**Acknowledgement Number:276480451200923** **Date of filing : 20-Sep-2023**

# INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT

[Where the data of the Return of Income in Form ITR-1(SAHAJ), ITR-2, ITR-3, ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified]
(Please see Rule 12 of the Income-tax Rules, 1962)

Assessment Year 2023-24

| | | | |
|---|---|---|---|
| PAN | ACVFS7909P | | |
| Name | SERENE CONSTRUCTIONS LLP | | |
| Address | 5-4-187/3 AND 4, 3RD FLOOR, SOHAM MANSION , M G ROAD , SECUNDERABAD , 36-Telangana, 91-INDIA, 500003 | | |
| Status | Firm | Form Number | ITR-5 |
| Filed u/s | 139(1)-On or before due date | e-Filing Acknowledgement Number | 276480451200923 |

| | | | |
|---|---|---|---|
| Taxable Income and Tax Details | Current Year business loss, if any | 1 | 0 |
| | Total Income | 2 | 1,42,330 |
| | Book Profit under MAT, where applicable | 3 | 0 |
| | Adjusted Total Income under AMT, where applicable | 4 | 1,42,330 |
| | Net tax payable | 5 | 44,407 |
| | Interest and Fee Payable | 6 | 0 |
| | Total tax, interest and Fee payable | 7 | 44,407 |
| | Taxes Paid | 8 | 3,74,181 |
| | (+) Tax Payable /(-) Refundable (7-8) | 9 | (-) 3,29,770 |
| Accreted Income and Tax Detail | Accreted Income as per section 115TD | 10 | 0 |
| | Additional Tax payable u/s 115TD | 11 | 0 |
| | Interest payable u/s 115TE | 12 | 0 |
| | Additional Tax and interest payable | 13 | 0 |
| | Tax and interest paid | 14 | 0 |
| | (+) Tax Payable /(-) Refundable (13-14) | 15 | 0 |

This return has been digitally signed by SOHAM SATISH MODI in the capacity of Principal Officer having PAN ABMPM6725H from IP address 49.205.122.22 on 20-Sep-2023 17:24:13 DSC Sl.No & Issuer 3097367 & 539657110460CN=Capricorn Sub CA for Individual DSC 2022,OU=Certifying Authority,O=Capricorn Identity Services Pvt Ltd.,C=IN

System Generated

Barcode/QR Code

ACVFS7909P052764804512009232a7c4035e69719d1418720cf272a3e4cd1af4759

DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU

| | | | |
|---|---|---|---|
| **Name Of Assessee** | **: Serene Constructions Llp** | | |
| **PAN** | **: ACVFS7909P** | | |
| Office Address | : 5-4-187/3 And 4, 3rd Floor, Soham Mansion, M G Road, Secunderabad, Telangana-500003 | | |
| Status | : FIRM (LIMITED LIABILITY) | Assessment Year | : 2023 - 2024 |
| Ward No | : WARD 11(1),HYDERABAD | Financial Year | : 2022 - 2023 |
| D.O.I. | : 13/07/2015 | | |
| Phone No. | : 40-66335551 | Mobile No. | : 9281055270 |
| Email Address | : it_e@modiproperties.in | | |
| Nature Of Business | : Property Developers | | |
| Method Of Accounting | : Accrual | | |
| Name Of Bank | : Yes Bank | | |
| Micr Code | : 500532002 | | |
| Ifsc Code | : Yesb0000097 | | |
| Address | : Begumpet, Secundrabad | | |
| Account No. | : 009763700002308 [ Validated ] | | |
| Return | : Original (Filing Date : 20/09/2023 & No. : 276480451200923) | | |
| Import Date | : Ais : 20-09-2023 11.07 Am<br>26as : 20-09-2023 11.07 Am | Tis : 20-09-2023 11.07 Am | |

## COMPUTATION OF TOTAL INCOME

| | | | |
|---|---|---|---|
| **Profits And Gains From Business And Profession** | | | 138627 |
| Serene Connstructons Llp | | | |
| Profit Before Tax As Per Profit And Loss Account | | 104119 | |
| Add : | | | |
| Income Tax | 37393 | | |
| Disallowed U/s 37 | 818 | 38211 | |
| | | 142330 | |
| Less : Income Tax Refund | | -3703 | |
| | | 138627 | |
| **Income From Other Sources** | | | 3703 |
| Interest On Income Tax Refund | | 3703 | |
| Total | | 3703 | |
| **Gross Total Income** | | | 142330 |
| **Total Income** | | | 142330 |
| Total Income Rounded Off U/s 288A | | | 142330 |

## COMPUTATION OF TAX ON TOTAL INCOME

| | | |
|---|---|---|
| **Tax On Rs. 142330 @ 30%** | | 42699 |
| | | 42699 |
| Add: Health And Education Cess @ 4% | | 1708 |
| | | 44407 |
| **Less Tax Deducted At Source** | | |
| Section 194c: Contractors And Sub-contractors | 374181 | 374181 |
| | | -329774 |
| **Refundable** | | (329774) |
| Tax Rounded Off U/s 288B | | (329770) |

Details Of Bank Accounts

| Name & Address Of The Bank Branch | Ifs Code | Account No. | Type Of Account | Status |
|---|---|---|---|---|
| Hdfc Bank<br>Hyderabad - Secunderabad | HDFC0000042 | 50200014896793 | Saving | FAILED (REQUEST WAS NOT |

| | | | | |
|---|---|---|---|---|
| | | | | COMPLETED DUE TO TECHNICAL ISSUE.) |

## DISALLOWED U/S 37

| Sr. No. | Particulars | Amount |
|---|---|---|
| 1 | Interest on TDS | 818.00 |
| | **Total** | **818.00** |

## Details of Taxpayer Information Summary

| S. N. | Information Category (1) | Income Head (2) | Section (3) | Processed Value (4) | Derived Value (5) | As per Computation/ ITR (6) | Difference (7)=(5)-(6) | As per 26AS (8) | Difference (9)=(8)-(6) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Business receipts | Business | | 19062000.00 | 19062000.00 | 19708680.00 | -646680.00 | 0.00 | -19708680.00 |
| 2 | GST turnover | Profit & Loss A/c | | 19811071.00 | 19811071.00 | 19708680.00 | 102391.00 | 0.00 | -19708680.00 |
| 3 | GST purchases | Profit & Loss A/c | | 5631797.00 | 5631797.00 | 0.00 | 5631797.00 | | |

SOHAM SATISH MODI
(Principal Officer)

# INDEPENDENT AUDITOR'S REPORT

To the Partners of Serene Construction LLP [LLP IN: AAE-3760]

**Opinion**

We have audited the financial statements of Serene Construction LLP, which comprise the balance sheet at March 31st 2023, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2023, and of its financial performance for the year then ended in accordance with the Accounting Standards issuedby the Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidencewe have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financialstatements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For KGM & Co
Chartered Accountants
Firm's Registration No.015353S

Pranay Mehta
Partner
Membership.233650
UDIN: 23233650BGXLZI3602

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

Place: Hyderabad
Date: 14-09-2023

**M/s. SERENE CONSTRUCTIONS LLP**

**Statement of Assets & Liabilities as at 31st March 2023**

| | Particulars | | Note No | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|---|---|---|
| I | **CONTRIBUTION AND LIABILITIES** | | | | | | |
| 1 | **Partners' funds** | | | | | | |
| | (a) | Fixed Capital Contribution | 2 | 1,00,000 | | 1,00,000 | |
| | (b) | Current contribution | 3 | 2,33,87,930 | 2,34,87,930 | 2,97,28,219 | 2,98,28,219 |
| 2 | **Current liabilities** | | | | | | |
| | (a) | Loans | | | | | |
| | | (i) Un Secured Loans | 4 | 2,75,345 | | 2,75,345 | |
| | (b) | Trade Payables | 5 | 23,63,739 | | 35,20,093 | |
| | (c) | Other Curent Liabilities | 6 | 3,57,572 | 29,96,656 | 5,65,664 | 43,61,102 |
| | | **TOTAL** | | | **2,64,84,586** | | **3,41,89,322** |
| | **ASSETS** | | | | | | |
| 1 | **Non-current assets** | | | | | | |
| | (a) | Fixed assets | | | | | |
| | | (i) Tangible Assets | | - | - | - | - |
| | | (ii) Intangible Assets | | | | | |
| 2 | **Current assets** | | | | | | |
| | (a) | Inventories | | 69,55,408 | | 1,43,72,723 | |
| | (b) | Deposits, Loans and Advances | 7 | 1,87,95,058 | | 1,93,14,394 | |
| | (c) | Trade Receivables | 8 | 1,36,420 | | - | |
| | (d) | Cash and Bank Balances | 9 | 1,41,603 | | 5,02,204 | |
| | (e) | Other Current Assets | 10 | 4,56,097 | 2,64,84,586 | - | 3,41,89,322 |
| | | **TOTAL** | | | **2,64,84,586** | | **3,41,89,322** |
| | Significant Accounting Policies/Notes | | 1 | | | | |

**As per my report of even date**

**For KGM & Co**
**Chartered Accountants**
**Firm's Registration No.015353S**

KGM & CO. ★ Firm Reg.No. 015353S Secunderabad ★ Chartered Accountants

**CA Pranay Mehta**
**M No : 233650**
**(Partner)**
**Place: Hyderabad**
**Date: 14-09-2023**
**UDIN: 23233650BGXLZI3602**

**For and on behalf of the Partners**
**For SERENE CONSTRUCTIONS LLP**

**(Palle Balram Reddy)**
**Designated Partner**
**DIN: 08026065**

**(Gaurang Jayantilal Mody)**
**Designated Partner**
**DIN: 00522520**

M/s. SERENE CONSTRUCTIONS LLP

## Statement of Profit and Loss for the year ended 31st March 2023

| | Particulars | Note No | Year ended 31st March 2023 | | Year ended 31st March 2022 | |
|---|---|---|---|---|---|---|
| I | **Revenue from operations** | | | | | |
| | Revenue income | 11 | 1,97,08,680 | | 78,24,000 | |
| | Other Income | 12 | 16,905 | | 8,343 | |
| III | **Total Revenue (I+II)** | | | 1,97,25,585 | | 78,32,343 |
| IV | **Expenses:** | | | | | |
| | Purchases | 13 | 1,13,05,930 | | 92,40,668 | |
| | Changes in inventories of stock-in trade | 14 | 74,17,316 | | (18,07,868) | |
| | Employee benefit Expenses | 15 | 6,14,571 | | 2,57,990 | |
| | Other Expenses | 16 | 2,46,257 | | 34,736 | |
| | **Total expenses** | | | 1,95,84,074 | | 77,25,526 |
| V | **Profit/(Loss) before Taxes (III-IV)** | | | 1,41,511 | | 1,06,817 |
| VI | **Less: Earlier Taxes** | | | 37,393 | | - |
| | **Less: Current Tax** | | | 44,407 | | |
| VII | **Profit/(Loss) before Taxes (V-VI)** | | | **59,711** | | **1,06,817** |
| VIII | **Appropriation** | | | | | |
| | Profit transferred to Partner's Account : | | | | | |
| | Balram Reddy | | 5,971 | | 10,682 | |
| | Modi Housing Pvt. Ltd. | | 53,739 | **59,711** | 96,136 | **1,06,817** |
| | Significant Accounting Policies/Notes | 1 | | | | |

As per my report of even date

**For KGM & Co**
**Chartered Accountants**
**Firm's Registration No.015353S**

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

**CA Pranay Mehta**
**M No : 233650**
**(Partner)**
**Place: Hyderabad**
**Date: 14-09-2023**
**UDIN: 23233650BGXLZI3602**

**For and on behalf of the Partners**
**For SERENE CONSTRUCTIONS LLP**

Balram

**(Palle Balram Reddy)**
**Designated Partner**
**DIN: 08026065**

**(Gaurang Jayantilal Mody)**
**Designated Partner**
**DIN: 00522520**

**Notes forming part of Financial Statements for the year ended 31st March 2023**

**2 Fixed Capital Contribution**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Balram Reddy-Fixed | 10,000 | 10,000 |
| Modi Housing Pvt. Ltd.-Fixed | 90,000 | 90,000 |
| **Total** | **1,00,000** | **1,00,000** |

**3 Current Contribution**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Balram Reddy-Current | 1,08,191 | 1,02,220 |
| Modi Housing Pvt. Ltd.-Current | 2,32,79,738 | 2,96,25,999 |
| **Total** | **2,33,87,930** | **2,97,28,219** |

**4 Unsecured Loans**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Abhinay Gajula | 1,37,673 | 1,37,673 |
| Jaiprakash Kalyan Chakravarthy | 1,37,673 | 1,37,673 |
| **Total** | **2,75,345** | **2,75,345** |

**5 Trade payables**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Total Oustanding dues of micro and small enterprises | - | - |
| Total Oustanding dues of creditors other than micro and small enterprises | 23,63,739 | 35,20,093 |
| **Total** | **23,63,739** | **35,20,093** |

**a) Trade Payables ageing schedule**

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i. MSME | | | | | |
| ii. Others | 5,67,505 | 17,96,234 | - | - | 23,63,739 |
| iii. Disputed dues – MSME | - | - | - | - | - |
| iv. Disputed dues - Others | - | - | - | - | - |
| **Total** | **5,67,505** | **17,96,234** | **-** | **-** | **23,63,739** |

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i. MSME | | | | | |
| ii. Others | - | 35,20,093 | - | - | 35,20,093 |
| iii. Disputed dues – MSME | - | - | - | - | - |
| iv. Disputed dues - Others | - | - | - | - | - |
| **Total** | **-** | **35,20,093** | **-** | **-** | **35,20,093** |

PB Balram

GM

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

**Notes forming part of Financial Statements for the year ended 31st March 2023**

**6 Other Curent Liabilities**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| PT Payable | 1,950 | 150 |
| GST Payable | 3,31,856 | 5,33,697 |
| Professional Fee Payable | 17,434 | 17,434 |
| TDS Payable | 6,332 | 14,383 |
| **Total** | **3,57,572** | **5,65,664** |

**7 Deposits, Loans and Advances**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| **Loans** | | |
| Constructions Material Vendors Debit Balances | 1,98,552 | 1,78,004 |
| Contractors on Accounts Debit Balances | 31,807 | 58,218 |
| Expenses Card Advances | 85,511 | 74,381 |
| Others | 1,84,79,188 | 1,89,29,887 |
| Staff Salary Accounts | - | 3,429 |
| Contractors Loans | - | 68,335 |
| Advances Suppliers | - | 2,140 |
| **Total** | **1,87,95,058** | **1,93,14,394** |

**8 Trade Receivables**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Receivable – Secured and Considered Good | - | - |
| Receivable – Unsecured and Considered Good | 1,36,420 | - |
| – Significant increase in credit risk | - | - |
| – Credit impaired | - | - |
| Less: Allowances for Bad and Doubtful Debts | - | - |
| **Total** | **1,36,420** | - |

**9 Cash and Bank balances**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Cash in hand | 1,01,577 | 1,01,815 |
| **Bank Accounts :** | | |
| **In Current A/c** | | |
| BANK-YES BANK LTD-A/C.NO:308. | 40,026 | 4,00,389 |
| **Total** | **1,41,603** | **5,02,204** |

**10 Other Current Assets**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| **Balance with Government authorities** | | |
| GST-Input to be availed | 1,06,331 | - |
| TDS Receivable(Net of Provision for Tax) | 3,49,766 | |
| **Total** | **4,56,097** | - |

KGM & CO.
Firm Reg.No. 015353S
Secunderabad
Chartered Accountants

**M/s. SERENE CONSTRUCTIONS LLP**

**Notes to the Statement of Profit and loss Account for the year ended 31st March 2023**

**11 Sale of Goods**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Revenue Recognized | 1,97,08,680 | 78,24,000 |
| **Total** | **1,97,08,680** | **78,24,000** |

**12 Other Income**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Interest on Income Tax Refund | 3,703 | - |
| OIE-Bad Debits Written Off | 13,194 | - |
| Rounding Off | 8 | 213 |
| Rent Received | - | 8,000 |
| Miscellaneous | - | 130 |
| **Total** | **16,905** | **8,343** |

**13 Purchases**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Cost Recongnized | 1,87,23,246 | 92,40,668 |
| **Total** | **1,87,23,246** | **92,40,668** |

**14 Changes in Inventory**

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Opening Inventory | 1,43,72,723 | 1,25,64,855 |
| Less : Closing Inventory | 69,55,408 | 1,43,72,723 |
| **Total** | **74,17,316** | **(18,07,868)** |

KGM & CO. Chartered Accountants Firm Reg.No. 015353S Secunderabad

## Notes to the Statement of Profit and loss Account for the year ended 31st March 2023

### 15 Employee Benefit Expenses

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| SAL-Conveyance | 18,000 | - |
| SAL-Gratuity | 47,707 | - |
| SAL-Insurance | 20,217 | - |
| SAL-Food & Brverage | - | 2,710 |
| SAL-Incentives | - | 755 |
| SAL-Bonus | - | 9,184 |
| SAL-Mobile Allowance | 9,975 | 5,187 |
| SAL-Salaries | 5,18,672 | 2,40,154 |
| **Total** | **6,14,571** | **2,57,990** |

### 16 Other Expenses

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| FEXP-Bank Charges | 827 | - |
| FEXP-Misc. Expenses | 2,000 | - |
| OIE-Firm Professional Tax | 2,500 | - |
| OIE-IT Representation Fee | 17,434 | - |
| OIE-Legal Services | 17,200 | - |
| OIE-Repairs & Maintenance-Automobiles | 1,381 | - |
| SIP-Property Tax | 73,852 | - |
| Consultancy Charges | 63,487 | - |
| PS-Admin-Audit | - | 10,965 |
| Audit Fees | - | 17,434 |
| SIP-GST | 66,758 | 5,890 |
| SIP-Interest on TDS | 818 | 447 |
| **Total** | **2,46,257** | **34,736** |

KGM & CO. Chartered Accountants Firm Reg.No. 015353S Secunderabad

P B Balram

**M/s. SERENE CONSTRUCTIONS LLP**

**Balram Reddy-Fixed**

| Particulars | Amount | Particulars | Amount |
|---|---|---|---|
| | | By Balance b/d | 10,000 |
| | | By Capital Contribution | - |
| By Balance c/f | 10,000 | | |
| | **10,000** | | **10,000** |

**Modi Housing Pvt. Ltd.-Fixed**

| Particulars | Amount | Particulars | Amount |
|---|---|---|---|
| | | By Balance b/d | 90,000 |
| | | By Capital Contribution | - |
| To balance c/f | 90,000 | | |
| | **90,000** | | **90,000** |

**Balram Reddy-Current**

| Particulars | Amount | Particulars | Amount |
|---|---|---|---|
| To Drawings | - | By Balance b/d | 1,02,220 |
| By Balance c/f | 1,08,191 | By Net Profit | 5,971 |
| | **1,08,191** | | **1,08,191** |

**Modi Housing Pvt. Ltd.-Current**

| Particulars | Amount | Particulars | Amount |
|---|---|---|---|
| To Drawings | - | By Balance b/d | 2,96,25,999 |
| By Amount Received to vendors | 65,10,000 | By Amount paid to vendors | 1,10,000 |
| To balance c/f | 2,32,79,738 | By Net Profit | 53,739 |
| | **2,97,89,738** | | **2,97,89,738** |

KGM & CO. Chartered Accountants Firm Reg.No. 015353S Secunderabad

PB Balram

GM

## Schedules forming part of Financial Statements for the year ended 31st March 2023

**Trade Payables**

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Construction Material Vendors | 6,71,271 | 12,07,101 |
| Contractors on Accounts | 3,16,687 | 13,04,384 |
| Staff | 12,36,230 | 20,446 |
| Service Providers | 1,39,551 | 300 |
| Exp Cards Credit Balance | - | 4,300 |
| Others | - | 9,83,562 |
| **Total** | **23,63,739** | **35,20,093** |

**Trade Receivables**

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Customers Accounts | 1,36,420 | - |
| | 1,36,420 | - |

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

PB

GM

**SERENE CONSTRUCTIONS LLP**
**ASSESSMENT YEAR :: 2023-2024**
**Notes to Accounts**

**Note-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 at the date of the financial statements. The 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 is stated at cost including estimated profits declared year to year till completion of the project.

d) **Revenue Recognition**:
Revenue for construction contracts in respect to project named 'Serene Farms' is recognized on an estimate basis on the construction receipt received during the year from customers. Corresponding cost for such revenue recognized, i.e. the construction cost is also estimated.

The estimated of cost and revenue are reviewed by management periodically and effect of any change in such estimates is recognized in the period in which such changes are determined.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

e) **Borrowing Costs:**
Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs which are not attributable to any fixed assets are charged to the Profit and Loss account.

f) **Provisions:**
Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a realizable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet Date.

g) **Contingent Liabilities:**
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the controls of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimated of the amount cannot be made.

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

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h). **Other Notes:**

1) The company has continued the work of various construction contracts in respect of project as 'Serene Farms'. The work is under progress. During the year Constructions receipts of Rs.1,97,08,680/- are received/receivable on the basis of agreements/understandings.

2. In accordance with accounting policy adopted with regard to revenue recognition an estimated gross profit of Rs.9,85,434/-. At the rate of 5% on constructions receipts of Rs.1,97,08,680/- received/receivable during the year is credited to Profit & Loss Account.

3. Further, in accordance with the accounting policy, the cost of Rs.1,87,23,246/- is recognized being 95% of the revenue recognized of Rs. 1,97,08,680/-

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

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

6. There are no cash payments made in respect of any expenditure exceeding Rs.10,000/- read together with rule 6DD of IT Rules.

7. In case of payments exceeding Rs.10,000/- made by way of cheque/DD it is not possible to verify whether the same have been made by account payee cheque/DD or otherwise as the necessary evidence is not in possession of assessee. However, a certificate from the assessee has been obtained regarding payments relating to any expenditure covered under section 40A(3) confirming that the payments were made by account payee cheque drawn on a bank or account payee bank draft/RTGS/NEFT as the case may be has been obtained.

8. The value of inventory is certified and ascertained by the management.

9. The revenue recognition policy is not in accordance with ICDS-IV. The impact of the same is not ascertained as the firm has adopted the policy of revenue recognition as adopted in 1(d) above consistently over past years of commencement of books.

i) **Prior year comparatives:**

The previous year's figures have been re-grouped/re-arranged so as to be comparable with those of current year.

**As per my report of even date**
**For KGM & Co**
**Chartered Accountants**
**Firm's Registration No.015353S**

KGM & CO. Firm Reg.No. 015353S Secunderabad Chartered Accountants

**CA Pranay Mehta**
**M No: 233650**
**(Partner)**
**Place: Hyderabad**
**Date: 14-09-2023**
**UDIN: 23233650BGXLZI3602**

**For and on behalf of the Partners**
**Serene Construction LLP**

**(Palle Balram Reddy)**
**Designated Partner**
**DIN: 08026065**

**(Gaurang Jayantilal Mody)**
**Designated Partner**
**DIN: 00522520**