Mehta & Modi Homes

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| | | | |
|---|---|---|---|
| | **Contractors on accounts - VI** | | |
| 1 | Shri Ramulu | 5,730.00 | |
| 2 | Vishnu | 2,672.00 | 8,402.00 |
| | **Contractors on accounts - IX** | | |
| 1 | Shri ramulu | 26,400.00 | |
| 2 | Mannem | 13,571.00 | 39,971.00 |
| | **Advances to Suppliers/others** | | |
| 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 |
| | **Loans/Advances to other** | | |
| 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 |
| | **Advnces to Land Lords** | | |
| 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 |
| | **Staff Loans:** | | |
| 1 | Afzal Khan | 3,025.00 | |
| 2 | Bhavani Prasad | 6,860.00 | |
| 3 | Dakshina Murthy | 131.00 | |

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**Mehta & Modi Homes**

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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 | Iqubal | 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 Pettcy cash advaces:** | | |
| 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 | Prabhakr 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 | Adisheshu | 31,959.00 | |
| 2 | Ishaq | 10,000.00 | |
| 3 | M. Naga Brahmaiah | 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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| 13 | Narsimhulu Goud | 5,981.00 | |
| 14 | Durgaiah | 3,600.00 | |
| 15 | Brahmachary | 7,294.00 | |
| 16 | Ramulu | 2,449.00 | |
| 17 | Bhavana House Keeping Maintenance | 2,700.00 | 184,069.00 |
| | **Total Loans & Advances** | | **36,850,506.55** |

**Annexure - XIII**
**Sundry Debtors**

| S.No | Name | | Amount |
|---|---|---|---|
| | **Phase - I** | | |
| 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 |
| | **Phase - II** | | |
| 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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| | | | |
|---|---|---|---|
| 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.341Mohan 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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For Mehta & Modi Homes

Partner

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# Mehta & Modi Homes
## 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 | Degital 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 :

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)

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 sechedule VII Current Liabilities and expenditure on construction, land cost and estimated profits declared aggregating to Rs.25,95,33,135/- Ii is carried forward under Sehedule 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

AJAY MEHTA
Chartered Accountant
SECUNDERABAD.

Place : Secunderabad.
Date : 27.09.2008

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**Mehta & Modi Homes**

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|---|---|---|
| **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 | | |
| Registration charges | 1,200,000.00 | |
| Brokerage | 114,000.00 | |
| | 32,000.00 | 12,723,005.00 |
| **Phase -III** | | |
| Land at Cherlapally (Opening Balance) | 14,034,950.00 | |
| Registration charges (Mortagage 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.82/1** | | |
| 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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| | | |
| **Labour Allowances** | | |
| Allowances for Consumables | 489,565.00 | |
| Allowances for Equipments | 1,047,931.00 | |
| Labour welfare allowance | 112,666.00 | |
| Labour Charges | 1,623,663.00 | |
| | **3,273,825.00** | |
| | | |
| **Job Work Charges** | | |
| Job work charges | 149,814.00 | |
| Job work - Bharat Patel | 15,000.00 | |
| Job work - Yadagiri | 3,000.00 | |
| Job work - Hussain | 6,417.00 | |
| Job work - Mahaboob | 2,601.00 | |
| Job work - Mannem | 54,430.00 | |
| Job work - Murali | 1,760.00 | |
| Job work - Murthy | 3,860.00 | |
| Job work - Mustafa | 13,275.00 | |
| Job work - Ramulu | 14,425.00 | |
| Job work - Sahadev | 40,147.00 | |
| Job work - T. Rambabu | 732.00 | |
| Job work - Uttaiah | 1,820.00 | |
| Job work - Krishna | 33,885.00 | |
| Job work - Anand | 6,194.00 | |
| Job work - Adisheshu | 13,038.00 | |
| Job work - C. Sathyanarayana | 9,216.00 | |
| Job work - Yaganandam | 760.00 | |
| Job work - Ishaq | 700.00 | |
| | **371,074.00** | |
| **Hire charges** | | |
| Hire Charges – Ch. Nagarjuna | 4,700.00 | |
| Hire Charges – Adisheshu | 13,408.00 | |
| Hire Charges – Bagi Reddy | 6,875.00 | |
| Hire Charges – Balaji | 4,900.00 | |
| Hire Charges – J. Sirisha | 6,045.00 | |
| Hire Charges – Mannem | 3,007.00 | |
| Hire Charges – K. Venkateswarlu | 6,810.00 | |
| Hire Charges – Uttaiah | 32,620.00 | |
| Hire Charges – V.V. Narasaiah | 7,280.00 | |
| | **85,645.00** | |
| | | |
| **Other expenses** | | |
| Miscellaneous Expenses | 23,482.00 | |
| Petrol / Diesel / Oils | 36,262.00 | |
| Transpsortation / Hamali | 146,524.00 | |
| Consultancy Charges | 25,293.00 | |
| Weighment chartges | 1,060.00 | |
| Security charges | 244,685.00 | |
| Salaries - Construction Division | 629,921.00 | |
| Electricity Bills / Expenses | 328,250.00 | |
| Electricity Connection Charges | 3,150.00 | |
| | **1,438,627.00** | |
| | | |

AJAY R. MEHTA Chartered Accountant SECUNDERABAD

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For Mehta & Modi Homes

Partner

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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 Instalments 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 / Morrum / 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 | |

AJAY MEHTA
Chartered Accountant
SECUNDERABAD

For Mehta & Modi Homes

Partner

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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 - Adisheshu | 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 - Uttaiah | 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 - Uttaiah | 2,430.00 | |
| Hire charges - Randhir | 5.00 | |
| | **686,819.00** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

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For Mehta & Modi Homes

Partner

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| Mehta & Modi Homes | | A.Y.2008-2009 |
|---|---|---|
| **Other expenses** | | |
| Providend Fund - Adisheshu | 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** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

For Mehta & Modi Homes

Partner

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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 | |
| Polumbing & 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** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

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For Mehta & Modi Homes

Partner

| Mehta & Modi Homes | | A.Y.2008-2009 |
|---|---|---|
| **Job Work Charges** | | |
| Job work - Adisheshu | 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 - Uttaiah | 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 - Uttaiah | 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** | |

UDAY MEHTA Chartered Accountant SECUNDERABAD

For Mehta & Modi Homes

Partner

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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 - Adisheshu | 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 | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

**For Mehta & Modi Homes**

**Partner**

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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 | |

AJAY MEHTA Chartered Accountant SECUNDERABAD.

For Mehta & Modi Homes

Partner

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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 | |

AJAY MEHTA
Chartered Accountant
SECUNDERABAD

For Mehta & Modi Homes

Partner

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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** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

**For Mehta & Modi Homes**

**Partner**

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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** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD

For Mehta & Modi Homes

Partner

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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** | |

AJAY MEHTA Chartered Accountant SECUNDERABAD.

For Mehta & Modi Homes

Partner

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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.82/1 | | 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.82/1 | | 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.82/1 | | 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 |

AJAY MEHTA
Chartered Accountant
SECUNDERABAD

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For Mehta & Modi Homes

Partner

| 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 |

AJAY MEHTA
Chartered Accountant
SECUNDERABAD

For Mehta & Modi Homes

Partner

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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 | **MEHTA & MODI HOMES** |
| 2 | PAN | **AAJFM 0647 C** |
| 3 | Status | **Partnership Firm (05)** |
| 4 | Ownership status of the undertaking/enterprise : | |
| | (a ) Fully owned by assessee | **Yes** ☑ **No** ☐ |
| | (b ) Partly owned by assessee | **Yes** ☐ **No** ☐ |
| | If yes, please specify the percentage of ownership | |
| 5 | Address | **5-4-187/3&4 3rd Floor, Soham Mansion, M.G.Road, Ranigunj, Secunderabad - 500 003** |
| 6 | Name of the enterprise or undertaking eligible for deduction under section 80 -IA, 80-IB or 80-IC | **MEHTA & MODI HOMES** |
| 7 | Section and sub-section of the Income -tax Act, 1961, under which deduction is being claimed | **80 I B (10)** |
| 8 | Date of commencement of operation/activity by the undertaking or enterprise. | **02.07.2005 (First Building Plan Sanction)** |
| 9 | Initial assessment year from when deduction is being claimed | **Assessment Year 2006-2007** |
| 10 | Address (with District and State) of the enterprise/ undertaking claiming deduction | **5-4-187/3&4 3rd Floor, Soham Mansion, M.G.Road, Ranigunj, Secunderabad - 500 003** |
| 11 | Excise/service tax registration number and office where registered | **AAJFM0647C 25001** |
| 12 | Sales -tax registration number and office where registered | **28840298894** |
| 13 | Local/State authorities from whom approval is taken ( attach copy of approval) | **Kapra Municipality, Uppal Mandal, Ranga Reddy District** |

**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) : | Develop ☐ operate and maintain ☐<br>Develop, operate and maintain, the infrastructure facility |
| | (b ) Please specify the nature of the infrastructure facility * * *<br>[e.g., road, bridge, rail system, port, etc. [Explanation to section 80-IA(4)(i )]] | NA |
| | (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 | Yes ☐ No ☐ |
| | (d ) If yes, please specify the first year of claim of deduction under section 80-IA by the developer | |

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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)

NA

17 Generation, transmission, distribution of power :

(a ) Does the undertaking generate power or generate and distribute power — Yes ☐ No ☐

(i ) If yes, indicate the year in which the undertaking has started generating power

(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 moder nisation 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 pro duction 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 — Yes ☒ No ☐

(Please specify the article or thing……)

NA

(b ) If yes, does the manufacturing process use power — Yes ☐ No ☐

AJAY MEHTA Chartered Accountant SECUNDERABAD

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| | | |
|---|---|---|
| (c) Number of workers employed in the manufacturing process | — | — |
| (d) Does the industrial undertaking operate any cold storage plant | Yes ☐ | No ☐ |
| (e) Please specify if the company is a small scale industrial undertaking | Yes ☐ | No ☐ |
| (f) If the industry is located in the North Eastern Region, is the industry a notified industry as per second proviso to sec tion 80-IB(4)? | Yes ☐ | No ☐ |
| (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? | Yes ☐ | No ☐ |
| 19 Business of ship | | |
| (a) Is the ship owned by an Indian company and wholly used for the business carried on by it | Yes ☐ | No ☐ |
| (b) If the ship was acquired on transfer, was the ship owned or used in Indian territorial waters by a person resident in India | Yes ☐ | No ☐ |
| 20 Business of hotel | | |
| (a) Is the hotel located in | | |
| (i) Hilly area | | |
| (ii) Rural area | | |
| (iii) Place of pilgrimage | | |
| (iv) Other notified area | (Please specify____________) | |
| (v) None of the above | (Please specify____________) | |
| (b) Is the hotel approved by the prescribed authority under rule 18BBC of the Income -tax Rules, 1962? | Yes ☐ | No ☐ |
| 21 Business of scientific research and development | | |
| (a) Is the business approved by the prescribed authority under rule 18D? (Please attach copy of approval) | Yes ☐ | No ☐ |
| Printed from Taxmann's Income -tax Rules on CD | | |
| (b) Does it fulfil the conditions prescribed in rule 18DA of the Income-tax Rules? | Yes ☐ | No ☐ |
| 22 Commercial production or refining of mineral oil | | |
| (a) Is the undertaking engaged in the commercial production or refining of mineral oil? | Yes ☐ | No ☐ |
| (b) If yes, please specify: | Commercial production of mineral oil<br>Refining of Mineral Oil<br>Refining of mineral oil | |
| 23 Developing and building housing projects | | |
| (a) Date of approval by local authority (Please attach copyof approval/if appproval is obtained more than once, attach copy of first approval of the building plan) | **Kapra Municipality Sanction No. BA/G/1162/2005 Dt. 02.07.2005 (First Building Plan Permission)** | |
| (b) Date of completion of the housing project (Please attach copy of the completion certificate issued by the local authority) | **Under Progress** | |

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| | | |
|---|---|---|
| | (c) Size of plot of land of the project | **Ac 6.05 Guntas (For Phase-I)** |
| | (d) Is the project situated in Delhi or Mumbai or within 25 kilometres from their municipal limits | **Yes** ☐ **No** ☑ |
| | (e) Built-up area of the residential unit of the Project. | **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)** |
| | (f) Built -up area of the shops and other commercial establishments situated in the project | **Nil** |
| | (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) | **Yes** ☐ **No** ☐ |
| | (h) Please specify the method of accounting adopted | **Mercantile (Refer Annexure - A)** |
| 24 | Other business activities | **Not Applicable** |
| | (a) Is the undertaking in the business of setting up and operating a cold chain facility for agricultural produce | **Yes** ☐ **No** ☐ |
| | (b) Is the undertaking in the integrated business of handling, storage and transportation of foodgrains | **Yes** ☐ **No** ☐ |
| | (c) Is the undertaking in the business of processing, pres ervation and packaging of fruits or vegetables | **Yes** ☐ **No** ☐ |

**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 | **Yes** ☐ **No** ☐ |
| | (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 | |

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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 — Yes ☐ No ☐

(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 — Yes ☐ No ☐

(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 — Yes ☐ No ☐

NA

(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 — Yes ☐ No ☐

(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 — **Refer Annexure 'I'**

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) ] — **NIL**

| Name of the Related Concern | Transaction (Please specify nature and amount) |
|---|---|
| (a) | Rs. |
| (b) | Rs. |
| (c) | Rs. |
| (d) | Rs. |

29 Profits and gains derived by the undertaking / enterprise from the Eligible business # — **Rs.2,69,00,096/- (As per computation enclosed)**

30 Deduction under section 80-IB — **Rs.2,69,00,096/-**

AJAY MEHTA Chartered Accountant SECUNDERABAD.

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# *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:**

AJAY MEHTA Chartered Accountant SECUNDERABAD

Signed

**Place: Secunderabad**

**Date:** 27.09.2008

TRUE COPY

**MEHTA & MODI HOMES**

**Asst Year – 2008-09**

**Annexure – 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.

AJAY MEHTA Chartered Accountant SECUNDERABAD

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**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: | | |
| Ineterest 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 eligeble for 80IB(10) | | 26,900,096 |

AJAY MEHTA Chartered Accountant SECUNDERABAD.

For Mehta & Modi Homes

Partner

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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 wheele | 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 wheele | 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 |

AJAY MEHTA Chartered Accountant SECUNDERABAD

For Mehta & Modi Homes

Partner

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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~~.

Seal

Asst. Commissioner of Income Tax Circle-10(1), Hyd.

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

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Date: 10th April, 2013

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

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 31.03.2013for AY 2008 -09

We acknowledge the receipt of the above referred notice on 02.04.2013.In reply wesubmitthat the Income tax return for AY 2008-09 filed u/s 139(1) electronicallyon 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 1055000695The 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

(SohamModi)
Partner

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

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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 ad 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 1500Square 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 noes not include the common areas whared 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 build up area. Further, it was not commonly shared with any other person. In view of the above, the maximum permissible build-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.

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Date: 27.08.2013

From

Mehta & Modi Homes

5-4-187/3 & 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.

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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-IB(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/s80IB(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 Mardas 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 Mehta & 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



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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 no where similar to that of the residential unit. Windows are non existent.



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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.

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