

Independent Auditors' Report
To The Members of
R.B.N.Projects Pvt.Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of R.B.N.Projects Pvt.Ltd. ("the Company") which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2018, and
- (b) In the case of the Statement of Profit & Loss of the loss for the year ended on that date

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet and Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B", and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**11, Indra Kumar Karnani Street
10th Floor, Room No.1017
Kolkata-700001
Dated : 9th August 2018**



**For Sudeep Nopany & Associates
Chartered Accountants**

Sudeep Nopany

**(Sudeep Nopany)
Proprietor**

**(Membership No. 056292)
(Firm Regn. No. 322379E)**

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' of our report even date to the members of R.B.N.Projects Pvt.Ltd. ("the Company") for the year ended 31st March, 2018.)

In our opinion and on the basis of the information and explanations given to us and based on our examination of the records of the company during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In my opinion, procedure of physical verification is reasonable having regard to the size the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed.
- (iii) The Company has not granted any loans secured or unsecured, to the companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act') during the year. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- (iv) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) The Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material dues, as applicable, with the appropriate authorities.
- (b) No undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, goods and services tax, cess and other statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (c) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and services tax or cess as at 31.3.2018 which have not been deposited on account of any dispute. As such the provisions of Clause 3(vii)(b) of the Order are not applicable to the Company.



- (viii) The Company does not have any borrowings from any financial institution, banks, government nor has it issued any debentures during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) No fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him, Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**11, Indra Kumar Karnani Street
10th Floor, Room No.1017
Kolkata-700001
Dated : 9th August 2018**



**For Sudeep Nopany & Associates
Chartered Accountants**

Sudeep Nopany

**(Sudeep Nopany)
Proprietor**

**(Membership No. 056292)
(Firm Regn. No. 322379E)**

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of R.B.N.Projects Pvt.Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**11, Indra Kumar Karnani Street
10th Floor, Room No.1017
Kolkata-700001
Dated : 9th August 2018**



**For Sudeep Nopany & Associates
Chartered Accountants**

Sudeep Nopany

(Sudeep Nopany)

Proprietor

(Membership No. 056292)

(Firm Regn. No. 322379E)

R.B.N. PROJECTS PRIVATE LIMITED

CIN:- U45400WB2009PTC139467

54/5A STRAND ROAD
KOLKATA- 700006**BALANCE SHEET AS AT 31ST MARCH, 2018**

	<u>Notes</u>	<u>AS AT</u> <u>31.03.2018</u>	<u>AS AT</u> <u>31.03.2017</u> (Rs.)
<u>Equity and Liabilities</u>			
Shareholders' funds			
Share capital	3	2,60,000	2,60,000
Reserves & surplus	4	(2,82,521)	12,28,488
		<u>(22,521)</u>	<u>14,88,488</u>
Non-current liabilities			
Long-term borrowings	5	1,80,99,315	1,96,55,916
		<u>1,80,99,315</u>	<u>1,96,55,916</u>
Current liabilities			
Short-term borrowings	6	35,55,536	28,19,919
Trade payables	7		
Total outstanding due of micro enterprises and small enterprises		1,39,167	3,38,139
Total outstanding of creditors other than micro enterprises and small enterprises		4,00,65,679	4,10,23,288
Other current liabilities	8		2,43,211
Short-term provisions	9	-	
		<u>4,37,60,382</u>	<u>4,44,24,557</u>
Total		<u><u>6,18,37,176</u></u>	<u><u>6,55,68,961</u></u>
<u>Assets</u>			
Non-current assets			
Fixed assets			
Tangible assets	10	32,340	43,856
Deferred tax assets (net)	11	5,96,085	7,14,580
Long-term loans & advances	12	1,61,360	1,56,860
		<u>7,89,785</u>	<u>9,15,296</u>
Current assets			
Inventories	13	5,39,98,516	5,72,29,044
Trade Receivable	14	50,13,163	68,38,411
Cash & bank balances	15	2,62,365	1,03,684
Short-term loan and advances	12	17,73,347	4,82,526
		<u>6,10,47,391</u>	<u>6,46,53,665</u>
Total		<u><u>6,18,37,176</u></u>	<u><u>6,55,68,961</u></u>

Summary of significant accounting policies

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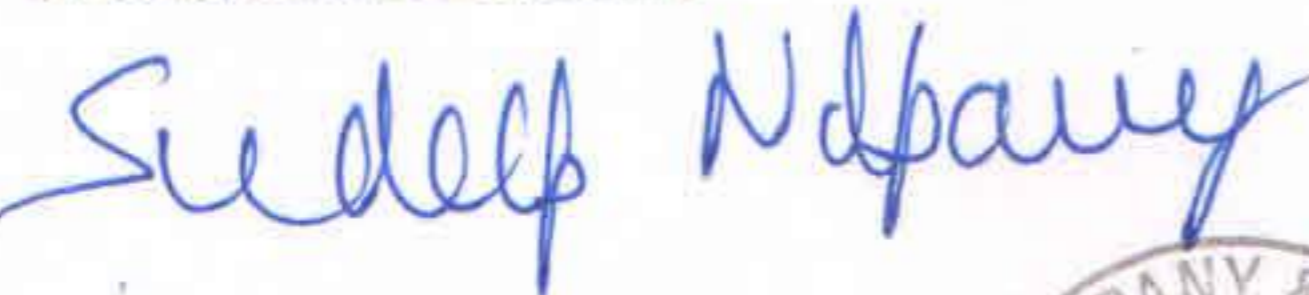
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SUDEEP NOPANY & ASSOCIATES

Firm Registration No:- 322379E

Chartered Accountants



per SUDEEP NOPANY

Proprietor

Membership No:- 056292



Place :- Kolkata

Date:-

For and on behalf of the Board of Directors

For R. B. N. PROJECTS PVT. LTD.


Gautam Narsaria

Director

DIN:- 00799727

For R. B. N. PROJECTS PVT. LTD.

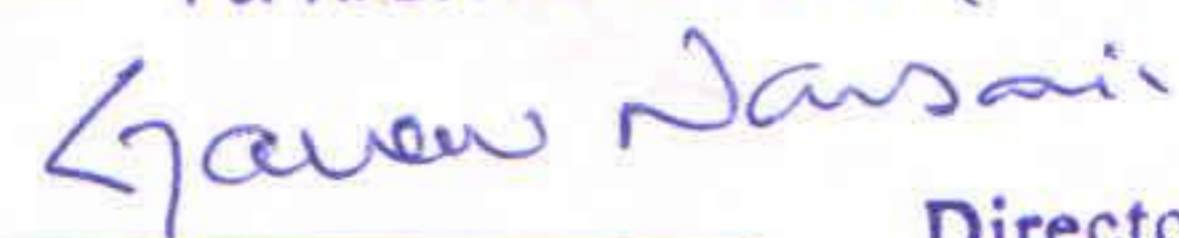


Director

Naveen Kumar Bajaj

DIN:- 00961867

For R. B. N. PROJECTS PVT. LTD.



Director

Gaurav Narsaria

DIN:- 00799712

RBN PROJECTS PRIVATE LIMITED

CIN:- U45400WB2009PTC139467

54/5A STRAND ROAD

KOLKATA- 700006

Statement of Profit and Loss for the year ended 31st March 2018

	Notes	2017-18 (Rs)	2016-17 (Rs)
Income			
Revenue From Operation	16	2,08,55,725	4,93,41,056
Other Income	17	2,10,136	-
Total Revenue (I)		2,10,65,861	4,93,41,056
Expenses			
Development and construction expenses	18	1,01,67,168	2,06,07,242
(Increase) in inventories of Construction work-in-progress	19	32,30,528	1,74,79,709
Employee benefits expenses	20	19,93,000	25,31,750
Other expenses	21	4,86,380	6,79,258
Depreciation and amortization expense	22	11,516	22,730
Finance costs	23	65,41,942	66,38,810
Total Expenses (II)		2,24,30,535	4,79,59,499
Profit before tax (I-II)		(13,64,674)	13,81,557
Tax expenses			
Current tax		-	2,43,211
Deferred tax		1,18,495	(7,295)
Provision for earlier year		27,840	-
Total tax expense		1,46,335	2,35,916
Profit for the year		(15,11,009)	11,45,641
Earning per share (nominal value of share Rs. 10) Basic & Diluted	24	(58.12)	44.06

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SUDEEP NOPANY & ASSOCIATES

Firm Registration No:- 322379E

Chartered Accountants

Sudeep Nopany

per SUDEEP NOPANY

Proprietor

Membership No:- 056292



Place :- Kolkata

Date:-

For and on behalf of the Board of Directors

For R. B. N. PROJECTS PVT. LTD.

Gautam Narsaria
Director

Gautam Narsaria

DIN:- 00799727

For R. B. N. PROJECTS PVT. LTD.

Naveen Kumar Bajaj

Director

Naveen Kumar Bajaj

DIN:- 00961867

For R. B. N. PROJECTS PVT. LTD.

Gaurav Narsaria
Director

Gaurav Narsaria

DIN:- 00799712

R.B.N. PROJECTS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

1. Nature of Operation

R.B.N. Projects Private Limited is engaged in the business of Purchase, development and sale of Land.

2. Summary of Significant Accounting Policies

(a) Change in Accounting Policy

Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates are same with the lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

(ii) Depreciation on assets costing less than Rs. 5,000/-

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

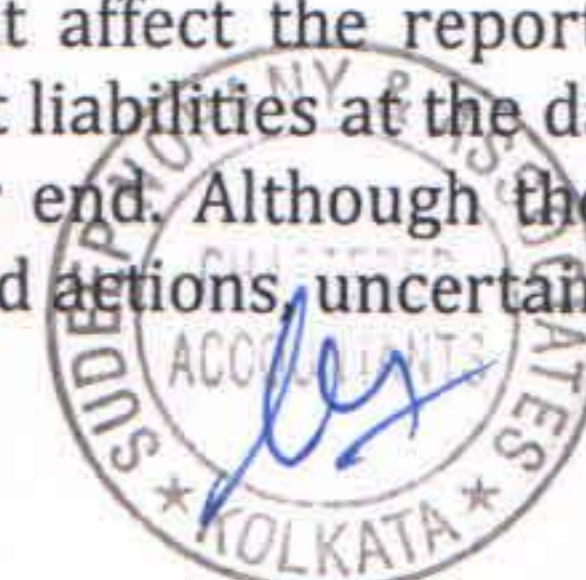
The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

(b) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty



R.B.N. PROJECTS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

(d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Construction Work in Progress reflects the costs incurred for project pending completion, to be charged to revenue in the year in which income from sale of such project is recognized. Revenue is recognised only when the project is completed or substantially completed.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Inventories

(i) Construction work-in-progress is valued at lower of cost and net realizable value.

(ii) Expenditure directly relating to the construction activity are inventorised. Indirect expenditure incurred during construction period are inventorised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure incurred during the construction period which are neither related to construction activity nor are incidental thereto, are charged to the Statement of Profit & Loss.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(iii) Cost incurred / item purchased specifically for projects are taken as consumed as and when incurred / received.

(f) Tangible Fixed Assets

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

(g) Depreciation on Tangible Assets

Depreciation on fixed assets is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

Depreciation on Fixed Assets added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

(h) Impairment if Tangible Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

