SAFAL GOYAL REALTY LLP

Statement of Profit and Loss Account for the year ended 31st March, 2016

Particulars	Schedule	For the year ended 31st March, 2016 Amount (Rs.)	Amount (Rs.)	For the year ended 31/03/2015 Amount (Rs.)
INCOME				
Interest on Income tax refund		1 38 078		0
Members Cancellation Income		70 000		0
			2 08 078	0
EXPENDITURE				
Opening Work In Progress		5 47 87 22 712		0
Construction and Other Expenses	I	98 52 19 033		5 45 00 64 817
Interest and Financial Charges	J	7 73 07 063		2 92 16 474
Depreciation		6 12 828		2 57 353
		6 54 18 61 636		5 47 95 38 644
Less				
Transfer to Closing Work In Progress		6 54 05 05 103		5 47 87 22 712
			13 56 533	8 15 932
Net Profit / (Loss) Transferred to Partners' Capital A/c.			(11 48 455)	(8 15 932)

Notes forming part of accounts K

As per our attached report of even date

FOR G. K. CHOKSI & Co.
[Firm Registration No. 101895W]
Chartered Accountants

Rohit Choksi

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place: Ahmedabad
Date: 2nd September, 2016

FOR SAFAL GOYAL REALTY LLP

UDAY H. VORA

Designated Partner *Designated Partner*

Place: Ahmedabad
Date: 2nd Septembe, 2016

Schedule 'K': Notes Forming Part of the Accounts

1. **Significant Accounting Policies**

(a) **Basis of preparation of Financial Statements**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards issued by The Institute of Chartered Accountants of India.

(b) **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions 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 reported period. Differences between the actual result and estimates are recognize in the period in which the results are known/ determined.

Significant estimates made by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area.

(c) **Revenue Recognition**

Revenue is recognized upon transfer of risks and rewards of ownership without retaining effective control over real estate by the seller and existence of reasonable expectation of ultimate collection. Significant risks and rewards of ownership are considered as transferred when legal title passes on to the buyer by way of executing sale deed / conveyance deed and substantial amount of sale price is realized.

(d) **Fixed Assets and Depreciation**

(i) Fixed Assets are stated at cost less depreciation.

(ii) Intangible assets are recognized at the consideration paid for acquisition of such assets is carried at cost less accumulated amortization and impairment

(iii) Depreciation on Fixed Assets has been provided on Written Down Value Method at the rates prescribed by the Income-tax Act, 1961.

(e) **Work-in-progress**

Work in Progress is valued at Cost.

Work in Progress represents the cost incurred in respect of unsold area of the Real Estate Development Projects and cost incurred on Projects where the revenue is yet to be recognized.

(f) **Investments**

Current investments are carried at lower of Cost or Fair Value, computed category wise.

Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than of temporary nature.

(g) Taxation

(i) Current year tax is provided based on the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognized only to the extent that there is virtual certainty of realization. Other deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty of realization.

(h). 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.

2. Balances of Unsecured Loans, Sundry Creditors and Loans and Advances are subject to confirmation by the parties concerned.

3. Contingent Liability Rs. NIL

4. Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Mukesh R agarwal	Key Managerial Personnel
1 2 3	Sandeep R. Agarwal Tanmay T Agarwal Manan T Agarwal	Relative of Key Managerial Personnel
1. 2. 3. 4. 5. 6. 7. 8. 9.	Goyal & Co.Cosnt.Pvt.Ltd. Nova Properties Pvt.Ltd. Orchid Plaza Desing & Devlopers Pvt.Ltd Safal Realty Pvt.Ltd. Galaxy Real Estate Developers Guj.P.Ltd. Vipul Forms & Graphics Pvt.Ltd. Teracon Projects Pvt.Ltd Dhiren Hasmukhlal Vora. Uday Hasmukhlal Vora.	Partner
1.	Goyal Safal Developers	Enterprise in which Partner is having significant influence.
1.	Galaxy Global Private Limited	Enterprise in which Director of a company which is Partner of this firm having Significant Influence.

(b) Transactions with related parties

[Amount in ₹]

Sr. No.	Nature of transaction	Relationship	2015-2016	2014-2015
(i)	**Interest Paid**			
	- Orchid Plaza Design & Developers Pvt. Ltd.	Partner	1 71 36 500	1 10 86 500
	- Goyal & Co. Cosnt .Pvt. Ltd.	Partner	0	4 99 18 000
	- Galaxy Real Estate Developers Guj. Pvt .Ltd.	Partner	78 90 000	0
(ii)	**Salary Paid**			
	- Mukesh R. Agarwal	Key Managerial Personnel	5 00 000	0
	- Sandeep R. Agarwal	Relative of Key Managerial Personnel	3 00 000	0
	- Tanmay T. Agarwal	Relative of Key Managerial Personnel	2 00 000	0
	- Manan T. Agarwal	Relative of Key Managerial Personnel	5 00 000	0
(iii)	**Purchase of Goods**			
	- Galaxy Global Private Limited	Enterprise in which Director of a company which is Partner of this firm having Significant Influence.	16 82 463	1 66 863
(iv)	**Loan taken during the year**			
	- Sandeep R. Agarwal	Relative of Key Managerial Personnel	1 81 50 000	0
	- Goyal Safal Developers	Enterprise in which Partner is having significant influence.	0	2 40 00 00 000
(v)	**Loan repaid during the year**			
	- Sandeep R. Agarwal	Relative of Key Managerial Personnel	16 00 000	0
	- Goyal Safal Developers	Enterprise in which Partner is having significant influence.	1 24 55 00 000	1 15 45 00 000
(vi)	**Funds Raised during the year**			
	- Goyal & Co. Cosnt. Pvt. Ltd.	Partner	67 02 51 000	1 28 97 40 000
	- Nova Properties Pvt. Ltd.	Partner	30 01 000	55 90 05 000
	- Orchid Plaza Design & Developers Pvt. Ltd	Partner	1 50 01 000	31 70 05 000

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(b) Transactions with related parties ... *Continued..*

[Amount in ₹]

Sr. No.	Nature of transaction	Relationship	2015-2016	2014-2015
	- Safal Realty Pvt. Ltd.	Partner	84 65 50 000	2 15 50 05 000
	- Galaxy Real Estate Developers Guj. Pvt. Ltd.	Partner	56 31 05 000	0
	- Vipul Forms & Graphics Pvt. Ltd.	Partner	1 000	92 12 05 000
	- Teracon Projects Pvt. Ltd.	Partner	21 76 25 000	91 05 55 000
	- Dhiren Hasmukhlal Vora	Partner	0	17 500
	- Uday Hasmukhlal Vora	Partner	0	17 500
(vii)	**Funds Withdrawn during the year**			
	- Goyal & Co. Cosnt. Pvt. Ltd.	Partner	35 55 70 000	3 25 00 000
	- Nova Properties Pvt. Ltd.	Partner	11 38 00 000	40 63 00 000
	- Orchid Plaza Design & Developers Pvt. Ltd	Partner	10 40 00 000	13 82 00 000
	- Safal Realty Pvt. Ltd.	Partner	59 96 25 000	1 29 67 00 000
	- Galaxy Real Estate Developers Guj. Pvt. Ltd.	Partner	15 50 00 000	0
	- Vipul Forms & Graphics Pvt. Ltd.	Partner	27 000	8 90 00 000
	- Teracon Projects Pvt. Ltd.	Partner	25 96 50 000	34 49 80 000
	- Dhiren Hasmukhlal Vora	Partner	0	0
	- Uday Hasmukhlal Vora	Partner	0	0

The particulars given above have been identified on the basis of information available with the company.

(c) Outstanding Balances as at the year end

[Amount in ₹]

Sr. No.	Nature of transaction	Relationship	2015-2016	2014-2015
(i)	**Balance Payable**			
	Towards Partners Capital Account			
	- Goyal & Co. Cosnt. Pvt. Ltd.	Partner	1 63 42 50 669	1 32 03 08 000
	- Nova Properties Pvt. Ltd.	Partner	4 28 07 780	15 37 05 000
	- Orchid Plaza Design & Developers Pvt. Ltd.	Partner	11 79 30 780	18 98 91 500
	- Safal Realty Pvt. Ltd.	Partner	1 11 82 81 780	87 14 55 000

... *Continued..*

(c) Outstanding Balances as at the yearend ... *Continued..*

[Amount in ₹]

Sr. No.	Nature of transaction	Relationship	2015-2016	2014-2015
	- Galaxy Real Estate Developers Guj. Pvt. Ltd.	Partner	41 59 37 577	0
	- Vipul Forms & Graphics Pvt. Ltd.	Partner	83 20 80 781	83 22 05 000
	- Teracon Projects Pvt. Ltd.	Partner	52 34 51 780	56 55 75 000
	Towards Loan and Advances			
	- Sandeep R. Agarwal	Relative of Key Managerial Personnel	1 65 50 000	0
	- Goyal Safal Developers	Enterprise in which Partner is having significant influence.	0	1 24 55 00 000
(ii)	**Balance Receivable Towards Partners Capital Account**			
	- Dhiren Hasmukhlal Vora	Partner	3 26 267	(17 500)
	- Uday Hasmukhlal Vora	**Partner**	**3 26 267**	**(17 500)**
	Advance For Goods			
	- Galaxy Global Pvt. Ltd.	Enterprise in which Director of a company which is Partner of this firm having Significant Influence	44 18 626	0

5. The LLP has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). However, in the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.

As per our attached report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Rohit Choksi

ROHIT K. CHOKSI
Partner
Mem. No. 31103

M/s. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 2nd September, 2016

FOR SAFAL GOYAL REALTY LLP

UDAY H. VORA

Designated Partner *Designated Partner*

Place : Ahmedabad
Date : 2nd September, 2016