SARGAM CORPORATION

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

		Sche- dule	Rupees	2013-14 Rupees	2012-13 Rupees
INCOME					
1	Building sales			42426650.00	28032220.00
2	Other income	H		199281.25	26081.88
3	Closing stock:				
	Work-in-progress		0.00		46556000.00
	Finished units		17828000.00	17828000.00	0.00
	Total			60453931.25	74614301.88
EXPENDITURE					
4	Opening work-in-progress			46556000.00	49257000.00
5	Development expenses	I		4083678.00	14232156.45
6	Labour expenses			858727.00	5478189.00
7	Operational and other expenses	J		1062630.76	1054127.58
8	Interest	K		1966158.00	3213764.00
9	Depreciation			2223.00	2471.00
10	Salary to partners			2023765.00	908619.00
	Total			56553181.76	74146327.03
11	Profit before tax			3900749.49	467974.85
12	Less: Provision for current tax			412000.00	8000.00
13	Profit after tax			3488749.49	459974.85
14	Notes forming part of the accounts	L			

As per our report attached to balance sheet

For KUVB & Co.
Chartered Accountants

KANTILAL VALLABHDAS KARKAR
Digitally signed by KANTILAL VALLABHDAS KARKAR
DN: cn=KANTILAL VALLABHDAS KARKAR, c=IN, st=Gujarat, o=Personal, ou=CID - 2437728, serialNumber=aa0715ff8bc0d56af5c9a7b5574b0e26901d2302548a428f7f02dd57a3a829df
Date: 2014.06.24 11:41:31 +05'30'

K. V. Karkar
Partner

Ahmedabad
June 10, 2014

For Sargam Corporation

DAVRA CHIRAG BHOLABHAI
Digitally signed by DAVRA CHIRAG BHOLABHAI
DN: cn=DAVRA CHIRAG BHOLABHAI, c=IN, st=Gujarat, o=Personal, ou=CID - 2229257, serialNumber=95dba73b4e87709459171a11dc5feea5edfba34dd655b5a76241ffd9ea51f769
Date: 2014.06.24 11:40:16 +05'30'

Partner

Ahmedabad
June 10, 2014

SARGAM CORPORATION

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

		2013-14	2012-13
	Rupees	Rupees	Rupees
SCHEDULE H			
OTHER INCOME			
Reimbursement of expenses		150000.00	0.00
Share dividend		48491.25	26081.88
Excess income-tax provision written back		790.00	0.00
		199281.25	26081.88
SCHEDULE I			
DEVELOPMENT EXPENSES			
Construction materials consumed:			
Opening stock		0.00	739559.00
Add: Purchases	2637821.00		11723372.00
Carting	175071.00		888868.45
Service tax on carting	5410.00		27465.00
		2818302.00	12639705.45
		2818302.00	13379264.45
Less: Closing stock		0.00	0.00
		2818302.00	13379264.45
Other development expenses:			
Architect/Engineer fees	333000.00		159364.00
Workmen compensation insurance	0.00		15744.00
Electric burning expenses	204226.00		207204.00
Construction cess	141000.00		150000.00
Drainage expenses	283060.00		0.00
Electric connection expenses	304090.00		320580.00
		1265376.00	852892.00
		4083678.00	14232156.45

SARGAM CORPORATION

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Rupees	2013-14 Rupees	2012-13 Rupees
SCHEDULE J			
OPERATIONAL AND OTHER EXPENSES			
Salary expenses		180000.00	180000.00
Insurance expenses		20188.00	16723.00
Vehicle expenses		20735.00	19070.00
Professional fees		24236.00	26854.00
Audit fee (including service tax of Rs. 3708 - previous year Rs. 1854)		33708.00	16854.00
Miscellaneous expenses:			
Accounting fee	28000.00		
Bank charges	13446.56		
Bank loan charges	13090.00		
Donation	501.00		
Kasar & vatav	3143.20		
Stationery expenses	2000.00		
Tea and refreshment expenses	14845.00	75025.76	111296.58
Service tax		708738.00	683330.00
		1062630.76	1054127.58
SCHEDULE K			
INTEREST			
On partners' capital		1317685.00	1255647.00
On bank loan		459874.00	1613103.00
On unsecured loans		185105.00	321880.00
On TDS		1801.00	13852.00
On service tax		1693.00	9282.00
		1966158.00	3213764.00

SARGAM CORPORATION

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

SCHEDULE L
NOTES FORMING PART OF THE ACCOUNTS

1 Significant accounting policies:

a Method of accounting:

The firm is maintaining its accounts on accrual basis. Revenue of real estate sales is recognised when all significant risks and rewards of ownership are transferred and the possession of the unit is handed over to the buyer.

b Fixed assets:

Fixed assets are recorded at cost including incidental expenses and depreciation on such assets is provided on written down value method as per the provisions of the Income-tax Act, 1961.

c Inventories:

The inventories are valued at lower of cost or net realisable value, using first in first out formula. Work-in-progress and finished units are valued after considering all the overheads.

d Employee benefits:

Wages, salaries and paid annual leave are accrued in the year in which the services are rendered by the employees. The firm does not permit accumulating of unused leaves. The firm does not provide any long-term employee benefits.

The firm is not having any defined contribution plan.

As the number of employees is less than 10 and in absence of any informal practice prevailing in the firm, payment of gratuity is required neither by law nor on the basis of constructive obligation. Hence, no provision for the same has been recognised.

e Borrowing cost:

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

f Taxation:

Provision for income-tax is made as per the provisions of the Income-tax Act, 1961 after considering exemption/ deductions.

Deferred tax resulting from timing difference between taxable income and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

SARGAM CORPORATION

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

SCHEDULE L
NOTES FORMING PART OF THE ACCOUNTS

1 Significant accounting policies: (contd)

g Contingent liabilities:

No provision is made for liabilities which are contingent in nature but, if material, the same are disclosed by way of notes to the accounts.

h General:

Accounting policies not specifically referred to above are consistent with generally accepted accounting principles.

2 The balances of unsecured loans, sundry creditors and advances on current account are subject to confirmation.

3 There is neither deferred tax asset nor deferred tax liability as at 31st March, 2014 (Previous year: Rs. Nil).

4 The firm does not owe any sum to any micro and small enterprise.

This is based on the information available with the firm.

5 Previous year's figures have been regrouped or rearranged, wherever necessary.

Signatures to Schedules A to L

As per our report attached to balance sheet

For KUVB & Co.
Chartered Accountants
KANTILAL VALLABHDAS KARKAR
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K. V. Karkar
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Ahmedabad
June 10, 2014

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