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Pankaj Patel & Associates
(Chartered Accountants)
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AUDITOR'S REPORT

To,

The Members of B. N. PROJECTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of B. N. Projects Private Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2016, the Statement of Profit and Loss, Cash Flow Statement 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 Management is responsible for the matter 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 and financial performance of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control 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 provision of the Act, the accounting and auditing standard and matter which are require to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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judgment, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31st, 2016; and

b) In the case of the Statement of Profit and Loss, of the Profit for the year ended and cash flow 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 issued by the Central Government of India in terms of Section 143(11) of the Act, We give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said order.

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

a) We have 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 Accounts, 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 and Loss and the cash flow statement dealt with by this Report, are in agreement with the Books of Accounts maintained by the Company.

PANKAJ PATEL & ASSOCIATES CHARTERED ACCOUNTANTS

d) In our opinion, aforesaid financial statements comply with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such records, refer to our separate Report in "Annexure B"

f) On the basis of the written representations received from the directors of the company as at 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31ST March, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

For PANKAJ PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 136657W

CA PANKAJKUMAR B. PATEL
(Proprietor)
M. No.: 154073

Place: **Ahmedabad**
Date: 30/08/2016

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"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 on Report on the Other Legal and Regulatory Requirements of our report

1. In respect of its fixed Assets:

   a) The company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.

   b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of Company and nature of its assets. In accordance with this program, the company has physically verified certain fixed assets and is in the process of reconciliation with the books of accounts. Management represents that discrepancies, if any are not expected to be material.

   c) During the year, the company has not disposed off substantial part of fixed assets.

2. In respect of its inventories:

   a) We have been informed that the inventory has been physically verified at reasonable intervals by the Management.

   b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c) The records of inventory were not produced before us for our verification.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

   a) The company has granted loans to directors, firms or other parties covered in the register maintained under Section 301 of the Act. The amount involved at the end of the year of such loans aggregates to 42,68,527/- (26,18,540/-)

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b) The company has taken unsecured loan from the directors & relatives / covered in the register maintained under Section 301 of the Act. The amount involved at the end of the year of such loans aggregates to 1,74,73,707/- (33,55,000/-)

c) In our opinion no interest is earned from the advances given to parties listed in the register maintained u/s 189 of the Companies Act, 2013 and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the registers maintained under Section 189 are not, prima facie, prejudicial to the interest of the company.

d) As informed, the loans taken are re-payable on demand. There has been no default in repayment on the part of the company.

4. In respect of loans, investments, guarantees, and security provision of section 185 and 186 of the Companies Act, 2013 have been complied with.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. However, deposits have been accepted from customers against booking.

6. The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for services rendered by the Company.

7. In respect of Statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs duty, Wealth tax and any other material statutory dues have not been regularly deposited during the period by the Company with the appropriate authorities, and there has been delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Customs duty and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable, except Service Tax Rs. 18,09,185/- , TDS Rs. 1,55,534/- and Advance tax which are not paid on or before respective due dates.

b) According to the information and explanations given to us, there are no dues in respect of Wealth tax, Service Tax, Excise duty and Cess, which have not been deposited with the appropriate authorities on account of any dispute.

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8. The company has not defaulted in repayments of loans or borrowings to the financial institution, bank. The company does not have any debenture and loans from governments.

9. The company did not raise any money by way of Initial public offer or further public offer including debt instruments. According to the information and explanation provided to us and the record examined by us, the company has obtained loans from bank and financial institution for its residential projects.

10. Any fraud by the company or any fraud on the company by its officers or employees has not been noticed or reported during the year.

11. As provision of Sec 197 read with Schedule V to the Companies Act, 2013 is not applicable to private limited company, we are not require to report on this.

12. The company is not a Nidhi Company and therefore the compliance requirement relevant to a Nidhi Company is not applicable.

13. All transaction with related parties are in compliance with Sec 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclose in the financial statements etc as required by the applicable accounting standards.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review, therefore the compliance of the requirement of Section 42 of the Companies Act, 2013 are not applicable.

15. Pursuant to the provision of Section 192 of the Companies Act, 2013 the company has not entered into any non cash transaction with directors or persons connected with him/her.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For PANKAJ PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 136657W

Place: **Ahmedabad - GUJARAT**
Date: 30/08/2016

PANKAJ PATEL & ASSOCIATES CHARTERED ACCOUNTANTS

CA PANKAJKUAMR B. PATEL
(Proprietor)
M. No.: 154073

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"Annexure B" to the Independent Auditor's Report

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF B N PROJECTS PRIVATE LIMITED

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

To the member of B N Projects Private Limited
We have audited the Internal Financial Controls over financial reporting of B N Projects 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. These responsibilities includes 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 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 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 exits, and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedure selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, 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' internal financial controls 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 director 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 change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion
In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls 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 ICAI.

For PANKAJ PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 136657W

Place: **Ahmedabad - GUJARAT**
Date: 30/08/2016

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