TAX AUDIT REPORT

ROYAL INFRASTRUCTURE

ROYAL HOUSE,
ROYAL ESTATE,
DHOLKA,
AHMEDABAD - 382225

F.Y. 2018 - 19

VKJD & ASSOCIATES

CHARTERED ACCOUNTANTS

808, SPAN TRADE CENTER,
OPP. KOCHARAB ASHRAM,
NEAR PALDI CROSS ROADS,
PALDI, ASHRAM ROAD,
AHMEDABAD - 380 007.
TEL. NO. 079 – 4009 2289

ROYAL INFRASTRUCTURE

BALANCE SHEET AS ON 31-03-2019

PARTICULARS	Sch. No.	Amount Rs.	Amount Rs.
SOURCES OF FUNDS			
A. Capital			
Proprietors Capital Account	1		142218283
B. Loan Funds			
(a) Secured Loan	2		82108370
(b) Unsecured Loan	3		43218253
TOTAL			**267544906**
APPLICATION OF FUNDS			
A. Fixed Assets	4		7969855
B. Investments	5		883741
C. Current Assets, Loans & Advance			
(a) Inventories	6	254614899	
(b) Loans & Advances, Deposits	7	16388220	
(c) Cash & Bank Balances	8	4154787	
(d) Sundry Debtors	9	16190186	
		291348091	
Less: Current Liabilities & Prov.			
(a) Sundry Creditors	10	16316418	
(b) Other Liabilities	11	15880127	
(C) Duties & Taxes	12	460236	
		32656781	
Net Current Assets			258691310
TOTAL			**267544906**
Notes forming parts of accounts	19		

For V K J D & Associates
Chartered Accountants

Vishrang K. Shah
(Partner)
Mem. No. 115654
Firm Reg. No. : 128985W
Place: Dholka
Date : 17-10-2019
UDIN: 19115654AAAABW5503

For Royal Infrastructure

Proprietor

ROYAL INFRASTRUCTURE

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31-03-2019

PARTICULARS	Sch. No.	Amount (Rs.)
A. INCOME		
Revenue from Operation	13	90613804
Other Income	14	106709
Closing Stock	5	254614899
TOTAL		345335412
B. EXPENDITURE		
Opening Stock		254633812
Purchases	15	31099934
Direct Expenses	16	34546799
Admin., Selling & Other Expense	17	4428557
Finance charges	18	15712339
Depreciation	4	1123301
TOTAL		341544742
C. PROFIT		
Profit/(Loss) Before Tax		3790670
Provision for Income Tax		
Net Profit After Tax (Transfd to Capital)		3790670

For V K J D & Associates
Chartered Accountants

V K J D & Associates AHMEDABAD Chartered Accountants

Vishrang K. Shah
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ROYAL INFRASTRUCTURE

Proprietor

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Schedule - 1 : - Proprietor's Capital Account

Particulars	Amount
Opening Balance	155551128
Add: Addition during the year	26065767
Add: Profit during the Current year	3790670
	185407565
Less: Withdrawal	43189282
Closing Balance	**142218283**

Schedule - 2 : - Secured Loan

Particulars	Amount
Tata Capital Financial Service Ltd.	5228013
HDFC Bank Loan A/c	2710743
Union Bank Loan A/c	0
SBI Loan A/c	74169614
TOTAL	**82108370**

Schedule - 3 : - Unsecured Loan

Particulars	Amount
Krutarth Mistry	43218253
TOTAL	**43218253**

Schedule - 5 : - Investments

Particulars	Amount
Sud Life Insurance	808741
Tata Life Insurance	75000
TOTAL	**883741**

Schedule - 6 : - Inventories

Particulars	Amount
Closing Work In Progress	253921377
Closing Stock of Goods	693521
(As certified and valued by the management)	
TOTAL	**254614899**

Schedule - 7 : - Loans & Advances, Deposits

Particulars	Amount
Advances to Suppliers of Goods & Services	5770488
VAT Deposits	35000
UGVCL Deposit	89298
Union Bank of India - Fixed Deposit	736821
IGST Input Credit Receivable	88386
CGST Input Credit Receivable	5816880
SGST Input Credit Receivable	3851346
TOTAL	**16388220**

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Schedule - 8 : - Cash & Bank Balances

Particulars	Amount
Cash on Hand	1362610
Union Bank of India	371630
State Bank Of India	2420546
TOTAL	**4154787**

Schedule - 9 : - Sundry Debtors

Particulars	Amount
Receivable from Members	16190186
TOTAL	**16190186**

Schedule - 10 : - Sundry Creditors

Particulars	Amount
Sundry Creditors for Goods	10023004
Sundry Creditors for Exps.	6293414
TOTAL	**16316418**

Schedule - 11 : - Other Liabilities

Particulars	Amount
Members Contribution	11230127
Common Maintenance Deposit	4200000
Club Maintenance Deposit	450000
TOTAL	**15880127**

Schedule - 12 : - Duties & Taxes

PARTICULARS	Amount
TDS Payable	460236
TOTAL	**460236**

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Schedule - 4 : - Fixed Assets

Name of the Assets	Rate	Opening Balance	Additions		Deduction	Depreciation	Closing Balance
			Before Sept	After Sep			
Computer	40%	42632	0	0	0	17052.00	25580.00
Lawn Mover	15%	32596	0	0	0	4889.00	27707.00
Router	40%	1288	0	0	0	515.00	773.00
Air Condition	15%	421939	0	0	0	63291.00	358648.00
Fortuner Car	15%	0	3365563	0	0	504835.00	2860728.00
Office & Furniture	10%	5106333	0	0	0	510633.94	4595699.00
Vacume Cleaner	15%	0	15590	0	0	2339.00	13251.00
TV	15%	33022	0	0	0	4953.00	28069.00
Attendance Machine	15%	5735	0	0	0	860.00	4875.00
Computer & Printer	40%	13356	5500	0	0	7542.00	11314.00
Earth Compector	15%	35612	0	0	0	5342.00	30270.00
Freeze	15%	0	0	13990	0	1049.00	12941.00
T O T A L		**5692513**	**3386653**	**13990**	**0**	**1123301**	**7969855**

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Schedule - 13 : - Revenue From Operation

Particulars	Amount
Sales	40029800
Contract Receipt	49736546
Development Income	847458
TOTAL	**90613804**

Schedule - 14 : - Other Income

Particulars	Amount
Interest on FDR	49552
Vatav / Kasar Income	57157
TOTAL	**106709**

Schedule - 15 : - Purchases

Particulars	Amount
Cement	8383439
Bricks	81000
Colour Material	159795
Alluminium	396538
Door & Door Profile	681159
Glass	699510
Electrical Material	655539
Shutters	290960
Greet, Kapchi & Aggregates	1502122
Hardware Material	1804158
Tiles	3479737
Pipes & Tanks	31561
Sand	1386584
Steel	10296704
Stones, Granite & Marbles	1251128
TOTAL	**31099934**

Schedule - 16 : - Direct Expense

Particulars	Amount
Development Expense	904962
Earth Filing	418500
Architecture Exp.	150000
Labour Work	23173434
Power Expense	861280
Garden Expense	382616
Plan Passing & Rera Fees	4757535
Tubewell & Bore Expense	1388275
Sample House Expense	778328
Transportation Expense	1657606
Jamin Mehsul Expense	74262
TOTAL	**34546799**

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Schedule - 17 : - Admin., Selling & Other Indirect Exps.

Particulars	Amount
Advertisement Expense	1252886
Bank Charges	33376
Bank Loan Charges	20134
Computer & Software Expense	49108
Sales Promotion Expense	3800
Conveyance Expense	23951
Donation	11000
Vehicle Expenses	138224
Insurance Expense	263694
Municipal Tax Expense	46713
Office Expense	113466
Postage & Courier Expense	4070
Printing & Stationery Expense	99666
Professional & Consultancy Fees	206650
Salary Expense	1623128
Staff welfare Exp.	469493
Site Maintenance Expense	31772
GST Late Fee	7300
Service Tax Expense	18124
VAT Audit Fees	12000
TOTAL	**4428557**

Schedule - 18 : - Finance Charges

Particulars	Amount
Bank Interest	9335054
Interest on Loan	6377285
TOTAL	**15712339**

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Schedule :- 19

Notes forming part of Accounts

1 Basis of Preparation of financial statements:

i The financial statements have been prepared on the accrual basis of accounting on a going concern, under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with all material aspects of the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) except as reported otherwise. The accounting policies are consistent with those used in the previous year.

ii The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

2 Significant Accounting Policies:

a. Revenue Recognition:

I Revenue is recognized to the extent that it is probable that the economic benefits will flow to the enterprise and the revenue can be reliably measured. Income from operations is net of adjustment on account of cancellation / returns if any.

II Revenue is reconized as per guidance note issued by ICAI on "Recognition of Revenue by Real Estate Developers". Revenue is recognized on the fulfillment of following conditions : -

(i) On transfer of all significant risks & rewards of ownership.

(ii) No significant uncertainty exists regarding the amount of consideration that will be derived.

(iii) Not unreasonable to expect ultimate collection.

(iv) Revenue from project include charges collected from clients towards electricity & water charges & other charges which are accounted based up on the contracts / agreements / understandings entered in to by the firm with its customers, coupled with percentage of completion of work, whichever is lower.

b. Fixed Assets:

Fixed Assets are stated at cost of acquisition less depreciation.

c. Depreciation:

Depreciation on assets is provided in accordance with the rate prescribed under Income Tax Act, 1961.

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d. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

e. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

f. Inventories:

Cost Incurred / Items purchased specifically for projects & remaining unutilized as on the year end are recorded at cost or market value which ever is lower.

Work In Progress :

Represents 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.

g. Employees Benefits:

Employment Benefits consisting of gratuity, leave encashment and other retirement benefits, if any, are accounted on cash basis in the year in which they are actually paid.

h. Provisions/Contingencies:

A provision is recognized for a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote. Contingent assets are neither recognized, nor disclosed.

3 In the opinion of the owner, the Current Assets, Loans & Advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of business and the provision for all known liabilities are adequate and not in excess of amount reasonably necessary.

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4 The Balance of Banks, Loans & Advances and of parties having debit as well as credit balances are subject to their confirmation. Balance of Banks includes cheques on hand.

5 The enterprise has not accounted deferred tax adjustment in the books of accounts as per requirements of accounting standard-22. However in the opinion of management this non compliance has no material impact on profit or loss and balance sheet of the enterprise.

6 We have verified the transactions as recorded in the books with such documentary evidence as were available and produced before us. Where the documentary evidences are not available, the vouchers / entries as certified by the proprietor have been relied upon by us.

7 Previous Years figures are regrouped and rearraged wherever necessary.

For V K J D & Associates
Chartered Accountants

V K J D & Associates AHMEDABAD Chartered Accountants

Vishrang K. Shah
(Partner)
Mem. No. 115654
Firm Reg. No. : 128985W
Place: Dholka
Date : 17-10-2019
UDIN: 19115654AAAABW5503

For, Royal Infrastructure

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Proprietor