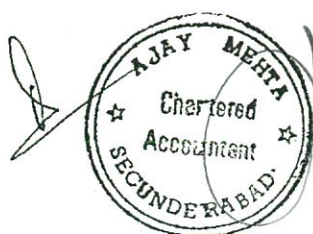


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Mehta & Modi Homes

A.Y. 2008-09

<u>Contractors on acc-ounts - VI</u>			
1	Shri Ramulu	5,730.00	
2	Vishnu	2,672.00	8,402.00
<u>Contractors on acc-ounts - IX</u>			
1	Shri ramulu	26,400.00	
2	Mannem	13,571.00	39,971.00
<u>Advances to Suppliers/others</u>			
1	Murali Sanitary & Engineering Co.	55,701.00	
2	Om Hardware	62,321.00	
3	Push Trading Co.	250,000.00	
4	Radiant Systems	520.00	
5	Tempest Advertising Pvt. Ltd.	46,901.00	
6	Vikas Power Projects	343,200.00	
7	S.P. Singh	200.00	758,843.00
<u>Loans/Advances to other</u>			
1	Heetal K Parikh	650,000.00	
2	Jade Relators	3,000,000.00	
3	Ketan C Parikh HUF	2,376,239.55	
4	Pravesh B Parikh	700,000.00	
6	Piyush J Parikh	650,000.00	
7	Parikh Textiles Pvt. Ltd.	182,320.00	
8	Kesoram Sunderlal Fatepuria	41,548.00	
9	Meera Garodia	500,000.00	
10	Ketan Parikh	2,614,713.00	
11	Premal C Parikh	2,600,299.00	
12	Premal C Parikh HUF	2,332,193.00	15,647,312.55
<u>Advnces to Land Lords</u>			
1	K. Krishna	300,000.00	
2	Ramaiah	250,000.00	
3	Bikshapathi	250,000.00	
4	P. Ravinder Reddy	250,000.00	
5	P. Narayan Reddy	500,000.00	
6	P. Narsimha Reddy	1,000,000.00	
7	P. Prabhakar Reddy	750,000.00	
8	P. Pratap Reddy	750,000.00	
9	P. Purshottam Reddy	750,000.00	
10	P. Renuka	710,894.00	
11	P. Sanjeeva Reddy	3,000,000.00	
12	P. Suresh Reddy	1,000,000.00	
13	P. Susheela	750,000.00	
14	P. Venkat Ram Reddy	750,000.00	11,010,894.00
<u>Staff Loans:</u>			
1	Afzal Khan	3,025.00	
2	Bhavani Prasad	6,860.00	
3	Dakshina Murthy	131.00	



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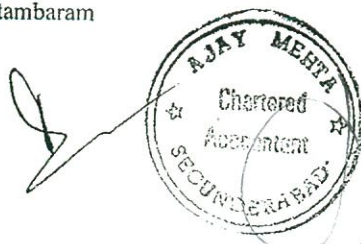
4	G. Venkateswara Rao	7,298.00	
5	Hari Swaroop	7,010.00	
6	G.S.N. Reddy	206.00	
7	Jagdish Kanaiya	2,643.00	
	Jayant Kumar Sagar	6,000.00	
8	M. Srinivas	10,087.00	
9	P. Swetha	1,551.00	
10	Pradeep Kumar	7,007.00	
11	Ramesh Reddy	9,526.00	
12	Ranjith Prakash	26,912.00	
13	Sai Dinesh	4,102.00	
14	Sai Kumar	35,694.00	
15	Sambasiva Rao	324.00	
16	Selva Kumar	2,000.00	
17	Shiv Raj	2,550.00	
18	Y.V.Shailaja	4,458.00	
19	Roopa M	6,000.00	
20	Suresh A	5,996.00	
21	Iqbal	5,100.00	
22	M. Yadagiri	16,090.00	
23	N. Seshadri	1,200.00	
24	Hemendra Kanaiya	5,750.00	
25	A. Aravind	2,910.00	180,430.00

Staff Petty cash advances:

1	A. Shankar Reddy	3,000.00	
2	Anand Mehta	8,323.00	
3	Anil Kumar	1,400.00	
4	Mahaboob	1,550.00	
5	Mahender	1,000.00	
6	Prabhakar Reddy	134,430.00	
7	Praveen	500.00	
8	Ramana Murthy	4,000.00	
9	Ranjith	15,002.50	
10	Sai Kumar	4,364.00	
11	Seshadri	200.00	
12	Narsing Deshmukh	200.00	173,969.50

Contractors Loans

1	Adishesu	31,959.00
2	Ishaq	10,000.00
3	M. Naga Brahmiah	11,000.00
4	Srinivas Sagar	4,390.00
5	V. Venkatesh	1,796.00
6	Venkat Reddy	1,900.00
7	Vishnu	5,000.00
8	Yedukondalu	3,500.00
9	K. Venkateswarlu	7,000.00
10	Chandrakala	33,500.00
11	M. Gopal	22,000.00
12	R. Chitambaram	30,000.00



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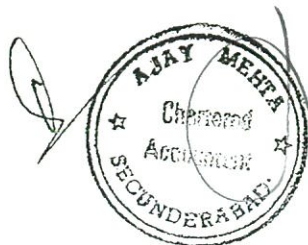
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13	Narsimhulu Goud	
14	Durgaiah	5,981.00
15	Brahmachary	3,600.00
16	Ramulu	7,294.00
17	Bhavana House Keeping Maintenance	2,449.00
	Total Loans & Advances	2,700.00
		184,069.00
		36,850,506.55

Annexure - XIII
Sundry Debtors

<u>S.No</u>	<u>Name</u>	<u>Amount</u>
	<u>Phase - I</u>	
1	Plot No. 1 Mr. Ramandeep Khurana	135,713.00
2	Plot No.9 Dr. Tejal Modi	1,375.16
3	Plot No.14 Subadra M	159,877.00
4	Plot No.15 Inderkumar Seth	524,870.00
5	Plot No.23 Sunil Bothra	26,936.25
	Plot No.24 Girish Rao & Mrs. Valula Devi	2,406.00
6	Plot No.25 Girish Subramanim	7,471.00
7	Plot No.26 Faiz Arni	133,094.00
8	Plot No.31 Pradeep Kumar	11,433.11
9	Plot No.46 M Babu Rao	170,436.03
10	Plot No.51 V.G. Monohar Reddy	543.58
11	Plot No.57 Saritha Reddy	106,461.00
12	Plot No.65 Ratneshwara Rao	262,550.00
13	Plot No.66 B Anil Kumar	147,339.00
14	Plot No.71 Sesha Phani	1,269.00
15	Plot No.72 Rashmi Saxena	2,746.70
		1,694,520.83
	<u>Phase - II</u>	
1	Plot No.211 Dr. Tejal Modi	333,904.00
2	Plot No.201 Samir Kalia	1,190,018.00
3	Plot No.202 Soham Modi	2,515,495.00
4	Plot No.203 N. Kiran Reddy	2,748,495.00
5	Plot No.204 K Poornima	78,545.00
6	Plot No.205 Sameer Kalia	1,230,533.00
7	Plot No.206 L.V. Ramana	449,351.00
8	Plot No.208 Polkam Sanjay	697.00
9	Plot No.209 Anand Subramani	953,293.00
10	Plot No.210 Mr. Ibrahim Abdul Hameed Munshi	236,509.00
11	Plot No.212 Radhika Aasoori	52,749.00
12	Plot No.213 Satyavolu Ravi Krishna	106,749.00
13	Plot No.214 Sanjeev Datta Gupta	509,764.00
14	Plot No.216 K. Aditya	854,294.00
15	Plot No.217 V. Srinivas	449,459.00
16	Plot No.218 C. Shiva Kumar	335,573.00
17	Plot No.219 K. Ramu	704,207.00
18	Plot No.220 Ahmed Subhan	999,107.05
19	Plot No.221 Dhiraj Abhyankar	739,695.00
20	Plot No.222 V.S. Radha Krishna Murthy	590,923.00
21	Plot No.223 Purna Kalyana Chakravarthi	587,228.00
22	Plot No.225 Mr. Rahul Gupta	259,886.00



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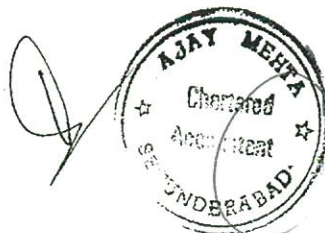
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23	Plot No. 226 G. Sonia Raj	594,029.00	
24	Plot No. 227 A. Ravi Shankar	609,623.00	
25	Plot No. 228 A. Susheela	1,431,335.00	
26	Plot No. 229 Wg. Cdr. V. Mallikarjun	1,546,788.00	
27	Plot No. 230 P. Vijay Kumar	822,857.00	
28	Plot No. 231 K. Venkat Rao	1,028,190.00	
29	Plot No. 233 Prakash Jhaveri	796,570.00	
30	Plot No. 233 Tanjuja Javeri	500.00	
31	Plot No. 234 P.S. Narsing Rao	76,601.00	
32	Plot No. 236 Rajesh Racha battuni	1,266,192.80	
33	Plot No. 237 Mrs S.V. Satyalaxmi	551,756.00	
34	Plot No. 238 G Jaganath	1,315,715.00	
35	Plot No. 239 Girish Lodd	1,248,739.00	
36	Plot No. 240 Suresh Kumar	895,774.00	
37	Plot No. 241 Ashfaq Ahmed	35,199.00	
38	Plot No. 242 Lokesh Bharatan	1,140,720.00	
39	Plot No. 243 Mr. Prakash	1,126,745.00	
40	Plot No. 244 Mrs Renuka & M.V. Ramanarao	191,345.00	
41	Plot No. 245 A. Avinash	72,519.00	
42	Plot No. 246 K. Venkata Naga Durga	906,751.00	
43	Plot No. 247 JVD Murthy	1,190,423.00	
44	Plot No. 248 Murali Mohan Rao B	633,592.00	
45	Plot No. 249 A.K. Mohan & A. Usha	2,479,936.00	
46	Plot No. 250 Sri Ramakrishna Shri Garimella	132,254.00	
47	Plot No. 251 K. Praveen Kumar	1,940,988.00	
48	Plot No. 252 Mr. Pavan Kumar Muthuri	3,854,047.00	
49	Plot No. 254 Sai Raj Gupta	2,694,353.00	
50	Plot No. 255 JVK Prasad	750,470.00	
51	Plot No. 256 Mrs. P Uma Kumari	1,587,319.00	
52	Plot No. 258 V. Rajeswari	462,778.00	
53	Plot No. 259 V. Rajeswari	1,840,584.00	
54	Plot No. 260 A. Deepk	751,787.00	
55	Plot No. 262 Durga Prasad	64,570.00	
			49,967,523.85

Phase III

1	Plot No. 301 Rajeev Kumar	1,120,000.00	
2	Plot No. 320 C. Krishna Murthy	365,000.00	
3	Plot No. 328 A Krishna Rao	1,528,000.00	
4	Plot No. 329 Kalyan Chakravarthy	2,133,000.00	
5	Plot No. 331 Dr. Bhaskar Prasad	2,262,000.00	
6	Plot No. 334 Sasi Ganapathy	475,000.00	
7	Plot No. 335 S Swamynathan	3,260,000.00	
8	Plot No. 336 S Srikanth	1,644,000.00	
9	Plot No. 340 KRS Devi	1,423,000.00	
10	Plot No. 341 Mohan Vamshi	2,583,000.00	
11	Plot No. 342 Pinaki Gupta	2,708,000.00	
12	Plot No. 346 Mrs Meenakshi	2,352,000.00	
13	Plot No. 348 Mr. BVJ Ganesh	2,638,000.00	
14	Plot No. 365 Bishnu Kumar	200,000.00	
15	Plot No. 310 Mrs. Ramakumari	25,000.00	
			24,716,000.00
			76,378,044.68



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ANNEXURE - XII
FIXED ASSETS

ASSESSMENT YEAR 2008-09

Sl.No.	Name of the Asset	W.D.F. 01.04.2007	Additions Before 30.09.07	Additions After 30.09.07	Total	Rate of Depreciation	Amount of Depreciation	W.D.V. C/f.
1	Cars - Maruti Alto	263069.00	0.00	0.00	263069.00	15%	39460.00	223609.00
2	Cars - TATA Indica	296000.00	0.00	0.00	296000.00	15%	44400.00	251600.00
3	Cars - TATA Indica Xeta V2	274920.00	0.00	0.00	274920.00	15%	41238.00	233682.00
4	Car - Tata India Xeta GVS	283050.00		0.00	283050.00	15%	42458.00	240592.00
4	Computers	68267.40	24400.00	89639.00	182306.40	60%/30%	82492.00	99814.40
5	Digital Camera	25579.25	0.00	0.00	25579.25	15%	3837.00	21742.25
6	Furniture & Fixtures	35083.00	42809.00	41331.00	119223.00	10%	9856.00	109367.00
7	Mobile Phones	5260.75		0.00	5260.75	15%	789.00	4471.75
8	Office Equipment	48991.50	0.00	0.00	48991.50	15%	7349.00	41642.50
9	Printers	1238.00	14450.00	5500.00	21188.00	60%	11063.00	10125.00
10	UPS	760.00	6350.00	10200.00	17310.00	60%	7326.00	9984.00
11	Vehicle - Eterno	0.00	40516.00	0.00	40516.00	15%	6077.00	34439.00
	TOTAL	1302218.90	128525.00	146670.00	1577413.90		296345.00	1281068.90

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SCHEDULE - XIV
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) Use of Accounting Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that effect the reported amounts of assets & liabilities as off the date of the financial statements, and reported amount of revenues & expenses during the reported period, actual results could differ from the estimates.

c) Inventories

i) Land is stated at Cost

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

d) Revenue Recognition

Revenue from Housing project under which independent residential units (bungalows) are constructed is recognized on an estimate basis till such independent residential units are completed and are transferred/delivered to the customers.

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

Revenue of independent residential units sold is after discounts allows.

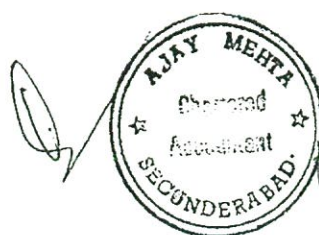
e) Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation.

f) 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. During the year the company has carried on work of developing and building housing project near Cherlapally village which is styled as 'Silver Oak Bungalows'. The income



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of housing project for Phase I which is deductible under section 80IB(10) of I.T. Act, 1961.

3. The sanction for the project is obtained from HUDA vide Lr.No.2755/MP2/Plg/HUDA/2004 dated 06/07/2005 and Kapra Municipality vide sanction No. BA/41/3650/2004 dated 15.06.2005 being local Authority.

4. The Project is required to be completed by 31-03-2010 (i.e. within 4 years from the end of financial year in which first sanction is received).

5. The salient features of the project are as under for Phase-I :

- Land Area Acre 6.05 Gts.
- Total number of individual residential units 76
- Size of each unit is ranging from 1366 S.ft to 1487 S.ft (*Built-up area.*) The Built-up area is certified by a Chartered Engineer (copies are enclosed herewith)
- Date of commencement 02.07.2005 (Date of First Building plan sanction)

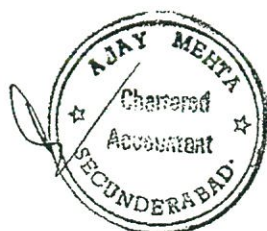
6. Out of total 76 residential units the work for 75 units is completed by 31-03-2008 and in accordance with accounting policy adopted the sale consideration aggregating to Rs. 16,61,25,381/- in respect of such units is credited to construction / Profit & Loss account.

7. The installments of Rs.31,46,000/- received / receivable on the basis of agreements / understanding in respect of 1 unit. In accordance with accounting policy adopted with regard to revenue recognition on uncompleted independent residential units an estimated profit of Rs. 3,14,600/- calculated at 10% on installments for the year of Rs 31,46,000/- is credited to Construction A/C and the corresponding debit of the same is to the account of construction work in progress account

8. The work for other Phases i.e. II & III is under progress. During the year for Phase II installments of Rs.14,19,66,126/- & for Phase III installments of Rs. 3,40,27,000/- are received/ receivable on the basis of agreements/understandings.

9. In accordance with accounting policy adopted with regard to revenue recognition on uncompleted independent residential units an estimated profit of Rs. 1,41,96,612/- for Phase II and for Rs.34,02,700/- Phase III calculated at 10% on installments for the year of Rs. 14,19,66,126/- for Phase II & for Phase III Rs. 3,40,27,000/- is credited to Construction account and the corresponding debit of the same is to the account of construction work in progress account. The rate of Profit estimates is as adopted by the management from time to time.

10. In accordance with the accounting policy adopted with regard to revenue recognition for uncompleted blocks the installments aggregating to Rs.31,46,000/- for Phase I Rs.23,40,43,511/- for phase II & Rs.3,40,27,000/- for Phase III is carried forward under schedule VII Current Liabilities and expenditure on construction, land cost and estimated profits declared aggregating to Rs.25,95,33,135/- It is carried forward under Schedule IX as Inventories.



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11. Expenses not supported by external evidences are taken as certified and authenticated by the Management.
12. Balances standing to debit/credit to various accounts are subject to confirmation.
13. In computing the value of Fringe benefit, Car Hire charges paid of Rs.29094/- have not been considered as expenditure as the nature of expenditure is towards taxi hire charges paid for customers visit to site and not towards expenditure on maintenance etc of motor cars belonging to the company as envisaged in section 115WB(2)(H).
14. The firm has paid a sum of Rs.5,60,000/- towards management remuneration to one of its partners M/s. Modi Properties & Investments Pvt. Ltd.

For MEHTA & MODI HOMES

Soham Modi
Partner.


Ajay Mehta
Chartered Accountant

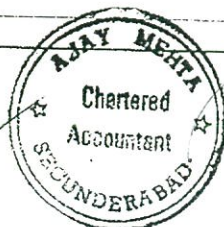


Place : Secunderabad.
Date : 27.09.2008


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Mehta & Modi Homes		A.Y. 2008-2009
Groupings		
LAND ACCOUNT		
Phase - I		
Land at Cherlapally (Opening Balance)	6,357,555.12	
Less: Transferred to Construction account	6,183,915.12	
		173,640.00
Phase - II		
Land at Cherlapally (Opening Balance)	11,312,475.00	
Registration Expenses	64,530.00	
Plot No.30 - II		
Adalu	1,200,000.00	
Registration charges	114,000.00	
Brokerage	32,000.00	12,723,005.00
Phase - III		
Land at Cherlapally (Opening Balance)	14,034,950.00	
Registration charges (Mortgage Deed)	56,285.00	
Survey charges	12,550.00	14,103,785.00
Phase - IV		
Prathika B Bhatt	2,500,000.00	
Registration	523,685.00	3,023,685.00
Phase - V		
Registration (Development Aggrement)		63,000.00
Phase - VI		
Survey Charges	4,500.00	
Registration expenses (Development Aggrement)	63,000.00	67,500.00
Phase - VII		
Registration expenses (Development aggrement)		42,000.00
Phase - IX		
Land	38,000,000.00	
Survey Charges	19,100.00	
Registration Expenses	3,908,500.00	41,927,600.00
Sy.No.82/I		
Land (Opening Balance)	15,176,345.00	
		15,176,345.00
Plots		
Plot No.25 - P Narasaiah (Opening Balance)	240,900.00	
Plot No.26 - N Sridhar (Opening balance)	240,900.00	
Plot No.27 - Y Leela Reddy (Opening balance)	240,900.00	
Plot No.29 - M Venkat Rao (Opening balance)	481,795.00	
Plot No.32 - D Yadaiah (Opening balance)	133,590.00	1,338,085.00
		88,638,645.00



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Details of Work in Progress - Phase - I		
Opening Balance (1-4-07)	118,810,644.81	
Add: Estimated Profit on Instalments receivable @ 10%	314,600.00	
Building Materials	11,047,901.00	
Labour Allowances	3,273,825.00	
Job Work Charges	371,074.00	
Hire Charges	85,645.00	
Other Exp	1,438,627.00	
	135,342,316.81	
Less: Extra Specifications for Plots	211,995.00	
	135,130,321.81	
Less: Amount transferred to Construction Account	133,345,764.81	
	1,784,557.00	
Building & Other Materials		
Bricks / Solid Blocks / Hollow Bricks	572,530.00	
AC Sheets	13,713.00	
Building Material	113,069.00	
C.C. Rings	1,180.00	
Cement / R MC	1,156,455.00	
Chemicals	105,749.50	
Chips & Stone Dust / Kerb Stones	6,500.00	
Consumables	21,319.00	
Doors / Windows	279,572.00	
Electrical Goods	684,067.00	
Equipments	1,387,035.00	
Flooring Carpet	42,525.00	
Granite	35,620.00	
Hardware Material	169,473.00	
Marble	1,339,153.00	
Metal	7,999.00	
Paints & Colours	243,573.00	
Plumbing & Sanitary Material	350,020.50	
Plywood / Glass / Polishing material	852,124.00	
Sand / Red Mud	74,229.00	
Sports Equipment	46,987.00	
Steel	1,038,323.00	
Sundry Purchases	65,521.00	
Swimming Pool Equipments	166,250.00	
Water Proofing Chemicals	5,380.00	
Tiles / Clay Material	626,034.00	
Aluminium Windows	1,439,146.00	
Tools	9,229.00	
Pump	80,217.00	
Road Work Material	6,598.00	
Gardening Material	107,560.00	
Water tanker charges	750.00	
	11,047,901.00	



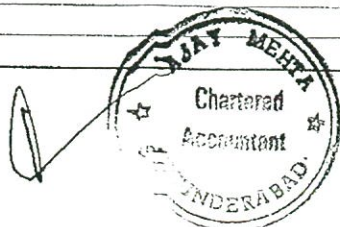
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Mehta & Modi Homes		A.Y.2008-2009
Details of Work in Progress - Phase - II		
Opening Balance (1-4-07)	37,760,913.25	
Estimated Profit on Installments received / receivable @ 10%	14,196,612.60	
Building Materials	68,296,876.00	
Labour Allowances	18,164,211.00	
Job Work Charges	463,401.00	
Hire Charges	686,819.00	
Other Exp	3,023,714.00	
	142,592,546.85	
Less: Extra Specifications for Plots		
	142,592,546.85	
Building & Other Materials		
Water Tanker Charges	20,260.00	
Water Proofing material	870,000.00	
Building Material	88,616.00	
Bricks / Solid Blocks / Hollow Bricks	1,665,071.00	
Cement / RMC	24,339,948.00	
Chemicals	52,048.00	
Chips / Stone Dust	102,264.00	
Consumables	24,562.00	
Doors / Windows	533,774.00	
Electrical Goods	2,222,702.00	
Equipments	2,550.00	
Gardening Material	28,100.00	
Granite	36,511.00	
Hardware	610,412.00	
Marbles / Pavers	849,480.00	
Metal	806,002.00	
Paints & Colours	77,768.00	
Plumbing & Sanitary	2,839,430.00	
Plywood & Glass	1,698,528.00	
Pumps	49,260.00	
Rings	1,560.00	
Sand / Red Mud / Mortar / Mannure	4,430,939.00	
Signages	34,097.00	
Steel	23,488,335.00	
Sundry Purchases	349,896.00	
Water Proofing material	12,500.00	
Aluminium Windows	1,263,972.00	
Tiles	1,764,238.00	
Tools	34,053.00	
	68,296,876.00	



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Mehta & Modi Homes		A.Y.2008-2009
Labour Allowances - II		
Allowances for Consumables	2,407,006.00	
Allowances for Equipments	9,397,809.00	
Labour welfare allowance	1,740.00	
Labour Charges	6,117,456.00	
Allowance for Labour Quarters	10,200.00	
Compensation to Labour	230,000.00	
	18,164,211.00	
Job Work Charges - II		
Job work - Vishnu Narayana	3,580.00	
Job work - Hussain	11,000.00	
Job work - Adishesu	24,903.00	
Job work - Anand	9,675.00	
Job work - Babu Rao	1,503.00	
Job work - Ch. Nagarjuna	3,758.00	
Job work - G. Srinivas	14,500.00	
Job work - Ishaq	4,100.00	
Job work - K. Krishna	160,500.00	
Job work - Mahaboob	3,500.00	
Job work - Mallesh	4,700.00	
Job work - Mannem	73,389.00	
Job work - Murthy	6,504.00	
Job work - Mustafa	10,550.00	
Job work - O. Chittari	3,000.00	
Job work - O. Venkatesh	8,550.00	
Job work - O. Vijaylaxmi	47,010.00	
Job work - Sahadev	17,281.00	
Job work - S. Govind	29,950.00	
Job work - Singamma	10,000.00	
Job work - T. Rambabu	9,268.00	
Job work - Uttaiiah	2,480.00	
Job work - Veluchamy	800.00	
Job work - Yaganandam	1,100.00	
Job work - Yedukondalu	800.00	
Job work - Balaji	1,000.00	
	463,401.00	
Hire charges		
Hire charges - Mannem	94,605.00	
Hire charges - Balaji	10,000.00	
Hire charges - Bagi Reddy	136,610.00	
Hire charges - Durgaiah	55,324.00	
Hire charges - Ch. Nagarjuna	119,442.00	
Hire charges - J. Sirisha	130,669.00	
Hire charges - Kishan Raj	1,950.00	
Hire charges - K. Venkateswarlu	110,072.00	
Hire charges - Mallaiah	3,900.00	
Hire charges - Raghu	127.00	
Hire charges - Singamma	21,425.00	
Hire charges - Barath Raj	260.00	
Hire charges - Uttaiiah	2,430.00	
Hire charges - Randhir	5.00	
	686,819.00	



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For Mehta & Modi Homes

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Mehta & Modi Homes		A.Y.2008-2009
Other expenses		
Providend Fund - Adishesu	31,321.00	
Providend Fund - Babu Rao	31,724.00	
Providend Fund - Bombay Painters	20,760.00	
Providend Fund - Ishaq	11,803.00	
Providend Fund - Mannem	28,057.00	
Providend Fund - Murali	20,760.00	
Providend Fund - Murthy	20,760.00	
Providend Fund - Mustafa	20,760.00	
Providend Fund - Noble Fabricators	19,736.00	
Providend Fund - O. Venkatesh	41,523.00	
Providend Fund - Ramulu	11,803.00	
Consultancy	252,630.00	
Miscellaneous Expenses	45,787.00	
Transportation / Hamali	85,649.00	
Petrol / Diesel / Oil	5,310.00	
Weighment charges	2,010.00	
Security charges	269,039.00	
Repairs & Maintenance	5,560.00	
Processing Charges	1,020.00	
Salaries - Construction Division	475,919.00	
Electricity Bills / Expenses	409,081.00	
Development Charges	319,667.00	
Designing Charges	55,430.00	
Building permission expenses	837,605.00	
	3,023,714.00	



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Mehta & Modi Homes		A.Y.2008-2009
Details of Work in Progress - Phase - III		
Opening Balance (1-4-07)	4,126,375.50	
Estimated Profit on Instalments received / receivable @ 10%	3,402,700.00	
Building Materials	9,898,247.00	
Labour Allowances	410,828.00	
Job Work Charges	243,607.00	
Hire Charges	768,516.00	
Other Exp	4,563,268.00	
	23,413,541.50	
Less: Extra Specifications for Plots		
	23,413,541.50	
Building & Other Materials		
AC Sheets	9,825.00	
Borewell	47,580.00	
Bricks / Solid Blocks / Hollow Bricks	843,145.00	
Building Material	33,072.00	
Cement / RMC	2,851,720.00	
Chemicals	1,400.00	
Chips & Stone Dust / Kerb Stones	3,434,162.00	
Consumables	1,348.00	
Doors / Windows	23,694.00	
Electrical Goods	63,746.00	
Equipments	26,225.00	
Granite	751,590.00	
Hardware	46,545.00	
Kadies	15,800.00	
Metal	233,938.00	
Paints	6,800.00	
Pipes	246,744.00	
Plumbing & Sanitary	234,630.00	
Road work Material	245,585.00	
Sand / Red Mud	49,500.00	
Steel	642,085.00	
Sundry Purchases	55,296.00	
Tools	16,679.00	
Pumps	16,888.00	
Water tanker charges	250.00	
	9,898,247.00	
Labour Allowances		
Allowances for Consumables	96,244.00	
Allowances for Equipments	125,185.00	
Labour welfare allowance	200.00	
Labour Charges	129,674.00	
Allowance for Labour Quarters	59,525.00	
	410,828.00	



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Mehta & Modi Homes		A.Y.2008-2009
Job Work Charges		
Job work - Adishesu	291.00	
Job work - Ishaq	3,265.00	
Job work - K. Venkateswarlu	52,121.00	
Job work - Kumaraiah	5,500.00	
Job work - Mannem	94,426.00	
Job work - Murthy	640.00	
Job work - Mustafa	100.00	
Job work - Narsimhulu Goud	1,200.00	
Job work - O. Vijaylaxmi	6,895.00	
Job work - Sahadev	5,621.00	
Job work - Sriramulu	2,910.00	
Job work - T. Rambabu	251.00	
Job work - Uttaiiah	2,450.00	
Job work - Yedukondalu	67,937.00	
	243,607.00	
Hire charges		
Hire charges - Bagi Reddy	104,583.00	
Hire charges - Ch. Nagarjuna	35,905.00	
Hire charges - Durgaiah	36,630.00	
Hire charges - K. Venkateswarlu	321,011.00	
Hire charges - J. Sirisha	107,320.00	
Hire charges - Mannem	53,615.00	
Hire charges - Raghu	61,900.00	
Hire charges - Ramakrishna Reddy	21,967.00	
Hire charges - Singamma	16,190.00	
Hire charges - Yedukondalu	8,225.00	
Hire charges - Uttaiiah	1,170.00	
	768,516.00	
Other expenses		
Miscellaneous Expenses	14,290.00	
Transportation / Hamali	19,670.00	
Consultancy charges	365,170.00	
Development charges	3,694,332.00	
Electricity Bills / Expenses	165,928.00	
Repairs & Maintenance	4,070.00	
Security Charges	183,569.00	
Salaries - Construction division	116,119.00	
Weighment charges	120.00	
	4,563,268.00	

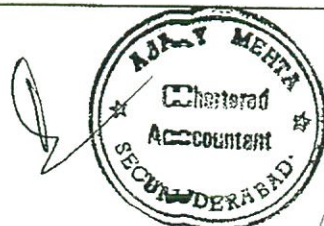


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Mehta & Modi Homes		A.Y. 2008-2009
Details of Work in Progress - Sy.No.82/1		
Opening Balance (1-4-07)	380,027.00	
Building Materials	99,287.00	
Labour Allowances	103,345.00	
Job Work Charges	86,513.00	
Hire Charges	21,628.00	
Other Exp	43,897.00	
	734,697.00	
Building & Other Materials		
Steel	7,256.00	
Hardware	804.00	
Granite	37,201.00	
Chips & Stone Dust / Kerb Stones	51,986.00	
Bricks / Solid Bricks / Hollow Blocks	440.00	
Gardening material	1,600.00	
	99,287.00	
Labour Allowances		
Allowances for Consumables	2,254.00	
Allowances for Equipments	95,085.00	
Labour Charges	6,006.00	
	103,345.00	
Job Work Charges		
Job work - Krishna	2,350.00	
Job work - Yedukondalu	9,450.00	
Job work - Ishaq	3,500.00	
Job work - Kumaraiah	67,023.00	
Job work - Mannem	2,333.00	
Job work - Srinivas	1,857.00	
	86,513.00	
Hire charges		
Hire charges - Adishesu	5,730.00	
Hire charges - Bikshapathi	5,885.00	
Hire charges - Mannem	1,173.00	
Hire charges - Raghu	2,000.00	
Hire charges - Ramakrishna Reddy	4,500.00	
Hire charges - Yedukondalu	2,340.00	
	21,628.00	
Other expenses		
Allowance for Labour Quarters	2,400.00	
Electricity Bills / Expenses	34,382.00	
Miscellaneous Expenses	300.00	
Security Charges	6,600.00	
Transportation / Hamali	215.00	
	43,897.00	



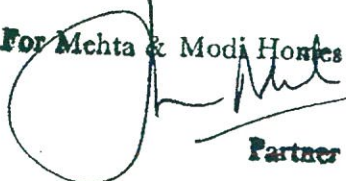
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Mehta & Modi Homes		A.Y.2008-2009
Details of Work in Progress - IV		
Building Materials:		
Cement / RMC	28,050.00	
Miscellaneous Expenses	18,000.00	
	46,050.00	



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Mehta & Modi Homes		A.Y.2008-2009
Details of Work in Progress -V		
Opening Balance (1-4-07)	396,727.00	
Building Materials	339,450.00	
Labour Allowances	119,144.00	
Job Work Charges	3,763.00	
Hire Charges	34,467.00	
Other Exp	38,612.00	
	932,163.00	
Building Materials		
Bricks	6,590.00	
Granite	98,831.00	
Metal	15,104.00	
Pipes	123,319.00	
Road work material	95,606.00	
	339,450.00	
Labour Allowances		
Labour charges	44,926.00	
Allowance for Equipments	58,584.00	
Allowance for Consumables	15,634.00	
	119,144.00	
Hire Charges		
Hire charges - Raghu	4,375.00	
Hire charges - Bagi Reddy	7,340.00	
Hire charges - Ch. Nagarjuna	1,433.00	
Hire charges - J Sirisha	260.00	
Hire charges - K. Venkateshwarlu	2,428.00	
Hire charges - Mannem	18,631.00	
	34,467.00	
Job work Charges		
Job work - Mannem	3,263.00	
Job work - Murthy	500.00	
	3,763.00	
Other expenses		
Transportation	300.00	
Survey charges	8,000.00	
Miscellaneous Expenses	30,212.00	
Weighmen charges	100.00	
	38,612.00	

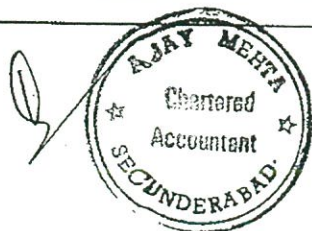


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Mehta & Modi Homes		A.Y. 2008-2009
Details of Work in Progress -VI		
Opening Balance (1-4-07)	374,896.00	
Building Materials	38,240.00	
Labour Allowances	39,034.00	
Job Work Charges	16,167.00	
Hire Charges	76,049.00	
Other Exp	25,004.00	
	569,390.00	
Building & Other Materials		
Bricks / Solid Bricks / Hollow Blocks	3,370.00	
Chips & Stone Dust / Kerb Stones	21,195.00	
Granite	13,675.00	
	38,240.00	
Labour Allowances		
Allowances for Consumables	7,806.00	
Allowances for Equipments	15,614.00	
Labour Charges	15,614.00	
	39,034.00	
Job Work Charges		
Job work - O. Vijaylaxmi	3,030.00	
Job work - Mannem	10,477.00	
Job work - Sriramulu	2,060.00	
Job work - Vishnu	600.00	
	16,167.00	
Hire charges		
Hire charges - Ch. Nagarjuna	10,032.00	
Hire charges - Kumaraiah	18,375.00	
Hire charges - K. Venkateshwarlu	3,365.00	
Hire charges - Raghu	7,250.00	
Hire charges - Mannem	15,914.00	
Hire charges - J. Sirisha	3,380.00	
Hire charges - Bhagi Reddy	17,733.00	
	76,049.00	
Other expenses		
Miscellaneous Expenses	22,000.00	
Petrol / Diesel / Oils	1,004.00	
Transportation / Hamali	2,000.00	
	25,004.00	



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Mehta & Modi Homes		A.Y.2008-2009
Details of Work in Progress -VII		
Opening Balance (1-4-07)	294,657.00	
Building Materials	82,276.00	
Labour Allowances	28,290.00	
Job Work Charges	7,910.00	
Hire Charges	19,752.00	
Other Exp	35,500.00	
	468,385.00	
Building & Other Materials		
Kaddies	6,000.00	
Tools	1,361.00	
Kadies	40,000.00	
Steel	9,256.00	
Chips & Stone Dust / Kerb Stones	11,436.00	
Bricks / Solid Bricks / Hollow Bricks	11,223.00	
Water Tanker charges	3,000.00	
	82,276.00	
Labour Allowances		
Allowances for Consumables	5,658.00	
Allowances for Equipments	11,316.00	
Labour Charges	11,316.00	
	28,290.00	
Job Work Charges		
Job work - Mannem	3,537.00	
Job work - Shriramulu	2,632.00	
Job work - Rambabu	541.00	
Job work - Murali	1,200.00	
	7,910.00	
Hire charges		
Hire charges - Bagi Reddy	13,110.00	
Hire charges - K. Venkateshwarlu	3,142.00	
Hire charges - Nagaraj	375.00	
Hire charges - Raghu	3,125.00	
	19,752.00	
Other expenses		
Miscellaneous Expenses	32,000.00	
Survey Charges	3,500.00	
	35,500.00	



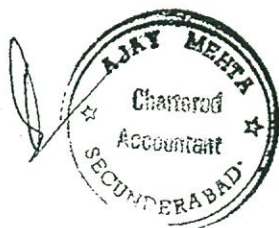
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Mehta & Modi Homes		A.Y. 2008-2009
Details of Work in Progress - IX		
Building Materials	303,370.00	
Job Work Charges	46,790.00	
Hire Charges	3,000.00	
	353,160.00	
Building & Other Materials		
Bricks / Solid Bricks / Hollow Bricks	3,630.00	
Granite	64,648.00	
Hardware	24,502.00	
Metal	28,859.00	
Rings	2,400.00	
Tools	17,680.00	
Water Tanker charges	3,250.00	
Chips & Stone Dust / Kerb Stones / Bended	52,660.00	
Steel	105,741.00	
	303,370.00	
Job Work Charges		
Job work - Mannem	38,775.00	
Job work - Murali	3,200.00	
Job work - Shriramulu	4,815.00	
	46,790.00	
Hire charges		
Hire charges - K. Venkateshwarlu	390.00	
Hire charges - Mannem	650.00	
Hire charges - Raghu	1,437.00	
Hire charges - Bagi Reddy	390.00	
Hire charges - J. Sirisha	133.00	
	3,000.00	



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Mehta & Modi Homes		A.Y.2008-2009
Details of Opening Stock - Land		
Phase I		6,357,555.12
Phase II		11,312,475.00
Phase III		14,034,950.00
Sy.No.82/I		15,176,345.00
Plot No.25		240,900.00
Plot No.26		240,900.00
Plot No.27		240,900.00
Plot No.29		481,795.00
Plot No.32		133,590.00
		48,219,410.12
Details of Opening Work in progress		
Phase I		118,810,644.81
Phase II		37,760,913.25
Phase III		4,126,375.50
Sy.No.82/I		380,027.00
Phase V		396,727.00
Phase VI		374,896.00
Phase VII		294,657.00
		162,144,240.56
Details of Additions to Land during the year		
Phase II		1,410,530.00
Phase III		68,835.00
Phase IV		3,023,685.00
Phase V		63,000.00
Phase VI		67,500.00
Phase VII		42,000.00
Phase IX		41,927,600.00
		46,603,150.00
Details of Construction Expenses during the year		
Phase I		16,319,677.00
Phase II		104,831,633.60
Phase III		19,287,166.00
Sy.No.82/I		354,670.00
Phase IV		46,050.00
Phase V		535,436.00
Phase VI		194,494.00
Phase VII		173,728.00
Phase IX		353,160.00
		142,096,014.60



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Mehta & Modi Homes		A.Y. 2008-2009
Details of Closing Stock - Land		
Phase I		173,640.00
Phase II		12,723,005.00
Phase III		14,103,785.00
Sy.No.82/1		15,176,345.00
Phase IV		3,023,685.00
Phase V		63,000.00
Phase VI		67,500.00
Phase VII		42,000.00
Phase IX		41,927,600.00
		87,300,560.00
Details of Closing Stock - WIP		
Phase I		1,784,557.00
Phase II		142,592,546.85
Phase III		23,413,541.50
Sy.No.82/1		734,697.00
Phase IV		46,050.00
Phase V		932,163.00
Phase VI		569,390.00
Phase VII		468,385.00
Phase IX		353,160.00
Plot No.25 - P Narasaiah		240,900.00
Plot No.26 - N Sridhar		240,900.00
Plot No.27 - Y Leela Reddy		240,900.00
Plot No.29 - M Venkat Rao		481,795.00
Plot No.32 - D Yadaiah		133,590.00
		172,232,575.35



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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

MEHTA & MODI HOMES

AAJFM 0647 C

Partnership Firm (05)

Yes ☒No ☐Yes ☐No ☐

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

MEHTA & MODI HOMES

80 IB (10)

02.07.2005 (First Building Plan
Sanction)

Assessment Year 2006-2007

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

AAJFM0647C 25001

28840298894

Kapra Municipality, Uppal Mandal, Ranga Reddy
District

Develop

operate and
maintain

Develop, operate and maintain, the
infrastructure facility

Yes ☐No ☐

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(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):

Develop

Develop and operate

Maintain and operate an industrial park /SEZ

- (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

Yes ☐

No ☐

- (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

Yes ☐

No ☐

- (b) Does the undertaking transmit or distribute power

Yes ☐

No ☐

- (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

Yes ☐

No ☐

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.....)

Yes ☒

No ☐

- (b) If yes, does the manufacturing process use power

Yes ☐

No ☐



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- (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:
- Commercial production of mineral oil
- Refining of Mineral Oil
- Refining of mineral oil
- 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 issued by the local authority)

Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐

(Please specify _____)

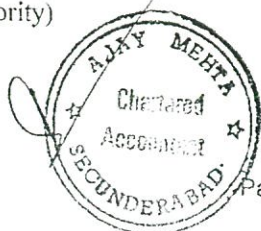
(Please specify _____)

Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐Yes ☐ No ☐

Kapra Municipality Sanction No. BA/G/1162/2005
Dt. 02.07.2005 (First Building Plan Permission)

Under Progress

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- (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 day of the previous year in which substantial

Ac 6.05 Guntas (For Phase-I)

Yes ☐

No ☒

Size of each unit ranging from 1366 S.ft to 1,487 S.ft (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 ☐

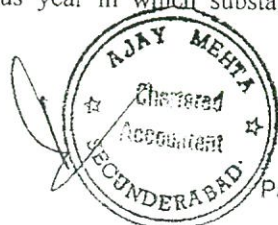
No ☐

Yes ☐

No ☐

Yes ☐

No ☐



TRUE COPY

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.

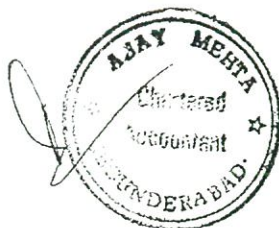
Rs.

Rs.

Rs.

Rs.2,69,00,096/- (As per computation enclosed)

Rs.2,69,00,096/-



[Signature]

TRUE COPY

Declaration

I/ We have examined the balance sheet of the above industrial undertaking or enterprises style** M/s. Mehta and Modi Homes and belonging to the assessee M/s. Mehta and Modi Homes (Permanent Account no. AAJFM0647C as at 31-03-2008 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, 2nd 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:

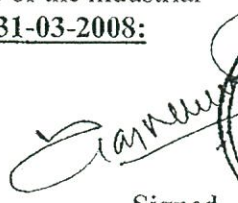
in *me/our opinion the undertaking or enterprise satisfies the conditions stipulated in section 80-IB (strike out which ever is not applicable) and the amount of deduction claimed under this section in item 30 is as per the provisions of the Income-Tax act and meets the required conditions.

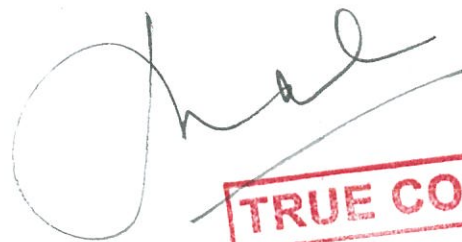
In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us the said accounts give a true and fair view-

- (i) in the case of the balance sheet, of the state of affairs of the above name industrial undertaking or enterprise as at 31-03-2008: 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 31-03-2008:

Place: Secunderabad

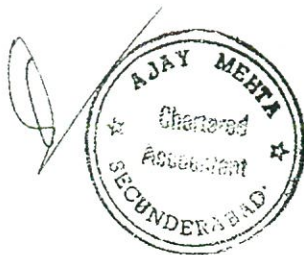
Date: 27.09.2008


 Signed 




MEHTA & MODI HOMESAsst Year – 2008-09Annexure – 1 to Form NO 10CCB

1. The firm has taken up developing of Housing Project which is situated at Cherlapally Village which is named as 'Silver Oak Bungalows'. The sanction for the project is obtained from HUDA vide Lr.No.2755/MP2/Plg/HUDA/2004 dated 06/07/2005 and Kapra Municipality vide sanction No. BA/41/3650/2004 dated 15.06.2005 being local Authority.
2. The Project is required to be completed by 31-03-2010 (i.e. within 4 years from the end of financial year in which first sanction is received).
3. The salient features of the project are as under for Phase-I :
 - a. Land Area Acre 6.05 Gts.
 - b. Total number of individual residential units 76
 - c. Size of each unit is ranging from 1366 S.ft to 1487 S.ft (*Built-up area.*) The Built-up area is certified by a Chartered Engineer) (copies are enclosed herewith)
 - d. Date of commencement 02.07.2005 (Date of First Building plan sanction)
4. 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.
5. Out of total 76 residential units the work for 75 units is completed by 31-03-2008 and in accordance with accounting policy adopted the sale consideration aggregating to Rs.16,61,25,381/- in respect of such units is credited to construction / Profit & Loss account.
6. The installments of Rs.31,46,000/- received / receivable on the basis of agreements / understanding in respect of 1 unit. In accordance with accounting policy adopted with regard to revenue recognition on uncompleted independent residential units an estimated profit of Rs. 3,14,600/- calculated at 10% on installments for the year of Rs 31,46,000/- is credited to Construction A/C and the corresponding debit of the same is to the account of construction work in progress account.
7. In accordance with the accounting policy adopted with regard to revenue recognition for uncompleted Residential units the installments aggregating to Rs. 31,46,000/- is carried forward as current liabilities and expenditure on construction, land cost and estimated profit declared aggregating to Rs. 19,58,197/- is carried forward as Inventories.
8. The copy of Sanction letter, Sanction plan, Brochure for the project is enclosed.
9. 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.

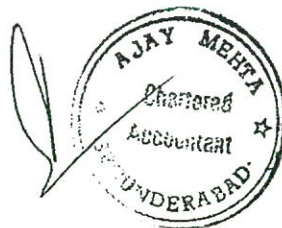


A handwritten signature in black ink, followed by a red rectangular stamp with the words "TRUE COPY" in white capital letters.

M/s. Mehta & Modi Homes
 5-4-187/ 3 & 4, 3rd Floor, Soham Mansion,
 M.G.Road, Secunderabad - 500 003.
 Assessment Year: 2008- 2009

Computation of Profit eligible for deduction U/s.80IB(10)
 SILVER OAK BUNGALOWS - PHASE-I

1) Gross Profit as per construction account		44,509,614
Less: Estimated Profit on Instalments declared on Phae II	14,196,613	
Estimated Profit on Instalments declared on Phase III	3,402,700	17,599,313
		26,910,301
Add: Phase I Income credited to P & L Account:		
Interest received from Customers & Loans	571,585	571,585
		27,481,886
Less : Administrative & Other Expenditure pertaining to Phase-I (as per the statement enclosed)		581,791
Net Income eligable for 80IB(10)		26,900,096



For Mehta & Modi Homes

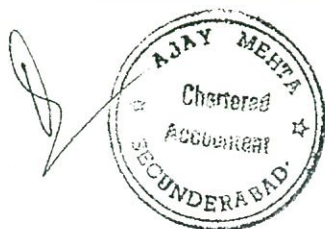
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MEHTA & MODI HOMES
ASSESSMENT YEAR 2008-09

CONSOLIDATION OF PROFIT & LOSS ACCOUNT EXPENDITURE ITEMS

ACCOUNT HEAD	TOTAL	PHASE-I	PHASE-II	PHASE-III	TOTAL
		5%	80%	15%	
To Bonus	201,869.00	10,093.45	161,495.20	30,280.35	201,869.00
To Incentives	499,626.00	24,981.30	399,700.80	74,943.90	499,626.00
To Salaries	1,274,978.00	63,748.90	1,019,982.40	191,246.70	1,274,978.00
To Gratuity	28,184.00	1,409.20	22,547.20	4,227.60	28,184.00
To Income tax	2,510,471.31	-	-	-	2,510,471.31
To Advertisement	582,557.00	29,127.85	466,045.60	87,383.55	582,557.00
To AMC Charges	12,206.00	610.30	9,764.80	1,830.90	12,206.00
To Audit Fees	84,288.00	4,214.40	67,430.40	12,643.20	84,288.00
To Bank Charges	24,693.40	1,234.67	19,754.72	3,704.01	24,693.40
To Brokerage	276,075.00	13,803.75	220,860.00	41,411.25	276,075.00
To Business Promotion Expenses	1,010.00	50.50	808.00	151.50	1,010.00
To Community Development Exp	157,200.00	7,860.00	125,760.00	23,580.00	157,200.00
To Computer Repairs & Maintena	61,260.00	3,063.00	49,008.00	9,189.00	61,260.00
To Conveyance	246,397.00	12,319.85	197,117.60	36,959.55	246,397.00
To Exhibition Charges	258,666.07	12,933.30	206,932.86	38,799.91	258,666.07
To ESI	20,684.00	1,034.20	16,547.20	3,102.60	20,684.00
To FBT	49,842.00	-	-	-	49,842.00
To House Keeping Charges	131,511.00	6,575.55	105,208.80	19,726.65	131,511.00
To Insurance Charges	27,398.00	1,369.90	21,918.40	4,109.70	27,398.00
To Interest on TDS	31,618.00	-	-	-	31,618.00
To Interest on Service tax	2,398.00	-	-	-	2,398.00
To Interest on Vehicle Loans	43,529.25	2,176.46	34,823.40	6,529.39	43,529.25
To Legal Expenses	296,449.00	14,822.45	237,159.20	44,467.35	296,449.00
To Office Maintenance	66,858.00	3,342.90	53,486.40	10,028.70	66,858.00
To Postage & Courier	14,707.00	735.35	11,765.60	2,206.05	14,707.00
To Providend Fund	107,681.00	5,384.05	86,144.80	16,152.15	107,681.00
To Printing & Stationery	429,973.00	21,498.65	343,978.40	64,495.95	429,973.00
To Rent paid to Model Flat	50,000.00	2,500.00	40,000.00	7,500.00	50,000.00
To Repairs & Maintenance	4,511.00	225.55	3,608.80	676.65	4,511.00
To Staff Welfare	59,039.00	2,951.95	47,231.20	8,855.85	59,039.00
To Sundry Balances Written Off	15,122.00	756.10	12,097.60	2,268.30	15,122.00
To Telephone Bills / Expenses	211,321.00	10,566.05	169,056.80	31,698.15	211,321.00
To Supervision charges	568,500.00	28,425.00	454,800.00	85,275.00	568,500.00
To Vehicle Maintenance 2 wheel	28,960.00	1,448.00	23,168.00	4,344.00	28,960.00
To Model House Maintenance	5,800.00	290.00	4,640.00	870.00	5,800.00
To Interest on Bank Loan	4,467,634.00	223,381.70	3,574,107.20	670,145.10	4,467,634.00
To Petrol Expenses	11,000.00	550.00	8,800.00	1,650.00	11,000.00
To Vehicle Maintenance 4 wheel	25,658.00	1,282.90	20,526.40	3,848.70	25,658.00
To Firm Professional Tax	5,000.00	250.00	4,000.00	750.00	5,000.00
To Car Hire Charges	29,094.00	1,454.70	23,275.20	4,364.10	29,094.00
To Tour & Travelling Expenses	48,303.00	2,415.15	38,642.40	7,245.45	48,303.00
To Interest on OD	2,421.62	121.08	1,937.30	363.24	2,421.62
To Property Tax	10,477.00	523.85	8,381.60	1,571.55	10,477.00
To Miscellaneous Expenses	33,548.00	1,677.40	26,838.40	5,032.20	33,548.00
To Interest paid to Unsecured Loa	875,000.00	43,750.00	700,000.00	131,250.00	875,000.00
To Other Insurance	29,828.00	1,491.40	23,862.40	4,474.20	29,828.00
To Consultancy Charges	10,450.00	522.50	8,360.00	1,567.50	10,450.00
To Depreciation	296,345.00	14,817.25	237,076.00	44,451.75	296,345.00
TOTAL	14,230,140.65	581,790.57	9,308,649.07	1,745,371.70	14,230,140.65



For Mehta & Modi Homes
Partner

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3

NOTICE UNDER SECTION 148 OF THE INCOME-TAX ACT, 1961

Office of the
Asst. Commissioner of Income tax,
Circle-10(1), Room No.515, 'A' Block,
5th floor, I. T. Towers, A.C. Guards,
Masabtank, Hyderabad.

Dated: 31.03.2013.

PAN: AAJFM0647C /2008-09

To
M/s Mehta and Modi Homes,
5-4-187/3,4 , M.G. Road,
Secunderabad.

Where as I have reason to believe that *your income/ the income of*
.....in respect of which you are assessable, chargeable to tax for
the A.Y. **2008-09** has escaped assessment within the meaning of section 147 of
the Income tax Act, 1961.

I, therefore, propose to *assess/re-assess the income* for the said
assessment year and I hereby require you to deliver to me within 15 days from
the date of service of this notice, a return of income in the prescribed form *+the*
income of in respect of which you are assessable.




(PEEYUSH SAMARIYA)
Asst. Commissioner of Income tax,
Circle-10(1), Hyderabad


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From:
Mehta and Modi Homes,
5-4-187/3&4, II Floor,
Soham Mansion, M.G.Road,
Secunderabad- 500003.

Date: 10th April, 2013

To,
Asst. Commissioner of Income Tax,
Circle - 10(1),
5th Floor, A - Block,
IT Towers, A.C. Guards,
Hyderabad.

Sir,

Sub: Reply to Notice u/s 148 of IT Act, 1961 - AY 2008-09
PAN-AAJFM0647C -Reg.

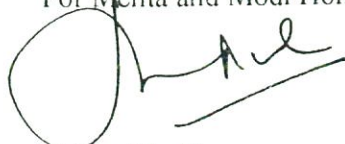
Ref: Notice u/s 148 dated 31.03.2013 for AY 2008 -09

We acknowledge the receipt of the above referred notice on 02.04.2013. In reply we submit that the Income tax return for AY 2008-09 filed u/s 139(1) electronically on 27th September, 2008 in the status of firm, bearing E-filing acknowledgement no. 40546220270908 be treated as return filed in compliance to your notice u/s 148 of IT Act, 1961. Copy Form ITR-V is filed on 30th September, 2008 with Range 10/Hyd. under inward no 1055000695. The copy of the same is enclosed herewith.

Kindly provide us with the reasons recorded for re-opening of the assessment and for issuance of notice u/s 148 of IT Act, 1961.

Yours faithfully,

For Mehta and Modi Homes



(Soham Modi)
Partner

ASK No: 694120413003451
Date/A.Y: 12-04-2013/2008-09
PAN: AAJFM0647C
Name: MEHTA AND
AO: DCIT/ACIT, CIRCLE-10
(1), HYDERABAD



ORDER SHEET
Asst. year 2008-09

M/s Mehta and Modi Homes,
5-4-187/3,4, M.G. Road,
Secunderabad.

PAN: AAJFM0647C

31/03/2013:

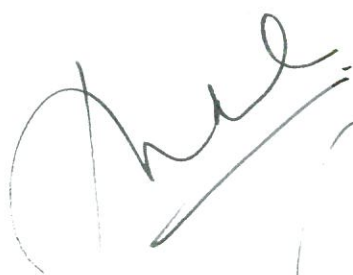
The assessee filed ROI for the AY 2008-09 on 27/09/2008 through E-filing admitting business income of Rs.3,45,34,198 against which, assessee claimed deduction u/s 80IB of Rs.2,69,00,096 and returned a total income of Rs.76,34,100. The ROI was processed u/s 143(1).

On verification of the assessment record, it is noticed that the assessee is in the real estate business and was constructing independent residential units during the year under consideration. The assessee has claimed deduction u/s 80IB(10) of the Act from the profits derived out of the above business activity. As per sec.80IB(10), the assessee can claim the deduction only when the maximum built-up area of each residential unit is not more than 1500 square feet. But, on a verification of the information furnished along with the sanctioned plan and brochure, the assessee has excluded the area of the portico in the ground floor and the open terrace in the first floor in the total built-up area of the residential units. If these two are included in the total built-up area of each residential unit, the total area of each of the residential unit exceeds 1500 square feet.

In this regard, it is submitted that as per Sec.80IB(14) of the Act, the built-up area is defined as the inner measurements of the residential unit at the floor level, including the projections and balconies, as increased by the thickness of the walls but does not include the common areas shared with other residential units. The portico which is RCC roof is nothing but projection. The entire slab area of portico in the ground floor and the open terrace in the first floor is under the exclusive ownership of the bungalow owner so as to be classified as integral part of the bungalow as projections to be treated as built up area. Further, it was not commonly shared with any other person. In view of the above, the maximum permissible built-up area of 1500 square feet per unit has been exceeded which is violation of the condition contained in sec.80IB(10) of the Act. In view of this, the deduction claimed u/s 80IB is not in order. This view is further supported by the decision of the Hon'ble ITAT, Hyderabad, vide its order in the case of M/s Modi Builders and Realtors (P) Ltd., for the asst. year 2007-08 in ITA No.1541/Hyd/2010, dt.31/03/2011.

In view of the above, I have reason to believe that income chargeable to tax to the extent of Rs.2,69,00,096/- has escaped assessment for the assessment year 2008-09. As no assessment u/s 143(3) of the Act was completed for the asst. year 2008-09 and not more than 4 years have elapsed from the end of the assessment year 2008-09, action u/s 147 of the Income Tax Act is hereby initiated and notice u/s 148 of the Act is issued.


Asst. T-10 (G)




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77
Date: 27.08.2013

From
Mehta & Modi Homes
5-4-137/3 & 4, M.G Road
Secunderabad - 500003

To

The Asst. Commissioner of Income Tax,
Circle - 10(1),
I.T. Towers, A.C. Guards,
Masab Tank, Hyderabad.

Sir,

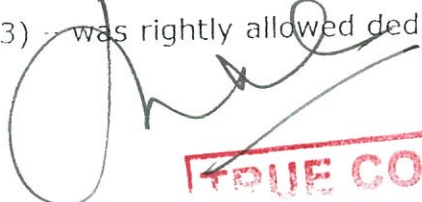
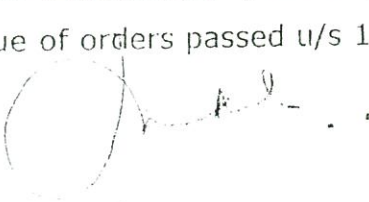
Sub: Reopening u/s 147 - A.Y.2008-09 - our own case - PAN
AAJFM0647C - objections to notice u/s 148 - submission thereof.

Vide copy of order sheet entry dated 31-03-2013, the Assessing Officer furnished the reasons for re-opening the assessment for the Assessment Year 2008-09.

2. In the reasons supplied, it is noticed that the basis for the proposed action is the view that in the return filed, the assessee claimed deduction u/s 80-1B(10) erroneously.

3. The assessee filed the e-return claiming deduction u/s 80-1B(10) for Rs. 2,69,00,096/-.

4. It is submitted that there is no fresh material available with the Assessing Officer to form the basis for the reason to believe that income chargeable to tax escaped assessment due to the failure on the part of this assessee to disclose fully and truly all material facts. In this regard it is very important to note that even in terms of clause (b) of *Explanation -2* to section 147 the Assessing Officer has not noticed under statement of income or claim of excessive deduction. The assessee being a builder - having been held to be eligible to claim deduction u/s 80-1B(10) in the immediately preceding assessment years 2006 - 07 and 2007 - 08 by virtue of orders passed u/s 143(3) - was rightly allowed deduction


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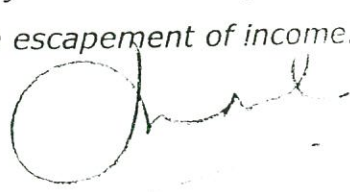
his own order. That is why the Court has reiterated that section 147 of the Income-tax Act, does not postulate conferment of power upon the Assessing Officer to initiate reassessment proceedings upon a mere change of opinion.

13. The Ranchi Bench of the High Court of Patna in the case of Sheo Narain Jaiswal v. ITO (1989) 176 ITR 352 has held that for the purpose of initiating reassessment under section 147(a), the Assessing Authority should form his own belief on the materials available before him and it is not sufficient that he acts at the behest of any superior authority. If the above principle of self-satisfaction is also not satisfied and the reopening was initiated under the direction of superior authority, the reopening of assessment would be bad for non-satisfaction of the condition precedent.

14. The Delhi High Court in the case of Jindal Photo Films Ltd. v. Dy. CIT (1998) 234 ITR 170 has held that where the Income-tax Officer attempts to reopen an assessment because the opinion formed earlier by him was in his opinion incorrect, the reopening could not be done.

15. The Gujarat High Court in the case of Garden Silk Mills (P) Ltd. v. Dy. Commissioner of Income-tax (1999) 237 ITR 668 has considered the conditions precedent to reopen an assessment under section 147 and has held that the reason to believe that income has escaped assessment should be borne out of material and a change of opinion will not be sufficient to justify a reassessment proceedings.

16. Again, the Gujarat High Court in the case of Adani Exports v. Dy. CIT (1999) 240 ITR 224 has held that the Assessing Officer must have reason to believe that income has escaped assessment and the existence of such belief is open to judicial review and in that context the audit objection raised by the department is not an information to point out an escapement of income.




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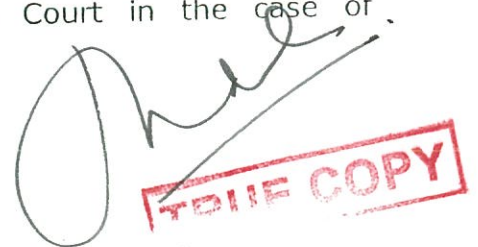
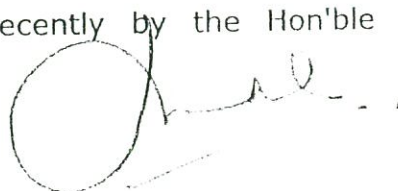
17. *The Madras High Court in the case of Apollo Hospitals Enterprises Ltd. v. Asst. CIT (2006) 287 ITR 25 has held that issue of notice under section 148 is not permissible on change of opinion of the Assessing Authority.*

18. *Therefore, in the facts and circumstances of the case and in the light of the decision of Madras High Court in the case of Bapalal & Co. Exports (supra), we find that the impugned income escaping assessment is bad in law. Therefore, it is to be set aside."*

6. Besides, the Hon'ble Gujarat High Court in the case of Ganesh Housing Corporation Ltd., vs. Dy. Commissioner of Income-tax reported in (2012) 341 ITR 312 (Guj.) held in an identical case relating to reopening on the issue of withdrawal of deduction originally allowed u/s 80IB(10) that "the fact that the Assessing Officer in the assessment proceedings under section 143(3) of the Act did not give any opinion regarding the allowability or otherwise of deduction u/s 80IB(10) of the Act is not a ground of invoking section 147 of the Act."

7. Even for reopening an assessment concluded u/s 143(1) for this assessment year the above ratio is valid because in respect of the same project with identical measurements of built up area of flats the Assessing Officer found our case to be eligible in scrutiny assessments in the immediately preceding two assessment years. Therefore, the Assessing Officer found it not necessary to pick up for scrutiny because there was neither under statement of income nor excess claim of any deduction or relief or allowance. Consequently, even this ratio is applicable with equal force to this assessment year.

8. It is gleaned that the real cause for the reopening is not any failure on our part to disclose full and truly all material facts but an audit objection by A.G Audit on the interpretation of the provisions of sec. 80IB(10). It is respectfully submitted that the reopening would be bad in law in view of the categorical ratio laid down by the Hon'ble Apex Court in the case of Indian Eastern News Paper Society vs. Commissioner of Income-tax (1979) 119 ITR 996 (SC) which has been followed recently by the Hon'ble Delhi High Court in the case of.


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Commissioner of Income-tax v. Usha International Ltd., (2012) 348 ITR 485 (Del.) (FB).

9. In the light of the above, it is requested that the proceedings initiated u/s 147 may please be dropped.

10. The assessee invites the attention of the Assessing Officer to the decision of the Supreme Court in GKN Driveshafts (India) Ltd. v. ITO [2003] 259 ITR 19 (SC) wherein it has been held that the Assessing Officer is bound to disclose the reasons for reassessment within a reasonable time and on receipt of the reasons, the assessee is entitled to raise objections and if any such objections are filed, **the objections must be disposed of by a speaking order before proceeding to reassess in terms of the notice earlier given.** Thus, the assessee requests the Assessing Officer to drop the proceedings in view of the aforesaid objections raised and help reduce the compliance costs of the assessee.

For Menta & Modi Homes

(Soham Modi)
Partner

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NOTE ON PORTICO AND OPEN TERRACE:

1. In the scheme of housing project development, there exist two basic options of development. One option is to develop and construct series of independent houses and the other option is to develop and construct blocks of multi-storied buildings having apartments/flats on each floor of the building. The first option can be said as 'horizontal development' and the second option can be said as 'vertical development'.
2. In the horizontal scheme of development, it is imperative that the one large parcel of land is sub-divided within itself and plotted into desired size of plots. This plotting necessarily involves leaving certain areas as internal road so as to form approach road to each plot. Whereas in a vertical development, blocks of multi storied buildings are planned to be constructed leaving certain areas for roads in and around the block of buildings.
3. Typically, in vertical development involving constructions of buildings having more than one floor, the ground floor (or the cellar) is meant for parking. The residential units i.e., flats/apartments starts from the first floor onwards. These parking areas can be either a reserved parking or common parking area for the flat occupants. Therefore, these parking areas obviously do not form part of a residential unit. The parking area is not habitable and is meant only for parking of vehicles. The parking area for the occupants of the multistoried building is pooled and provided at one place i.e., either on the ground floor/cellars or in the open space around the buildings.
4. In a horizontal development i.e., in an independent house the parking area is termed as 'portico'. The portico is within the plot area but definitely outside the residential unit. The portico here also is meant for parking of vehicles and is not habitable. The portico at the most, has an convenience advantage that you may approach the main door of the residential unit without having to go to upper floors to enter the flat/apartment. The location of the portico within the compound wall of a plot shall not alter the nature of that area as a parking area. The word 'portico' used generally for a bungalow is similar to word 'parking area' used in a multistoried apartment. The purpose and the meaning are also same i.e., the area meant to be utilized as parking of vehicles.
5. The meaning of the word 'Portico' can be explained as follows:
 - A portico/porch/parking area is an area covered or uncovered with sufficient size to park vehicles together with a driveway connecting



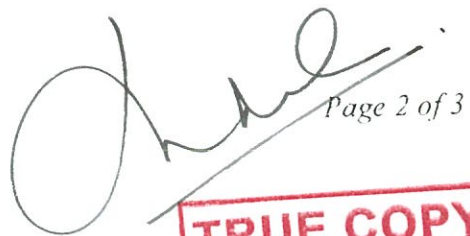
the parking space with a street or alley permitting ingress and egress of the vehicles.

- It is a paved outdoor area adjoining a residence. It adjoins the residence externally and is not part of the residential unit. A residential unit is enclosed in walls, which stretch from the floor level to the roof; it has windows and is topped by a roof.
- A portico/parking/porch, on the other hand, hardly has the features of the residential unit. Windows are non-existent. It is not competent to be used for habitable purposes.
- Portico area is not at the level of the ground floor and is below it. It doesn't even form a part of the house. The entrance of the house is after the portico. It doesn't form part of the plinth of the house.

Built up area does not include parking area and is not usable. Even for apartments parking is considered separately and cannot be part of usable built up area. For this very reason, all municipal laws and other standards and codes exclude the portico from the built-up area.

6. Considering the above meaning of the word 'Portico' it may be appreciated that the 'Portico' do not form part of a residential unit and as such, the company has rightly excluded the portico for calculating the built-up area.
7. In the design of the residential units under Silver Oak Bungalows housing project, an open terrace is provided on the first floor. The area of this open terrace is not included in calculation for the reason that the same do not form part of a residential unit. The open terrace provided is open to sky and as such the terrace area is not habitable.
8. A terrace is known as paved outdoor area adjoining a residence. It adjoins the residential externally and is not part of the structure that composes the residential unit. A residential unit is enclosed in walls, which stretch from the floor level to the roof; it has windows and is topped by a roof. A residential unit has provisions for amenities and security of the residents.

A terrace, on the other hand, hardly has the features of the residential unit. It is open to the sky and the height of its wall boundaries are nowhere similar to that of the residential unit. Windows are non-existent.

A terrace independently is not capable to be used for habitable purposes and therefore can not be considered as forming part of the residential unit. For this very reason, all municipal laws and other standards and codes exclude the open terrace from the built-up area.

9. In a multistoried building (under vertical concept of development), the terrace is the top floor which is open to sky and is not habitable. This terrace area cannot form part of the residential unit. Similarly, open terrace provided for the bungalow cannot form part of the residential unit. This can also be understood by way a example of a Pent House. A pent house is on a terrace covering certain portion of the terrace. While computing built-up area of the Pent- House, the open terrace area surrounded to the pent house is not measured.
10. Considering all the above, with respect to open terrace, we have rightly not included the open terrace on first floor in computing the built-up area.

