

**AUDIT REPORT & ACCOUNTS**

**(FINANCIAL YEAR 2022-23)**

**OF**

**KZAR DEVELOPERS LLP**

**AUDITOR: M S S R & ASSOCIATES**  
Chartered Accountants  
Kolkata



## INDEPENDENT AUDITOR'S REPORT

To,

The Partners of Kzar Developers LLP

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **KZAR DEVELOPERS LLP** ("the LLP") which comprise of the Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2023 and a summary of the significant accounting policies and other explanatory information.

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

### **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 Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we 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 of these financial statements that give a true and fair view of the state of affairs and results of operations of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.



Place: Kolkata  
Date: 27/09/2023  
UDIN: 23068355BGYOPV9498

For M S S R & ASSOCIATES  
Chartered Accountants  
FRN: 327104E

Madhusudan Kumar Poddar  
(Partner)  
Membership No.: 068355

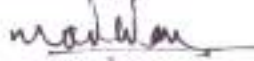
## KZAR DEVELOPERS LLP

Balance Sheet as on 31st March 2023

Liabilities	NOTE	Amount (C.Y.)	Amount (P.Y.)	Assets	NOTE	Amount (C.Y.)	Amount (P.Y.)
Capital Account	1	11,42,04,032.28	2,17,05,293.02	Fixed Assets	7	40,28,780.32	47,06,180.32
Reserve and Surplus	2	-	-	Investment in Share/LLP	8	13,47,501.28	9,51,525.96
Loan Funds	3	6,38,95,417.34	8,07,89,452.72	Deposits, Loans and advances to corporate and Others	9	4,46,84,074.54	5,49,19,785.34
Statutory Dues Payable	4	70,38,329.26	32,22,637.00	Revenue Recognised in advance	11	6,76,14,971.90	2,37,63,803.86
Current Liabilities	5	1,05,68,112.34	1,46,75,134.18	Closing Stock	10	6,79,839.29	1,78,69,097.26
Advance Against Flat	6	62,14,667.14	1,00,19,315.00	Sundry Debtors	12	3,13,71,200.00	3,13,71,200.00
				Cash & Bank Balances	13	5,15,84,191.04	-31,66,740.82
<b>Total</b>		<b>26,20,28,588.37</b>	<b>13,04,12,831.82</b>	<b>Total</b>		<b>20,20,20,588.37</b>	<b>13,04,12,831.82</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M S S R & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)



MADHUSUDAN KUMAR PODDAR  
(PARTNER)  
Membership No.: 068355  
Place: KOLKATA  
Date:- 27/09/2023  
UDIN:- 23068356BGYOPV9498




AZAD TANVEER KALIM  
PARTNER  
01586727

For KZAR DEVELOPERS LLP



ANISA KALIM  
PARTNER  
07486532

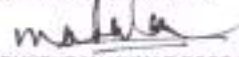
## KZAR DEVELOPERS LLP

Profit and Loss A/c for the year Ending 31st March 2023

Particulars	Amount (C.Y.)	Amount (P.Y.)	Particulars	Amount (C.Y.)	Amount (P.Y.)
To Opening Work In Progress- Real estate Projects	1,78,69,097.28	5,23,45,796.17	By Revenue Recognized (Based on % of Completion basis as per ICAI guidance note on accounting for real estate transaction 2012)	11,48,00,658.31	9,61,63,793.31
To Purchase of Materials	2,60,71,147.33	2,91,91,236.03	By Closing Work in Progress- Real Estate Project	8,79,839.29	1,79,69,097.28
To Labour and Work contract Charges	2,96,36,313.71	1,52,62,267.36			
To Salaries and Wages	25,13,317.00	20,42,359.00			
To Electricity & Connection Charges	41,79,937.00	2,78,320.00			
To Security Service Expenses	5,73,161.29	3,36,000.00			
To Misc. Site Expenses	3,61,329.86	49,165.00			
To Sanction Fee & Registration Fee	21,33,863.00	19,05,451.00			
To Professional fees	5,58,600.00	-			
To Gross Profit	3,17,83,641.35	1,26,25,276.01			
	<b>11,56,80,397.60</b>	<b>11,40,32,890.57</b>		<b>11,56,80,397.60</b>	<b>11,40,32,890.57</b>
To Advertisement Expenses	1,90,872.00	83,750.00	By Gross Profit	3,17,83,641.35	1,26,25,276.01
To Bank Charges	18,597.41	2,017.51	By Interest Income	13,10,747.47	13,82,602.16
To Travelling & Conveyance Expenses	6,22,362.00	1,21,375.87	By Other Misc. Income	1,543.54	14,681.14
To Audit Fees	42,500.00	42,500.00	By Profit from LLP	3,95,975.32	-
To Professional Fee	79,500.00	1,06,500.00			
To Brokerage & Commission	18,91,880.00	1,12,875.00			
To Misc. Statutory Expenses	10,544.00	48,551.70			
To Loss from Investment in LLP	-	17,462.55			
To General Expenses	76,425.00	16,690.00			
To Discount & Write Offs	92,286.16	648.00			
To Interest on loan	32,94,702.40	36,93,095.75			
To Depreciation	7,10,059.00	8,32,199.00			
To Income Tax	82,90,354.44	29,61,860.00			
To Partners Remuneration	60,00,000.00	-			
To Net Profit	1,44,72,025.27	69,84,193.53			
<b>Total</b>	<b>3,34,91,907.68</b>	<b>1,40,32,559.31</b>	<b>Total</b>	<b>3,34,91,907.68</b>	<b>1,40,22,559.31</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M S S R & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)

  
MADHUSUDAN KUMAR PODDAR  
(PARTNER)  
Membership No.: 068355  
Place: KOLKATA  
Date:- 27/09/2023  
UDIN:- 23068356BGYOPV9498



  
For KZAR DEVELOPERS LLP  
AZAD TANVEER KALIM  
PARTNER  
01586727

  
ANISA KALIM  
PARTNER  
07486532

## KZAR DEVELOPERS LLP

NOTE-1

### CAPITAL ACCOUNT OF AZAD TANVEER KALIM AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Balance in Salary A/c		-	By Balance B/F	3,24,475.59	25,285.92
To Withdrawn During the Year		-	By Salary A/c	48,00,000.00	-
To Balance C/F	1,09,13,285.69	3,24,475.59	By Introduced during the year		
Total	1,09,13,285.69	3,24,475.59	By Profit For The Year	57,88,810.11	2,99,209.68
			Total	1,09,13,285.69	3,24,475.60

### CAPITAL ACCOUNT OF ANEESA KALIM AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	10,00,000.00	-	By Balance B/F	17,59,448.77	17,38,504.09
To Balance C/F	31,67,862.88	17,59,448.77	By Salary	12,00,000.00	-
Total	41,67,862.88	17,59,448.77	By Introduced during the year		
			By Profit For The Year	12,08,414.11	20,944.66
			Total	41,67,862.88	17,59,448.77

### CAPITAL ACCOUNT OF KALIM HOUSING PRIVATE LIMITED AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn during the year		67,00,000.00	By Balance B/F	-81,03,940.82	-1,95,689.65
To Interest charged		2,27,799.00	By Introduced during the year	1,90,00,000.00	10,00,000.00
To Balance C/F	1,09,43,816.86	-81,03,940.82	By Profit For The Year	47,757.68	19,747.84
Total	1,09,43,816.86	8,23,858.18	Total	1,09,43,816.86	8,23,858.19

### CAPITAL ACCOUNT OF KZAR PROPERTIES PRIVATE LIMITED AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	-	-	By Balance B/F	13,19,122.09	12,99,374.25
To Balance C/F	13,66,879.77	13,19,122.09	By Profit For The Year	47,757.68	19,747.84
Total	13,66,879.77	13,19,122.09	Total	13,66,879.77	13,19,122.09

### CAPITAL ACCOUNT OF KZAR REAL ESTATES PRIVATE LIMITED AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	65,00,000.00	-	By Balance B/F	68,63,122.09	68,43,374.25
To Balance C/F	9,10,879.77	68,63,122.09	By Introduced during the year	5,00,000.00	-
Total	74,10,879.77	68,63,122.09	By Profit For The Year	47,757.68	19,747.84
			Total	74,10,879.77	68,63,122.09

### CAPITAL ACCOUNT OF KZAR REALTORS PRIVATE LIMITED AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	-	60,00,000.00	By Balance B/F	-39,18,634.86	20,61,617.30
To Balance C/F	36,29,122.82	-39,18,634.86	By Introduced during the year	75,00,000.00	-
Total	36,29,122.82	20,81,365.14	By Profit For The Year	47,757.68	19,747.84
			Total	36,29,122.82	20,81,365.14

### CAPITAL ACCOUNT OF T. R. Infraprojects Private Limited AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	7,00,000.00	-	By Balance B/F	7,02,162.19	6,82,414.35
To Balance C/F	49,919.87	7,02,162.19	By Introduced during the year	-	-
Total	7,49,919.87	7,02,162.19	By Profit For The Year	47,757.68	19,747.84
			Total	7,49,919.87	7,02,162.19

### CAPITAL ACCOUNT OF QAID JOHAR MANDSAURWALA AS ON 31/03/2023

PARTICULARS	Amount (2022-23)	Amount (2021-22)	PARTICULARS	Amount (2022-23)	Amount (2021-22)
To Withdrawn During the Year	-	-	By Balance B/F	2,27,60,537.98	-
To Balance C/F	8,32,22,264.62	2,27,60,537.98	By Introduced during the year	5,32,25,714.00	1,71,95,238.00
Total	8,32,22,264.62	2,27,60,537.98	By Profit For The Year	72,36,012.64	55,65,299.98
			Total	8,32,22,264.62	2,27,60,537.98



## KZAR DEVELOPERS LLP

### Note-2 Reserve & surplus

Particulars	Amount (C.Y)	Amount (P.Y)
Undistributed Profit Opening	-	-
Add: addition	-	-
Less: Income Tax Earlier Year	-	-
Less: distribution	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Note-3 Loan Fund

Particulars	Amount (C.Y)	Amount (P.Y)
Unsecured Loans Other than Bank	6,31,45,946.00	7,87,49,399.78
Car Loan From Bank	8,49,471.34	20,40,052.94
<b>Total</b>	<b>6,39,95,417.34</b>	<b>8,07,89,452.72</b>

### Note-4 Statutory Dues

Particulars	Amount (C.Y)	Amount (P.Y)
TDS	3,85,427.00	3,88,043.00
PF Liability Payable	8,015.00	11,060.00
GST Payable	5,30,257.26	4,320.00
ESI Payable	2,046.00	2,046.00
P Tax Payable	1,000.00	11,443.00
Provision for Income Tax	61,11,584.00	28,05,725.00
<b>Total</b>	<b>70,38,329.26</b>	<b>32,22,637.00</b>

### Note-5 Current Liabilities

Particulars	Amount (C.Y)	Amount (P.Y)
Sundry Creditors	1,05,68,112.34	1,46,75,134.18
<b>Total</b>	<b>1,05,68,112.34</b>	<b>1,46,75,134.18</b>

### Note-6 Advance Against Flat

Particulars	Amount (C.Y)	Amount (P.Y)
Returnable advance	62,14,667.14	1,00,19,315.00
<b>Total</b>	<b>62,14,667.14</b>	<b>1,00,19,315.00</b>

### Note-7 Fixed assets

Particulars	Amount (C.Y)	Amount (P.Y)
<b>Computer</b>		
Opening	3,468.20	5,780.20
Addition	-	-
Depreciation	1,387.00	2,312.00
Closing	2,081.20	3,468.20
<b>Motor Car</b>		
Opening	47,02,692.12	55,32,579.12
Addition	-	-
Depreciation	7,05,404.00	8,29,887.00
Closing	39,97,288.12	47,02,692.12
<b>Camera &amp; Accessories</b>		
Opening	-	-
Addition	32,679.00	-
Depreciation	3,268.00	-
Closing	29,411.00	-
<b>Total</b>	<b>40,28,780.32</b>	<b>47,06,160.32</b>



## KZAR DEVELOPERS LLP

### Note-8 Investment in Share/LLP

Particulars	Amount (C.Y)	Amount (P.Y)
Kalim Hospitality Services LLP	13,47,501.28	9,51,525.96
<b>Total</b>	<b>13,47,501.28</b>	<b>9,51,525.96</b>

### Note-9 Deposits, Loans and advances to Corporate and Others

Particulars	Amount (C.Y)	Amount (P.Y)
Deposit Against Joint Venture A/c	85,00,000.00	85,00,000.00
Loan & Advances Given	3,13,34,813.00	3,91,04,674.00
Other Misc Advances	-	37,06,167.00
Input GST Credit	28,72,850.52	22,52,113.52
Advance with Revenue Authority	21,86,411.02	13,56,830.82
<b>Total</b>	<b>4,48,94,074.54</b>	<b>5,49,19,785.34</b>

### Note- 10 Inventory

Particulars	Amount (C.Y)	Amount (P.Y)
Project Work in Progress	8,79,839.29	1,78,69,097.26
<b>Total</b>	<b>8,79,839.29</b>	<b>1,78,69,097.26</b>

### Note- 11 Revenue Recognised in Advance

Particulars	Amount (C.Y)	Amount (P.Y)
Revenue Recognised in advance	6,79,14,971.90	2,37,63,803.86
<b>Total</b>	<b>6,79,14,971.90</b>	<b>2,37,63,803.86</b>

### Note- 12 Sundry Debtors

Particulars	Amount (C.Y)	Amount (P.Y)
Advance form Debtors	3,13,71,200.00	3,13,71,200.00
<b>Total</b>	<b>3,13,71,200.00</b>	<b>3,13,71,200.00</b>

### Note-13 Cash & Bank Balances

Particulars	Amount (C.Y)	Amount (P.Y)
Cash In Hand	5,80,509.65	11,65,597.65
Balances With Bank	5,10,03,681.39	-43,34,338.47
<b>Total</b>	<b>5,15,84,191.04</b>	<b>-31,68,740.82</b>



## **SIGNIFICANT ACCOUNTING POLICY**

### **Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India.

### **Use of Estimates**

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

### **Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **Inventories**

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognized as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realizable value.
- ii. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Real estate work-in-progress is valued at lower of cost and net realizable value.
- iii. Building materials purchased, not identified with any specific project are valued at lower of cost and net realizable value. Cost is determined based on a weighted average basis.
- iv. Land inventory: Valued at lower of cost and net realizable value. Land inventory which is under development or held for development/ sale in near future is classified as current asset. Land which held for undetermined use or for long term development is classified as noncurrent asset.



## **Revenue Recognition**

### **i. Recognition of revenue from contractual projects**

If the outcome of contractual contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity at year end (the percentage of completion method). The stage of completion on a project is measured on the basis of completion of a physical proportion of the contract work/ based upon the contracts/ agreements entered into by the Firm with its customers.

### **ii. Recognition of revenue from real estate projects**

Revenue from real estate projects including revenue from sale of undivided share of land [group housing] is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Firm still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

- (a) All critical approvals necessary for the commencement of the project have been obtained;
- (b) The expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
- (c) At least 25% of the saleable project area is secured by contracts/agreements with buyers; and
- (d) At least 10% of the contracts/agreements value is realized at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied project revenue (including from sale of undivided share of land) and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

### **iii. Recognition of revenue from sale of land and development rights**

Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land and development rights is only recognized when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

### **iv. Other Revenue**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.



**KZAR DEVELOPERS LLP**  
63, RAFI AHMED KIDWAI ROAD, KOLKATA, WEST BENGAL, 700016

**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 its intended use. All other borrowing costs are charged to Profit and Loss account.

**Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Currently the company is not liable to pay any post employment and other long term employee benefits.

NOTES TO ACCOUNTS

1. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.
2. Loans and Advances are considered good in respect of which firm does not hold any security other than the personal guarantee of persons.
3. Previous year figures have been regrouped or rearranged whenever necessary.

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For M S S R & ASSOCIATES  
Chartered Accountants  
(Registration No. 327104E)

  
MADHUSUDAN KUMAR  
PODDAR  
PARTNER  
Membership No.: 068355

Place: Kolkata  
Date: 27/09/2023  
UDIN: 23068355BGYOPV9498



  
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