

**PARAMOUNT BUILDERS**  
5-4-187/3 & 4, 2nd Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.

Assessment Year :: 2007-2008

Accounting Year: 01.04.2006 to 31.03.2007  
Status: Partnership Firm  
P A N : AAHFP4040N  
Nature of Business: Real Estate Developers/Managers  
Date of Incorporation:

**COMPUTATION OF TOTAL INCOME**

**I. Income from Business:**

Net Profit as per Profit & Loss Account 7,863,580

Add: Disallowables:

1. Provision for taxation	170,982.00	
2. FBT	650.00	
3. Tax Deduct at Source	164,998.82	
4. Disallowance U/s.36(1)(va)	18,167.00	
5. Disallowance U/s.40(a)(ia)	222,727.00	577,525

8,441,105

Less: FDR Interest Credited to P & L Account

230,565

8,210,539

**II. Income from Other Sources:**

FDR Interest

230,565

**Gross Total Income**

8,441,104

Less: Admissible deductions: Under chapter VIA:

(I) U/s.80IB(10) - 100% Profit of Housing Project  
(as given in Form No.3CD) and certificate  
Form No.10CCB.

7,492,045

**Total Income**

949,059

Tax thereon 30%

284,717.70

Add: Surcharge 10%

28,471.77

Add: Education Cess 2%

6,263.79

319,453

Less: T.D.S. (HDFC Bank)

25,869.00

Bhargavi Developers

139,129.00

164,998

154,455

Add: Interest U/s.234B

10,811.87

Interest U/s.234C

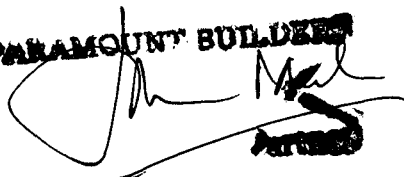
5,714.84

16,527

Total Tax payable

170,982

Paid on

**PARAMOUNT BUILDERS**  


**FORM NO. 3CB**

[See rule 6G (1)(b)]

**Audit report under section 44AB of the Income-tax Act, 1961, in the case  
Of a person referred to in clause (b) of sub-rule (1) of the rule 6G**

1. We have examined the balance sheet as at 31<sup>st</sup> March, 2007, and the profit and loss account for the year ended on that date, attached herewith, of **M/s Paramount Builders, 5-4-187/3 & 4, 2<sup>nd</sup> Floor, Soham Mansion, M.G. Road, Secunderabad – 500 003.** (Permanent Account Number **AAHFP4040N**)

2. We certify that the balance sheet and the profit and loss account are in agreement with the books of account maintained at the head office at 5-4-187/3 & 4, Soham Mansion, M.G. Road, Secunderabad – 500 003 and Nil branches.

3. (a) We report the following observations/comments/discrepancies/inconsistencies; if any:

**Refer to Notes to Accounts Annexure No. - XI**

(b) Subject to above -

(A) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.

(B) In our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from our examination of the books.

(C) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, if any, give a true and fair view: -

(i) in the case of the balance sheet, of the state of the affairs of the assessee as at 31<sup>st</sup> March 2007

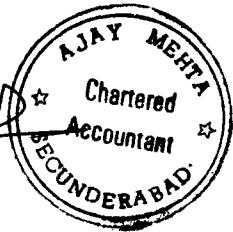
And

(ii) in the case of the profit and loss account, of the profit of the assessee for the year ended on that date.

4. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.

5. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No. 3CD and the annexure thereto are true and correct.

Ajay Mehta  
Chartered Accountant



Place: Secunderabad.

Date : 29-10-2007

29/10/07

**Ajay Mehta**  
Chartered Accountant

5-4-187/3 & 4, 2<sup>nd</sup> Floor,  
Soham Mansion, M.G. Road,  
Secunderabad - 500 003.  
Phone:

**FORM NO. 3CD**

(as amended by Notification no. 208/2006, dated 10-8-2006)

[See rule 6G(2)]

**Statement of particulars required to be furnished under  
section 44AB of the Income-tax Act, 1961**

**PART - A**

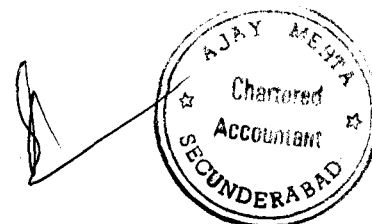
1. Name of the assessee	<b>M/s. PARAMOUNT BUILDERS</b>
2. Address	5-4-187/3 & 4, 2 <sup>nd</sup> Floor, M.G. Road, Secunderabad - 3.
3. Permanent Account Number	<b>AAHFP4040N</b>
4. Status	<b>PFAS/Resident</b>
5. Previous year ended	31-3-2007.
6. Assessment year	<b>2007 - 2008</b>

**PART - B**

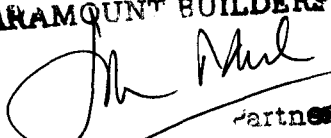
7. (a) If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios.	Modi Properties & Investments Pvt. Ltd. 45% Gaurang Modi 5% Snehalata Gangwal 12.50% Samit Gangwal 12.50% Naren Bakshi 25%
(b) If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change.	No
8. (a) Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession)	Real Estate/Developers/Managers
(b) If there is any change in the nature of business or profession, the particulars of such change.	No
9. (a) Whether books of account are prescribed under section 44AA. If yes, list of books so prescribed.	No
(b) Books of account maintained. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system).	<b>Generated By Computer System</b> 1. Cash Book                      2. Bank Book 3. Journal Book                  4. General ledger
(c) List of books of account examined.	- do -
10. Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section).	Not Applicable
11. (a) Method of accounting employed in the previous year.	Mercantile System
(b) Whether there has been any change in the method of accounting employed vis-à-vis the method employed in the immediately preceding previous year.	No
(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.	Not Applicable
(d) Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145	Not Applicable

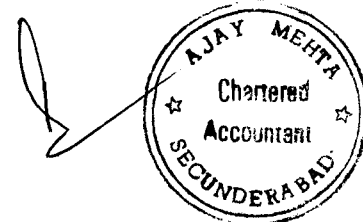
**PARAMOUNT BUILDERS**

*[Signature]*  
Partner



and the effect thereof on the profit or loss.	
12. (a) Method of valuation of closing stock employed in the previous year.	At Cost
(b) Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.	Not Applicable
12A. Give the following particulars of the capital asset converted into stock-in-trade: -	
(a) Description of Capital Asset.	}
(b) Date of Acquisition.	
(c) Cost of Acquisition.	
(d) Amount at which the asset is converted into stock-in-trade.	
	Nil
13. Amounts not credited to the profit and loss account, being -	
(a) the items falling within the scope of section 28;	}
(b) the proforma credits, drawbacks, refunds of duty of customs or excise, or service tax or refunds of sales tax or value added tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned;	
(c) escalation claims accepted during the previous year;	
(d) any other item of income;	
(e) capital receipt, if any.	
	Nil
14. Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form:-	
(a) Description of asset/block of assets.	}
(b) Rate of depreciation.	
(c) Actual cost or written down value, as the case may be.	
(d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of -	
(i) Modified Value Added Tax credit claimed and allowed under the Central Excise rules, 1944, in respect of assets acquired on or after 1 <sup>st</sup> March 1994.	
(ii) Change in rate of exchange of currency, and	
(iii) Subsidy or grant or reimbursement, by whatever name called.	
(e) Depreciation allowable.	
(f) Written down value at the end of the year	
15. Amounts admissible under section 33AB, 33ABA, 33AC (wherever applicable), 35, 35ABB, 35AC, 35CCA, 35CCB, 35D, 35DD, 35DDA, 35E:-	Nil
(a) debited to the profit and loss account (showing the amount debited and deduction allowable under each section separately);	Nil
(b) not debited to the profit and loss account.	Nil
16. (a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)].	Nil
(b) Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(x); and due date for payment and the actual date of payment to the concerned authorities	As per Annexure - II

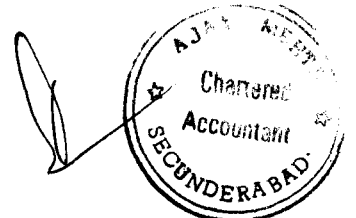
**PARAMOUNT BUILDERS**  
  
 Partner



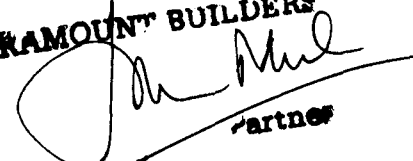
under section 36(1)(va).	
17. Amounts debited to the profit and loss account being:-	
(a) expenditure of capital nature;	
(b) expenditure of personal nature;	
(c) expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party;	Nil
(d) expenditure incurred at clubs,	
(i) as entrance fees and subscriptions;	
(ii) as cost for club services and facilities used;	
(e) (i) expenditure by way of penalty or fine for violation of any law for the time being in force;	
(ii) any other penalty or fine;	
(iii) expenditure incurred for any purpose which is an offence or which is prohibited by law;	
(f) amounts inadmissible under section 40(a);	As per Annexure – IV
(g) interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;	Nil
(h)[a] whether a certificate has been obtained from the assessee regarding payments relating to any expenditure covered under section 40A(3) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be,	Yes
(h)[b] amount inadmissible under section 40A(3), read with rule 6DD [with break-up of inadmissible amounts]	Refer Notes to Accounts Annexure –XI Note No.13
(i) provision for payment of gratuity not allowable under section 40A(7);	
(j) any sum paid by the assessee as an employer not allowable under section 40A(9);	
(k) particulars of any liability of a contingent nature.	Nil
(l) amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income,	
(m) amount inadmissible under the proviso to section 36(1)(iii)	
18. Particulars of payments made to persons specified under section 40A(2)(b).	Nil
19. Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC.	Nil
20. Any amount of profit chargeable to tax under section 41 and computation thereof.	Nil
21*(i) In respect of any sum referred to in clause (a), (b), (c), (d), (e) or (f) of section 43B, the liability for which;	
(A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was	Nil
(a) paid during the previous year;	
(b) not paid during the previous year;	
(B) was incurred in the previous year and was	
(a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1);	As per Annexure - III
(b) not paid on or before the aforesaid date.	
* State whether sales tax, customs duty excise duty or any other indirect tax, levy, cess, impost etc. is	


PARAMOUNT BUILDERS

*John Paul*  
Partner

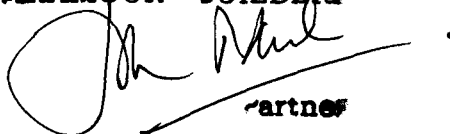


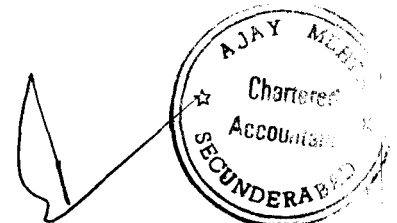
passed through the profit and loss account.	
22. (a) Amount of Modified Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of Outstanding Modified Value Added Tax credits in the accounts.	Nil
(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account	Nil
23. Details of any amount borrowed on Hundi or any amount due thereon including interest on the amount borrowed) repaid, otherwise than through an account payee cheque [Section 69D].	Nil
24. (a)* Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:-	}
(i) name, address and permanent account number (if available with the assessee) of the lender or depositor;	
(ii) Amount of loan or deposit taken or accepted.	
(iii) whether the loan or deposit was squared up during the previous year;	
(iv) maximum amount outstanding in the account at any time during the previous year;	
(v) whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft.	Nil
*(These particulars need not be given in the case of a Government company, a banking company or a corporation established by a Central, State or Provincial Act.)	
(b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269 T made during the previous year:	}
(i) name, address and permanent account number (if available with the assessee) of the payee;	
(ii) amount of the repayment;	
(iii) maximum amount outstanding in the account at any time during the previous year;	
(iv) whether the repayment was made otherwise than by account payee cheque or account payee bank draft.	Nil
(c) Whether a certificate has been obtained from the assessee regarding taking or accepting loan or deposit, or repayment of the same through an account payee cheque or an account payee bank draft.	No
The particulars (i) to (iv) at (b) and the Certificate at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act.	
25. (a) Details of brought forward loss or depreciation allowance in the following manner, to the extent available:	Nil
(b) whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79.	Nil
26. Section-wise details of deductions, if any, admissible under Chapter VIA.	U/s.80IB(10) Rs.74,92,045/-

**PARAMOUNT BUILDERS**  
  
 Partner

  
**AJAY MEHTA**  
 Chartered Accountant  
 SECUNDERABAD

27. (a) Whether the assessee has complied with the provisions of Chapter XVII-B regarding deduction of tax at source and regarding the payment thereof to the credit of the Central Government.	Yes, However there has been delay in Remittance of TDS AS given in Annexure - IV
(b) If the provisions of Chapter XVII-B have not been complied with, please give the following details*, namely:-	
(i) Tax deductible and not deducted at all	Nil
(ii) shortfall on account of lesser deduction than required to be deducted	Nil
(iii) tax deducted late	Refer Annexure - IV
(iv) tax deducted but not paid to the credit of the Central Government	Nil
Please give the details of cases covered in (i) to (iv) above.	
28. (a) In the case of a trading concern, give quantitative details of principal items of goods traded:	Not Applicable Being a Real Estate Developer
(i) opening stock	
(ii) purchases during the previous year	
(iii) sales during the previous year	
(iv) closing stock	
(v) shortage/excess, if any	
(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products.	Not Applicable
<b>A Raw materials</b>	
(i) opening stock	
(ii) purchases during the previous year	
(iii) consumption during the previous year	
(iv) sales during the previous year	
(v) closing stock	
(vi) *yield of finished products	
(vii) *percentage of yield	
(viii) *shortage/excess, if any	
<b>B Finished products/By-products</b>	Not Applicable
(i) opening stock	
(ii) purchases during the previous year	
(iii) quantity manufactured during the previous year	
(iv) sales during the previous year	
(v) closing stock	
(vi) shortage/excess, if any	
*Information may be given to the extent available	
29. In the case of a domestic company, details of tax on distributed profits under section 115O in the following form:	Not Applicable
(a) total amount of distributed profits	
(b) total tax paid thereon	
(c) dates of payment with amounts	
30. Whether any cost audit was carried out, if yes, enclose a copy of the report of such audit [See section 139(9)]	
31. Whether any audit was conducted under the Central Excise Act, 1944, if yes, enclose a copy of the report of such audit	Not Applicable
32. Accounting ratios with calculations as follows:	Not Applicable (being a Real Estate Developer)
(a) Gross profit/Turnover	
(b) Net profit/Turnover	
(c) Stock-in-trade/Turnover	
(d) Material consumed/Finished goods produced	

  
Partner



**PARAMOUNT BUILDERS**

*[Handwritten Signature]*  
**Partner**

Dated:  
Place: Secunderabad.

*[Handwritten Signature]*  
29/10/07  
**Ajay Mehta**  
**Chartered Accountant.**  
M.No. 35449



**Note:** \*This Form has to be signed by the person competent to sign Form No. 3CA or Form No. 3CB as the case may be.



## ANNEXURE - I

## PART - A

1	NAME OF THE ASSESSEE	M/s. Paramount Builders
2	ADDRESS	5-4-187/3 & 4, 2nd Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
3	PERMANENT ACCOUNT NUMBER	AAHFP 4040 N
4	STATUS	Partnership Firm/PFAS/Resident
5	PREVIOUS YEAR ENDED	31st March 2007.
6	ASSESSMENT YEAR	2007-2008

## PART - B

Nature of Business of profession in respect of every business of profession carried on during the previous year		Code :	0403
Parameters		Current	Preceding year
1	Capital of partner	24982870	5269290
2	Share Application Money / Current account of Partner or	Nil	Nil
3	Reserves and surplus / Profit and Loss Account	Nil	Nil
4	Secured Loans	776840	Nil
5	Unsecured Loan	Nil	Nil
6	Current liabilities and provisions	58192257	502500
7	Total of Balance Sheet	83951967	5771790
8	Gross turnover / gross receipts / Instalments receivable	52866386	Nil
9	Gross profit	10123617	Nil
10	Comission received	Nil	Nil
11	Commission paid	Nil	Nil
12	Interest received/ FDR Int	230565	Nil
13	Interest paid	1207	Nil
14	Depreciation as per books of account	26013	17712
15	Net Profit (or loss) before tax as per Profit and Loss account	7863580	Nil
16	Taxes on income paid/provided for in the books	170982	Nil

**PARAMOUNT BUILDERS**

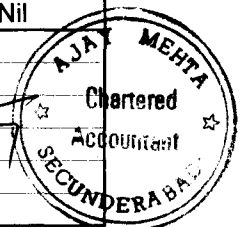
Place: Secunderabad.

Date:

Partner

Ajay Mehta

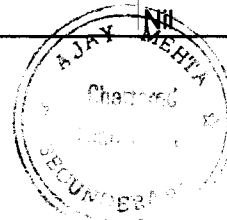
Chartered Accountant.



## "ANNEXURE - II"

## VALUE OF FRINGE BENEFITS IN TERMS OF SECTION 115WC READ WITH SECTION 115WB FOR THE ASSESSMENT YEAR 2007-2008

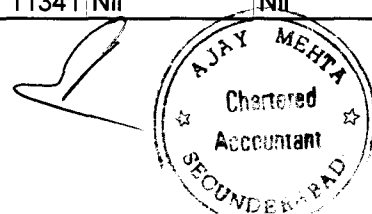
Sl.No.	Section under which chargeable to Fringe Benefit Tax	Nature of expenditure/payment	Amount of Expenditure Incurred or payment made					Deductions if any	Total	Percentage of expenditure/payment being fringe benefits	Value of fringe benefits
			Debited to the Profit & Loss account	Accounted for in the balance sheet	Reimbursement	Any other head	Total				
(1)	(2)	(3)	(4)					(5)	(6) (4-5)	(7)	(8)
1	115WB(1)(b)	Free or concessional ticket provided by the employer to private journeys of his employees or their family members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%	Nil
2	115WB(1)(c)	Any contribution by the employer to any approved superannuation fund for employees (see Note 1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	100%	Nil
3	115WB(2)(A)	Entertainment (see Note 2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20%	Nil
4	115WB(2)(B)	Provision of Hospitality of every kind by the employer to any person (see Note 3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20% (see Note 3)	Nil



M/S. PARAMOUNT BUILDERS

Partner

5	115WB(2)(C)	Conference (other than fee for participation by the employees in any conference) (see Note 4)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20%	Nil
6	115WB(2)(D)	Sales promotion including publicity (see Note 5)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20%	
7	115WB(2)(E)	Employees' Welfare (see Note 6)	11316	Nil	Nil	Nil	11316	Nil	11316	20%	226
8	115WB(2)(F)	Conveyance, tour and travel (including foreign travel (see Note 7)	25884	Nil	Nil	Nil	25884	Nil	25884	5%	12
9	115WB(2)(G)	Use of hotel, boarding and lodging facilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20% (see Note 9)	Nil
10	115WB(2)(H)	Repair, running (including fuel), maintenance of motor cars and the amount of depreciation thereon	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20% (see Note 10)	Nil
11	115WB(2)(I)	Repair, running (including fuel) and maintenance of aircrafts and the amount of depreciation thereon	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20% (see Note 11)	Nil
12	115WB(2)(J)	use of telephone (including mobile phone) other than expenditure on leased telephone lines	11341	Nil	Nil	Nil	11341	Nil	11341	20%	22



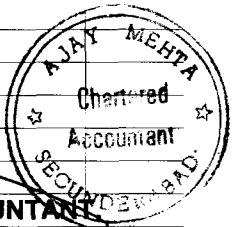
SEE PARAMOUNT™ BUILDING  
  
 Partner

		Maintenance of any accommodation in the nature of guest house other than accommodation used for training purposes	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20%	Nil
13	115WB(2)(K)											
14	115WB(2)(L)	Festival celebrations	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50%	Nil
15	115WB(2)(M)	Use of health club and similar facilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50%	Nil
16	115WB(2)(N)	Use of any other club facilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50%	Nil
17	115WB(2)(O)	Gifts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50%	Nil
18	115WB(2)(P)	Scholarships	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50%	Nil
19	115WB(2)(Q)	Tour and Travel (including foreign travel) (see note 12)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5%	Nil
20	Total		188423	Nil	Nil	Nil	188423	Nil	188423			58

For PARAMOUNT BUILDERS,

  
PARTNER

  
AJAY MEHTA,  
CHARTERED ACCOUNTANT

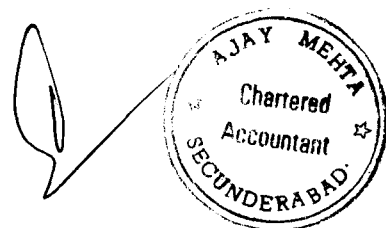


**PARAMOUNT BUILDERS**  
**ASSESSMENT YEAR :: 2007-2008.**  
**DETAILS OF FRINGE BENEFIT TAX**

S.No.	HEAD OF EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	TOTAL AMOUNT
<b>FBT @ 50 %</b>						
1	Business Promotion	-	-	-	-	-
<b>FBT @ 20 %</b>						
1	Telephone Bills	-	-	4,387.00	6,954.00	11,341.00
2	Staff Welfare	-	-	2,635.00	8,681.00	11,316.00
	<b>TOTAL</b>	-	-	<b>7,022.00</b>	<b>15,635.00</b>	<b>22,657.00</b>
<b>FBT @ 5%</b>						
1	Conveyance/Car Hire Charges	2,281.00	-	9,211.00	14,392.00	25,884.00
		<b>2,281.00</b>	-	<b>9,211.00</b>	<b>14,392.00</b>	<b>25,884.00</b>
	FBT on total @50 %	-	-	-	-	-
	FBT on total @20 %	-	-	1,404.40	3,127.00	4,531.40
	FBT on Conveyance @ 5%	114.05	-	460.55	719.60	1,294.20
	<b>FBT PAYABLE ON THE AMOUNT</b>	<b>114.05</b>	-	<b>1,864.95</b>	<b>3,846.60</b>	<b>5,825.60</b>
	TAX @ 30% On the FBT Payable Amount	34.22	-	559.49	1,153.98	1,747.68
	Sur-Charge on tax @10%	3.42	-	55.95	115.40	174.77
	Education Cess on Tax & S.c.	0.75	-	12.31	25.39	38.45
	<b>FBT Payable</b>	<b>38.39</b>	-	<b>627.74</b>	<b>1,294.77</b>	<b>1,960.90</b>
	<b>FBT PAID</b>	-	-	<b>650.00</b>	-	<b>650.00</b>
	<b>BALANCE PAYABLE</b>	<b>38.39</b>	-	<b>(22.26)</b>	<b>1,294.77</b>	<b>1,310.90</b>
	DUE DATE FOR PAYMENT OF FBT	15th JULY	15th OCT	15th JAN	15th APRIL	
	Paid on	15/07/2006	13/10/2006	08/01/2007		
	FBT Payment Delay in Months	15	12	9	6	-
	INTEREST @1% p.m.on Out Standing Amount	5.76	-	(2.00)	77.69	81.44
		20.76	-	(2.00)	77.69	81.44
	FBT Outstanding Amount	1,960.90				
	Interest on Outstanding Amount	81.44				
	<b>Balance FBT Payable</b>	<b>2,042.34</b>				
	Advance paid	650.00				
	<b>Balance payable/Refundable</b>	<b>1,392.34</b>				
	Paid on					

**PARAMOUNT BUILDERS**

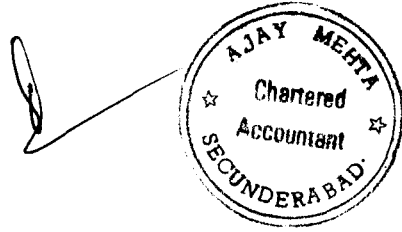
*[Signature]*  
**Partner**



Paramount Builders		Annexure - I TO FROM NO.3CD DEPRECIATION CHART U/S.32			Asst. Year 2007-2008	
Name of the Asset	WDV as on 01.04.2006	Purchased before 30/09/2006	Rate of Depreciation	Purchased after 30/09/2006	Depreciation	WDV as on 31.03.2007.
1. Computers &	11,808.00	0.00	60%/30%	41392.00	19,503.00	33,697.00
2. Printer	0.00	0	30%	17600.00	5,280.00	12,320.00
3. UPS	0.00	0	30%	4100.00	1,230.00	2,870.00
	11,808.00	0.00		63092.00	26,013.00	48,887.00

**PARAMOUNT BUILDERS**

*[Handwritten Signature]*  
partner



**ANNEXURE - II TO FORM 3CD**

**PARAMOUNT BUILDERS**

**(A) EMPLOYEES CONTRIBUTION**

S.NO	Deduction for the month	P.F.contribution	ESI Contribution	Due Date of payment	Actual date of payment	Disallowances U/S 36(1)(va)
1	April	0	0			
2	May	0	0			
3	June	0	0			
4	July	0	0			
5	August	0	0			
6	September	0	0			
7	October	0	0			
8	November	0	0			
9	December	4787	0	20-Jan-07	23-Jan-07	4787
10	January	4223	0	20-Feb-07	21-Feb-07	4223
11	February	3902	506	20-Mar-07	21-Mar-07	4408
12	March	3789	960	20-Apr-07	26-Apr-07	4749
	<b>Total</b>	<b>16701.00</b>	<b>1466.00</b>			<b>18167.00</b>

**PARAMOUNT BUILDERS**

**(B) EMPLOYER CONTRIBUTION**

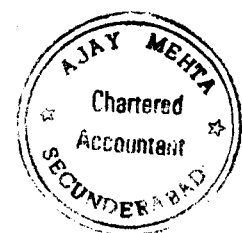
S.NO	Deduction for the month	PF Contribution	ESI contribution	Due Date of payment	Actual date of payment	Disallowances U/S 43(b)
1	April	0	0			
2	May	0	0			
3	June	0	0			
4	July	0	0			
5	August	0	0			
6	September	0	0			
7	October	0	0			
8	November	0	0			
9	December	4767	0	20-Jan-07	23-Jan-07	
10	January	4223	0	20-Feb-07	21-Feb-07	
11	February	3902	2852	20-Mar-07	21-Mar-07	
12	March	3789	2768	20-Apr-07	26-Apr-07	
	<b>Total</b>	<b>16681.00</b>	<b>5620.00</b>			<b>0.00</b>

Note: Due date is considered after adding grace period of 5 days as allowed under respective acts.


**PARAMOUNT BUILDERS**

*[Handwritten Signature]*  
Partner

*[Handwritten Signature]*



Modi Ventures				A.Y.2007-08
Annexure III TO FORM NO.3CD				
Details of Statutory Liabilities outstanding as on 31-3-2007.				
Account Head	Amount Outstanding as on 31-3-2007	Amount paid	Date	Mode of payment
Provident Fund	7587	7587	26/04/2007	Cheque
ESI	3728	3728	26/04/2007	Cheque
Professional Tax	825	825	23/04/2007	Cheque
Service Tax	388572	388572	04/04/2007	Cheque
Service Tax (Construct	241140	241140	26/10/2007	Cheque
	641852	641852		

**PARAMOUNT BUILDERS**  
  
**Partner**







**PARAMOUNT BUILDERS**  
**ANNEXURE - IV TO FORM NO.3CD**  
**Assessment Year :: 2007-2008.**

Sl.No.	Month of Deduction	Under which Head Deducted	Amount of TDS	Due Date	Paid on	Delay in months	Interest @ 1%
1	Apr-06	Contract	921	07/05/2006	05/05/2006	-	-
		Consultancy	11448	07/05/2006	05/05/2006	-	-
2	May-06	Contract	876	07/06/2006	07/06/2007	-	-
3	Jun-06	Contract	78	07/07/2007	07/07/2007	-	-
4	Sep-06	Contract	320	07/10/2006	06/10/2006	-	-
		Consultancy	17173	07/10/2006	06/10/2006	-	-
7	Oct-06	Contract	2518	07/11/2006	06/11/2006	-	-
8	Nov-06	Contract	7858	07/12/2006	09/12/2006	1	79
		Consultancy	17173	07/12/2006	09/12/2006	1	172
9	Dec-06	Contract	16209	07/01/2007	05/01/2007	-	-
		Sub-contract	452	07/01/2007	05/01/2007	-	-
10	Jan-07	Contract	19609	07/02/2007	07/02/2006	-	-
		Consultancy	5724	07/02/2007	07/02/2006	-	-
11	Feb-07	Contract	13870	07/03/2007	07/03/2007	-	-
		Brokerage	2550	07/03/2007	07/03/2007	-	-
12	Mar-07	Contract	19984	07/04/2007	04/04/2007	-	-
		Sub-Contract	560	07/04/2007	04/04/2007	-	-
		Brokerage	229	07/04/2007	04/04/2007	-	-
		Salaries	79000	07/04/2007	17/04/2007	1	790
		Supervision Charge	12495	07/04/2007	07/05/2007	2	250
			<u>229047</u>				<u>1290</u>

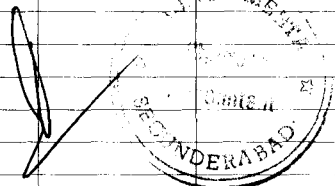
Interest on Delay payments of Rs.1290/- paid on

**Note: Disallowance u/s.40(a)(ia) for delay in payment of TDS is as under:**

Sl.No.	Account Head	Amount Credited	TDS Amount
2	Supervision Charges	222727	12495
<b>Total Disallowances u/s.40(a)(ia)</b>		<u>222727</u>	

**PARAMOUNT BUILDERS**

*[Signature]*  
**Partner**



Details of Challans paid			
Sl.No.	Date	Challan No.	Amount
1	05/05/2006	5003	921
2	05/05/2006	5004	11448
3	07/06/2006	7005	876
4	07/07/2006	10029	78
5	06/10/2006	10039	320
6	06/10/2006	10038	17173
7	06/11/2006	10039	2518
8	09/12/2006	10010	7858
9	09/12/2006	10011	17173
10	08/01/2007	10028	452
11	08/01/2007	10029	16209
12	02/02/2007	10023	19609
13	02/02/2007	10024	5724
14	07/03/2007	10076	13870
15	07/03/2007	10075	2550
16	07/04/2007	10404	19984
17	07/04/2007	10406	560
18	07/04/2007	10405	229
19	17/04/2007	10004	79000
20	07/05/2007	10053	12495
			229047

**PARAMOUNT BUILDERS**

*[Handwritten Signature]*  
Partner

*[Handwritten Signature]*



**PARAMOUNT BUILDERS**

5-4-187/3 & 4, 2<sup>nd</sup> Floor, M.G. Road, Secunderabad – 500 003.

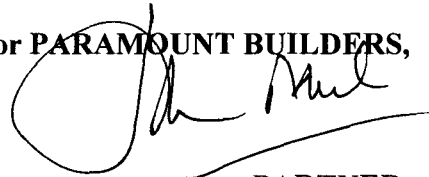
Phone : 66335551

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**CERTIFICATE**

This is to certify that loan transactions covered u/s.269SS & 269T of I.T. Act, 1961 during the financial year 2006-2007 has been made by an account payee cheque or an account payee draft, as the case may be.

For PARAMOUNT BUILDERS,



**PARTNER.**


**PARAMOUNT BUILDERS**  
5-4-187/3 & 4, 2<sup>nd</sup> Floor, M.G. Road, Secunderabad – 500 003.  
Phone : 66335551

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**CERTIFICATE**

This is to certify that payments during financial year 2006-07 relating to any expenditure covered under section 40A(3) of IT Act, 1961 has been made by account payee cheque drawn on a bank or by an account payee bank draft, as the case may be..

For PARAMOUNT BUILDERS,



**PARTNER.**

**FORM NO. 10CCB**

[See rule 18BBB]

**Audit report under section 80-I(7)/80-IA(7)/80-IB/80-IC**

- 1 Name of the assessee
- 2 PAN
- 3 Status
- 4 Ownership status of the undertaking/enterprise :  
(a) Fully owned by assessee  
(b) Partly owned by assessee  
If yes, please specify the percentage of ownership
- 5 Address
- 6 Name of the enterprise or undertaking eligible for deduction under section 80-IA, 80-IB or 80-IC
- 7 Section and sub-section of the Income-tax Act, 1961, under which deduction is being claimed
- 8 Date of commencement of operation/activity by the undertaking or enterprise.
- 9 Initial assessment year from when deduction is being claimed
- 10 Address (with District and State) of the enterprise/undertaking claiming deduction
- 11 Excise/service tax registration number and office where registered
- 12 Sales-tax registration number and office where registered
- 13 Local/State authorities from whom approval is taken (attach copy of approval)

**ELIGIBLE BUSINESS UNDER SECTION 80-IA**

- 14 Development, operation, maintenance of an infrastructure facility:  
(a) With respect to the infrastructure facility, does the enterprise (please tick) :  
  
(b) Please specify the nature of the infrastructure facility \* \* \*  
[e.g., road, bridge, rail system, port, etc.  
[Explanation to section 80-IA(4)(i)]]  
(c) Has the operation and maintenance of the infrastructure facility been received on transfer from its developer in accordance with the agreement with the Central/State Government/local authority/any other statutory body  
(d) If yes, please specify the first year of claim of deduction under section 80-IA by the developer

**Paramount Builders**  
**AAHFP 4040 N**  
**Partnership Firm (05)**

Yes   
Yes

No   
No

**5-4-187/3&4 3rd Floor, Soham Mansion,  
M.G.Road, Ranigunj, Secunderabad - 500 003**

**Paramount Builders**

**80 I B (10)**  
**29/12/2006**

**Assessment Year 2007-2008**  
**5-4-187/3&4 3rd Floor, Soham Mansion,  
M.G.Road, Ranigunj, Secunderabad - 500 003**

**AAHFP 4040 N ST 001**

**28813727456**  
**Nagaram Panchayat, Keesara, Ranga Reddy  
District**

Develop  operate and maintain

Develop, operate and maintain, the infrastructure facility

Yes

No



(Attach copy of Form 10CCB of developer)

- 15 Providing telecommunication services :  
(a) Please specify the nature of telecom service  
[e.g., basic telecom service, cellular service, etc.  
[Section 80-IA(4)(ii)]]

- 16 Development, operation, maintenance of industrial park/SEZ  
(a) With respect to the industrial park/SEZ, does the undertaking (please tick):

- (b) Name and address of the industrial park/SEZ  
(c) Has the operation and maintenance of the industrial park/SEZ been received on transfer from its developer  
(d) If yes, first year of claiming deduction under section 80-IA by the developer (Attach copy of Form 10CCB of developer)

- 17 Generation, transmission, distribution of power :  
(a) Does the undertaking generate power or generate and distribute power  
(i) If yes, indicate the year in which the undertaking has started generating power  
(b) Does the undertaking transmit or distribute power  
(i) If yes, indicate the year in which the new transmission and distribution lines were laid  
(c) Has there been substantial renovation and modernization of the existing network of transmission or distribution lines  
If yes, please specify, -  
(i) the year in which the substantial renovation and modernisation of the existing network of transmission or distribution lines took place  
(ii) book value of plant and machinery as on 1-4-2004  
(iii) value of increase in the plant and machinery in the year of substantial renovation and modernisation

**ELIGIBLE BUSINESS UNDER SECTION 80-IB**

- 18 Industrial undertakings engaged in manufacture or production of article or thing or operation of cold storage plant  
(a) Does the industrial undertaking manufacture or produce any article or thing specified in the Eleventh Schedule  
(Please specify the article or thing.....)  
(b) If yes, does the manufacturing process use power

Develop  
Develop and operate  
Maintain and operate an industrial park /SEZ

Yes

No

Yes

No

Yes

No

Yes

No

Yes

No

Yes

No



- (c) Number of workers employed in the manufacturing process
- (d) Does the industrial undertaking operate any cold storage plant
- (e) Please specify if the company is a small scale industrial undertaking
- (f) If the industry is located in the North Eastern Region, is the industry a notified industry as per second proviso to section 80-IB(4)?
- (g) If the industry is located in Jammu & Kashmir, does it manufacture or produce any article or thing specified in part 'C' of the Thirteenth Schedule?

19 Business of ship

- (a) Is the ship owned by an Indian company and wholly used for the business carried on by it
- (b) If the ship was acquired on transfer, was the ship owned or used in Indian territorial waters by a person resident in India

20 Business of hotel

- (a) Is the hotel located in
  - (i) Hilly area
  - (ii) Rural area
  - (iii) Place of pilgrimage
  - (iv) Other notified area
  - (v) None of the above
- (b) Is the hotel approved by the prescribed authority under rule 18BBC of the Income-tax Rules, 1962?

21 Business of scientific research and development

- (a) Is the business approved by the prescribed authority under rule 18D?  
(Please attach copy of approval)

Printed from Taxmann's Income-tax Rules on CD  
(b) Does it fulfil the conditions prescribed in rule 18DA of the Income-tax Rules?

22 Commercial production or refining of mineral oil

- (a) Is the undertaking engaged in the commercial production or refining of mineral oil?
- (b) If yes, please specify:

23 Developing and building housing projects

- (a) Date of approval by local authority (Please attach copy of approval/if approval is obtained more than once, attach copy of first approval of the building plan)
- (b) Date of completion of the housing project  
(Please attach copy of the completion certificate)

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

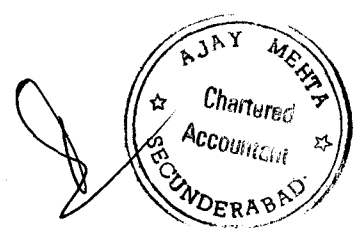
(Please specify \_\_\_\_\_)  
(Please specify \_\_\_\_\_)

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Commercial production of mineral oil  
Refining of Mineral Oil  
Refining of mineral oil

**Nagaram Panchayat, Keesara Mandal Sanction  
No.294/2006-07, 295/2006-07, 296/2006-07,  
297/2006-07, 298/2006-07, 299/2006-07 dt.29-12-  
2006.**

**Under Progress**



issued by the local authority)

- (c) Size of plot of land of the project  
(d) Is the project situated in Delhi or Mumbai or within 25 kilometres from their municipal limits  
(e) Built-up area of the residential unit of the Project.

- (f) Built -up area of the shops and other commercial establishments situated in the project  
(g) Whether the project is carried out in accordance with a scheme framed by Central/State Government for re-construction/re -development of existing buildings in areas declared to be slum areas under any law in force and notified by the Board.  
(Please attach a copy of CBDT's notification)  
(h) Please specify the method of accounting adopted

24 Other business activities

- (a) Is the undertaking in the business of setting up and operating a cold chain facility for agricultural produce  
(b) Is the undertaking in the integrated business of handling, storage and transportation of foodgrains  
(c) Is the undertaking in the business of processing, preservation and packaging of fruits or vegetables

**ELIGIBLE BUSINESS UNDER SECTION 80-IC**

- 25 (i) Whether the undertaking or enterprise is located in an area notified by the Board for the purposes of in an area notified by the Board for the purposes of section 80 -IC

(ii) If yes, please indicate,—

- (a) Name of the Export Processing Zone/Integrated Infrastructure development centre / industrial Growth Centre/Industrial Park/Estate/Software Technology Park/Industrial Area/Theme Park and the District/State in which located  
(b) Khasra No. of the undertaking or enterprise (Also indicate the Board's Notification No.)  
(c) If the eligible business is new, please give the date of commencement of production or manufacture of article or thing  
(d) If the existing business has undertaken substantial expansion, please specify,-  
(i) The date of substantial expansion  
(ii) The total book value of plant and machinery (before taking depreciation in any year) as on first

Ac 2.03 Gts

Yes

No

Size of each unit ranging from 400 sft. To 1300 (Built up area). The Built up area is certified by Chartered Engineer (Certified copy enclosed)

Nil

Yes

No

Mercantile (Refer Annexure - A)

Not Applicable

Yes

No

Yes

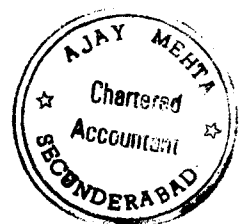
No

Yes

No

Yes

No





day of the previous year in which substantial expansion took place.

(iii) Value of increase in the plant and machinery in the year of substantial expansion.

(e) Does the undertaking or enterprise manufacture or produce any article or thing specified in the Thirteenth Schedule

(If yes, please specify the article or thing)

(f) Does the undertaking or enterprise manufacture or produce any article or thing specified in the Fourteenth Schedule

(If yes, please specify the article or thing or operation)

26 For claim of deduction under section 80-IA(4)(ii) and (iv) / 80-Ib(3), (4), (5), and (11)/80-IC please indicate:

(a) Whether the undertaking or enterprise has been formed by the splitting up or the reconstruction of a business already in existence

(b) If yes, whether the circumstances and the period specified in section 33B is applicable  
(Please give details)

(c) Has the undertaking or enterprise received any machinery or plant on transfer which was previously used for any purpose

(d) If yes, please specify value of machinery or plant received on transfer

(e) Total value of machinery or plant used in business

27 Total sales of the undertaking

28 Transactions by the undertaking to a related concern of the assessee, or another undertaking of the assessee, or the co-owner of the undertaking, or another undertaking of the co-owner :

[Related concern is a person within the meaning of section 40A(2)(b) ]

Name of the Related Concern

(a)

(b)

(c)

(d)

29 Profits and gains derived by the undertaking / enterprise from the Eligible business #

30 Deduction under section 80-IB

Yes

No

Yes

No

Yes

No

Yes

No

Refer Annexure 'I'

NIL

Transaction

(Please specify nature and amount)

Rs.

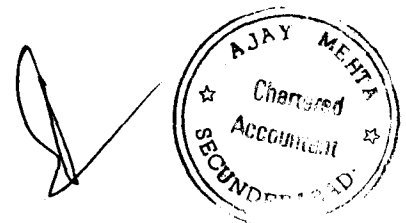
Rs.

Rs.

Rs.

Rs. 74,92,045/- (As per computation enclosed)

Rs. 74,92,045/-



## Declaration

I/ We have examined the balance sheet of the above industrial undertaking or enterprises style\*\* **M/s. Paramount Builders** and belonging to the assessee **M/s. Paramount Builders** (Permanent Account no. **AAJFM06456D** as at **31-03-2007** and the profit and loss account of the said industrial undertaking or enterprise for the year ended on that date which are in agreement with the books of account maintained at the head office at **5-4-187/3& 4, 2<sup>nd</sup> Floor, Soham Mansion, M.G Road Ranigunj Secunderabad.-500003** and Branches at **None**

\*I/We have obtained all the information and explanations which to the best of \*my /our knowledge and belief were necessary for the purposes of the audit, in \*my/our proper books of account have been kept by the head office and the branches of the industrial undertaking or enterprise aforesaid visited by \*me/us so far as appears from \*my/our examination of books, and proper returns adequate for the purposes of audit have been received from branches not visited by \*me/us, subject to the comments given below:


in \*me/our opinion the undertaking or enterprise satisfies the conditions stipulated in section 80-IB (strike out which ever is not applicable) and the amount of deduction claimed under this section in item 30 is as per the provisions of the Income-Tax act and meets the required conditions.

In \*my/our opinion and to the best of \*my/our information and according to explanations given to \*me/us the said accounts give a true and fair view-

- (i) in the case of the balance sheet, of the state of affairs of the above name industrial undertaking or enterprise as at **31-03-2007**; and
- (ii) in the case of the profit and loss account, of the profit ~~or loss~~ of the industrial undertaking or enterprise for the accounting year ending on **31-03-2007**;

**Place: Secunderabad**

**Date: 29-10-2007**

  
**Signed**

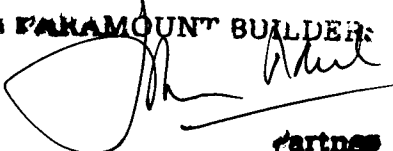


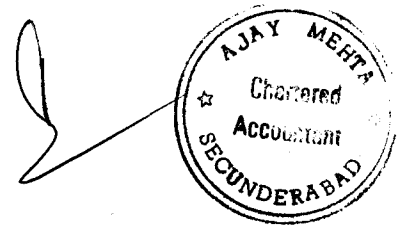
**PARAMOUNT BUILDERS**  
5-4-187/3 & 4, 2nd Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.

Assessment Year :: 2007-2008

**computation of Profit eligible for deduction U/s.80IB(10)**

Net Profit as per Profit & loss Account		7,863,580
Less: Credits to Profit & Loss account not considered:		
i) Estimated profit on Construction Receipts	477,600	
ii) Interest on FDR with Bank	230,565	708,165
		7,155,414
Add: Debits to P & L Account not considered:		
1. Provision for taxation	170,982	
2. FBT	650	
3. Tax Deduct at Source	164,999	336,631
Net Income Eligible for deduction U/s.80IB(10)		7,492,045

**PARAMOUNT BUILDERS**  
  
Partner



**PARAMOUNT BUILDERS**



**Asst Year – 2007-08**

**Annexure – 1 to Form NO 10CCB**

1. The firm has taken up developing of Housing Project which is situated at Nagaram Village which is named as 'Paramount Residency '. The sanction for the project is obtained Form Nagaram Panchayiti, Keesara Mandal, Ranga Reddy District vide sanction No. 294/2006-07, 295/2006-07, 296/2006-07, 297/2006-07, 298/2006-07, 299/2006-07 dated 29-12-2006 being local Authority.
2. The Firm has entered into an Joint Development Agreement dated 31-10-06 with the Co Owners of the Land M/s. Bhargavi Developers. The total land area is admeasuring Ac.3.04 Out of which Ac2.03 gts is owned by the assessee firm and the balance Ac 1.01 gts is owned by M/s. Bhargavi Developers. Under the above Joint Development Agreement the firm and M/s. Bhargavi Developers have reached into an understanding to build housing project on the entire land which in named as "Paramount Residency".
3. Under the above referred Joint Development Agreement the specific share(i.e. number of flats and Area) of each party in the project have been identified.
4. Salient features of the project are as under:


	Share owned by Paramo Builders	Share owned by Bhargavi Developers
Land Area	Sq.Yd.10043	S1.Yd.4840
Land Area in Acres	2.03 Gts.	1.01 Gts
No of Flats	179	81
Area of each Unit Ranging from (Built up Area)	400sft to 1300 sft..	400 sft to 1300 sft..
Sanction obtained on	14-09-2006	14-09-2006.

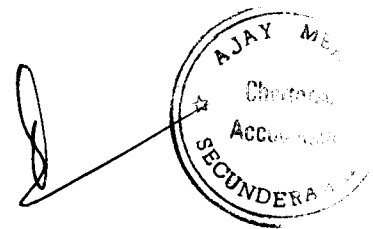
5. The revenue from Housing project is recognized on an estimate basis till the project completed and is transferred / delivered to the customers. Revenue in respect of independent residential units, which are completed is recognized at the point of transfer/delivered and /or ready for delivery to customer.
6. The work for independent residential units is under progress. During the year installments of Rs.4.68,96,386/- received / receivable on the basis of agreements / understanding.
7. In accordance with accounting policy adopted with regard to revenue recognition on uncompleted independent residential units an estimated profit of Rs. 9379277/- calculated at 20% on installments for the year of Rs 46896386/- is credited to Profit & Loss A/C and the corresponding debit of the same is to the account of construction work in progress account.



8. In accordance with the accounting policy adopted with regard to revenue recognition for uncompleted flats the installments aggregating to Rs. 46896386/- is carried forward as current liabilities and expenditure on construction, land cost and estimated profit declared aggregating to Rs. 37041258/- is carried forward as Inventories.
9. The copy of Sanction letter, Sanction plan, Brochure for the project is enclosed.
10. The Project is under the stage of construction. Keeping in view the generally accepted and settled principle that the profits accrues year to year in a project having a gestation period and not at the end of the project profits are estimated during the progress of project.

**PARAMOUNT BUILDERS**  
  
**Partner**



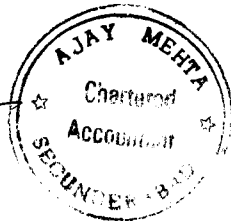
**PARAMOUNT BUILDERS**  
**5-4-187/3 & 4, SOHAM MANSION, M.G. ROAD, SECUNDERABAD - 500 003.**  
**Assessment Year: 2007- 2008**

**BALANCE SHEET AS AT 31-3-2007.**

<u>Liabilities</u>	<u>Amount Rs.</u>	<u>Assets</u>	<u>Amount Rs.</u>
<b>Partners' Capital</b>		<b>Cash</b>	
Modi Properties & Investments Pvt I	14,157,900.88	Cash on Hand	98,211.50
Gaurang Mody	393,178.99		
Snehalata Gangwal	1,982,947.47	<b>Cash at Bank</b>	
Samit Gangwal	2,482,947.47	Annexure - V	18,416,225.60
Naren Bakshi	5,965,894.93		
		<b>Inventories</b>	
<b>Sundry Creditors</b>		Annexure - VI	37,321,258.75
Annexure - I	1,231,946.00		
		<b>Deposits</b>	
<b>Outstanding Amounts Payable</b>		Annexure -VII	4,023,000.00
Annexure - II	950,780.00		
		<b>Sundry Debtors:</b>	
<b>Customer Accounts</b>		Annexure - VIII	21,243,202.00
Annexure III	3,074,175.00		
		<b>Fixed Assets</b>	
<b>Instalments for - 06-07</b>		Annexure - IX	48,887.00
Annexure IV	46,896,386.00		
		<b>Loans &amp; Advances</b>	
<b>HDFC Bank (Over Draft)</b>	776,840.12	Annexure - X	2,801,183.00
<b>Construction Receipts</b>			
Bhargavi Developers	5,867,989.00		
Provision for Taxation	170,982.00		
	<b>83,951,967.85</b>		<b>83,951,967.85</b>

Notes to Accounts Annexure - XI  
As per my report of even date.

(Ajay Mehta)  
Chartered Accountants




For PARAMOUNT BUILDERS,  
  
**PARTNER.**


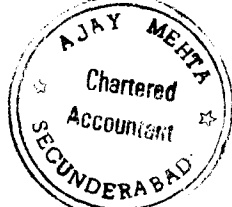
Place : Secunderabad.  
Date : 29-10-2007

**PARAMOUNT BUILDERS**  
**5-4-187/3 & 4, SOHAM MANSION, M.G. ROAD, SECUNDERABAD - 500 003.**  
**Assessment Year: 2007- 2008**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2007.**

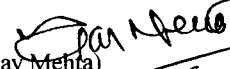
To House Keeping Charges	6,300.00	By FDR Interest	230,565.30
To Salaries	556,510.00	By Miscellaneous Income	36,175.00
To Conveyance	15,808.00	By Estimated Profit on Instalments	
To Medical Insurance to Staff	1,882.00	received @ 20% on	
To Staff Welfare Expenses	11,316.00	Rs.46896386/-	9,379,277.20
To Supervision Charges	350,000.00	By Estimated Profit on Bhargavi	
To Computer Repairs & Maintenance	12,200.00	Developers Constructions	
To Bank Charges	10,185.39	Receipts @ 8% on	
To Courier & Postage	4,108.00	Rs.5970000/-	477,600.00
To Depreciation	26,013.00		
To Electricity Charges	46,365.00		
To Legal Expenses	58,753.00		
To Miscellaneous Expenses	80,406.00		
To Office Maintenance	16,647.00		
To Printing & Stationery	214,097.00		
To Incentives	12,420.00		
To Stipend	8,183.00		
To Telephone Charges	11,341.00		
To Vehicle Maintenance	3,597.00		
To Designing Charges	15,000.00		
To Internet Charges	1,500.00		
To Advertisement Charges	164,024.00		
To Car Hire Charges	10,076.00		
To Exhibition charges	18,250.00		
To Firm Registration Fees	600.00		
To Discount	110,000.00		
To FBT Paid	650.00		
To Interest on Bank OD	1,207.56		
To Provident Fund	16,681.00		
To ESI	6,120.00		
To Audit Fees	16,854.00		
To Community Welfare	36,000.00		
To Tax Deduct at Source	164,998.82		
To Bonus	18,546.00		
To Income- tax	170,982.00		
To Consultancy Charges	8,418.00		
To Brokerage	53,999.00		
To Net Profit Transferred to			

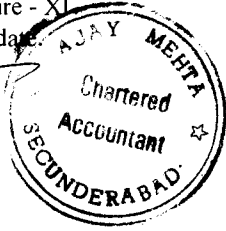
**PARAMOUNT BUILDERS**  
  
**Partner**

Partner Capital Accounts:		
Modi Properties & Investments Pvt I	3,538,610.88	
Gaurang Mody	393,178.99	
Snehalata Gangwal	982,947.47	
Samit Gangwal	982,947.47	
Naren Bakshi	1,965,894.93	
	<u>10,123,617.50</u>	<u>10,123,617.50</u>

Notes to Accounts Annexure - XI  
As per my report of even date.

  
(Ajay Mehta)  
Chartered Accountants



For PARAMOUNT BUILDERS,

  
PARTNER.

Place : Secunderabad.

Date : 29-10-2007



Paramount Builders

A.Y.2007-08

**Partners Capital Account**

**Account Copy of M/s. Modi Properties & Investments Pvt Ltd**

To Cheque paid during the year	280,000.00	By Opening Balance	5,269,290.00
To Balance c/fd.	14,157,900.88	By Cheques Recd during the year	5,630,000.00
		By Net Profit during the year	3,538,610.88
	<b><u>14,437,900.88</u></b>		<b><u>14,437,900.88</u></b>

**Account Copy of Gaurang Mody**

To Balance c/fd.	393,178.99	By Net Profit during the year	393,178.99
	<b><u>393,178.99</u></b>		<b><u>393,178.99</u></b>

**Account Copy of Snehalata Gangwal**

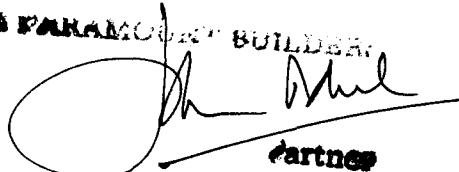
To Balance c/fd.	1,982,947.47	By Cheques received during the year	1,000,000.00
		By Net Profit during the year	982,947.47
	<b><u>1,982,947.47</u></b>		<b><u>1,982,947.47</u></b>

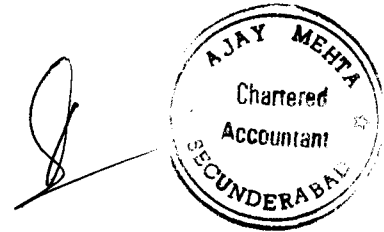
**Account Copy of Samit Gangwal**

To Balance c/fd.	2,482,947.47	By Cheques received during the year	1,500,000.00
		By Net Profit during the year	982,947.47
	<b><u>2,482,947.47</u></b>		<b><u>2,482,947.47</u></b>

**Account Copy of Naren Bakshi**

To Balance c/fd.	5,965,894.93	By Cheques received during the year	4,000,000.00
		By Net Profit during the year	1,965,894.93
	<b><u>5,965,894.93</u></b>		<b><u>5,965,894.93</u></b>

PARAMOUNT BUILDERS  
  
Partner



**Annexure - I  
Sundry Creditors**

**SUPPLIERS**

1	Vasavadatta Cement	354600.00
2	Grasim Industries Limited	118205.00
3	Krishna Murthy & Sons	647.00
4	RMC Readymix (I) Pvt. Ltd.	168960.00
5	Shubham Enterprises	19685.00
6	Tempest Advertising Pvt. Ltd.	27313.00
7	Venkatramana Binding Works	1563.00
8	IJM Concrete Products Pvt. Ltd.	318680.00
9	Ganji Brothers	2485.00

**OTHERS**

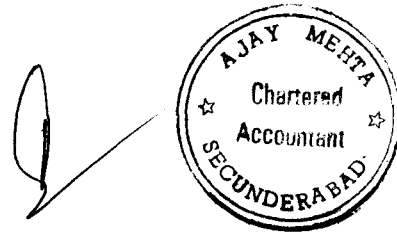
1	Srinivas Yadav A 105	10,000.00
2	Ms Mala Shenoy A 205	10,000.00
3	Mr Srinivas Yadav A 304	10,000.00
4	M. Sowjanya B 109	10,000.00
5	Mr. Babu Rao B 509	85,000.00
6	Mr. Chandr Shekhar 2C 202	10,000.00
7	T. Murthy on account	8,710.00
8	Pramod Kumar Petty Cash A/c.	1,100.00
9	S.V. Subba Reddy	6,000.00
10	Deshmukh - Incentives	53,000.00
11	United Security Services	15998.00
		<u>1231946.00</u>

**Annexure - II  
Outstanding Amounts Payable**

1	Audit Fees Payable	16,854.00
2	Salary Payable	81,437.00
3	TDS Payable	112268.00
4	Supervision Charges payable	37,505.00
5	Providend Fund Payable	7,578.00
6	P.T. Payable	825.00
7	E.S.I. Payable	3,728.00
8	Telephone Expenses payable	1,000.00
9	Electricity Bills payable	15,000.00
10	Bonus Payable	44,918.00
11	Service tax	629,667.00
		<u>950,780.00</u>

**PARAMOUNT BUILDERS**

*[Signature]*  
**Partner**



**Annexure - III  
Customer Accounts**

1	A 206 mr. Indrasena / Hemalatha	110,024.00
2	A 309 Ms. G Arpitha	626,743.00
3	A 401 Mr. D.N. Prasad	54,900.00
4	B 108 Anup Ostwal	449,089.00
5	B 306 Mr. V. Shekhar Reddy	59,334.00
6	B 407 K. Madhusudan Reddy	46,834.00
7	B 505 mr. A.A. Qaaleq	9,334.00
8	B 507 Mrs Namrata Sanghi	2,979.00
9	1C 103 Snehalata Gangwal	724,769.00
10	1C 104 Snehalata Gangwal	724,769.00
11	1C 209 Chandra Mouli	50,200.00
12	1C 405 Mr. Gangadhar	45,200.00
13	2C 402 Mrs Jayashree	165,000.00
	2C 505 mr. Anirudh	5,000.00
		<b>3,074,175.00</b>

**Annexure - IV**

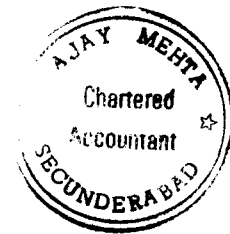
**Instalments received 06-07**

1C 102	A. Shanker Reddy	245400.00
1C 103	Snea Lata Gangwal	253166.00
1C 104	Mrs. Snea Lata Gangwal	253166.00
1C 106	K. Satyanarayana	487000.00
1C 107	K. Vijayalaxmi	154800.00
1C 108	K.Vijaya Laxmi	154800.00
1C 109	Harinath Reddy	487000.00
1C 201	Mr. Mahesh Sharma	245400.00
1C 202	Mr. Mahesh Chandra	245400.00
1C 204	B. Anand	964000.00
1C 205	V.R Hemanth Kumar	487000.00
1C 207	MR. M.S.N. Prasad	487000.00
1C 209	Chandra mouli	154800.00
1C 301	Mr. N. Kanthi Kiran	245400.00
1C 303	Mr. R. Ashok Swaminathan	862000.00
1C 304	Mr. Amit Baksi	286800.00
1C 305	Nayakam Bala Krishna	487000.00
1C 306	S.M Raju	487000.00
1C 309	Mr. P. Suresh	154800.00
1C 401	Mr. Laxmi Ganesh Kumar	699000.00
1C 402	Mrs. Bhavani Ganti	266800.00
1C 405	Gangadhar	154800.00
1C 406	T. Sunil Saxena	144200.00
1C 407	J. Lalitha Krishna	469000.00
1C 409	Mr. K. Srinivas	469000.00

**PARAMOUNT BUILDERS**

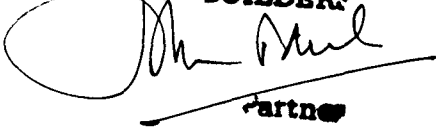
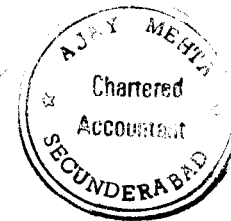
*[Handwritten Signature]*  
Partner

*[Handwritten Signature]*



**Paramount Builders****A.Y. 2007-2008.**

1C 502	Mr. K.V.V.S.V Prasad	786000.00
1C 503	Ajay Mehta	307800.00
1C 504	Mrs. S. Shileja Rani	333800.00
1C 505	Mr. Vijaya Kumar	469000.00
1C 506	Mr. Pratap Kumar	469000.00
1C 507	Mr. P Nageshwara Rao	511000.00
1C 508	Mr. D. Raja Shekhar	511000.00
2C 102	Mr. K. Srikanth	1042000.00
2C 103	Mr. G.R Krishna Murthy	281571.00
2C 104	Mrs. G. Rajeshwari	281714.00
2C 106	Mr. Naga Babu	562000.00
2C 109	Ms. P. Srinija	155857.00
2C 201	Mr. G.R Krishna Murthy	241285.00
2C 202	Mr. Veerasetty	903000.00
2C 204	Mrs. G.R.K Murthy	281571.00
2C 205	Mr. B Nageshwara Rao	5000.00
2C 207	Mr. Veera Kameshwar Rao / Appa I	5000.00
2C 301	Mr. Prasad Babu	945000.00
2C 304	Mr. G.R K. Murthy	281571.00
2C 306	Nagarjuna Kumar	573000.00
2C 503	Mr. Anirudh	299857.00
A 105	Ms. Anupama	290875.00
A 205	Mr. Peter	1002000.00
A 206	Mr. M. Indrasena	1169000.00
A 208	Mr. E. Pradeep	1925000.00
A 209	Mr. R. Anand	1890000.00
A 301	Mr. Kailash Badrinarayan Samdani	369500.00
A 306	Mrs. Mehul Mehta	245625.00
A 309	Mrs. G. Arpitha	441428.00
A 401	Mr. D.N Prasad	1409000.00
A 404	Mr. A.N Roy	1162000.00
A 407	Mr. Goli Srinivasa Reddy	380625.00
A 409	Mr. Ashok, & Mrs. Manjari	1605000.00
A 501	Mr. Aziz Ali	428571.00
A 505	Mrs. Valas Vijaya Laxmi	264875.00
B 101	Mr. Mahesh Agarwal	1415000.00
B 102	Mr. Balakrishna Bajaj	1416000.00
B 103	S. Ranga Rajan	10000.00
B 104	Dr. Jyothi Chabria	252000.00
B 107	Mr. Vijayendra Kumar	793000.00
B 108	Mr. Anup Ostwal	252000.00
B 109	Mr. Shashi Kiran Tirumala	10000.00
B 202	Mr. Sumitra Ostwal	1542000.00
B 205	Mr. P. Appa Rao	10000.00

**PARAMOUNT BUILDERS**  
Partner

**Paramount Builders****A.Y. 2007-2008.**

B 206	Venkata Choudhry	211833.00
B 209	Sachin Malve	211833.00
B 301	Harinarayan Vyas	896000.00
B 303	Aarshi Singh	211833.00
B 305	Laxmi Vyas	183166.00
B 306	V. Sheker Reddy	225666.00
B 307	Mr. Mukesh Sharma	793000.00
B 309	K. Janardhan Reddy	253800.00
B 402	MR. S.N.S. Srinivas Rao	1416000.00
B 403	Ashok Swaminathan.	666000.00
B 406	Mr. Saroj Patel	225666.00
B 407	K. Madhusudhan Reddy	238166.00
B 501	Mr. Rajesh Garg	1401000.00
B 502	G. Mohan Rao	482500.00
B 505	Mr. A. A. Qhaliq	225666.00
B 506	S.A K Zeelani	734000.00
B 507	Mrs. Namrata Sanghi	790000.00
B 508	Mr. Prakash A. Shah	856000.00
		<b><u>46,896,386.00</u></b>

**Annexure - V  
Cash at Bank**

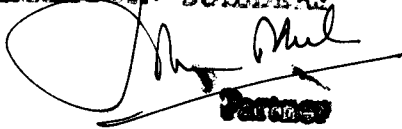
1	State Bank of Hyderabad	308,020.00
2	HDFC Bank - Fixed Deposit	18,000,000.00
3	Accrued Interest but not due	108,205.60
		<b><u>18,108,205.60</u></b>
		<b><u>18,416,225.60</u></b>

**Annexure - VI  
Inventories**

1	Land (At Cost)	7,543,125.00
2	Work -in -Progress (At Cost)	29,778,133.75
		<b><u>37,321,258.75</u></b>

**Annexure - VII  
Deposits**

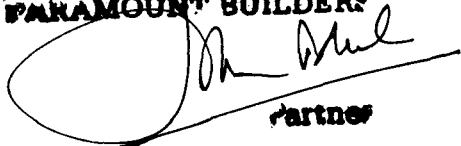
1	Telephone Deposit	1,000.00
2	Internet Deposit	22,000.00
3	Bhargavi Developers (Security)	4,000,000.00
		<b><u>4,023,000.00</u></b>

**PARAMOUNT BUILDERS****Partner**

Annexure - VIII  
Sundry Debtors

1	A 105 Ms. Anupama	205,875.00
2	A 205 Mr. Peter	774,000.00
3	A 208 Mr. Pradeep	1,680,000.00
4	A 209 Mr. R. Anand	1,775,000.00
5	A 301 Mr. Kailash Badrinarayan S	354,500.00
6	A 404 Mr. A.N. Roy	212,558.00
7	A 407 Mr. G. Srinivas Reddy	125,625.00
8	A 409 Mr. Ashok & Manjari	1,490,000.00
9	A 505 Vijaya Laxmi	179,875.00
10	B 101 Mahesh Agarwal	288,120.00
11	B 102 Balakrishna Bajaj	1,305,500.00
12	B 107 Mr. Vijayendra Kumar	643,000.00
13	B 202 Sumitra Oswal	295,436.00
14	B 301 Harnarayan Vyas	134,496.00
15	B 307 Mukesh Sharma	643,000.00
16	B 309 K. Janardhan Reddy	168,800.00
17	B 402 Mr. S.N.S. Srinivas	106,985.00
18	B 403 Mr. Ashok Swaminathan	154,239.00
19	B 501 Rajesh Garg	274,120.00
20	B 506 Mr. Zeelani	649,000.00
21	B 508 mr. Prakash A Shah	707,000.00
22	B 502 G. Mohan Rao	467,500.00
23	B 103 S Ranga Rajan	10,000.00
24	B-305 Laxmi Vyas	1,865.00
25	1C 102 Shanker Reddy	235,400.00
26	1C 106 Satyanarayana	442,000.00
27	1C 107 K. Vijaya Laxmi	109,800.00
28	1C 108 K. Vijaya Laxmi	109,800.00
29	1C 109 Harinath Reddy	442,000.00
30	1C 201 Mr. Mahesh Sharma	10,400.00
31	1C 202 Mahesh chandra	400.00
32	1C 204 Anand	829,000.00
33	1C 205 V.R. Hemanth Kumar	132,016.00
34	1C 207 M.S.N. Prasad	132,016.00
35	1C 303 Ashok Swaminathan	237,089.00
36	1C 304 Amit Baksi	9,301.00
37	1C 305 B.N.B. Krishna	132,015.00
38	1C 306 S.M. Raju	122,715.00
39	1C 401 Ganesh Kumar	567,000.00
40	1C 402 Bhavani Ganti	800.00
41	1C 406 Suneel	55,600.00
42	1C 407 Mrs Lalitha Krishna	60,492.00
43	1C 409 K. Srinivas	11,499.00
44	1C 502 KVVSV Prasad	111,418.00
45	1C 505 Mr. Vijay Kumar	375,000.00
46	1C 506 Mr. Pratap Kumar	88,101.00

PARAMOUNT BUILDERS



partner




**Paramount Builders**

**A.Y. 2007-2008.**

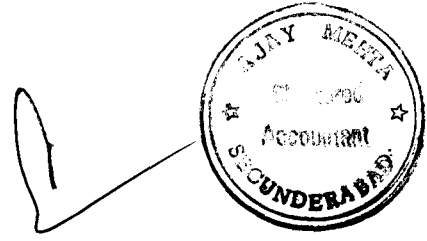
47	1C 507 mr. Nageshwar Rao	413,000.00
48	1C 508 Mr.D Raja Shekhar	413,000.00
49	2C 102 Mr Srikanth	844,000.00
50	2C 106 Mr. Nagababu	181,132.00
51	2C 109 Ms. Srinija / K. Srinivas	110,857.00
52	2C 202 Mr. Veerasetty	818,000.00
53	2C 301 Mr. A. Prasad Babu	860,000.00
54	2C 306 mr.Nagarjuna Kumar	528,000.00
55	2C 503 Mr. Anirudh	214,857.00
		<u>21,243,202.00</u>

**Annexure - X  
Loans & Advances**

1	Staff - Loans	76,473.00
2	Staff - Petty Cash Account	924,744.00
3	Advances - Contractors	346,507.00
4	Loans- Contractors	857,421.00
5	Loans-/Suppliers/Others	443,893.00
7	Bhargavi Developers	152145.00
		<u>2,801,183.00</u>

**PARAMOUNT BUILDERS**


*[Handwritten Signature]*  
**Partner**

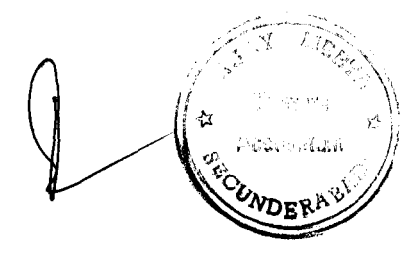


**Paramount Builders**

**Asst. Year 2007-2008**

Land			7,543,125.00
Construction Work in progress			
Opening Balance 1-4-06		394,593.55	
Add: Construction Expenses During the year			
Building Materials	14,384,828.00		
Hire Charges & Job Work Charges	1,819,922.60		
Labour Charges & Allowances	605,934.40		
Other Expenses	63,103.00		
Diesel & Other Allowances	205,756.00		
Architect Fee/Other Consultancy Charges	1,010,160.00		
Salaries & Other Benefits	236,872.00		
Building permission expenses	554,631.00		
Development charges	536,656.00		
Processing Charges	108,800.00	19,526,663.00	
		<u>19,921,256.55</u>	
Add: Estimated Profit declared for F.Y.2006-07 on instalments receivable @ 20%	9,379,277.20		
Estimated profit declared on Sri Sai Builders Construction receipts % 8%	197,600.00	9,576,877.20	29,498,133.75
		<u>37,041,258.75</u>	

**TO PARAMOUNT BUILDERS**  
  
**Partner**





**WORK - IN - PROGRESS**  
**Building Materials**


1	Bended Stones	2,550.00
2	Borewell	77,039.00
3	Bricks/Hollow Blocks/Red Bricks	527,711.00
4	Cement	4,778,221.00
5	Chips & Stone Dust	732,190.00
6	Coal Salt	30.00
7	Consumables	13,442.00
8	Doors	20,776.00
9	Earth Compressor	39,000.00
10	Electrical Material	222,281.00
11	Sand Sewing Machine	21,715.00
12	Granite	102,381.00
13	Hardware Material	203,568.00
14	Kadies	7,800.00
15	Metal / Stone Dust	248,522.00
16	Pipes	45,800.00
17	Plumbing & Sanitary	69,138.00
18	Plywood & Glass	37,107.00
19	RCC Rings	15,200.00
20	Sand	469,227.00
21	Steel	5,811,117.00
22	Stones	19,730.00
23	Sundry Purchases	45,488.00
24	Tiles	13,630.00
25	Tools / Hardware material	241,596.00
26	Water Proofing Chemical	4,646.00
27	Water Tanker Charges	18,624.00
28	Wood	358,797.00
29	Material charges	6,680.00
30	Pump	169,300.00
31	Compoundwall permission Fees	8,099.00
32	Paints & Colours	2,485.00
33	Building Materials	8,742.00
34	Bamboos	7,977.00
35	Generator	34,219.00
		<b>14,384,828.00</b>

**Hire Charges & Job Work Charges**

1	Hire Charges For Equipments	18,311.00
2	Allowance for Equipments	1,718,531.60
3	Job Work Charges	11,452.50
4	Security Charges	71,627.50
		<b>1,819,922.60</b>

**Labour Charges & Allowances**

1	Labour charges	605,723.40
2	Labour Welfare allowance	211.00
		<b>605,934.40</b>

**PARAMOUNT BUILDERS**  
  
 Partner




<b>Other Expenses</b>		
1	Repairs and Maintenance	5,108.00
2	Transportation Charges	31,925.00
3	Water / Soli / Steel Testing Charges	15,000.00
4	Survey Charges	2,500.00
5	Hamali Charges	8,570.00
		<u>63,103.00</u>

<b>Diesel &amp; Other Allowances</b>		
1	Allowances for Consumables	192,536.00
2	Oil / Petrol / Diesel	13,220.00
		<u>205,756.00</u>

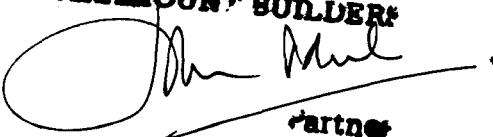
<b>Architect Fee &amp; Other Constultancy charges</b>		
1	Consultancy Charges	1,010,160.00
		<u>1,010,160.00</u>

<b>Salaries &amp; Other Benefits</b>		
1	Salaries	209,980.00
2	Bonus	26,892.00
		<u>236,872.00</u>

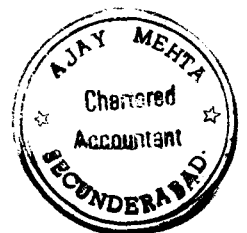
**DETAILS OF LOANS AND ADVANCES**

<b>STAFF - LOANS &amp; ADVANCES</b>		
1	Pramod Kumar	12,930.00
2	Incentive (Rani susairaj)	500.00
3	Jaffer Khan	31,000.00
4	Lawrance Peterson	2,600.00
5	Laxman Kumar	2,600.00
6	Mubashir Ahmed Khan	17,700.00
7	Narsing Deshmukh	1,800.00
8	Sai Kumar	2,243.00
9	Srinivas Rao G.	2,100.00
10	Suri Babu	3,000.00
		<u>76,473.00</u>

<b>STAFF PETTY CASH ACCOUNTS</b>		
1	Anil Kumar	250.00
2	Narsing Deshmukh	6,000.00
3	K. Prabhaker Reddy	896,605.00
4	Phani Kumar	300.00
5	Sai Kumar	15,800.00
6	Selva Kumar	150.00
7	Subba Reddy	3,639.00
8	Venkateswara Rao	2,000.00
		<u>924,744.00</u>

**PARAMOUNT BUILDERS**  
  
 Partner





**LOANS - CONTRACTORS**

1	G. Srinivas Rao	150,000.00
2	Krishna	10,000.00
3	O. Vijaylaxmi	160,000.00
4	Rambabu	6,507.00
5	Stayanarayana	10,000.00
6	Abdul Mallik	10,000.00
		<u>346,507.00</u>

**LOANS & ADVANCES  
ADVANCES - CONTRACTORS**

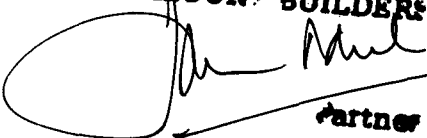
1	G. Srinivas	15,635.00
2	Krishna / Haking	4,320.00
3	Krishna	6,000.00
4	Lingam	1,170.00
5	Mannem	11,305.00
6	O. Vijayalaxmi	16,541.00
7	Ramulu	6,120.00
8	Satyanarayana	768,299.00
9	Kamal Singh	25,000.00
10	Murali	3,031.00
		<u>857,421.00</u>

**ADVANCES - SUPPLIERS/OTHERS**

1	Otis Elevator Company India Ltd.	306,000.00
2	Ahuja Engineering	130,000.00
3	Prasad Associates	343.00
4	Verna Media	2,550.00
5	Kesoram Sunderlal Fatepuria	5,000.00
		<u>443,893.00</u>

**Groupings  
Land at Cherlapally**

1	Land	7,470,000.00
2	Reg.Charges	73,125.00
		<u>7,543,125.00</u>

**PARAMOUNT BUILDERS**  
  
 Partner



**PARAMOUNT BUILDERS**  
**ASSESSMENT YEAR :: 2007-2008.**

**SCHEDULE "XI":**  
**Notes to Accounts**

1) **Significant Accounting Policies**

a) **Accounting Conventions**

The accounts have been prepared using historical cost conventions and on the basis of going concern with revenues recognized and expenses incurred on accrual basis unless otherwise stated.

b) **Inventories**

i) Land is stated at cost

ii) Building construction work is stated at cost including estimated profits declared year to year till completion of the project.

c) **Revenue Recognition:**

Revenue from Housing Project is recognized on an estimate basis till the flats are completed and are transferred/delivered to the customers.

Revenue in respect of flats which are completed is recognized at the point of transfer/delivery/and or are ready for delivery to the customers.

Revenue of flats sold is after discount allowed.

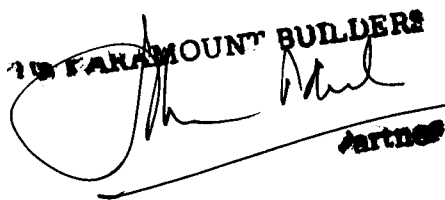
d) **Fixed Assets:**

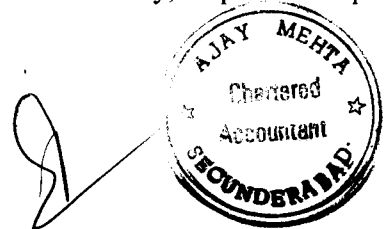
Fixed Assets are stated at cost of acquisitions less depreciation.

e) **Depreciation:**

Depreciation on Fixed assets is provided on W.D.V. method at the rates and in the manner specified under I.T. Act/Rules.

2. The Firm has entered into an Joint Development Agreement dated 31-10-06 with the Co Owners of the Land M/s. Bhargavi Developers. The total land area is admeasuring Ac.3.04 Out of which Ac2.03 gts is owned by the assessee firm and the balance Ac 1.01 gts is owned by M/s. Bhargavi Developers. Under the above Joint Development Agreement the firm and M/s. Bhargavi Developers have reached into an understanding to build housing project on the entire land which in named as "Paramount Residency".
3. The sanction for housing project has been obtained from a local authority, Kapra Municipality vide their letter No.6008/P4/Plg/HUDA/2006 dt.14-09-2006.

**PARAMOUNT BUILDERS**  
  
**Partner**



4. Under the above referred Joint Development Agreement the specific share(i.e. number of flats and Area) of each party in the project have been identified.
5. The said M/s. Bhargavi Developers have entered into a construction contract with the firm for construction of their share of flats. The said construction is integrated and merged with the entire Housing project. During the year the firm has received a sum of Rs.59.70 Lakhs towards construction receipts.
6. The Profit arising out of the housing project is eligible for deduction u/s. 80 IB (10) of I. T. Act of 1961.
7. Salient features of the project are as under:

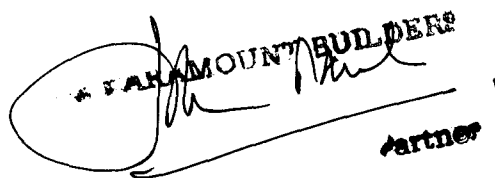
	Share owned by Paramou Builders	Share owned by Bhargavi Developers
Land Area	Sq.Yd.10043	S1.Yd.4840
Land Area in Acres	2.03 Gts.	1.01 Gts
No of Flats	179	81
Area of each Unit (Built up Area)	400sft to 1300 sft..	400 sft to 1300 sft..
Sanction obtained on	14-09-2006	14-09-2006.

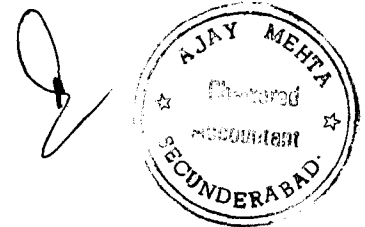
8. During the year the company has commenced work of developing and building above housing project the profits of which are eligible for deduction U/s.80IB(10). The work is under progress. During the year installments of Rs46896386/- towards sale of Flats is received on the basis of agreements/understanding. Further an amount of Rs.5970000/- is received M/s. Bhargavi Developers for construction of their share of Flats which is embedded and forms integral part of the entire Housing Project.

9. In accordance with accounting policy adopted with regard to revenue recognition an estimated gross profit of Rs.9379277/- at the rate of 20% on installments of Rs46896386/- received/receivable during the year is credited to Profit & Loss account and debited to Work in progress account. Further, an estimated gross profit of Rs.477600/- @ 8% on construction receipts of Rs5970000/- during the year is credited to Profit & Loss account and is debited to work in progress account.

10. In accordance with the accounting policy adopted till the project is completed the installments for the year for flats aggregating to Rs.46896386/- and construction receipts for Rs.5970000/- is carried forward as Current Liabilities. Likewise land cost, expenditure on construction, estimated profits declared aggregating to Rs.37321258/- is carried forward as Inventories.

11. Expenses not supported by external evidences as taken as certified and authenticated by the management.

 **PARAMOUNT BUILDERS**  
Partner



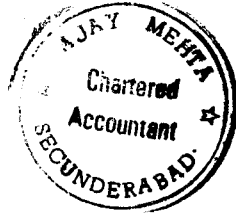
12. Balances standing to debit/credit to various accounts are subject to confirmation.

13. a) There are no cash payments made at a time exceeding Rs.20000/- U/s.40A(3) read with Rule 6DD of I.T. Rules.

b) In respect of payments by cheques/DD's it is not possible to verify in absence of payee cheque/DD's. ;However a certificate to this effect that the payments are made by account payee cheque/DD has been obtained.



Ajay Mehta  
Chartered Accountant.



For PARAMOUNT BUILDERS,

  
PARTNER

Place : Secunderabad.

Date : 29/10/07