

## 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate reports in "Annexure B" and
  - g) with respect to 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 information and according to the explanations given to us, we report as under
    - (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 derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

Place : Kolkata  
Date : 01/09/2016

For C. GHATAK & CO  
Chartered Accountants  
FRN 302162E  
Kolkata  
(Chinmoy Ghatak)  
Partner  
M No. 003591

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to above in paragraph '1' of our Report of even date)**

In terms of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) All the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- ii. According to the information and explanation given to us the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms Limited Liabilities Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, clause 3 ( iii) of the Order is not applicable.
- iv. In our opinion and according to the information and the explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
- v. The Company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act, Accordingly, clause 3 ( v ) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013,
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts and records of the Company, the Company is regular in depositing undisputed Statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added Tax, Service Tax, Duty of Customs, Duty of Excise, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period exceeding six months from the date they become payable.  
  
b) According to the information and explanations given to us, there are no disputed dues of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added Tax, Service Tax, Duty of Customs, Duty of Excise, cess and any other statutory dues.
- viii. On the basis of records examined by us and information and explanation given to us, the company has not defaulted in repayment of dues to Banks.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. In our opinion and according to the information and explanations given to us by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



In our opinion and according to the information and explanations given to us by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company has entered transaction with related parties in compliance with the provisions of section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our opinion and according to the information and explanations given by the management, the company has not entered into any 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. In our opinion and according to the information and explanations given by the management, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : Kolkata  
Date : 01/09/2016

For C. GHATAK & CO  
Chartered Accountants  
FRN 302162E  
  
(Chinmoy Ghatak)  
Partner  
M No. 003591

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **(Report on the Internal Financial Controls Over Financial Reporting 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 **NEELKANTH NIRMAN PRIVATE LIMITED** ("the Company") as of March 31, 2016 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") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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.



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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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).

Place : Kolkata

Date : 01/09/2016

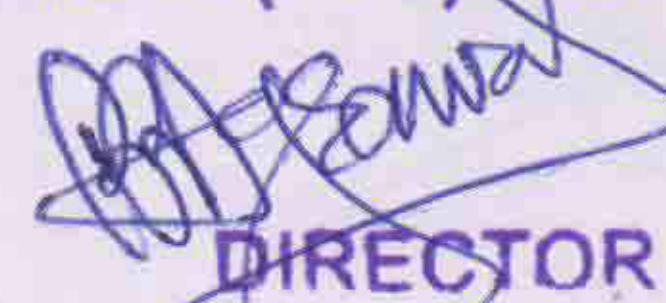
For C. GHATAK & CO  
Chartered Accountants  
FRN 302162E  
  
(Chinmoy Ghatak)  
Partner  
M No. 003591

**NEELKANTH NIRMAN PRIVATE LIMITED**

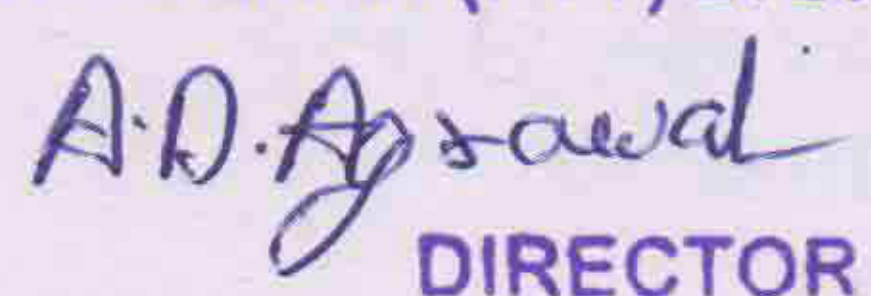
**COMPUTATION OF TAXABLE INCOME AND TAX THEREON FOR THE ASST YEAR 2016-17**

PARTICULARS	AMOUNT	AMOUNT	
<u>Income from Business &amp; Profession</u>			
Profit as per Profit & Loss Account		78,55,087	
Add : Expenses Disallowable Interest & Penalties		11,882	
		<u>78,66,969</u>	
Add : Depreciation as per Companies Act		3,98,012	
		<u>82,64,981</u>	
Less : Depreciation as per Income Tax Act		2,28,823	
		<u>80,36,158</u>	
Gross Total Income (rounded off)		<u>80,36,160</u>	
Tax on Above		24,10,848	
Add : Education Cess		72,325	
<b>TAX PAYABLE (A)</b>		<u>24,83,173</u>	
<u>Income tax u/s 115JB</u>			
Profit as per profit & loss Account		78,55,087	
		<u>78,55,087</u>	
Tax on above @ 18.5%		14,53,191	
Add : Education Cess		43,596	
<b>Tax payable u/s 115JB (B)</b>		<u>14,96,787</u>	
MAT Credit u/s 115JB (A-B) (Subject to maximum of Rs 6,24,225/-)	9,57,657	6,24,225	
Tax Payable ( After MAT Credit)		18,58,948	
Add : Interest u/s 234C		24,570	
<b>Tax Payable</b>		<u>18,83,518</u>	
Less : Tax Deducted at Source	60,000		
Less : Advance Tax 10/07/2015	2,00,000		
12/09/2015	5,00,000		
15/12/2015	1,00,000		
16/01/2016	1,00,000		
14/03/2016	9,00,000		
	<u>18,00,000</u>	<u>18,60,000</u>	
Refundable		23,518	
Less : Self Asst Tax Paid		23,518	
<b>Tax Payable/Refundable</b>		<u>NIL</u>	
MAT Credit Utilisation	Op Bal	Utilised	Balance c/f
Financial Year ended 31/03/2013	1,27,163	1,27,163	-
Financial Year ended 31/03/2014	4,97,062	4,97,062	-
	<u>6,24,225</u>	<u>6,24,225</u>	-

NEELKANTH NIRMAN (PVT) LTD.

  
DIRECTOR

NEELKANTH NIRMAN (PVT) LTD.

  
DIRECTOR

# NEELKANTH NIRMAN PRIVATE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders Funds</b>			
Share Capital	2	24,34,750.00	24,34,750.00
Reserves & Surplus	3	1,52,00,178.78	98,51,114.14
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	2,11,793.00	3,86,432.00
<b>Current Liabilities</b>			
Short-Term Borrowings	5	3,38,64,668.00	3,57,90,524.00
Trade Payables	6	59,70,723.24	26,53,399.00
Other Current Liabilities	7	13,05,26,948.50	21,01,95,651.11
Short-Term Provisions	8	24,83,173.00	19,90,807.00
<b>TOTAL</b>		<b>19,06,92,234.52</b>	<b>26,33,02,677.25</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		72,03,374.00	78,94,234.00
Long Term Loans and Advances	10	6,61,724.00	12,34,769.00
<b>Current Assets</b>			
Inventories	11	14,68,27,898.15	21,99,28,452.76
Trade Receivables	12	2,62,572.00	1,61,628.00
Cash and Cash Equivalents	13	15,87,114.37	19,53,811.49
Short-term Loans and Advances	14	3,41,49,552.00	3,21,29,782.00
<b>TOTAL</b>		<b>19,06,92,234.52</b>	<b>26,33,02,677.25</b>
Summary of significant accounting policies	1	-	-

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

As per our Report of even date.

C. GHATAK & CO.,

FRN : 302162E

Chartered Accountants

Chinmoy Ghatak  
(Partner)

Membership No.: 003591

Date : 01/09/2016

Kolkata :



NEELKANTH NIRMAN (PVT) LTD.

*[Signature]*  
DIRECTOR

NEELKANTH NIRMAN (PVT) LTD.

*[Signature]*  
DIRECTOR

## NEELKANTH NIRMAN PRIVATE LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>Income</b>			
Revenue from operations (gross)	15	17,22,57,192.00	4,79,50,700.00
Other Income	16	1,64,509.00	16,96,003.73
Finished Stock Converted into Capital Assets	18	-	23,10,000.00
<b>Total Revenue (I)</b>		<b>17,24,21,701.00</b>	<b>5,19,56,703.73</b>
<b>Expenses</b>			
Cost of construction during the year	17	8,98,43,433.39	9,51,45,109.00
(Increase)/ Decrease in Inventories	18	7,31,00,554.61	(5,10,58,185.00)
Employee benefits expense	19	3,22,604.00	23,57,853.00
Finance costs	20	33,489.00	51,407.00
Depreciation and Amortization Expense	21	3,98,012.00	6,35,220.00
Other expenses	22	8,68,521.36	8,26,635.58
<b>Total (II)</b>		<b>16,45,66,614.36</b>	<b>4,79,58,039.58</b>
<b>Profit / (Loss) before tax</b>		<b>78,55,086.64</b>	<b>39,98,664.15</b>
<u>Tax expenses</u>			
Current Tax		24,83,173.00	13,31,444.00
<b>Total Tax Expense</b>		<b>24,83,173.00</b>	<b>13,31,444.00</b>
<b>Profit/(Loss) for the year from Continuing Operations (A)</b>		<b>53,71,913.64</b>	<b>26,67,220.15</b>
<b>Earnings per Equity Share per Nominal Value of Share:- Rs 10/-</b>			
Basic		22.06	10.95
Diluted		22.06	10.95
<b>Summary of significant accounting policies</b>	<b>1</b>		

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

As per our Report of even date.

C. GHATAK & CO.

FRN : 302162E

Chartered Accountants

Chinmoy Ghatak  
(Partner)

Membership No.: 003591

Date : 01/09/2016

Kolkata :



NEELKANTH NIRMAN (PVT) LTD.

*(Signature)*  
DIRECTOR

NEELKANTH NIRMAN (PVT) LTD.

*(Signature)*  
DIRECTOR



**NEELKANTH NIRMAN PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

	For the Period ended 31st March, 2016	For the Period ended 31st March, 2015
<b>Cash Flow From Operating Activities</b>		
Net Profit Before Tax	78,55,086.64	39,98,664.15
Taxes Payable	(8,84,718.00)	(4,86,532.00)
Depreciation	3,98,012.00	6,35,220.00
<b>Operating Profit Before Working Capital Changes</b>	<b>73,68,380.64</b>	<b>41,47,352.15</b>
Adjustments for:		
Increase/(Decrease) in Other Current Liabilities	(7,82,77,234.37)	5,11,71,940.00
Decreases/(Increase) in Other Current Asset	7,09,79,840.61	(5,49,25,535.33)
	<b>(72,97,393.76)</b>	<b>(37,53,595.33)</b>
<b>Net Cash from Operating Activities [A]</b>	<b>70,986.88</b>	<b>3,93,756.82</b>
<b>Cash Flow from Investing Activities</b>		
Fixed Assets (Purchased)/ Sale	3,10,000.00	(23,73,000.00)
Loan (Given)/Received	(5,73,045.00)	-
<b>Net Cash Used in Investing Activities [B]</b>	<b>(2,63,045.00)</b>	<b>(23,73,000.00)</b>
<b>Cash FlowS from Financing Activities</b>		
Proceeds from Issue of equity Share	-	-
Increase in Securities Premium	-	-
Long Term Borrowing	(1,74,639.00)	(1,56,721.00)
<b>Net Cash from Financing Activities [C]</b>	<b>(1,74,639.00)</b>	<b>(1,56,721.00)</b>
<b>Net Increase/(Decrease) in</b>	<b>(3,66,697.12)</b>	<b>(21,35,964.18)</b>
Cash & Cash Equivalents at the begning of the year	19,53,811.62	40,89,775.80
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>15,87,114.50</b>	<b>19,53,811.62</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	3,77,534.00	8,43,793.00
With Banks on	-	-
Current accounts	12,09,580.37	11,10,018.49
Cheque in Hand	-	-

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**FOR C GHATAK & CO**

**FRN : 302162E**

**Chartered Accountants**

**(Chinmoy Ghatak)  
(Partner)**

**M No, 003591**

**Place : Kolkata**

**Date : 01/09/2016**



**For and on the behalf of Board**

**NEELKANTH NIRMAN (PVT) LTD.**

**DIRECTOR**

**NEELKANTH NIRMAN (PVT) LTD.**

**DIRECTOR**

*A.D. Agrawal*

# NEELKANTH NIRMAN PRIVATE LIMITED

## NOTE NO.- 1

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2016

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**1. Corporate Information:**

NEELKANTH NIRMAN PRIVATE LIMITED company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

**2. Basis of Preparation:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards prescribed by the Companies ( Accounting Standards) Rules, 2006 (as amended) and the relevant Provisions of the Companies Act, 2013, to the extent applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**Summary of Significant Accounting Policies:**

a) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expense during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) Fixed Assets

Fixed Assts are stated at Cost less accumulated depreciation.

c) Depreciation

Depreciation has been provided on Written Down Value method over the useful life of assets, which is as stated in Schedule II of Companies Act 2013..

d) Inventories

Inventories includes Work in Progress has been valued at cost..

e) Foreign Exchange Transactions

The company has not entered into any foreign exchange transaction during the year under review.

f) Recognition of Income and Expenditure:

i) Revenue Recognition: Revenue is recognized as and when the economic benefits will flow to the company from revenue.

ii) All expenses are recognized on accrual basis.

g) Accounting for Taxes on Income:

Taxes on Income are determined as an amount of tax payable computed in accordance with the relevant provisions of the Income Tax Act, 1961.

Accounting for Taxes is done in accordance with Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.



NEELKANTH NIRMAN (PVT) LTD.

*[Signature]*  
DIRECTOR

NEELKANTH NIRMAN (PVT) LTD.

*A.D. Agrawal*  
DIRECTOR