M for Rs. 15,75,000.00  |
12. Depreciation on fixed assets has been provided at the rates specified in Schedule - XIV of the Companies Act, 1956.
13. Contingent Liability: Claims against Company are not acknowldged as debts.
14. Value of import on CIF basis : Nil
15. Expenditure in Foreign Currency : Nil
16. Earning in Foreign Currency : Nil
17. Directors waived their meeting fee.
18. Previous year's figures have been regrouped/rearranged wherever necessary to bring them in conformity with current year's figures.

Agrani Homes Private Limited

*Alok Kumar*  
Director

For AJAY KISHORE & CO.  
CHARTERED ACCOUNTANT

AJAY KISHORE JHA  
PARTNER

