# M/s. NYALKARAN BUILDERS LLP
## LLP Identification No : AAF-5982

**Profit and Loss statement for the year ended 31st March, 2016**

| Particulars | Note No | 31.3.2016 (Rs.) |
|---|---|---|
| I. Revenue from operations | G | - |
| II. Other Income | | - |
| Closing Stork (Work In Process) | H | 7,34,268 |
| **III. Total Revenue (I +II)** | | 7,34,268 |
| IV. Expenses: | | |
| (1) Cost of materials consumed | | - |
| (2) Purchase stock in Trades | | - |
| (3) Changes in inventories of finished goods, work-in-progress and stock-in-Trade | | - |
| (4) Employee benefit expense | I | 1,50,000 |
| (5) Financial costs | J | 17,460 |
| (6) Depreciation and amortization expense | | - |
| (7) Other expenses | K | 5,66,808 |
| **Total Expenses** | | 7,34,268 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | - |
| VI. Exceptional Items | | |
| VII. Profit before extraordinary items and tax (V - VI) | | - |
| VIII. Extraordinary / Prior Period Items | | |
| IX. Profit before tax (VII - VIII) | | - |
| X. Tax expense: | | |
| (1) Current tax | | - |
| (2) Deferred tax Liability/(Asset) | | - |
| (3) Provision for income tax | | - |
| XI. Profit(Loss) from the perid from continuing operations | (IX - X) | - |
| XII. Profit/(Loss) from discontinuing operations | | - |
| XIII. Tax expense of discounting operations | | - |
| XIV. Profit/(Loss) from Discontinuing operations (XII - XIII) | | - |
| XV. Profit/(Loss) for the period (XI + XIV) | | - |
| XVI. Earning per equity share: | | |
| (1) Basic | | - |
| (2) Diluted | | - |
| NOTES FORMING PART OF ACCOUNTS WITH SIGNIFICANT ACCOUNTING POLICIES | L | |

For PRAVIN VORA & ASSOCIATES
CHARTERED ACCOUNTANT

PRAVIN VORA
(Proprietor)
Membership No. 149276
ICAI - Registration No. 139599W

For NYALKARAN BUILDERS LLP

(Designated Partners)

VIJAYBHAI DPIN : 07401065

ASHWINBH DPIN:074081

PLACE : AHMEDABAD
Date : 30/08/2016

| NOTE `F' | CASH & CASH EQUIVALENTS | 2015-16 |
|---|---|---|
| | Cash On Hand | 8,68,830 |
| | Bank : AXIS BANK LTD | 2,20,923 |
| | TOTAL | 10,89,753 |

| NOTE `G' | REVENUE FROM OPERATIONS | 2015-16 |
|---|---|---|
| | Sales of Flates and Shop | - |
| | TOTAL | - |

| NOTE `H' | CHANGE IN INVENTORIES | | 2015-16 |
|---|---|---|---|
| | Opening Stock | | - |
| | Add : | Expenditrure during the year | - |
| | Less : | Closing Stock (Work in Process) | 7,34,268 |
| | TOTAL | | - 7,34,268 |

| NOTE `I' | EMPLOYEE BENEFIT EXPENSE | 2015-16 |
|---|---|---|
| | Remunaration to Designated Partners | 1,50,000 |
| | TOTAL | 1,50,000 |

| NOTE `J' | FINANCIAL COST | 2015-16 |
|---|---|---|
| | Interest to Partners on Capital Contribution @ 12% | 17,460 |
| | TOTAL | 17,460 |

| NOTE `K' | OTHER EXPENSE | 2015-16 |
|---|---|---|
| | Material Purchase | 2,64,641 |
| | Bank Charges | 577 |
| | Petrol & Desiol Exp | 7,530 |
| | Repaire & Mataitanance Exp | 6,170 |
| | Site Opening Exp | 14,000 |
| | Stationery & Printing Exp | 2,270 |
| | Transportation Exp | 2,70,420 |
| | Water Exp | 1,200 |
| | TOTAL | 5,66,808 |

## NOTE (L)

**Accounting Policies**

### a) LLP Overview

NYALKARAN BUILDERS LLP (the LLP) was incorporated on February 1, 2016. The LLP is a real estate developer engaged primarily in the business of real estate construction, development and other related activities.

### b) Basis of Preparation

The financial statements of the LLP have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Limited Liability Partnership Act, 2008.

### c) Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

### d) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

### e) Depreciation / Amortization

Depreciation has been provided on written down value basis, at the rate determined under the **Provision of income tax Act 1961.**

Assets costing less than Rs.5,000 are depreciated at 100% in the year of acquisition.

f) **Inventories**

Inventories are valued as under:

a) Completed Flats - At Lower of Cost or Net realizable value
b) Construction Work-in-Progress - At Cost

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the LLP.

g) **Revenue Recognition**

The LLP is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognized in Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the LLP on transfer of significant risk and rewards to the buyer.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2016)" (Guidance Note), all projects commencing on or after the said date or projects which have already commenced, but where the revenue is recognized for the first time on or after the above date, Construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

(a) All critical approvals necessary for the commencement have been obtained;
(b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
(c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
(d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Revenue from projects is recognized net of revenue attributable to the land owners. Losses, if any, are fully provided for immediately.

Interest Income is accounted on an accrual basis at contracted rates. Lease Income is recognized over the period of Lease.

However, This is the first year of operation of Project and on the basis of above guideline the revenue is not liable to recognise in this year.

FRN-139599W
AHMEDABAD

Signature to notes A to N
As per our report of even date attached

FOR, PRAVIN VORA & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN-139599W
AHMEDABAD

PRAVINKUMAR VORA
PROPRIETOR
ICAI – Reg. No. 139599W
MEBMERSHIP NO. 149276

Place : Ahmedabad.
Date : 30/08/2016

FOR, NYALKARAN BUILDERS LLP

(Designated Partners)

Vijay Golaviya (DIN : 07401065)

Ashwinbhai Golaviya (DIN : 07408159)

Place : Ahmedabad.
Date : 30/08/2016

NOTE (M)

**Dues to Micro and Small Enterprise**

Disclosure of trade payables and other liabilities is based on the information available with the LLP regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development Act 2006". There is no amount overdue as on 31st March, 2015 to Micro & Small Enterprises on account of principal amount together with interest and also during the previous year.

**NOTE (M)**

**Segment Information**

**As the LLP has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.**

**NOTE (N)**

**Related Party Disclosure**

**Related party disclosures as required by AS-18, "Related Party Disclosures", during this year the LLP has not made any related party transaction.**

Previous year figures have been regrouped wherever necessary to conform to current year's classification.

**h) Borrowing Cost**

Interest and finance charges incurred in connection **with** borrowing of funds, which are incurred for the development of long term projects, are transferred to Construction Work-in-Progress as a part of the cost of the projects at weighted average of the borrowing cost.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**i) Provision For Taxation** Tax expense

comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

**j) Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains / losses are recognized in the Statement of Profit and Loss. The LLP has not made any Foreign Currency Transaction during this year.

**k) Provisions and Contingent Liabilities**

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LLP.