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GATIL PROPERTIES PRIVATE LIMITED
(Subsidiary of Ganesh Housing Corporation Limited)

12TH ANNUAL REPORT
2013-2014

GATIL PROPERTIES PRIVATE LIMITED

BOARD OF DIRECTORS : Mr. Dipakkumar G. Patel - Chairman
Mr. Shekhar G. Patel - Managing Director
Mr. Girish N. Kulkarni - Director
Mr. Tarangkumar M. Desai - Director

AUDITORS : J. M. Parikh & Associates
Chartered Accountants
Ahmedabad

COMPANY SECRETARY : Mr. Harshank G. Shah

REGISTERED OFFICE : Ganesh Corporate House
100 ft. Hebatpur - Thaltej Road,
Nr. Sola Bridge, Off S. G. Highway,
Ahmedabad - 380 054

BANKERS : Tamilnad Mercantile Bank Ltd, Ahmedabad
HDFC Bank Limited
State Bank of India

GATIL PROPERTIES PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members of
Gatil Properties Private Limited

Dear Members,

Your Directors are pleased to present the Twelfth Annual Report together with the Statement of Accounts for the year ended at 31st March, 2014.

FINANCIAL RESULTS:

PARTICULARS	(Rs. IN LACS)	
	Year Ended 31/03/2014	Year Ended 31/03/2013
Income/Revenue from operation	0.00	0.00
Other Income	4.79	2.99
Total Expenditure	3.54	31.27
Profit before Tax	1.24	28.27
Tax Expenses :		
Deferred Tax Assets	(1.26)	8.47
Current Tax	(0.25)	0.00
Loss after Tax	(0.28)	(19.80)

REVIEW OF OPERATIONS:

The total revenue of the company was Rs. 4.79 lacs as compared to Rs. 2.99 lacs during the previous year. The Loss after tax was Rs. 0.28 lacs during the Year compared to Loss of Rs. 19.80 lacs in previous year.

The company is in the process of establishing a township at village Godhavi and Garodia Tl: Sanand District Ahmedabad. For setting up the township your company is acquiring the required land.

DIVIDEND:

In view of the loss incurred your directors state that no dividend can be recommended for the financial year 2013 - 2014.

DIRECTORS:

Mr. Tarang M. Desai, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Sub Section 2AA of the Section 217 of the Companies Act, 1956 with respect of the Directors Responsibility Statement, it is hereby confirmed that :-

- (i) In the preparation of the annual accounts for the fiscal year ended at 31st March, 2014, the applicable accounting standards have been followed and that no material departures have been made from the same;

- (ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are responsible and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the financial year ended on 31st March, 2014;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Annual Accounts have been prepared on a going concern basis.

DEPOSITS:

The Company has not accepted any deposits from public.

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employee of the Company is covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975, as amended and is not, therefore, required to furnish information in respect of Particulars of Employee under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975, as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO:

The particulars regarding conservation of energy, technology absorption & foreign exchange earnings and outgo as required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Report of Board of Directors) Rules 1988 is Nil.

AUDITORS:

As per the provisions of section 139 of the Companies Act, 2013 J.M.Parikh & Associates, Chartered Accountants, Ahmedabad auditors of the Company, hold the office from the conclusion of this annual general meeting until the conclusion of 15th Annual General Meeting subject to ratification of Appointment at every Annual General Meeting.

Further the auditors have confirmed their willingness and eligibility for appointment and have also confirmed that their appointment, if made, will be within the limits under section 141 (3) (g) of the Companies Act, 2013.

ACKNOWLEDGMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from Tamilnad Mercantile Bank Ltd, HDFC Bank Limited and State Bank of India during the year under review.

On behalf of the Board of Directors

**DIPAKKUMAR G. PATEL
CHAIRMAN**

DIN: 0000 4766

**Date : 24/05/2014
Place : Ahmedabad**

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF:
GATIL PROPERTIES PRIVATE LIMITED,**

Report on the Financial Statements

We have audited the accompanying financial statements of GATIL PROPERTIES PRIVATE LIMITED ("the company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain Audit Evidence about the amounts and Disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgments, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) In the case of the Statements of Profit and Loss, of the loss of the company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purpose of our audit;
 - b. in our opinion proper books of accounts as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statements dealt with by this report are in agreement with the books of accounts;
 - d. in our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statements comply with the accounting standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on 31st March, 2014, taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

PLACE:- AHMEDABAD
DATE :- 24/05/2014



FOR, J.M.PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN:- 118007W

Kaushal Shah

KAUSHAL SHAH
PARTNER
MEMBERSHIP NO.:- 127379

J. M. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
7th Floor, B/705, Nirman Complex,
Opp. Harbor Restaurant
Navrangpura, AHMEDABAD-9.

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GATIL PROPERTIES PRIVATE LIMITED**

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our Report of even date

- (i)
- (a) The Company does not have any fixed assets. Accordingly clauses 4(i)a , 4(i)b and 4(i)c of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (ii)
- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The inventory of the company consists of land which is held as stock in trade by the company.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. There were no discrepancies noticed on verification between the physical stocks and the book records.
- (iii)
- (a) The company has not granted any loan to company, other party and firms covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)a , 4(iii)b 4(iii)c and 4(i)d of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (e) The company had taken unsecured, interest free business advances from five companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 39910000/- and the year end balance of business advances taken from such company was Rs. 39910000/-.
- The company has not taken any other loans from firms & other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) In our opinion, the rate of interest and other terms and conditions on which business advances have been taken from company, listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
- (g) The business advances taken are interest free and repayable on demand. Hence, the question of regular repayment of principal amount and interest does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and sale of its goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system. During the year there was no purchase of any fixed assets and sale of services.



According to the information and explanations given to us, we are of the opinion that the contracts & arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of such contracts/arrangement have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

Some of the transactions were regarding purchase of land. Other transactions were in the nature of loan given and taken the question of entering such the transaction at the prevailing market price does not arise. However the interest has not been charged for loan taken as well as given.

- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.

We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any Court or any other Tribunal.

- (vii) In our opinion, the Company has an internal audit system, commensurate with the size of the company and nature of its business.

- (viii) We are broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities have been generally regularly deposited.

According to the information and explanations given to us no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty and cess, which have not been deposited on account of any disputes.

- (x) The company does not have accumulated losses. It has not incurred cash losses during the current financial year. However, it has incurred cash losses in the immediately preceding financial year.

- (xi) The company has not borrowed any money from a Financial Institution or a bank. The company has not issued any Debentures. Accordingly, clause 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

- (xii) The Company has not granted loans and advances on the basis of security, by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

- (xiii) In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



- (xiv) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us the Company has not given any guarantees for loans taken by others from Banks or Financial institutions. Accordingly, Clause 4(xv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xvi) In our opinion the company has not obtained any term loan so the question of its application of the funds for the specific purpose does not arise. Accordingly, Clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that the no fund raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any allotment of shares during the financial year. Hence, question of preferential allotment of shares to the parties and companies covered in register maintained under section 301 does not arise.
- (xix) According to the information and explanations given to us, the company had not issued debentures. Hence, the question of creating proper security does not arise. Accordingly, Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xx) The Company has not raised any money by public issues during the year. Hence, the question of proper end use of the money does not arise. Accordingly, Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE: AHMEDABAD.
DATE: 24/05/2014



FOR J.M.PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN:- 118007W

Kaushal Shah

KAUSHAL SHAH
PARTNER
MEM. NO. 127379.

J. M. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
7th Floor, B/705, Nirman Complex,
Opp. Havmor Restaurant,
Navrangpura, AHMEDABAD-9.

GATIL PROPERTIES PRIVATE LIMITED.
BALANCESHEET AS AT 31/03/2014.

[AMT. RS.]

PARTICULARS	NOTE	AS AT THE END	
		OF CURRENT REPORTING PERIOD 31-03-2014	OF PREVIOUS REPORTING PERIOD 31-03-2013
I EQUITY & LIABILITIES			
1 SHAREHOLDERS' FUNDS:-			
Share Capital	2	129590830	129590830
Reserve & Surplus	3	<u>2872978379</u>	<u>2873005929</u>
		3002569209	<u>3002596759</u>
2 CURRENT LIABILITIES:-			
Short Term Borrowings	4	39910000	38510000
Trade Payables	5	79490471	27937526
Other Current Liabilities	6	<u>16967470</u>	<u>16954743</u>
		136367941	<u>83402269</u>
TOTAL		<u>3138937150</u>	<u>3085999028</u>
II ASSETS			
1 NON CURRENT ASSETS:-			
Deferred Tax Assets (Net)	7	<u>2634554</u>	<u>2760973</u>
		2634554	<u>2760973</u>
2 CURRENT ASSETS:			
Inventories	8	1550774429	1478984269
Cash & Cash Equivalents	9	6076288	5888577
Short Term Loans & Advacnes	10	1577727462	1596663537
Other Current Assets	11	<u>1724417</u>	<u>1701672</u>
		3136302596	<u>3083238055</u>
TOTAL		<u>3138937150</u>	<u>3085999028</u>
III Significant Accounting Policies & Notes Forming Part of Accounts	1 TO 28		

AS PER OUR REPORT OF EVEN DATE
 FOR J M PARIKH & ASSOCIATES
 CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD
 OF DIRECTORS

Kaushal Shah
 KAUSHAL SHAH
 PARTNER

Dipak
 DIPAKKUMAR G. PATEL
 CHAIRMAN (DIN: 00004766)



Harshank
 HARSHANK G. SHAH
 COMPANY SECRETARY
 ACS: 34195

Shekhar
 SHEKHAR G. PATEL
 MANAGING DIRECTOR (DIN: 00005091)

PLACE : AHMEDABAD
 DATE : 24/05/2014

PLACE : AHMEDABAD
 DATE : 24/05/2014

J. M. PARIKH & ASSOCIATES
 CHARTERED ACCOUNTANTS
 7th Floor, B/705, Nirman Complex,
 Opp. Havmor Restaurant,
 Navrangpura, AHMEDABAD-9.

GATIL PROPERTIES PRIVATE LIMITED.

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014.

[AMT. RS.]

PARTICULARS	NOTE	FOR THE CURRENT	FOR THE PREVIOUS
		REPORTING PERIOD 2013-2014	REPORTING PERIOD 2012-2013
I INCOME:-			
Other Income	12	478598	299806
TOTAL		478598	299806
II EXPENSES :-			
Project Expenses	13	71790160	338696592
Changes in Inventories	14	(71790160)	(338696592)
Employee Benefit Expenses	15	163897	367061
Finance Cost	16	4611	526690
Other Expenses	17	186221	2233116
TOTAL		354729	3126867
III Profit / (Loss) Before Tax		123869	(2827061)
IV Tax Expenses:			
Current Tax	(25000)		0
Deferred Tax	(126419)		846665
		(151419)	846665
V Profit / (Loss) After Tax		(27550)	(1980396)
VI Basic & Diluted Earning Per share [In Rs.]	23		
- Basic EPS Before & after extra ordinary items		(0.002)	(0.16)
- Diluted EPS Before & after extra ordinary items		(0.002)	(0.16)
VII Significant Accounting Policies & Notes Forming Part of Accounts	1 TO 28		

AS PER OUR REPORT OF EVEN DATE
FOR J M PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD
OF DIRECTORS

Kaushal Shah

KAUSHAL SHAH
PARTNER



Harshank
HARSHANK G. SHAH
COMPANY SECRETARY
ACS: 34195

D. Patel

DIPAKKUMAR G. PATEL
CHAIRMAN (DIN: 00004966)

S
SHEKHAR G. PATEL
MANAGING DIRECTOR (DIN: 00005091)

PLACE : AHMEDABAD
DATE : 24/05/2014

PLACE : AHMEDABAD
DATE : 24/05/2014

J. M. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
7th Floor, B/705, Nirman Complex,
Opp. Havmor Restaurant,
Navrangpura, AHMEDABAD-9.

GATIL PROPERTIES PVT. LTD
CASH FLOW STATEMENT FOR THE YEAR 2013-2014

[AMT. RS.]

PARTICULARS	2013-2014	2012-2013
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND PVIOUS YEAR 'S FIGURES	123869	(2827061)
LESS: INTERIM DIVIDEND & DIVIDEND TAX	0	0
TOTAL	123869	(2827061)
ADD:- PROVISION FOR PRIOR YEAR NOW WRITTEN BACK	0	0
ADD:- PROVISION FOR INCOME TAX	(25000)	0
ADD: DEFERRED TAX	(126419)	846665
	(151419)	846665
NET PROFIT AFTER TAX	(27550)	(1980396)
ADD/LESS ADJUSTMENTS FOR		
DEPRECIATION	0	0
PROFIT ON FIXED ASSETS	0	0
PROVISION FOR FBT	0	0
INTEREST EXPENSES	4611	526690
PRELIMINARY EXP.W/OFF	0	0
	4611	526690
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(22939)	(1453706)
ADD/LESS ADJUSTMENTS FOR		
INVENTORIES	(71790160)	(338696592)
OTHER CURRENT ASSETS	(22745)	(29886)
TRADE PAYABLES	51552945	813210
OTHER CURRENT LIABILITIES	12727	(200318)
INCREASE IN DEFERED TAX	126419	(846665)
CASH GENERATED FROM OPERATIONS	(20120814)	(338960251)
B CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	0	0
CAPITAL WORK IN PROGRESS	0	0
SALE OF FIXED ASSETS	0	0
INESTMENTS MADE	0	0
MOVEMENT IN LOANS & ADVANCES	18936075	(250902001)
INTEREST RECEIVED / EXPENSES	(4611)	(526690)
NET CASH USED IN INVESTING ACTIVITIES	18931464	(251428691)
C CASH FLOW FROM FINANCING ACTIVITIES :		
PROCEED FROM SHORT TERM BORROWING	1400000	38510000
INCREASE OF SHARE CAPITAL	0	20329480
INCREASE OF SHARE APPLICATION MONEY	0	0
INCREASE OF SHARE PREMIUM	0	538731220
NET CASH USED IN FINANCING ACTIVITIES	1400000	597570700
NET INCREASE IN CASH AND CASH EQUIVALENTS	187711	5728052
CASH AND CASH EQUIVALENTS AS AT 01ST APRIL (OPENING BALANCE)	5888577	160525
CASH AND CASH EQUIVALENTS AS AT 31 ST MARCH (CLOSING BALANCE)	6076288	5888577

AS PER OUR REPORT OF EVEN DATE
FOR J M PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

Kaushal Shah

KAUSHAL SHAH
PARTNER



Harshank

HARSHANK G. SHAH
COMPANY SECRETARY

ACS: 34195

PLACE : AHMEDABAD
DATE : 24/05/2014

ON BEHALF OF THE BOARD
OF DIRECTORS

D. Patel

DIPAKKUMAR G. PATEL
CHAIRMAN (CIN: 00004766)

S
SHEKHAR G. PATEL
MANAGING DIRECTOR
(CIN: 00005091)

PLACE : AHMEDABAD
DATE : 24/05/2014

J. M. PARIKH & ASSOCIATES

CHARTERED ACCOUNTANTS

7th Floor, B/705, Nirmal Complex,

Opp. Havmor Restaurant,

Naranga-pura, AHMEDABAD-9.

GATIL PROPERTIES PRIVATE LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES:

- 1.1 The Company adopts the accrual concept in the preparation of the accounts.
- 1.2 **RECOGNITION OF INCOME & EXPENDITURE**
All Income & Expenditure are accounted for on accrual basis.
- 1.3 **FIXED ASSETS & DEPRECIATION:**
- A. Fixed assets shall be stated at cost of acquisition or construction less depreciation. Cost comprises the purchase price and other attributable costs including financing costs relating to borrowed funds attributable to construction or acquisition of fixed assets up to the date the assets is ready for use and adjustments consequent to subsequent variations in rates of exchange.
- B. Depreciation on fixed assets:
Depreciation shall be provided at the rates and in the manner laid down in Schedule XIV to the Companies Act, 1956 on the "Written down value" method in respect of all assets.
- 1.4 **BORROWING COST:**
Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset upto the date when such asset is ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- 1.5 **TAXES ON INCOME:**
Provision for Current Tax is computed as per Total Income Returnable under the Income Tax Act, 1961 taking into account available deductions and exemptions.
- 1.6 **DEFERRED TAX:**
Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 1.7. **INCOME FROM REAL ESTATE DEVELOPMENT PROJECTS:**
- (a) The Company shall record revenue on all its Real Estate Development Projects based on Accounting Standard – 9. i.e. Revenue Recognition and also based on guidance note issued by the Institute of Chartered Accountants of India "Revenue Recognition for Real Estate Developers".
- (b) The full revenue shall be recognized on sale of property when the Company has transferred to the buyer all significant risks & rewards of ownership and when the seller has not to perform any substantial acts to complete the contract.
- (c) However, when the Company is obliged to perform any substantial acts after transfer of all significant risks & rewards of ownership on sale of property, the revenue is recognized on proportionate basis as the acts are performed i.e. by applying the percentage completion method.
- 1.8 **INVENTORIES:**
- A. The cost of Raw-material shall be valued at cost using FIFO method.
- B. The Closing stock of WIP has been valued at cost.



- 1.9. **EMPLOYEE BENEFITS:**
- A. The company has a system of providing accumulating compensating absences non-vesting and hence no provision is made in the books of accounts for the leaves.
 - B. The company is not liable to pay gratuity as it employs less than 10 persons.
 - C. As the company does not employ 10 or more employees P.F. is not applicable.
- 1.10. **TRANSACTIONS IN FOREIGN CURRENCY:**
- A. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
 - B. Monetary items denominated in foreign currencies at the period end are restated at year end rates.
 - C. Non monetary foreign currency items are carried at cost.
 - D. Any income or expense on account of exchange difference either on settlement or on transaction is recognised in the profit and loss account.
- 1.11. **INVESTMENTS:**
- Current investments shall be carried at lower of cost and quoted/fair value, computed category wise. Long term investments shall be stated at cost. Provision for diminution in the value of investments shall be made only if such a decline is other than temporary.
- 1.12. **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.



**GATIL PROPERTIES PRIVATE LIMITED.
NOTES FORMING PART OF ACCOUNTS**

PARTICULARS	[AMT. RS.]	
	AS AT 31/03/2014	AS AT 31/03/2013
NOTE - 2		
SHARE CAPITAL :		
<u>AUTHORISED:-</u>		
20000000 (Previous Year 20000000) Equity Shares of Rs 10/- each	200000000	200000000
	200000000	200000000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL:-</u>		
12959083 (Previous year 12959083) Equity Shares of Rs. 10/- each.	129590830	129590830
TOTAL	129590830	129590830

1. The Statement of Shareholders Holding More Than 5% Equity Shares of The Company:-

PARTICULARS	AS AT 31/03/2014		AS AT 31/03/2013	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Ganesh Housing Corporation Limited. - Holding Company	8954726	69.10%	8954726	69.10%
Monsoon India Infrastructure Direct II Limited	4004357	30.90%	4004357	30.90%

2. The statement of reconciliation of the number of shares outstanding is given below:

PARTICULARS	AS AT 31/03/2014	AS AT 31/03/2013
	NO. OF SHARES	NO. OF SHARES
Equity shares at the beginning of the year	12959083	10926135
Add: Shares issued during the year	0	2032948
Equity shares at the end of the year	12959083	12959083

3. Right, Preferences and Restrictions attached to shares:

The company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTE - 3

RESERVES & SURPLUS:

Security Premium		
Opening Balance	2878564755	2339833535
Addition during year	0	538731220
TOTAL - A	2878564755	2878564755
Profit and Loss A/c		
Opening Balance	(5558826)	(3578430)
Add : Loss during the year	(27550)	(1980396)
TOTAL - B	(5586376)	(5558826)
TOTAL - (A+B)	2872978379	2873005929

NOTE - 4

SHORT TERM BORROWINGS

Unsecured Business Advances From Related Parties:-

Inter Corporate Deposit	39910000	38510000
TOTAL	39910000	38510000

NOTE :-

Note:- All unsecured business advances are interest free and repayable on demand. As they are repayable on demand, they are shown as short term borrowing.



**GATIL PROPERTIES PRIVATE LIMITED.
NOTES FORMING PART OF ACCOUNTS**

PARTICULARS	[AMT. RS.]	
	AS AT 31/03/2014	AS AT 31/03/2013
NOTE - 5		
TRADE PAYABLES		
Micro, Small & Medium Enterprise	0	0
Others	79490471	27937526
TOTAL	79490471	27937526
NOTE - 6		
OTHER CURRENT LIABILITIES		
Statutory Liabilities	67470	54743
Advance From Customers for sale of land	16900000	16900000
TOTAL	16967470	16954743
NOTE - 7		
DEFERRED TAX ASSETS (NET)		
<u>Deferred Tax Assets:-</u>		
Timing Difference :-		
Unabsorbed loss	2463996	2436297
Preliminary Expenses	170558	324676
Total - A	2634554	2760973
<u>Deferred Tax Liabilities:-</u>		
Timing Difference		
Total - B	0	0
Total A - B = Net Deferred Tax Assets	2634554	2760973



**GATIL PROPERTIES PRIVATE LIMITED.
NOTES FORMING PART OF ACCOUNTS**

PARTICULARS	[AMT. RS.]	
	AS AT 31/03/2014	AS AT 31/03/2013
NOTE - 8		
INVENTORIES		
INVENTORIES (As taken, valued & certified by Management)		
Stock of R.M. - Land	1546746910	1475606584
Stock of WIP	4027519	3377685
TOTAL	1550774429	1478984269
NOTE - 9		
CASH & CASH EQUIVALENTS		
Cash on hand	11043	11939
<u>Balances with Banks:</u>		
In Current Account	196960	438056
In FD Account	5868285	5438582
TOTAL	6076288	5888577
NOTE - 10		
SHORT TERM LOANS & ADVANCES		
[UNSECURED, CONSIDERED GOOD]		
<u>Advance for purchase of land to :-</u>		
<u>Related parties:-</u>		
Dipak G. Patel	1501670	1501670
Shekhar G. Patel	0	2161075
Lalitaben G Patel	592385	592385
Archnaben S. Patel	2044112	2044112
	<u>4138167</u>	<u>6299242</u>
Loan to others	1573589295	1590364295
TOTAL	1577727462	1596663537
NOTE - 11		
OTHER CURRENT ASSETS		
TDS Receivable F.Y. 2012-13	29886	29886
TDS Receivable F.Y. 2013-14	<u>47745</u>	<u>0</u>
	77631	29886
Less:- Provision for Income Tax F.Y. 2013-14	<u>(25000)</u>	<u>0</u>
	52631	29886
Advance for Auda, Electric & Legal Charges	1671786	1671786
TOTAL	1724417	1701672



GATIL PROPERTIES PRIVATE LIMITED.
NOTES FORMING PART OF ACCOUNTS

[AMT. RS.]

PARTICULARS

YEAR ENDED 31/03/2014 YEAR ENDED 31/03/2013

NOTE:- 12

OTHER INCOME

Interest income from bank	477448	298861
Sundry Bal. W/off	1150	945
TOTAL	478598	299806

NOTE:- 13

PROJECT EXPENSES

Purchase of Land	71140326	337381980
Professional Fees	649834	1314612
TOTAL	71790160	338696592

NOTE:- 14

CHANGES IN INVENTORIES

CLOSING STOCK:-

Rawmaterial - Land	1546746910	1475606584
WIP	4027519	3377685
	1550774429	1478984269

LESS: OPENING STOCK:-

Rawmaterial - Land	1475606584	1138224604
WIP	3377685	2063073
	1478984269	1140287677
(Increase) / Decrease in stock	(71790160)	(338696592)

TOTAL

(71790160) (338696592)

NOTE - 15

EMPLOYEE BENEFIT EXPENSES

Salary, Petrol & Mobile Allowances & Bonus Expenses	163897	367061
TOTAL	163897	367061

NOTE - 16

FINANCE COST

Bank Charges	619	3010
Bank Guarantee Commission Exp.	0	523635
Interest on Late Payment of Taxes	3992	45
TOTAL	4611	526690



GATIL PROPERTIES PRIVATE LIMITED.
 NOTES FORMING PART OF ACCOUNTS

[AMT. RS.]

PARTICULARS

YEAR ENDED 31/03/2014 YEAR ENDED 31/03/2013

NOTE - 17

OTHER EXPENSES

ADMINISTRATIVE & OTHER EXPENSES:-

Audit Fee	16854	16854
Electricity Exp.	36120	70755
Foreign Exchange Fluctuation Exp.	0	6104
Land Revenue Exp.	0	1333611
Miscellaneous Expenses	646	612
Preliminary Exp. w/off	0	559061
Previous Year Exp.	6150	21452
Professional Fees	114551	30337
Professional Tax	2400	2400
Roc Filing Fees	1500	2500
Travelling Expenses	0	161522
Website Exp.	8000	0

186221 2205208

MARKETING EXPENSES:-

Advertisement Exp.	0	27908
	0	27908

TOTAL

186221 2233116



GATIL PROPERTIES PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS:

18. Corresponding figures of the previous year have been regrouped to confirm with this year's classification wherever necessary.
19. Balances of Short term borrowings, Trade payables, Other current liabilities, Loans & Advances and Other current assets are subject to confirmation.
20. In the opinion of the Board of Directors, the Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.

21. Details of Auditors' Remuneration are as follows: [AMT. RS.]

PARTICULARS	2013-2014	2012-2013
Audit fees	16854	16854
For I. Tax Matter	87641	16854
For Company Law Matter	12640	11236
For Certification work	0	2247
Total	117135	47191

22. Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31st 2014. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

23. Earnings per share:-

A. Calculation of Weighted Average Number of Equity Shares of Rs. 10/- each	2013-2014	2012-2013
Number of shares at the beginning of the year	12959083	10926135
Total number of shares at the end of the year	12959083	12959083
Weighted average number of shares outstanding during the year	12959083	12281434
B. Net Profit/ loss after tax available for equity share holders [AMT. RS.]	(27550)	(1980396)
C. Earning Per share [IN RS.]		
Basic EPS Before & after extra ordinary items	(0.002)	(0.16)
Diluted EPS Before & After extra ordinary items	(0.002)	(0.16)

24. The information required as per para 5 (viii) (a) & (c) of part II of schedule VI of the Companies Act, 1956 regarding information about the value of imports calculated on CIF basis, total value of imported raw materials, spare parts & components consumed and total value of indigenous raw-materials, spare parts & components consumed and percentage of each of the total consumption are Rs. NIL.
25. The information required as per para 5 (viii) (b), (d) & (e) of part II of schedule VI of the Companies Act, 1956 regarding expenditure in foreign currency, the dividend remitted in foreign currency and earning in foreign exchange is Rs. NIL.



26. The information required as per para 5 (ii) & (iii) of part II of schedule VI of the Companies Act, 1956 regarding the purchases, sales, the opening and closing stock are as follows:

		[AMT. RS.]			
TOWNSHIP PROJECT					
PARTICULARS		2013-2014		2012-2013	
I) OPENING STOCK					
LAND		1475606584		1138224604	
WIP		3377685		2063073	
TOTAL		1478984269		1140287677	
II) PURCHASE					
LAND		71140326		337381980	
TOTAL		71140326		337381980	
III) CONSUMPTION					
LAND		0		0	
TOTAL		-		-	
IV) CLOSING STOCK					
LAND		1546746910		1475606584	
W.I.P.		4027519		3377685	
TOTAL		1550774429		1478984269	
V) SALES					
LAND		-		-	
TOTAL		-		-	
VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL CONSUMED					
PARTICULARS		%	2013-2014	%	2012-2013
Imported		-	0	-	0
Indigenous		-	0	-	0
TOTAL		-	0	-	0

27. Related party disclosures:-

1. HOLDING COMPANY

Ganesh Housing Corporation Limited

2. ASSOCIATES (DUE TO COMMON KEY MANAGEMENT PERSONNEL)

PARTICULARS
Shangrila Funworld Private Limited
Starnet Software (I) Limited
Yash Organizer Pvt. Ltd.
Madhurkamal (Thaltej) Complex Private Limited
Madhav (Thaltej) Complex Private Limited
Mandar (Thaltej) Complex Private Limited
Maheshwari (Thaltej) Complex Private Limited
Mitul (Thaltej) Complex Private Limited
Vinat Complex Private Limited



Sanat Complex Private Limited
Shadval Complex Private Limited
Vishad Complex Private Limited
Tarang Realty Private Limited
Shahil Infrastructure Private Limited
Gamit Builders Private Limited
Vyom Realty Private Limited
Unmesh Complex Private Limited
Shushna Complex Private Limited
Tathya Complex Private Limited
Viraj Complex Private Limited
Milind Complex Private Limited
Shaily Infrastructure Private Limited
Sadhan Buildcon Private Limited
Nilay Realty Private Limited
Sanmukh Developers Private Limited
Nihal Estate Private Limited
Mukur Real Estate Private Limited
Vimoh Land Developers Private Limited
Gaven Construction Private Limited
Shakil Buildwell Private Limited
Vardhan Land Developers Private Limited
Vibhor Realty Private Limited
Ganeshsagar Infrastructure Private Limited
Martand Estate Private Limited
Matang Properties Private Limited
Maitrik Buildcon Private Limited
Medhbhuti Complex Private Limited
Madhuj Realty Private Limited
Madhumati Realty Private Limited
Tirth Developers Private Limited
Malvika Estate Private Limited,
Mahavir (Thaltej) Complex Private Limited
Sulabh Realty Private Limited
Rajratna Infrastructure Private Limited
Shardul Buildcon Private Limited
Rajnigandha Developers Private Limited
Tirth Realty Private Limited
Rohini Realty Private Limited
Gagan Infrastructure Private Limited
Gitanjali Infrastructure Private Limited
Sujan Developers Private Limited
Ganesh Infrastructure (I) Private Limited
Moonsoon India Infrastructure Direct II Limited
Shri Ganesh Construction Private Limited
Mihika Buildcon Limited



3. KEY MANAGEMENT PERSONNEL

PARTICULARS
Shri Dipakkumar G. Patel
Shri Shekharbhai G. Patel

4. RELATIVE OF KEY MANAGEMENT PERSONNEL

Smt Lalitaben G. Patel
Smt Sapnaben D. Patel
Smt Archnaben S. Patel

Nature of transactions with related parties and aggregate amount of such transactions for each class of related party balance outstanding as on 31/03/2014.

(Related Party relationship is as identified by the Company and relied upon by the auditors.)

Transactions with Related Parties:-

[AMT. RS.]

Nature of Transaction by reporting co.	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Total
Loan Taken	39850000 (38450000)	NIL (NIL)	60000 (60000)	NIL (NIL)	NIL (NIL)	39910000 (38510000)
Loan given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Trade payables	45633120 (2104360)	NIL (NIL)	NIL (NIL)	82509 (NIL)	NIL (NIL)	45715629 (2104360)
Advance for purchase of land	NIL (NIL)	NIL (NIL)	NIL (NIL)	1501670 (3662745)	2636497 (2636497)	4138167 (6299242)
Purchase of Land	43525610 (292965740)	NIL (NIL)	NIL (NIL)	2243584 (22764000)	NIL (NIL)	45769194 (315729740)

Note: Figures in bracket represent Previous Year's amounts.

28. Contingent Liabilities:-

Bank Guarantee of Rs. 53.00 lacs issued by State Bank of India are in the nature of Contingent Liability.

As per our report of even date
For J.M.PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS

On behalf of the
Board of Directors



KAUSHAL SHAH
PARTNER





HARSHANK G. SHAH
COMPANY SECRETARY
ACS: 34195



DIPAKKUMAR G. PATEL
CHAIRMAN (CIN: 00004766)



SHEKHAR G. PATEL
MANAGING DIRECTOR
(CIN: 00005091)

PLACE: AHMEDABAD
DATE: 24/05/2014

PLACE: AHMEDABAD
DATE: 24/05/2014

J. M. PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
7th Floor, B/705, Nirman Complex,
Opp. Havmor Restaurant,
Navrangpura, AHMEDABAD-9.