TAX AUDIT REPORT

ROYAL INFRASTRUCTURE

ROYAL HOUSE,
ROYAL ESTATE,
DHOLKA,
AHMEDABAD - 382225

F.Y. 2016-17

VKJD & ASSOCIATES

CHARTERED ACCOUNTANTS

308, 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 31-03-2017

PARTICULARS	Sch. No.	Amount Rs.	Amount Rs.
SOURCES OF FUNDS			
A. Capital			
Proprietors Capital Account	1		68094515
B. Loan Funds			
(a) Secured Loan	2		126606200
TOTAL			**194700715**
APPLICATION OF FUNDS			
A. Fixed Assets	3		6303540
B. Investments	4		279220
C. Current Assets, Loans & Advance			
(a) Inventories	5	188908146	
(b) Loans & Advances	6	3843231	
(c) Cash & Bank Balances	7	13454370	
(d) Sundry Debtors	8	2913853	
		209119600	
Less: Current Liabilities & Prov.			
(a) Sundry Creditors	9	8332493	
(b) Other Liabilities	10	11816858	
(C) Duties & Taxes	11	852294	
		21001645	
Net Current Assets			188117955
TOTAL			**194700715**
Notes forming parts of accounts	18		

For V K J D & Associates
Chartered Accountants

Vishrang K. Shah
(Partner)
Mem. No. 115654
Firm Reg. No. : 128985W
Place: Dholka
Date : 28-09-2017

For Royal Infrastructure

K K Mistry

Proprietor

ROYAL INFRASTRUCTURE

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-2017

PARTICULARS	Sch. No.	Amt.
A. INCOME		
Revenue from Operation	12	36337018
Other Income	13	524840
Closing WIP	5	188908146
TOTAL		225770004
B. EXPENDITURE		
Opening WIP		102721342
Purchases of Land		46285150
Purchases	14	23852831
Direct Expenses	15	26178582
Admin., Selling & Other Expense	16	6800262
Finance charges	17	18334371
Depreciation	3	795705
TOTAL		224968244
C. PROFIT		
Profit/(Loss) Before Tax		801760
Provision for Income Tax		
Net Profit After Tax (Transfd to Capital)		801760

For V K J D & Associates
Chartered Accountants

AHMEDABAD

Vishrang K. Shah
(Partner)
Mem. No. 115654
Firm Reg. No. : 128985W
Place: Ahmedabad
Date : 28-09-2017

For Royal Infrastructure

R K Mistry

Proprietor

ROYAL INFRASTRUCTURE

Schedule - 1 : - Proprietor's Capital Account

Particulars	Amount
Opening Balance	32107591
Add: Addition during the year	72573734
Add: Profit during the Current year	801760
	105483085
Less: Withdrawal	37388570
Closing Balance	**68094515**

Schedule - 2 : - Secured Loan

Particulars	Amount
Tata Capital Financial Service Ltd.	6892443
Union Bank Loan A/c.	100708004
SBI Loan A/c.	19005752
TOTAL	**126606199**

Schedule - 4 : - Investments

Particulars	Amount
Sud Life Insurance	204220
Tata Life Insurance	75000
TOTAL	**279220**

Schedule - 5 : - Inventories

Particulars	Amount
Closing Work In Progress (As certified and valued by the management)	188908146
TOTAL	**188908146**

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Schedule - 6 : - Loans & Advances & Deposits

Particulars	Amount
Advances to Suppliers of Goods & Services	1327605
VAT Deposits	35000
UGVCL Deposit	89298
Union Bank of India - Fixed Deposit	648907
Service Tax Input Credit Receivable	1742421
TOTAL	**3843231**

Schedule - 7 : - Cash & Bank Balances

Particulars	Amount
Cash on Hand	34788
Union Bank of India - RC2	7363288
Union Bank of India - City	29301
State Bank Of India - City	6026993
TOTAL	**13454370**

Schedule - 8 : - Sundry Debtors

Particulars	Amount
Receivable from Members	2913853
TOTAL	**2913853**

Schedule - 9 : - Sundry Creditors

Particulars	Amount
Sundry Creditors for Goods	3363656
Sundry Creditors for Exps.	4968837
TOTAL	**8332493**

Schedule - 10 : - Other Liabilities

Particulars	Amount
Members Contribution	9543821
Common Maintenance Deposit	1800000
Club Maintenance Deposit	450000
Retention	23037
TOTAL	**11816858**

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Schedule - 11 : - Duties & Taxes

PARTICULARS	Amount
TDS Payable	553988
KKC Payable	1115
SBC Payable	12877
VAT Payable	284314
TOTAL	**852294**

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Schedule - 12 : - Revenue From Operation

Particulars	Amount
Sales	20860520
Contract Receipt	15476498
TOTAL	**36337018**

Schedule - 13 : - Other Income

Particulars	Amount
Interest on FDR	112699
Vatav / Kasar Income	412141
TOTAL	**524840**

Schedule - 14 : - Purchases

Particulars	Amount
Cement	4481192
Colour Material	2052550
Doors & Doors Profiles	2014068
Electrical Material	1008209
Bricks	196000
Glass & Alluminium Section	1074316
Greet, Kapchi & Metal	1820802
Hardware Material	1622059
Sand	6946
Tiles	1399879
Pipes	267666
Steel	4105882
Stones & Marbles	3803262
TOTAL	**23852831**

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Schedule - 15 : - Direct Expense

Particulars	Amount
Development Expense	5739670
Earth Filing	1317425
Labour Work	15937014
Power Expense	746999
Tubewell & Bore Expense	177140
Sample House Expense	1152852
Transportation Expense	955982
Architech Expense	137500
Survey Expense	14000
TOTAL	**26178582**

Schedule - 16 : - Admin , Selling & Other Indirect Exps.

Particulars	Amount
Advertisement Expense	866435
Audit Fees	25000
Bank Charges	136704
Bank Loan Charges	1317926
Computer & Software Expense	29171
Sales Promotion Expense	9384
Conveyance Expense	80217
Donation	100000
Electrical Expenses	32565
Vehicle Expenses	43794
Garden Expense	536920
Insurance Expense	135700
Legal Exp.	14330
Loss on sale of car	65000
Service Tax Expenses	40028
Municipal Tax Expense	44783
Other Expense	3840
Office Expense	164116
Postage & Courier Expense	810
Printing & Stationery Expense	40210
Professional & Consultancy Fees	1448394
Salary Expense	345329
Staff welfare Exp.	63068
Stamping & Franking Exp.	913690
Telephone Exp.	2505
Site Maintenance Expense	46720
Swachh Bharat Cess	42972
VAT Expenses	241651
VAT Audit Fees	9000
TOTAL	**6800262**

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Schedule - 17 : - Finance Charges

Particulars	**Amount**
Bank Interest	14110255
Interest Payable	4159952
Interest on TDS	31
Interest on Service Tax	21470
Interest on VAT	42663
TOTAL	**18334371**

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Schedule - 3 : - Fixed Assets

Name of the Assets	Opening Balance	Additions		Deduction	Depreciation	Closing Balance
		Before Sept	After Sep			
Computer	24640	92954	34307	0	80849	71053
Lawn Mover	45115	0	0	0	6767	38348
Car	1665000	0	0	1665000	0	0
Router	5365	0	0	0	3219	2146
Air Condition	0	583999	0	0	87600	496399
Office & Furniture	0	6011544	259321	0	614120	5656745
TV	0	0	42000	0	3150	38850
TOTAL	**1740120**	**6688497**	**335628**	**1665000**	**795705**	**6303540**

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Schedule :- 18

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

AHMEDABAD

Vishrang K. Shah
(Partner)
Mem. No. 115654
Firm Reg. No. : 128985W
Place: Ahmedabad
Date : 28-09-2017

For, Royal Infrastructure

K K Mistry

Proprietor