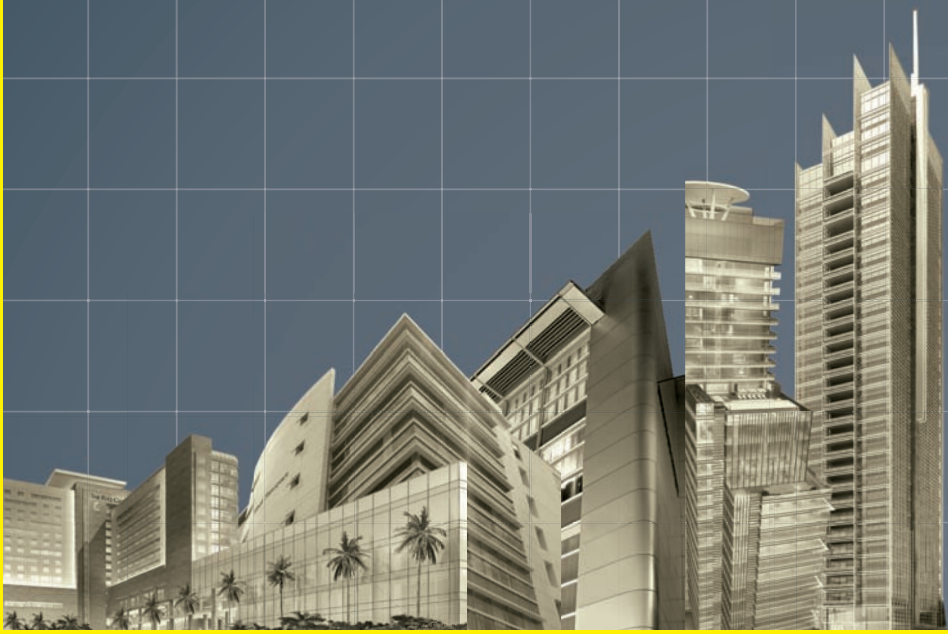
Nitesh Estates

Expect More

14th annual report 2017-18






CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. NITESH SHETTY
Chairman & Managing Director

MR. L. S. VAIDYANATHAN
Executive Director

MR. ASHWINI KUMAR
Executive Director & Chief Operating Officer

MR. G N BAJPAI
Independent Director

MR. JAGDISH CAPOOR
Independent Director

MR. M.D. MALLYA
Independent Director (upto 5th April 2018)

MRS. DIPALI KHANNA
Independent Director

MR. MAHESH BHUPATHI
Independent Director

Mr. M A Venkateshan
Chief Financial Officer

Mr. Prasant Kumar
Company Secretary & Chief Compliance Officer
(w.e.f. 10th Aug 2018)

COMMITTEES OF THE BOARD

Audit Committee

Mr. Jagdish Capoor -Chairman
Mr. G. N. Bajpai - Member
Mr. L. S. Vaidyanathan – Member
Mrs. Dipali Khanna - Member

Stakeholders Relationship Committee

Mr. Jagdish Capoor - Chairman
Mr. L. S. Vaidyanathan - Member

Nomination & Remuneration Committee

Mr. G. N. Bajpai –Chairman
Mrs. Dipali Khanna - Member
Mr. Jagdish Capoor - Member

Corporate Social Responsibility Committee

Mr. Jagdish Capoor –Chairman
Mr. Nitesh Shetty - Member
Mr. L. S. Vaidyanathan - Member

STATUTORY AUDITORS

M/s Ray & Ray,
Chartered Accountants,
No: 824, Ground Floor,
2nd Cross, 11th Main,
HAL 2nd Stage, Indiranagar,
Bangalore-560 008

SUBSIDIARIES STATUTORY AUDITORS

M/s. S R B C & Co. LLP.,
Chartered Accountants,
C-401, 4th Floor, Panchshill Tech Park,
Yerwada (Near Don Bosco School),
Pune – 411 006

M/s Ray & Ray,
Chartered Accountants,
No: 824, Ground Floor,
2nd Cross, 11th Main,
HAL 2nd Stage, Indiranagar,
Bangalore-560 008

INTERNAL AUDITORS

Pricewaterhouse Coopers Private Limited.
Plot Y-14, Block EP, Sector V,
Saltlake, Kolkata 700 091

SECRETARIAL AUDITORS

M/s. S. Kedarnath & Associates,
Practicing Company Secretaries
004, Ojus Apartments, 4th Main Road,
Malleswaram,
Bangalore-560 003

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District,
Nanakramguda, Serilingampally Hyderabad – 500 032
Telephone No. : 040 67161510: Toll Free no.: 1800-345-4001
Email: mailmanager@karvy.com

EQUITY SHARES LISTED AT

BSE Limited (BSE)
National Stock Exchange of India Limited (NSE)

PRINCIPAL BANKERS

HDFC Limited
Yes Bank Limited
Corporation Bank

SOLICITORS

Holla & Holla
Ravi B Naik
Cyril Amarchand Mangaldas
J. Sagar Associates

REGISTERED OFFICE

Level 7, Nitesh Timesquare,
#8, M.G. Road
Bengaluru – 560 001
Tel: +91 80 4017 4000;
email ID:investor@niteshestates.com
Website: www.niteshestates.com

Nitesh Estates Limited
CIN: L07010KA2004PLC033412
Regd. Office: Level 7, Nitesh Timesquare, # 8, M. G. Road, Bengaluru-560 001, India
Ph. +91-80-4017 4000
Website: www.niteshestates.com; email: investor@niteshestates.com

Notice

NOTICE is hereby given that the 14th Annual General Meeting of Nitesh Estates Limited will be held at **"Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052** on Friday, the 28th September, 2018 at 9.00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To consider and if thought fit, to adopt the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Annual Financial Statements (including the balance sheet of the Company as at March 31, 2018 and the statement of profit and loss together with the notes on accounts, schedules, statement of cash flow, etc.), in the prescribed format, annexed to and forming part of the accounts for the year ended March 31, 2018, including the consolidated financial statements for the year ended as on that date, together with the report of the Director' and Auditors' thereon as presented to the meeting, be and are hereby approved and adopted."

2. To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to adopt the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as per the recommendations of the Audit Committee of the Board, and as approved by the members at the Annual General Meeting held on September 26, 2014, the appointment of M/s. Ray & Ray, Chartered Accountants (Firm Regn.No.301072E), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, be and is hereby ratified and that the Board be and is hereby authorized to fix the remuneration payable to them for the financial year 2018-19 as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

3. **To appoint Mr. Mahesh Bhupathi (DIN: 01603093) as an Independent Director of the Company:**

   To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications and re-enactments thereof) read with Schedule IV of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, Mr. Mahesh Bhupathi (DIN: 01603093) be and is hereby appointed as an Independent Director of the Company to hold office for the first term of five consecutive years from the conclusion of this Annual General Meeting."

4. **To ratify the remuneration payable to the Cost Auditors for the financial year 2018-19.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT M/s. G. S. & Associates, Practising Cost Accountants, having Firm Registration No.000301, allotted by The Institute of Cost Accountants of India, who have been appointed as Cost Auditors of the Company on a remuneration of Rs.1 Lakh per annum excluding the reimbursement of out of pocket expenses for the Financial year 2018-19 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013, and the rules made thereunder, be and is hereby ratified.**"**

By order of the Board
For NITESH ESTATES LIMITED

Registered Office:
Level 7, Nitesh Timesquare,
8, M G Road,
Bengaluru – 560 001

Place: Bengaluru
Date: August 10, 2018

sd/-
Prasant Kumar
Company Secretary &
Chief Compliance Officer

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. A Corporate Member entitled to attend the meeting shall along with their authorized representative(s) send a certified true copy of a resolution passed by the Board of Directors and vote on their behalf at the meeting.

3. The Statement pursuant to Section 102 of the Companies Act, 2013 for the special business is annexed to the notice as **Annexure I**.

4. All documents referred to in the accompanying Notice will be open for inspection at the Registered Office of the Company between 10.00 A.M. to 12.00 Noon. from Monday to Friday on all business days up to and including the date of the meeting.

5. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. Accordingly, the unclaimed dividends out of the dividends declared for the financial year 2010-11 on 28th September, 2011 amounting to Rs. 40,068/- (Rupees Forty Thousand and Sixty Eight only) as on the date of this notice will be transferred to IEPF on **27th October, 2018**.

   The Company has sent reminders to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders are cautioned that once the unclaimed dividend is transferred to the IEPF, ***no claim shall lie*** in respect thereof with the Company. The required notice in this regard has been sent to the eligible shareholders who have not en-cashed the dividend and also newspaper publication was made in this regard. The list of the shareholders who have not claimed the dividend is available on the website of the Company www.niteshestates.com. Members who have not yet en-cashed the dividend warrant(s) so far for the financial year ended 31st March 2011 are requested to make their claim to the Registrar and Share Transfer Agent of the Company.

6. As required under Section 91 of the Companies Act, 2013 and the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Securities Transfer Registers, Register of Members and Register of Debenture holders, shall remain closed from **Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).**

7. Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the brief details of the director seeking re-appointment at the Annual General Meeting is appended to this Notice in **Annexure - I**.

8. Members are requested to advise any changes in their communication address, register their e-mail address, PAN details and Bank details such as Bank and Branch Name, IFSC Code and MICR No. etc with Karvy Computershare Private Limited, the Registrars and Share Transfer Agents of the Company at Karvy Selenium, Tower B, Plot No. 31 & 32. Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 038, Tel: +91 040 67161510.

9. For the convenience of Members / Proxy Holders and for the proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to this Notice. The Members/ Proxy Holders are requested to bring the duly completed and signed Attendance Slip along with their copy of the Annual Report to the meeting. Additional copies will not be provided at the meeting.

10. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company's Share Transfer Agents by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the

Member printed on it. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

11. The Members may note that on account of the amendment made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on 8th June, 2018, the Company will not be in a position to entertain the request for registration of physical transfer of shares on or after 5th December, 2018. Hence, Members holding shares in physical form, in their own interest, are requested to dematerialize the shares.

12. The Notice is being sent to all the Members (electronic or physical copy), whose names appeared in the Register of Members as on **Friday, August 17, 2018**. The Notice of the meeting is posted on the website of the Company www.niteshestates.com and is also available on the websites of the Stock exchanges where the securities of the Company are listed i.e. the Bombay Stock Exchange Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.

13. **The businesses as set out in the Notice will be transacted through remote electronic voting system and the Company will provide a facility for voting by remote electronic means**. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of remote e-voting means, as an alternate, to all its Members to enable them to cast their votes electronically. Please note that the remote voting through electronic means is optional.

14. The remote voting through electronic means will commence on **Monday, September 24, 2018 at 9.00 AM to Thursday, September 27, 2018 at 5.00 P.M.** The Members will not be able to cast their vote electronically beyond the date and time mentioned here. Once the vote on a resolution is cast by a shareholder via remote e-voting, it cannot be changed subsequently or cast the vote again. However, a member may participate in the meeting even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the meeting.

15. During the period when the facility for remote e-voting is provided, the Members of the Company holding the shares either in physical or in dematerialised form as on **Friday, September 21, 2018** may opt to vote via remote electronic voting process.

16. Physical Poll/ Ballot voting will be conducted by the Company on the day of the meeting and members who have not cast their vote via remote e-voting process, shall only be entitled to exercise their right to vote by way of Poll Paper/Ballot at the meeting.

17. The Company has appointed Mr. Sudhindra K. S., Practicing Company Secretary (FCS 7909, CP No. 8190) to act as the Scrutinizer for conducting the electronic voting process and ballot voting at the meeting in a fair and transparent manner.

18. The procedure and instructions for the voting through electronic means is, as follows:

Open your web browser during the voting period and log on to the e-voting website https://evoting.karvy.com

Now, fill up the following details in the appropriate boxes:

User-ID	a) For NSDL:- 8 characters DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID
Password : please refer to the cover email enclosing this Notice	
PAN* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department	
* Members who have not updated their PAN with the Company are requested to use default number 'ABCDE12345' in the PAN field.	

a) After entering the details appropriately, click on **LOGIN.**

b) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

c) You need to login again with the new credentials.

d) On successful login, the system will prompt you to select the EVENT i.e., NITESH ESTATES

e) On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner.

f) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

g) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

h) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail: sudhindraksfcs@gmail.com

i) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

j) The Portal will remain open for voting from: Monday, the September 24, 2018 at 9.00 AM and will end on Thursday, the September 27, 2018 at 5.00 P.M

k) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact Mr. Rajendra Prasad, Karvy Computershare Pvt. Ltd. at 040-67161500 or at 1800-345-4001 (toll free).

l) The results of e-voting will be announced by the Company on its website and the same shall also be informed to the stock exchanges.

m) Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

By order of the Board
For NITESH ESTATES LIMITED

Registered Office:
Level 7, Nitesh Timesquare,
8, M G Road,
Bengaluru – 560 001

sd/-
Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: August 10, 2018

Annexure I

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3:

Pursuant to provisions of Section 149 of the Companies Act, 2013 and Rules made thereunder, appointment of independent director on the Board of the Company is required to be approved by the shareholders. Mr. Mahesh Bhupathi (DIN: 01603093) was on the Board of the Company as a non- executive and non- Independent Director since 30th June 2005. On March 20, 2018, the Board of Directors appointed Mr. Mahesh Bhupathi as an Independent Director of the Company.

The appointment of Mr. Mahesh Bhupathi if approved, will be as an Independent Director of the Company, for an initial term of 5 consecutive years, in terms of Sections 149 of the Companies Act, 2013 and the Rules made thereunder.

None of the Directors, Key Managerial Personnel and their relatives is in any way interested or concerned, in this resolution other than the appointee.

Brief particulars of the Director being appointed pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of Director	Mr. Mahesh Bhupathi (DIN: 01603093)
Age	44
Date of Appointment in the current designation	March 20, 2018
Expertise in specific Functional areas	He is a professional tennis player and became the first Indian to win a Grand Slam tournament in 1997 and was ranked number one in the ATP Doubles Rankings in 1999. He has over seven years of professional experience in the sports, media and entertainment industry.
Other Directorships held	i. Bhupathi Tennis Academy Private Limited ii. H.E.A.L. Institute Private Limited iii. Live Sports 365 Private Limited iv. SX Sports Private Limited v. Scentials Beautycares Brand India Private Limited vi. Esha Beautycares Brand India Private Limited vii. Paradisal Tennis League Private Limited viii. Dysre Apparel Private Limited ix. Globosport Licensing and Merchandising Private Limited x. Globosport India Private Limited xi. Swag Fashions Hub Private Limited
Membership of Committees	Nil
No. of shares held in the Company as on the date of the notice	Nil

Item No. 4:

The Board appointed M/s. G. S. & Associates, Practising Cost Accountants, holding Firm Registration No. 000301, allotted by The Institute of Cost Accountants of India, as Cost Auditors of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013) and fixed a sum of Rs. 1 Lakh per annum excluding reimbursement of out of pocket expenses as remuneration payable to them, for the financial year 2018-19.

The remuneration, as recommended by the audit committee and approved by the Board, is required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148 of the Act, 2013. Accordingly the resolution set in item no. 5 is submitted for the shareholders for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item no. 4

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder the ordinary resolution, as set out in item no. 4, is submitted for ratification by the shareholders of the Company.

By order of the Board
For NITESH ESTATES LIMITED

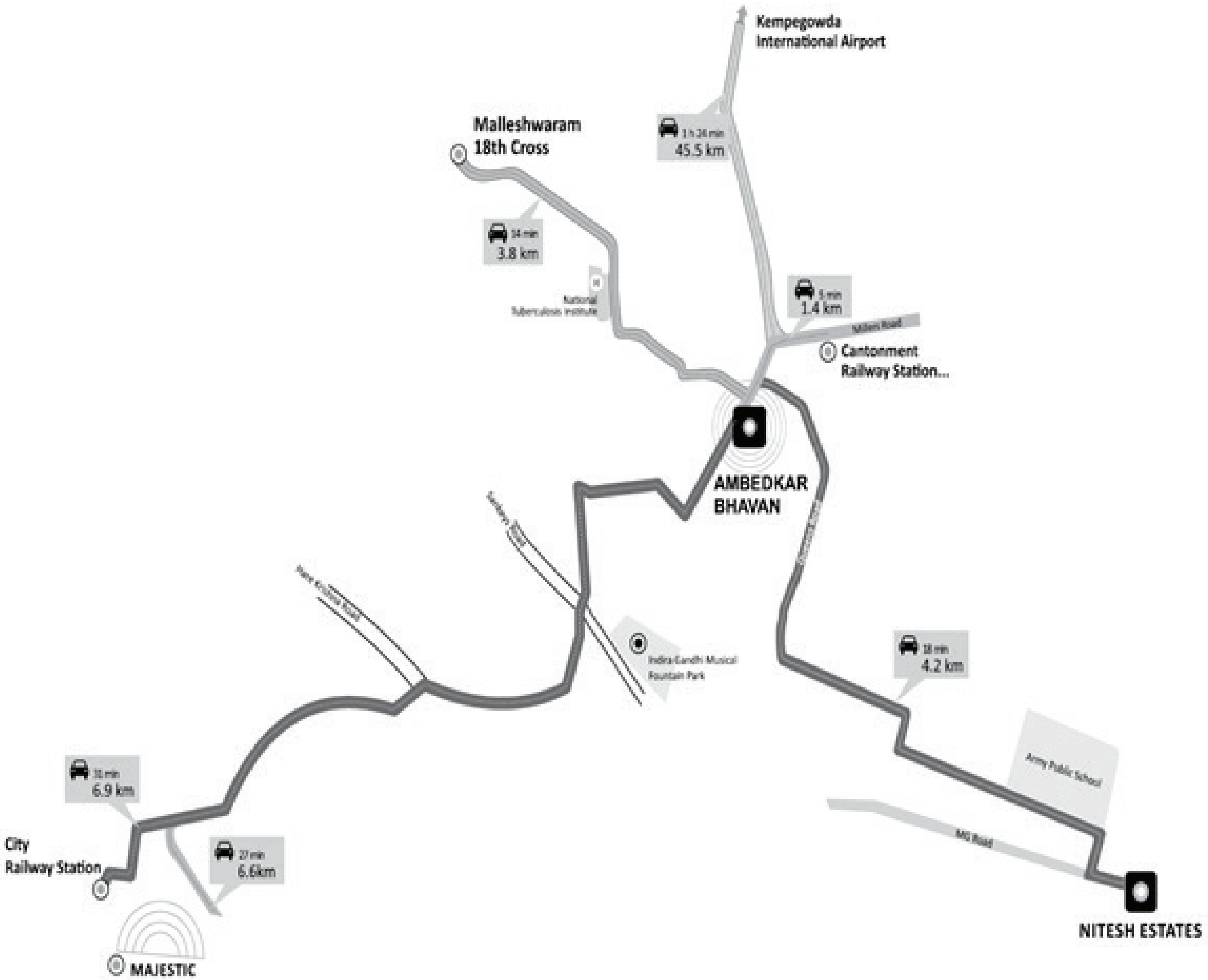
sd/-
Prasant Kumar
Company Secretary &
Chief Compliance Officer

Registered Office:
Level 7, Nitesh Timesquare,
8, M G Road,
Bengaluru – 560 001

Place: Bengaluru
Date: August 10, 2018

ROUTE MAP TO THE VENUE

FOR THE 14th ANNUAL GENERAL MEETING OF THE COMPANY



Board's Report

Dear Members,

Your Directors present their Fourteenth Annual Report with the standalone and consolidated annual audited accounts of the Company for the year ended March 31, 2018.

1. Financial Results:

(Rupees in Lakh)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Income :				
Revenue from operations	2754	19429	3625	30786
Other Income	1358	189	2004	698
Total Income	**4112**	**19618**	**5629**	**31484**
Profit/(Loss) before depreciation	(10695)	4094	(25445)	(12596)
Less : Depreciation	44	70	1264	1414
Profit/(Loss) before tax	(10739)	(4164)	(26709)	(14010)
Less : Tax	(1177)	90	(1087)	(154)
Profit / (Loss) after tax	**(9562)**	**(4254)**	**(25621)**	**(14164)**
Less: Minority interest & share of profit/ (loss) in Associate	-	-	-	-
Net Profit/(Loss)	**(9562)**	**(4254)**	**(25621)**	**(14164)**

2. Dividend:

In view of the loss, no dividend could be considered.

3. State of Company's Affairs:

I. Financial Statement:

The Ministry of Corporate Affairs vide its notification dated 16th February 2015 notified the Companies (India Accounting Standard) Rules, 2015 and the same was made effective from 1st April, 2015. As per the said Rules, the Indian Accounting Standard (IND AS) was made applicable to the Company and to the subsidiary companies with effect from 1st April 2017. Accordingly the financial statements (both standalone and consolidated) for the year ended March 31, 2018 was prepared based on IND AS.

The Company has compiled with the applicable provisions of the Companies Act, 2013 and Regulations of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 ('the Listing Regulations') in preparation of Standalone and Consolidated financial statements.

The audited consolidated Balance Sheet as at 31st March, 2018, consolidated statement of Profit and Loss for the year ended as on that date, Cash flow Statements together with the Notes and Reports of Auditors thereon forms part of the Annual Report. The financial figures have been regrouped, wherever required, in line with Schedule III of the Companies Act, 2013 disclosure requirements.

a. **Standalone:**

During the year under review the Company had achieved a turnover of Rs. 2754 Lakhs as against Rs. 19429 Lakh in the previous year and other income of Rs. 1358 Lakh as compared to Rs. 189 Lakh in the previous year. The operations had resulted in a loss of Rs. 9562 Lakh as compared to previous year loss of Rs. 4254 Lakhs.

b. **Consolidated**:

The total consolidated revenue for the year ended 31st March 2018 amounted to Rs. 3625 Lakh and other income of Rs. 2004 Lakh, as compared to Rs. 30786 Lakhs and other income of Rs. 698 Lakh in the previous year. The Company has incurred a loss after tax of Rs. 25621 Lakhs (previous year's Loss Rs. 14164 Lakh).

II. Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year to which the financial statement relate and the date of the report:

a. The Company through its subsidiary Nitesh Urban Development Private Limited was holding 50% of share capital of Courtyard Constructions Private Limited (CCPL). During the year the Company acquired the remaining 50% of the share capital of CCPL from Budhrani Group, as a result CCPL became wholly owned subsidiary of NEL with effect from July 12, 2017.

b. The Company, has transferred 5,41,49,499 Class A equity shares of Nitesh Residency Hotels Private Limited to Mr. Nitesh Shetty and Nitesh Industries Private Limited consequently the percentage of shares held by the Company in Nitesh Residency Hotels Private Limited is reduced to 12%.

III. Significant or material orders passed by the regulators/ courts :

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals against the Company, impacting the going concern status and Company's operations in future.

4. The Board of Directors and the Committees thereof

I. Composition of the Board

The Board of the Company comprises of 7 (Seven) Directors of which four are Independent Directors. The Composition of the Board of Directors is in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

<u>Declaration by Independent Directors</u>

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and in the Listing Regulations.

II. Change in the Board

During the period under review, Mr. Mahesh Bhupathi was appointed as an Independent Director with effect from March 20, 2018 and Mr. M. D Mallya, Independent Director resigned from the Board on April 5, 2018 due to his professional pre- occupation.

Mr. Nitesh Shetty, Chairman and Managing Director and Mr. Ashwini Kumar, Executive Director and Chief Operating Officer who were appointed for a term of 3 years completed their term on December 14, 2017 and April 18, 2018 respectively and were re-appointed as Chairman and Managing Director and as Executive Director and Chief Operating Officer for a period of three years with effect from December 15, 2017 and April 19, 2018 respectively. The re-appointment was approved by passing special resolutions by Shareholders through Postal Ballot on October 30, 2017.

III. Meetings of the Board

The Board of Directors met 6(Six) times during the year on the following dates:

May 28, 2017	July 20, 2017
September 14, 2017	December 12, 2017
February 12, 2018	March 20, 2018

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on February 12, 2018.

The Details of the committees and their meetings forms part of the Corporate Governance Report.

IV. Annual Evaluation of the Board, its Committees and Individual Directors

The Independent Directors of the Company at their separate meeting held as per the provisions of Section 149 read with Schedule V of the Companies Act, 2013 and the Listing Regulations, had carried out an annual evaluation of the Board, Committees and individual Directors' performance. The performance of the Board was evaluated after seeking inputs from the Independent Directors on the basis of criteria such as Board composition, structure, Board processes and their effectiveness, information given to the Board, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Director's on the basis of criteria such as their participation, contribution at the meetings, their preparedness on the agenda items to be discussed etc. Additionally the Chairman was also evaluated on key aspects of his role.

V. Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its Management and operations and provides an overall industry perspective as well as issues being faced by the industry.

The Company also keeps the Board updated on the applicable Laws, Regulations, Enactments etc. and any changes, amendments thereon from time to time.

5. Directors' Responsibility Statement

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) has formulated a policy relating to nomination of and remuneration for the Directors, Key Managerial Personnel and Senior Management personnel.

The Nomination and Remuneration policy has been prepared pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulations.

Non-Executive Directors are remunerated by way of sitting fees for attending the meetings of the Board and the Committees thereof. The sitting fees paid for Board Meetings and Audit Committee meetings is Rs. 50,000/- per meeting respectively, Nomination & Remuneration Committee is Rs 25,000/- per meeting and Stakeholders Relationship Committee, other Committees including for a separate meeting of Independent Directors is Rs. 20,000/- per meeting respectively.

The extract of the Nomination & Remuneration Policy is reproduced in **Annexure A** to this report.

Remuneration Details of Directors and Employees

[Pursuant to Section 134 of the Companies Act, 2013 and the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i. Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in the remuneration is as follows:

Sl. No.	Name of the Directors	Designation	Ratio of remuneration to median remuneration of the Company	% increase in the remuneration of Directors
1.	Mr. Nitesh Shetty	Managing Director	22	0.0%
2.	Mr. L. S Vaidyanathan	Executive Director	18	0.0%
3.	Mr. Ashwini Kumar	Executive Director	16	0.0%
4.	Mr. G N Bajpai	Independent Director	NA	NA
5.	Mr. Jagdish Capoor	Independent Director	NA	NA
6.	Mrs. Dipali Khanna	Independent Director	NA	NA
7.	Mr. Mahesh Bhupathi*	Independent Director	NA	NA
8.	Mr. M.D Mallya**	Independent Director	NA	NA

*the designation of Mr. Mahesh Bhupathi changed from non-executive Director to Independent director with effect from March 20, 2018.

**Mr. M.D Mallya resigned from the Board with effect from April 5, 2018.

Note:

i. The median remuneration of Directors during the financial year was Rs. 7,22,532 (Rupees Seven Lakhs Twenty Two Thousand Five Hundred and Thirty Two Only)

ii. The percentage increase in the remuneration for the year ended 31st March, 2018 to the Key Managerial Personnel (other than Directors) namely, Company Secretary & Chief Compliance Officer and Chief Financial Officer is 0 %.

iii. The median remuneration of employees during the financial year 2017-18 was Rs. 7,22,532/- as compared to Rs. 7,61,457/-. Hence, there is no increase in the percentage of median remuneration of employees.

iv. The number of permanent employees on the rolls of the Company as on 31st March, 2018 was 110 (the group has 203 employees).

7. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism policy for its Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the director(s) and employee(s) who avail of the mechanism. None of the Directors/Employees of the Company have been denied access to the Chairman of the Audit Committee. No complaint has been received during the financial year 2017-18.

8. Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee and has adopted the policy in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014. There was no contribution towards CSR spending as the same is not applicable to the Company for the financial year 2017-18.

9. Internal Financial Controls

The Board of the Company is of the opinion that the Company's Internal Financial Controls were adequate and effective during the period ended as on 31st March, 2018, based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board committees, including the Audit Committee.

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the audit committee. Based on periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

The Company has a proper and adequate Internal Control System to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. Information provided to Management is reliable and timely. Company ensures adherence to all statutes.

10. Statutory Auditors

M/s Ray & Ray Chartered Accountants (Firm Registration Number: 301072E), were appointed as the Statutory Auditors of the Company for an initial term of 5 (five) consecutive years at the 10th Annual General Meeting of the Company held on 26th September, 2014. The appointment is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the rules made thereunder. The Audit Committee and the Board of the Company recommends to the Members of the Company to ratify the appointment of M/s. Ray & Ray as the Statutory Auditors of the Company for the financial year 2018-19.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors of the Company. The Statutory Auditors have expressed an unmodified opinion in their Audit Report for the financial year ended 31st March, 2018.

11. Secretarial Auditor

M/s. Kedarnath & Associates, the Practicing Company Secretaries, were appointed as the Secretarial Auditors of the Company for the financial year 2017-18 by the Board of Directors of the Company.

The Secretarial Audit Report for the year ended 31st March, 2018 issued by the Secretarial Auditors in accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder is annexed to this report separately as **Annexure - B.**

There are no qualifications or adverse remakes in the Secretarial Audit Report which requires any explanation from the Board of Directors of the Company.

12. Particulars of employees

The details of remuneration to Directors, Key Managerial Personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with rules made thereunder has been provided in **Annexure C** to this report.

13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In terms of Section 134 of the Companies Act, 2013 read with rules made thereunder, the particulars of conservation of energy, technology absorption, and foreign exchange earnings and outgo are set out in **Annexure D** to this report.

14. Corporate Governance

The report on Corporate Governance and a certificate from M/s. S. Kedarnath & Associates, Practicing Company Secretaries affirming the compliance with the various provisions of the Corporate Governance in terms of Regulation 27 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

15. Code of Conduct

In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, a declaration signed by Mr. Nitesh Shetty, the Chairman & Managing Director of the Company affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2017-18 forms part of the Corporate Governance Report.

16. Management Discussion and Analysis Report

In terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in a separate section of the Annual Report.

17. Extract of the Annual Return

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed format of MGT-9 for the financial year 2017-18 is provided in **Annexure–E** to this Report.

18. Particulars of Loans, Guarantees and Investments

Pursuant to the provisions of Section 134 of the Companies Act, 2013 the particulars of the loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 is detailed in the Notes to Accounts section of the Annual Financial Statements.

19. Related Party Transactions

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material in terms of the policy adopted by the Company, Section 188 of the Companies Act, 2013 and the Listing Regulations on the Related Party transactions.

The Related Party Transactions under IND-AS 24 undertaken during the financial year 2017-18 are detailed in the Notes to Accounts section of the Annual Financial Statements.

20. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. No complaint was received by the Management during the year.

21. Risk Management Policy

The Company has formulated a comprehensive Risk Management Policy.

22. Review of Subsidiaries and Associates

Pursuant to Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries and associates, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the rules made thereunder, forms part of the Annual Report.

A statement containing the salient features of the financial statements of the Company's subsidiaries is annexed to the Consolidated Financial Statement in the prescribed format of **Form AOC-1**.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with the relevant documents and separate accounts in respect of subsidiaries are available on the website of the Company.

During the year the following material changes occurred relating to subsidiaries:

- Addition of Subsidiary – Effective from July 12, 2017, Courtyard constructions Private Limited has become a subsidiary of the Company having 50% of the share capital held by Nitesh Estates Limited and 50% of the share capital held by Nitesh Urban Development Private Limited and Courtyard Constructions Private Limited has shifted its Registered Office to the State of Karnataka from the State of Maharashtra.
- The name of Kakanad Enterprises Private Limited, 100% Wholly owned subsidiary has been changed to Nitesh Office Parks Private Limited effective from April 3, 2017, and the Registered Office has been shifted from State of Kerala to State of Karnataka.
- The Arbitration Tribunal has passed its award in the dispute between the land owner Mr. George Thangaiah and Nitesh Indiranagar Retail Private Limited on 25th April 2018. The tribunal has rejected the stand of landowners and stated that there is no repudiation of contract. The tribunal has awarded a net amount of Rs 42 Crores to the subsidiary. The subsidiary has preferred an appeal

  In terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has adopted a policy for determining material subsidiaries. The Policy as approved may be accessed on the Company's website at the link: http://www.niteshestates.com/Investor relations/Policies & Other Related Matters/Material Subsidiary Policy

A. Nitesh Housing Developers Private Limited (NHDPL):

NHDPL is a wholly owned subsidiary of the Company.

The financial highlights are as below:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	500.00	500.00
Reserves & Surplus	(15817.35)	(9012.69)
Revenue from operations	(1389.16)	6001.46
Other Income	76.15	85.31
Profit/(Loss) Before Tax	(6877.79)	(2566.60)
Profit/(Loss) After Tax	(6841.06)	(2435.09)

B. **Nitesh Urban Development Private Limited (NUDPL):**

NUDPL is a wholly owned subsidiary of the Company.

The financial highlights (Standalone) are as below:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	658.20	658.20
Reserves & Surplus	(5505.82)	(3617.89)
Revenue from operations	749.29	3610.28
Other Income	42.41	47.54
Profit/(Loss) Before Tax	(1888.44)	(1004.72)
Profit/(Loss) After Tax	(1896.96)	(982.49)

C. **Nitesh Indiranagar Retail Private Limited (NIRPL):**

NIRPL is a wholly owned subsidiary of the Company.

The financial highlights (Standalone) are as below:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	6991.00	6991.00
Reserves & Surplus	17821.81	18243.53
Income from operations	-	-
Other Income	2.04	17.01
Profit/(Loss) Before Tax	(430.45)	(161.75)
Profit/(Loss) After Tax	(421.72)	(161.79)

D. **Nitesh Pune Mall Private Limited (formerly Anuttam Developers Private Limited)**

Nitesh Pune Mall Private Limited is a Tier II Subsidiary of the Company.

The financial highlights of Nitesh Pune Mall Private Limited are as follows:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	2804.10	2804.10
Reserves & surplus	(14905.91)	(8402.65)
Revenue from Operations	1329.67	1049.87
Other income	63.09	16.43
Total Income	1392.76	1066.30
Profit/Loss Before Tax	(6384.66)	(5964.37)
Profit/Loss After Tax	(6502.97)	(6080.91)

E. **Nitesh Property Management Private Limited (NPMPL):**

NPMPL is a 100% wholly owned subsidiary of the Company. NPMPL is mainly into the business of maintenance contracts with the owners of completed apartments developed by the Company.

The financial highlights are as follows:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	30.00	30.00
Reserves & Surplus	(613.73)	(302.39)
Revenue from operations	181.63	696.27
Other Income	0.08	0.64
Profit/(Loss) Before Tax	(314.22)	(240.66)
Profit/(Loss) After Tax	(314.22)	(240.85)

F. **Nitesh Office Parks Private Limited (Formerly Kakanad Enterprises Private Limited) :**

This Subsidiary has not yet commenced its commercial operations. NOPPL is a 100% subsidiary of the Company.

The status of the Subsidiary is as follows:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	5.00	5.00
Reserves & Surplus	(17.84)	(16.68)
Revenue from operations	-	-
Other Income	-	-
Profit/(Loss) Before Tax	(1.16)	(0.79)
Profit/(Loss) After Tax	(1.16)	(0.79)

G. **Courtyard Constructions Private Limited (CCPL):**

This Company has become wholly owned subsidiary of the Company during the year and the Company and the status of the Subsidiary is as follows:

(Rupees in Lakh)

Particulars	2017-18	2016-17
Paid up Capital	1.09	1.09
Reserves & Surplus	(76.87)	(27.43)
Revenue from operations	-	-
Other Income	17.99	-
Profit/(Loss) Before Tax	(49.45)	(1.79)
Profit/(Loss) After Tax	(49.45)	(1.79)

23. Additional Information to shareholders

All important and pertinent investor information such as financial results, investor presentations, press releases, project updates are made available on a regular basis on the website (www.niteshestates.com) of the Company.

24. Acknowledgement:

Your Directors are pleased to place on record their sincere appreciation of the valuable assistance and co-operation extended to the Company by its Customers, Bankers, Financial Institutions, State and Central Government authorities, Service Providers, Contractors and the Shareholders for the Company's operations.

Your Directors also place on record their appreciation on the significant contributions made, and support extended, by the employees of the Company at all levels during the year.

For and on behalf of the Board of Directors

sd/-

Place: Bengaluru
Date: May 30, 2018

NITESH SHETTY
Chairman & Managing Director
DIN: 00304555

Annexure A

Nomination & Remuneration Policy

1. PREAMBLE

The Board of Directors (the "Board") of the Company has adopted this policy and procedures with regard to Nomination and remuneration of the Board Members, Key managerial personnel and the Senior Management in the Company. The Board reserves the right to review and amend this policy from time to time based on the recommendation(s) received from the Nomination & Remuneration Committee and/or amendments or modifications in the applicable laws.

This policy is intended to regulate and evaluate the nomination and the remuneration payable to the Board Members and Senior Management in the Company based on the applicable laws and regulations.

2. DEFINITIONS

"Act" shall mean the Companies Act 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications or re-enactment thereof.

"Nomination & Remuneration Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and section 178 of the Companies Act, 2013.

"Board" or "Director" shall mean Board of Directors of the Company

"Company" means Nitesh Estates Limited

"Key Managerial Personnel (KMP)" means Key Managerial Personnel as defined under section 2 (51) read with Section 203 of the Companies Act, 2013.

"Policy" means the Nomination & Remuneration Policy of the Company.

"Senior management" means personnel of the Company who are members of its core management team excluding Board, comprising all members of management one level below the executive directors, including the functional heads.

3. APPLICABILITY AND EFFECTIVE DATE

This Policy will be applicable to the Company with effect from 1st October, 2014.

4. PURPOSE

This policy is framed as per the requirements of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges and as per the provisions of Companies Act, 2013.

5. COMPOSITION

i. The Committee shall consist of minimum three (03) members, and all of whom shall be Non-Executive Directors.

ii. Majority should be Independent Directors.

iii. Chairman should be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

iv. Minimum two (2) members shall constitute quorum for the Committee meetings.

6. MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. OBJECTIVE:

The Committee will assist the Board of Directors of the Company to:-

i. Determine, review and propose compensation principles/ policies for the Company

ii. Setting the compensation of the Company's Directors, KMPs (as defined under Companies Act, 2013) and Senior Management.

iii. Approve payments to the managerial personnel as per the policy laid down by the committee

iv. Assess and review compensation policy and plans recommended by the management

v. Recommend names to the Board of Directors for appointment of both Executive and Non-Executive including Independent Directors on the Board etc.

vi. Devising a policy on Board diversity.

8. RESPONSIBILITIES AND DUTIES:

The responsibilities and duties of the Committee can be categorized into:-

A. Nomination Policy:

a) Lay down the principles and policy for the selection, criteria for evaluation and Retirement of Independent and Non- Executive Directors.

b) Identify persons who are qualified to become directors-Independent, non-Executive & Executive and also persons who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

c) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and Senior management.

B. Remuneration Policy:

a) Submission of the Remuneration Policy to the Board for their approval

b) The Committee will provide compensation plans and practices on the basis of Remuneration principles

c) Describe main roles, responsibilities and competencies involved in the Remuneration process

d) Provide specific guidelines for the setting of Board of Directors and Executive Board members' remuneration

e) The Committee would also review the company's Remuneration principles

f) The Committee will specify the sitting fees payable to Non- Executive / Independent Director for attending meetings of Board or Committee thereof provided the same shall not exceed the prescribed limits under the Act.

g) The Committee would periodically review the implementation of the Remuneration Policy

h) The Committee may look into the Company's Internal Audit function limited to performing periodic reviews on the Remuneration to ensure the applicable rules and standards are complied with.

i) The Committee would set working standards for determining the Remuneration of the members of the senior management of the company and recommend to the Board for their approval.

j) The Committee would review and recommend the bonus/ performance pay to the Executive Directors to the Board.

k) Review and recommend to the Board of Director for approval of any Mandatory Disclosures of the Management Compensation

l) The Committee shall ensure, that:

   i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

9. PERFORMANCE REVIEW:

a) The Committee would review competitor's market data, trend analysis, Performance and the methodology for determining annual Remuneration pools with the management.

b) The Committee would assess individual performance evaluations of the Executive Board members including their performance inclusive of managing risk, compliance to the code of conduct etc.

c) The committee would get the inputs from the Company's internal control function, Code of Conduct for reviewing the performance.

10. REPORTING TO THE BOARD OF DIRECTOR:

a) The Committee would provide a periodical report to the Board of Directors on its activities, implementation of the Remuneration Policy and adhering to the applicable standards and rules and Remuneration paid to the Executive Board members.

b) The Committee would review and approve the annual Remuneration report prior to the Board of Directors approval, and ensure that the same will satisfy the Remuneration principles, policy, plans for the year.

c) The Committee would review the compensation setting process on annual basis.

11. DISCLOSURES

a) The Company is required to disclose the remuneration policy and evaluation criteria in the Annual Report.

b) The Company is also required to disclose pecuniary relationship or transaction of the non-executive directors vis-à-vis the Company and to make all other disclosures as required under Clause 49 of the Listing Agreement with the Stock exchange in the Annual Report of the Company.

12. GENERAL

This Policy and any amendments or replacements thereof will be communicated to the Board members, Key Managerial Personnel, the Senior management and other concerned persons. Nothing in this Policy shall override any provisions of law made in respect of any matter stated herein.

EVALUATION OF DIRECTORS

Companies Act 2013:

Section 134: Board's Report shall include a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Section 178 (2): The NRC shall carry out evaluation of every director's performance.

Schedule IV (code of Independent Directors):

- The Independent Directors shall bring an objective view in the evaluation of the performance of board and management.
- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Listing Agreement

Key functions of the Board includes Monitoring and reviewing Board Evaluation framework.

The role of the NRC shall include the following:

- Formulation of criteria for evaluation of IDs and the Board;

Performance evaluation of Independent Directors:

a. The Nomination Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors.

b. The company shall disclose the aforesaid criteria for performance evaluation in its Annual Report.

c. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated).

d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

EVALUATION OF PERFORMANCE OF DIRECTOR
(PROFORMA)

	Name of Director	
	Criteria	**Views of the Evaluators**
1	Attendance	
2	Preparedness for the Board Meeting	
3	Contribution in the Board room using expertise & knowledge and experience & wisdom	
4	Independence of views and judgment	
5	Interpersonal relationship	
6	Safeguarding minority shareholders' interest	
7	Facilitating best Corporate Governance practices	
8	Ownership of value building	

Process
Objective (narrative assessment) by all the Directors except himself

SUMMARY OF PERFORMANCE ASSESSMENT PROCESS OF BOARD COMMITTEES

	Audit Committee
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation

	Compliance Committ
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation

	Nomination & Remuneration Committee
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation

	Board Effectiveness Evaluation
1	Composition
2	Board Meetings
3	Board Agenda
4	Allocation of Board's time
5	Minutes
6	Superintendence of Board Committees
7	Input Management
8	Board Culture
9	Monitoring of Governance processes
10	Substance of effectiveness

ANNEXURE B

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nitesh Estates Limited,
Bengaluru 560 001

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and adherence to good corporate practices by **Nitesh Estates Limited** having **CIN: L07010KA2004PLC033412** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
3. The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made there under;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as applicable;
5. The Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time.
    i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
    ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 2015 as to the requirements of providing necessary information on the Company's website and other necessary disclosures;
    iii. There were no occasions needing compliance under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; hence not applicable
    iv. The Company has not issued any securities under ESOP/ESPS during the year under the provisions of the Securities and Exchange Board of India (Share Based Employees Benefits) Guidelines, 2014;
    v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
    vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006. Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the year under review.
    vii. The Company has not applied for delisting of Equity Shares in any stock exchanges under the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and hence not applicable.
    viii. The Company has not bought back any securities during the financial year under the provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013; and hence not applicable

We further report that based on the Industry Specific Laws identified by the Company and the guidelines issued by the Institute of Company Secretaries of India ('the ICSI') as applicable to the Company and as per the information received from the Management, records maintained, and on test check basis, the Company has, in our opinion, generally complied with the provisions of the following Industry specific laws / Guidelines to the extent applicable to it:.

(a) Real Estate (Regulation and Development) Act, 2016 and the rules made there under as applicable in Karnataka.

(b) The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act") and the rules made there under.

(c) Transfer of Property Act, 1882 ("T.P. Act") and the rules made there under.

(d) Registration Act, 1908 ("Registration Act") and the rules made there under.

(e) The Indian Stamp Act, 1899 ("Stamp Act") and the rules made there under.

(f) Easements Act, 1882 ("Easements Act") and the rules made there under.

(g) The Land Acquisition Act, 1894 and the rules made there under.

(h) Karnataka Land Revenue Act, 1964 ("KLR Act") and the rules made there under.

(i) Karnataka Apartment Ownership Act, 1972 ("KAO Act") and the rules made there under.

(j) Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 and the rules made there under.

(k) Karnataka Rent Control Act, 1999 ("Rent Act") and the rules made there under.

(l) Karnataka Stamp Act, 1957 ("KSA") and the rules made there under.

(m) Bangalore Water Supply and Sewage Act, 1964 and the rules made there under.

(n) Karnataka Town and Country Planning Act, 1961 ("KTCP Act") and the rules made there under.

(o) Karnataka Municipal Corporation Act, 1976 ("KMC Act") and the rules made there under.

(p) Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws") and the Rules made there under.

(q) Bangalore Development Authority Act, 1976 ("BDA Act") and the rules made there under.

(r) Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act") and the rules made there under.

(s) The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 ("Constructions Workers") and the rules made there under.

We have also examined compliances with respect to:

a) The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has generally complied with the said Standards.

b) The applicable clauses of the Listing Agreement with the BSE Limited and National Stock Exchange Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and report that the Company has complied with the same.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We state that since the provisions relating to Audit of Accounts and the related financial records including Goods and Services Taxes, Income Tax, Customs Law and other connected laws, orders and notifications have not been dealt with in any manner in our Secretarial Audit.

We further report that:

The Board and the Committees thereunder are constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. The changes in the composition of the Board and committees thereunder that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while dissenting member's views were captured or recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the

Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report, the following specific actions / events having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., covering the audit period 2017-18 are as under:

1. Postal Ballot was conducted for reappointment and approval of remuneration to the Managing Director and Wholetime Director and the resolution was passed by the members

For S Kedarnath & Associates
Company Secretaries

Date: May 30, 2018
Place: Bengaluru

Sd/-
S. Kedarnath
Company Secretary
C P No 4422

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure to Secretarial Audit Repor'

To,
The Members,
Nitesh Estates Limited,
(CIN: L07010KA2004PLC033412)
Bengaluru – 560 001

Dear Sir,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the company.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S Kedarnath & Associates
Company Secretaries

Date: May 30, 2018
Place: Bengaluru

S. Kedarnath
Company Secretaries
C P No 4422

Annexure-C

Statement pursuant to Section 134 of the Companies Act, 2013 and Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Age	Designation	Nature of Employment	Gross Remuneration (per Annum) (Including reimbursement	Qualifi-cation	Experience (in years)	Date of commencement of employment	Previous employment held
(A)	**Employed throughout the financial year**								
1	Mr. Nitesh Shetty	41	Chairman & Managing Director	Permanent employee	150,00,000	B.Com	17	20 Feb.2004	-
(B)	**Employed for part of the financial year - NIL**								

Note:

i. Gross remuneration comprises of salary, allowances, company's contribution to the provident fund and taxable value of perquisites.

ii. None of the employees mentioned above are relative of any Director of the Company.

iii. All the employees referred above are permanent employees of the Company and there is no other employee who is in receipt of remuneration in terms of the provisions of Section 134 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Top ten employees in terms of remuneration drawn

Sl. No	Name	Designation	Salary Drawn (2017-18) In Rs.
1.	Mr. Nitesh Shetty	Managing Director	150,00,000
2.	Mr. Vaidyanathan L S	Executive Director	95,85,012
3.	Mr. Shantanu Karkun	President – Projects	93,45,141
4.	Mr. Ashwini Kumar	Executive Director & Chief Operating Officer	90,00,000
5.	Mr. Venkateshan M A	Chief Financial Officer	78,24,144
6.	Mr. Pradeep Narayan	Executive Vice President – Operations	62,28,847
7.	Mr. Elangovan S P	Vice President – Construction Management	43,79,171
8.	Mrs. Sunitha George	Vice President – Customer Relation Management	42,06,304
9.	Mr. Jayaram N	Vice President – Human Resource and Admiration	37,59,900
10.	Mr. Srinivasan D	Company Secretary & Compliance Officer	36,91,296

For and on behalf of Board of Directors

Date: May 30, 2018
Place: Bengaluru

sd/-
Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHNAGE EARNINGS AND EXPENDITURE

I. CONSERVATION OF ENERGY

a) Energy conservation measure taken:

The Company has taken energy savings measures, viz.,

- Energy efficient design of the buildings. The buildings have been laid out and positioned in the best possible location to allow more natural light and ventilation and thereby reducing the energy consumption.
- Care has been taken to avoid direct sun light into the flats to the extent possible to reduce heat load and thereby reducing electricity consumption for cooling.
- High performance, double glass unit, curtain wall system for some buildings
- Installation of solar water heaters to reduce the EB power consumption
- Implementing rain water harvesting system in the projects. By this, the ground water table is recharged and rain water is utilized for domestic purposes, thereby reducing the dependency on municipal water supply.
- Use of water efficient plumbing fixtures to reduce water consumption
- Recycling of waste water thereby reducing net water consumption and reducing load on municipal drainage system.
- Adopting energy efficient light fixtures in common areas.

b) Additional investment and proposal:

The company as a matter of policy has regular programme for investments in energy saving devices. Investments are being done for the procurement of lifts which are more efficient and based on variable drive.

c) Impact of measure taken:

The impact and the energy conservation by the system adopted in (a) and (b) above will be known in the long run. These cannot be quantified at this stage nut will result in substantial reduction in power consumption.

II. TECHNOLOGY ABSORPTION

a. Company works on a mechanized process to reduce cost and increase the efficiency of the operations.

I. ERP system using SAP implemented successfully and the Company is benefitting from the same.

II. By appointing oversees architects, consultants technology upgradation has been brought to the projects.

III. Use of light weight blocks for construction of walls in the projects – The new technology available from Germany has been adopted in the projects. This has considerably saved the construction cost and time.

IV. The Sewage Treatment Plant (STP) – latest technology has been adopted, which is more efficient.. The recycling of treated water helps in conservation of water.

V. Use of high performace insulated glass curtain walls in some projects will substantially contribute to reduction in power consumption for lighting and cooling.

b. Benefits derived as a result of the above efforts:

The benefits can be listed as follows:

i. The functions and efficiency has improved with more transparency in the system.

ii. The designs brought into our projects have been praised by the customer.

iii. Savings in construction cost and time

iv. The new technology in STP saves space and energy.

III. RESEARCH AND DEVELOPMENT

a. Specific area in which R & D carried out by the Company:

The Company has introduced more robust quality checking norms for the building materials and workmanship, so that the quality product is delivered. Safety norms of the Company have been rolled out. The quality and safety work shop are conducted regularly at all the project sites, so that the end user is aware of the standards.

b. Benefits derived as a result of the above R & D

The benefits are in the long run by delivering the quality product to the customer.

c. Future Plan of Action

The continuous improvement in the above fields, identifying new products, identifying new technology in the construction industry, attending seminars, training the staff, etc.

d. Expenditure on R & D

It forms part of the project cost and cannot be quantified separately.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange inflow and outflow during the year are as follows:

Expenditure in foreign currency (on accrual basis)

(Amount in Rupees)

Particulars	Year ended 31.03.18	Year ended 31.03.17
Inflow	Nil	Nil
Outflow (Architect & other related fees)	19,19,744	10,878,290

For and on behalf of Board of Directors

Date: May 30, 2018
Place: Bengaluru

sd/-
Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure -E

Form No. MGT-9

Extract of the Annual Return as on the Financial Year ended 31st March, 2018

[Pursuant to section 92(3) *of the Companies Act, 2013* and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L07010KA2004PLC033412
ii	Registration Date	20th February, 2004
iii.	Name of the Company	Nitesh Estates Limited
iv.	Category Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v.	Address of the Registered office and contact details	Level 7, Nitesh Timesquare, # 8, M.G. Road, Bengaluru-560 001 Ph. No. : 080-40174000 www.niteshestates.com email: investor@niteshestates.com
vi.	Whether listed company	Yes
viii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Telephone No. : 91-040 67161510/ 67161512

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as below:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Development and construction of properties	410-Construction of buildings	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
i.	Nitesh Housing Developers Private Limited [1] 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U45201KA2007PTC044553	Subsidiary	100%	2 (87)
ii.	Nitesh Urban Development Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U45201KA2007PTC044561	Subsidiary	100%	2 (87)
iii.	Nitesh Indiranagar Retail Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U45201KA2007PTC042660	Subsidiary	100%	2 (87)
iv.	Nitesh Property Management Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U70102KA2010PTC056128	Subsidiary	100%	2 (87)
v.	Nitesh Office Parks Private Limited[2] (formerly Kakanad Enterprises Private Limited) 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U70200KA2007PTC020808	Subsidiary	100%	2 (87)
vi.	Nitesh Pune Mall Private Limited[3] (formerly Anuttam Developers Private Limited) Nitesh Mall, 37/4/2 North Main Road, Ghorpadigaon Pune - 411001	U45209PN2005PTC021214	Subsidiary	100%	2 (87)
vii.	Courtyard Constructions Private Limited[4] 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U70100KA1995PTC088020	Subsidiary	100%	2 (87)

1. Nitesh Estates Limited together with its wholly owned subsidiary Nitesh Office Parks Private Limited holds 100% of the shares, wherein Nitesh Estates Limited's shareholding is 89.10%.
2. The nomenclatures of Kakanad Enterprises Private Limited changed to Nitesh Office Parks Private Limited with effect from 3rd April, 2017
3. It is a tier 2 subsidiary of the Company effective 22nd May 2015, post-acquisition by Nitesh Indiranagar Retail Private Limited.
4. Nitesh Urban Development Private Limited, the wholly owned subsidiary of the Company holds 50% stake in Courtyard Constructions Private Limited and Nitesh Estates Limited holds 50% stake.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

SL. NO.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	PHYSI-CAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYS-ICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	43005695	0	43005695	29.49	43060595	0	43060595	29.53	0.04
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	24856207	0	24856207	17.04	25399482	0	25399482	17.42	0.38
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**67861902**	**0**	**67861902**	**46.53**	**68460077**	**0**	**68460077**	**46.94**	**0.42**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**67861902**	**0**	**67861902**	**46.53**	**68460077**	**0**	**68460077**	**46.94**	**0.42**

SL. NO.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	PHYSI-CAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSI-CAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	10906663	0	10906663	7.48		0	10987863	7.53	0.05
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Portfolio Investors	10423667	0	10423667	7.15		0	9200189	6.31	-0.84
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00

(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**21330330**	**0**	**21330330**	**14.63**	**0**	**0**	**20188052**	**13.84**	**-0.79**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate- Break up required									
	i Indian	12579604	0	12579604	8.62	12951815	0	12951815	8.88	0.26
	ii Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lakh	20154804	1007	20155811	13.82	20543865	1007	20544872	14.09	0.27
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	19944345	0	19944345	13.68	18337621	0	18337621	12.57	-1.11
(c)	Others	3960107	1	3960108	2.72	5349662	1	5349663	3.68	1.14
	Sub-Total B(2)	**56638860**	**1008**	**56639868**	**38.84**	**57182963**	**1008**	**57183971**	**39.22**	**0.38**
	Total B=B(1)+B(2)	**77969190**	**1008**	**77970198**	**53.47**	**77371015**	**1008**	**77372023**	**53.06**	**-0.41**
	Total (A+B)	**145831092**	**1008**	**145832100**	**100**	**145831092**	**1008**	**145832100**	**100**	**0**
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	**145831092**	**1008**	**145832100**	**100**	**145831092**	**1008**	**145832100**	**100**	**0**

(ii) ***Shareholding of Promoters***

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			Change in Share-holding	% Change in Share-holding During the Year
		No. of Shares	% of total Shares of the company	Pledged Shares	No. of Shares	% of total Shares of the company	Pledge Shares		
1	NITESH SHETTY	42974395	29.47	0	43029295	29.51	0	54900	0.04
2	NITESH INDUSTRIES PVT LTD	15556634	10.67	0	15834209	10.86	0	277575	0.19
3	BOLGATI ENTERPRISES PRIVATE LIMITED	6802460	4.66	0	6802460	4.66	0	0	0.00
4	HAMPTON INVESTMENTS PRIVATE LIMITED	2497113	1.71	0	2762813	1.89	0	265700	0.18
5	SUJATA K SHETTY	26300	0.00	0	26300	0.00	0	0	0.00
6	PUSHPALATHA V SHETTY	5000	0.00	0	5000	0.00	0	0	0.00
	Total	**67836902**	**46.52**	**0**	**68460077**	**46.94**	**0**	**598175**	**0.42**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters due to Market Purchase			Cumulative Shareholding during the year	
		No of Shares held	% of total shares of the company				No of Shares	% of total shares of the company
				Date	Bought	Sold		
1	NITESH SHETTY	42974395	29.47	09/06/2017	54900	-	43029295	29.51
2	NITESH INDUSTRIES PRIVATE LIMITED	15556634	10.67	30/06/2017	254300	-	15810934	10.86
				23/03/2018	23275	-	15834209	10.86
3	BOLGATI ENTERPRISES PRIVATE LIMITED	6802460	4.66	-	-	-	6802460	4.66
4	HAMPTON INVESTMENTS PRIVATE LIMITED	2497113	1.71	02/06/2017	33000	-	2530113	1.73
				07/07/2017	211100	-	2741213	1.87
				16/03/2018	21600	-	2762813	1.89
5	SUJATA K SHETTY	26300	0.00	-	-	-	26300	0.00
6	PUSHPALATHA V SHETTY	5000	0.00	-	-	-	5000	0.00
	Total	**67836902**	**46.52**				**68460077**	**46.94**

(iv) *Shareholding Pattern of top ten Shareholders as on March 31, 2018 (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in shareholding			Cumulative Shareholding during the year	Reason	Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Date	Bought	Sold	No. of Shares		No. of Shares	% of total shares of the company
1.	HSBC INDIAN EQUITY MOTHER FUND	10423667	7.15	01/12/2017	-	1223478	9200189	Market Action	9200189	6.31
2.	LIFE INSURANCE CORPORATION OF INDIA	6208422	4.26	-	-	-	6208422	-	6208422	4.26
3.	JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED	4933600	3.38	-	-	-	4933600	-	4933600	3.38
4.	BANK OF BARODA	4048241	2.78	-	-	-	4048241	-	4048241	2.78
5.	KAMLESH B SHAH	0	0.00	08/12/2017	945000	-	945000	Market Action	1125000	0.77
				29/12/2017	180000	-	1125000			
6.	SAHUJAIN SERVICES LTD	996550	0.68	22/09/2017		6850	989700	Market Action	989700	0.68
7.	MUKUL MAHAVIR AGRAWAL	0	0.00	12/01/2018	939714	-	939714	Market Action	939714	0.64
8.	MAVERICK FINANCIAL SERVICES PRIVATE LIMITED	0	0.00	19/01/2018	900000	-	900000	Market Action	900000	0.62
				23/02/2018	-	900000	0			
				02/03/2018	900000	-	900000			
9.	SHAREKHAN LIMITED	17269	0.01	07/04/2017	5882	-	23151	Market Action	678580	0.47
				14/04/2017	14851	-	38002			
				21/04/2017	-	15758	22244			
				28/04/2017	-	7475	14769			
				05/05/2017	-	950	13819			
				12/05/2017	-	2590	11229			
				19/05/2017	36	-	11265			
				26/05/2017	699	-	11964			
				06/06/2017	165	-	12129			
				09/06/2017	-	330	11799			
				16/06/2017	335		12134			
				23/06/2017	-	535	11599			
				30/06/2017	3985	-	15584			
				07/07/2017	3232	-	12352			
				14/07/2017	-	7386	19738			
				21/07/2017	-	10697	30435			
				28/07/2017	18230	-	12205			
				04/08/2017	4655	-	7550			
				11/08/2017	-	25592	33142			
				18/08/2017	4556	-	28586			
				25/08/2017	27476	-	1110			
				01/09/2017	25	-	1085			
				15/092017	-	42700	43785			
				22/09/2017	-	374800	418585			
				29/09/2017	1242	-	417343			
				06/10/2017	2595	-	414748			
				13/10/2017	4163	-	410585			
				27/10/2017	-	5000	415585			
				31/10/2017	3925	-	411660			
				03/11/2017	-	416138	827798			
				11/11/2017	-	123596	951394			
				17/11/2017	2492	-	948902			
				24/11/2017	-	503	949405			
				01/12/2017	-	53586	1002991			

				08/12/2017	685025	-	317966			
				15/12/2017	-	166123	484089			
				22/12/2017	17630	-	466459			
				29/12/2017	181418	-	285041			
				05/01/2018	265750	-	19291			
				12/01/2018	-	271829	291120			
				19/01/2018	-	337611	628731			
				26/01/2018	9985	-	618746			
				02/02/2018	-	36268	655014			
				09/02/2018	-	41483	696497			
				16/02/2018	13408	-	683089			
				23/02/2018	3678	-	679411			
				02/03/2018	-	264	679675			
				09/03/2018	-	3438	683113			
				16/03/2018	2153	-	680960			
				23/03/2018	422	-	680538			
				30/03/2018	1958	-	678580			
				31/03/2018	-	-	678580			
10	MOHSIN ALI VAKIL	346116	0.24	07/04/2017	107724	-	453840	Market Action	676616	0.46
				14/04/2017	10194	-	464034			
				21/04/2017	212582	-	676616			

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in the shareholding due to Market Action			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Date	Bought	Sold	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Nitesh Shetty	42974395	29.47	09/06/2017	54900	-	43029295	29.51	43029295	29.51
2	Mr. L. S. Vaidyanathan	139501	0.10	-	-	-	139501	0.10	139501	0.10
3	Mr. Ashwini Kumar	138818	0.10	-	-	-	138818	0.10	138818	0.10
4	Mr. G. N. Bajpai	100000	0.07	-	-	-	100000	0.07	100000	0.07
5	Mr. Jagdish Capoor	0	0.00	-	-	-	0	0.00	0	0.00
6	Mr. M D Mallya*	0	0.00	-	-	-	0	0.00	0	0.00
7	Mrs. Dipali Khanna	0	0.00	-	-	-	0	0.00	0	0.00
8	Mr. Mahesh Bhupathi	196410	0.13	19/05/2017	-	49645	146765	0.10	146765	0.10
9	Mr. D. Srinivasan	0	0.00	-	-	-	0	0.00	0	0.00
10	Mr. M. A. Venkateshan	0	0.00	-	-	-	0	0.00	0	0.00
	Total	**43549124**	**29.87**						**43554379**	**29.86**

*Resigned from the Board with effect from April 5, 2018.

(VI) Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,88,59,56,815	-	-	2,88,59,56,815
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	2,88,59,56,815	-	-	2,88,59,56,815
Change in Indebtedness during the financial year	-	-	-	
• Addition	303,61,77,368	-	-	303,61,77,368
• Reduction	94,06,98,821.2	-	-	94,06,98,821.2
Net Change	**209,54,78,547**	-	-	**209,54,78,547**
Indebtedness at the end of the financial year	-	-	-	
i) Principal Amount	498,14,35,363	-	-	498,14,35,363
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**498,14,35,363**	**-**	**-**	**498,14,35,363**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Nitesh Shetty, Chairman & Managing Director	Mr. L. S. Vaidyanathan, Executive Director	Mr. Ashwini Kumar, Executive Director & Chief Operating Officer	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,000,000	9,585,012	9,000,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify…				
5.	Others, please specify, (i) Variable pay				
	Total (A)				
	Ceiling as per the Act	**10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and the rules made thereunder. However, the Company has obtained the approval of the Central Government for the aforesaid remuneration.**			

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Jagdish Capoor	Mr. G. N. Bajpai	*Mr. M. D. Mallya	**Mr. Mahesh Bhupathi	Mrs. Dipali Khanna	
1	3. Independent Directors · Fee for attending board and committee meetings · Commission · Others, please specify	5,25,000	4,95,000	3,95,000	50,000	2,70,000	**17,35,000**
	Total (1)	5,25,000	4,95,000	3,95,000	50,000	2,70,000	**17,35,000**
2	4. Other Non-Executive Directors · Fee for attending board and/or committee meetings · Commission · Others, please specify						
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration (A)	-	-	-	-	-	
	Overall Ceiling as per the Act	The Independent Directors and the Non-Executive Directors are paid only the Sitting fees within the limits as prescribed under the Companies Act, 2013 and no other remuneration is being paid to them.					

Note:

*Mr. M D Mallya resigned from the Board with effect from April 5, 2018

**Mr. Mahesh Bhupathi was appointed as Independent Director with effect from March 20, 2018.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. D. Srinivasan, Company Secretary & Chief Compliance Officer	Mr. M. A. Venkateshan, Chief Financial Officer	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	36,91,296	78,24,144	1,15,15,440
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- -	- -	- -
5.	Others, please specify (i) Variable pay	-	-	-
	Total	36,91,296	78,24,144	1,15,15,440

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES;

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Nil		
Compounding					

For and on behalf of Board of Directors

Date: May 30, 2018
Place: Bengaluru

sd/-
Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Your Company believes that Corporate Governance is a key element in improving efficiency and growth, as well as enhancing investor confidence.

The Company's philosophy on Corporate Governance is sustained growth, increase in stakeholders' value, total transparency, accounting fidelity and to ensure service quality; all with a view to achieve business excellence. The Company places high emphasis on business ethics. The Company follows the Code of Business Conduct and Ethics.

The Corporate Governance framework of your Company is based on an effective Board with majority being Non-Executive Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under ('the Act'), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

1. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with the applicable provisions of the Act and the Listing Regulations.

The Board of Directors of the Company consists of 7 Directors, which includes the Chairman & Managing Director and 2 Whole Time Directors / Executive Directors. The remaining 4 are Independent Directors, including a woman director.

The composition of the Board as on the date of the report is as under:

Category of Directors	Name of Directors	Designation	DIN
Executive – Non-Independent- Promoter	Mr. Nitesh Shetty	Chairman & Managing Director	00304555
Whole time/ Executive – Non-Independent	Mr. L S Vaidyanathan	Executive Director-Business Development	00304652
Whole time/ Executive – Non-Independent	Mr. Ashwini Kumar	Executive Director & Chief Operating Officer	02034498
Non-Executive– Independent	Mr. G. N. Bajpai Mr. Jagdish Capoor Mrs. Dipali Khanna Mr. Mahesh Bhupathi*	Independent Director Independent Director Independent Director Independent Director	00946138 00002516 03395440 01603093

*Mr. Mahesh Bhupathi, was appointed as Independent Director with effect from March 20, 2018, prior to that he was a non-executive – non-independent director.

** Mr. M. D Mallya ceased to be director with effect from April 5, 2018.

Number of Board meetings held during the year and attendance thereat of each Director and at the last Annual General Meeting

The Board met 6 (Six) times on the following dates during the financial year 2017-18.

May 25, 2017	July 20, 2017
September 14, 2017	December 12, 2017
February 12, 2018	March 20, 2018

All the Directors have disclosed their interest in other companies directorships and memberships of Committees and other positions held by them. The offices held by the Directors are in compliance with the Act and the Listing Regulations. The details of attendance of Directors in the Board and the Annual General Meeting and details of their directorships and shareholdings as on the date of this report are below:

Name of the Director	No. of Board Meetings entitled to attend	No. of Board meetings attended	Attendance at the AGM held during the year	No. of other directorships held in listed public companies (1)		No of Committee membership (2)		No. of share held in the Company
				Chairman	Director	Member	Chairman	
Mr. Nitesh Shetty	6	6	Yes	-	-	-	-	43029295
Mr. G. N. Bajpai	6	5	Yes	-	4	4	2	100000
Mr. Jagdish Capoor	6	4	Yes	-	3	2	2	0
Mr. M. D. Mallya**	6	5	No		5	4	-	0
Mrs. Dipali Khanna	6	5	No		2	2	1	0
Mr. Mahesh Bhupathi*	6	1	No		-	-	-	35000
Mr. L S Vaidyanathan	6	6	No		-	2	-	139501
Mr. Ashwini Kumar	6	6	Yes		-	-	-	138815

*Mr. Mahesh Bhupathi, was appointed as Independent Director with effect from March 20, 2018, prior to that he was a non-executive – non-independent director.

** Mr. M. D Mallya ceased to be director with effect from April 5, 2018.

1. Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies, Associations and Government Bodies are excluded. Only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for the committee positions.
2. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees.
3. Details of the Directors seeking appointment/reappointment at the Annual General Meeting, together with the information required to be provided pursuant to the Listing Regulations have been given along with the Notice of the Annual General Meeting.
4. None of the Directors on the Board are related to one another inter-se.

Scheduling of Meeting of the Board

The meetings of the Board is pre-fixed at the beginning of the financial year by circulating the suggested dates and finalized in consultation with the Directors. The agenda for the meeting has structured pattern as items for noting, items for review and discussion and items for review and approval. The Business agenda is drawn in consultation with all the departments and the requisite material is submitted to the Board for their considered decision and advice.

Post meeting, the decisions and action items are discussed by the Management team and they are reported back to the Board as Action Taken Report and reviewed by the Board and the Committees thereof, as the case may be.

Code of Conduct

The Company had adopted the Code of Conduct for all the employees including Senior Management and the Directors. The Code of Conduct has been posted on the Company's website under the link: www.niteshestates.com/InvestorRelations/Policies and other related matters/Code of Conduct. Further, all the Board members and Senior Management Personnel pursuant to the Regulation 26(3) of the Listing Regulations have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

2. Audit Committee

In compliance with the Section 177 of the Act and Regulation 18 of the Listing Regulations, the Company has duly constituted the Audit Committee and it is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial statements, reviewing with the Management on the financial statements and adequacy of internal audit function, Internal Financial Control systems, recommending the appointment/ reappointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations. The Committee acts as a link between the Management, Statutory and Internal Auditors and the Board of Directors of the Company.

Powers & Roles of the Audit Committee:

The Powers of the Audit Committee has been based on the terms of reference made by the Board from time to time and as applicable under the Listing Regulations and as prescribed by the SEBI. Some of the powers enumerated below apart from the other prescribed under the Listing Regulations and the Companies Act, 2013:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Powers

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the Annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Composition, number of meetings of the Audit Committee held during the year and Attendance of Directors thereat:

The Audit Committee met 4 (Four) times during the year:

May 28, 2017	September 14, 2017
December 12, 2017	February 12, 2018

Composition of the Audit Committee as on the date of the report

Name	Category	Number of Meetings held during the year for which the directors were entitled to attend	Attendance
Mr. Jagdish Capoor Independent Director	Chairman	4	4
Mr. G. N. Bajpai Independent Director	Member	4	4
Mrs. Dipali Khanna * Independent Director	Member	NA	NA
Mr. L. S. Vaidyanathan Executive Director	Member	4	4
Mr. M. D Mallya **	Member	4	3

*Mrs. Dipali Khanna became the member of Audit Committee with effect from May 30, 2018,

**Mr. M. D Mallya was a member of the Committee till April 5, 2018.

3. Nomination and Remuneration Committee

a) The terms of reference of the Nomination and Remuneration Committee are as follows:

The role of the Committee shall, *inter-alia*, include the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees. To determine the remuneration packages for executive directors including pension rights and any compensation payments. To determine the remuneration to Executive Directors as required under the Companies Act, 2013 and the Rules made there under.

2. To formulate criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. The Nomination and Remuneration Committee shall also function as Compensation Committee to look after the Compensation & Benefits of employees. The same committee shall also consider the benefit and administration of the ESOP or any other similar scheme under the Securities and Exchange Board of India Guidelines as and when the same is considered by the Board.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

b) Composition and number of meetings of the Nomination and Remuneration Committee held during the year and Attendance of Directors thereat:

The Committee met once during the year on September 14, 2017.

Composition of the Nomination and Remuneration Committee as on the date of this report

The Nomination & Remuneration Committee comprises of 3 (Three) Independent Directors as members of the committee.

Composition:

Name	Category	Meetings held during the year	Attendance
Mr. G. N. Bajpai Independent Director	Chairman	1	1
Mr. Jagdish Capoor Independent Director	Member	1	1
Mrs. Dipali Khanna* Independent Director	Member	NA	NA
Mr. M. D Mallya**	Member	1	1

*Mrs. Dipali Khanna became the member of Nomination & Remuneration Committee with effect from May 30, 2018.

**Mr. M. D Mallya was a member of the Committee till April 5, 2018.

Evaluation of Performance of Directors (Proforma)

Sl. No.	Name of the Directors Criteria	Views of the Evaluators
1	Attendance	
2	Preparedness for the Board Meeting	
3	Contribution in the Board room using expertise & knowledge and experience & wisdom	
4	Independence of views and judgment	
5	Interpersonal relationship	
6	Safeguarding minority shareholders' interest	
7	Facilitating best Corporate Governance practices	
8	Ownership of value building	

Process
Objective (narrative assessment) by all the Directors except himself

Summary of Performance Assessment Process of Board Committees

	Audit Committee
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation
	Compliance Committee
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation
	Nomination & Remuneration Committee
1	General
2	Deliverance of allocated responsibilities
3	Qualitative Assessment
4	Summation : Overall Evaluation
	Board Effectiveness Evaluation
1	Composition
2	Board Meetings
3	Board Agenda
4	Allocation of Board's time
5	Minutes
6	Superintendence of Board Committees
7	Input Management
8	Board Culture
9	Monitoring of Governance processes
10	Substance of effectiveness

c) Remuneration Policy:

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive / Non-Executive Directors. Their remuneration is governed by the external competitive environment; track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration payable to the Managing Director and Executive Director is subject to the approval of the Board of Directors, the Members and the Central Government.

The detailed policy is stated as part of the Board's Report.

Remuneration paid to the Executive Directors during the financial year 2017-18:

Names of the Executive Directors	Total Remuneration paid (in Rs.)
Mr. Nitesh Shetty Chairman & Managing Director	150,00,000
Mr. L. S. Vaidyanathan Executive Director-Business Development	95,85,012
Mr. Ashwini Kumar Executive Director & Chief Operating Officer	90,00,000

* the Company has obtained necessary approvals for the payment of remuneration to the Executive Directors from the shareholders and the remuneration paid was within the limit prescribed under schedule V of the Companies Act, 2013, hence no approval of the Central Government was required to be obtained.

Non-Executive Directors

Non-Executive Directors are remunerated only by way of sitting fees for the meetings of the Board and the Committees thereof, attended by them and that there are no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis with the Company.

In view of the considerable time, expertise and efforts contributed by the Independent Directors at the their separate meeting, the sitting fees of Rs. 20,000/- was approved by the Board to each Independent Director for attending the said meeting under Schedule IV of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Details of sitting fees paid to the Non-Executive Directors are as under:

Name & Designation of Directors	Sitting Fees (Rs.)
Mr. Jagdish Capoor, Independent Director	525000
Mr. G. N. Bajpai, Independent Director	495000
Mr. M D Mallya, Independent Director **	395000
Mrs. Dipali Khanna, Independent Director	270000
Mr. Mahesh Bhupathi, Independent Director*	50000

*Mr. Mahesh Bhupathi, was appointed as Independent Director with effect from March 20, 2018, prior to that he was a non-executive – non-independent director.

** Mr. M. D Mallya ceased to be director with effect from April 5, 2018.

Other than the above Sitting fees no remuneration was paid to Non-Executive Directors.

The number of shares held by Non-Executive Directors along with their relative as on the date of the report is as below:

Name & Designation of Directors	No. of Equity Shares of Rs. 10/- each
Mr. G. N. Bajpai, Independent Director	1,00,000
Mr. Mahesh Bhupathi, Independent Director	35000

Meeting of the Independent Directors

Pursuant to the provisions of the Act read with the Rules made thereunder and the Listing Regulations, the Independent Directors of the Company are required to meet at least once a year without the presence of the Executive Directors or management personnel. Such a meeting is conducted to enable the Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views to the Chairman of the Board. The Chairman of the committee takes appropriate steps to present their views to the Chairman of the Board. During the financial year the Independent Directors met on February 12, 2018.

Board Evaluation

Pursuant to the provisions of the Act, and Listing Regulations the Board has carried out an evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its committees. The evaluation includes the composition of Board, adequacy of Independent Directors and process of holding the meeting and its committees, culture and execution and performance of the obligations and Governance of the Board as well.

Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee. During the financial year no contribution was made towards CSR, however, the Company aspires to contribute towards the society in the coming years.

Risk Management

The Company has formulated a comprehensive risk management policy as provided under Regulation 17 of the Listing Regulations.

4. *Stakeholders' Relationship Committee:*

The Stakeholders' Relationship Committee met 4 (Four) times during the year on

May 28, 2017	September 14, 2017
December 12, 2017	February 12, 2018

***Stakeholders' Relationship Committee* comprises of the following members:**

Name	Category	Meetings held during the year	Attendance
Mr. Jagdish Capoor Independent Director	Chairman	4	4
Mr. L. S. Vaidyanathan Executive Director	Member	4	4

Details of complaints received and resolved during the year are as under:

Particulars	Nos.	Nature of Complaints
Complaints received during the year ended March 31, 2018 a) For quarter ended June, 2017 b) For quarter ended September, 2017 c) For quarter ended December, 2017 d) For quarter ended March, 2018	 0 3 1 2	 Non receipt of Annual Report
Complaints resolved during the year ended March 31, 2018	6	
Number of complaints remaining unresolved	Nil	

Details of Compliance Officer as on the date of the report- Mr. D. Srinivasan, is the Company Secretary & Chief Compliance Officer of the Company.

5. *General Meetings*

a) **Date, time and location of the last three Annual General Meetings:**

Year	Date	Time	Location
2017	September 28, 2017	2.30 PM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052
2016	September 28, 2016	2.00 PM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052
2015	September 28, 2015	2.00 PM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052

Number of special resolutions passed during the previous three Annual General Meetings (AGM):

Day, Date & Time of AGM	No. of Special Resolutions Passed	Special Resolution passed
Thursday, September 28, 2017 at 2.30 P.M.	-	-
Wednesday, September 28, 2016 at 2.00 P.M.	-	-
Monday, September 28, 2015 at 2.00 P.M.	-	-

b) **Extraordinary General Meeting (EGM):** The Company has not conducted any Extra Ordinary General Meeting during the period under review. However a Postal Ballot was conducted on 30th October, 2017.

c) **Postal Ballot conducted during the financial year 2017-18:**

During the year, following two special resolutions and one ordinary resolution were passed through Postal Ballot on 30th October, 2017 for:

- Approval of members for re-appointment of Mr. Nitesh Shetty as Chairman and Managing Director for a period of 3 years and for remuneration payable to him
- Approval of members for re-appointment of Mr. Ashwini Kumar as Executive Director for a period of 3 years and for remuneration payable to him
- Ratification of remuneration payable to Cost Auditors for the financial year 2016-17 and 2017-18

Details of the outcome of the Postal Ballot conducted are as follows:

Resolution No. 1 –

Approval by way of Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company

Sl. No.	Particulars	No. of Ballot Forms	No. of Shares	% of total votes polled
	Physical Mode:			
A	Total Postal Ballot Forms received	47	48068	
B	Less: Invalid Postal Ballot forms	1	10	
B(1)	Less Voted		300	
C	Net Valid Postal Ballot in physical (A-B)	46	47758	
	Electronic Mode:			
D	Total Postal Ballot Forms received	29	10984257	
E	Less: Invalid Postal Ballot forms	0	0	
E(1)	Less Voted		0	
F	**Net Valid Postal Ballot in Electronic (D-E)**	29	10984257	
	Total Net Valid Postal Ballot in physical and electronic mode (C+F)	75	11032015	100
G	Postal Ballot Forms with Assent as Special Resolution _ Physical	35	43780	
H	Postal Ballot Forms with Assent as Special Resolution _ Electronic	26	10979986	
	Total Postal Ballot with ASSENT in physical and electronic mode	61	11023766	99.93
I	Postal Ballot Forms with Dissent as Special Resolution - Physical	11	3978	
J	Postal Ballot Forms with Dissent as Special Resolution _ Electronic	5	4271	
	Total Postal Ballot with DISSENT in physical and electronic mode	16	8249	0.07
	In brief, Total Votes polled FOR-RESOLUTION is 99.93 % and total Votes polled Against Resolution is 0.07%			

RESULT:

The votes cast in favour of the Special Resolution was 99.93% of the total valid votes received and consequently, the Special Resolution mentioned in the Resolution No. 1 of the Notice dated Friday, the September 22, 2017 was declared as passed by the requisite majority.

Resolution No. 2 –

Approval by way of Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for re-appointment and the remuneration payable to Mr. Ashwini Kumar (DIN:02034498), as Whole time Director designated as Executive Director & Chief Operating Officer of the Company

Sl. No.	Particulars	No. of Ballot Forms	No. of Shares	% of total votes polled
	Physical Mode:			
A	Total Postal Ballot Forms received	47	48068	
B	Less: Invalid Postal Ballot forms	1	10	
B(1)	Less Voted		350	
C	Net Valid Postal Ballot in physical (A-B)	46	47708	
	Electronic Mode			
D	Total Postal Ballot Forms received	29	10984257	
E	Less: Invalid Postal Ballot forms	0	0	
E(1)	Less Voted		0	
F	Net Valid Postal Ballot in Electronic (D-E)	29	10984257	
	Total Net Valid Postal Ballot in physical and electronic mode (C+F)	75	11031965	100
G	Postal Ballot Forms with Assent as Special Resolution _ Physical	34	43526	

H	Postal Ballot Forms with Assent as Special Resolution _ Electronic	25	10979926	
	Total Postal Ballot with ASSENT in physical and electronic mode	59	11023452	99.92
I	Postal Ballot Forms with Dissent as Special Resolution - Physical	12	4182	
J	Postal Ballot Forms with Dissent as Special Resolution _ Electronic	6	4331	
	Total Postal Ballot with DISSENT in physical and electronic mode	18	8513	0.08
	In brief, Total Votes polled FOR-RESOLUTION is 99.92 % and total Votes polled Against Resolution is 0.08%			

RESULT:

The votes cast in favour of the Special Resolution was 99.92% of the total valid votes received and consequently, the Special Resolution mentioned in the Resolution No. 2 of the Notice dated Friday, the September 22, 2017 was declared as passed by the requisite majority.

Resolution No. 3 –

Ratification of remuneration payable to the Cost Auditors for the financial years 2016-17 & 2017-18

Sl. No.	Particulars	No. of Ballot Forms	No. of Shares	% of total votes polled
	Physical Mode:			
A	Total Postal Ballot Forms received	47	48068	
B	Less:Invalid Postal Ballot forms	3	331	
B(1)	Less Voted		350	
C	**Net Valid Postal Ballot in physical (A-B)**	44	47387	
	Electronic Mode			
D	Total Postal Ballot Forms received	29	10984257	
E	Less:Invalid Postal Ballot forms	0	0	
E(1)	Less Voted		0	
F	**Net Valid Postal Ballot in Electronic (D-E)**	29	10984257	
	Total Net Valid Postal Ballot in physical and electronic mode (C+F)	73	11031644	100
G	Postal Ballot Forms with Assent as Special Resolution _ Physical	35	45145	
H	Postal Ballot Forms with Assent as Special Resolution _ Electronic	27	10980246	
	Total Postal Ballot with ASSENT in physical and electronic mode	62	11025391	99.94
I	Postal Ballot Forms with Dissent as Special Resolution - Physical	9	2242	
J	Postal Ballot Forms with Dissent as Special Resolution _ Electronic	3	4011	
	Total Postal Ballot with DISSENT in physical and electronic mode	12	6253	0.06
	In brief, Total Votes polled FOR-RESOLUTION is 99.94 % and total Votes polled Against Resolution is 0.06%			

RESULT:

The votes cast in favour of the Ordinary Resolution was 99.94% of the total valid votes received and consequently, the Ordinary Resolution mentioned in the Resolution No. 3 of the Notice dated Friday, the September 22, 2017 was declared as passed by the requisite majority.

Procedure adopted for Postal Ballot

i) The Board at its meeting held on September 14, 2017 approved the items of business to be passed through postal ballot and authorized Mr. Nitesh Shetty, Chairman and Managing Director and Mr. D. Srinivasan, Company Secretary to be responsible for the entire process of postal ballot.

ii) Mr. Sudhindra K. S, Practicing Company Secretary (C.P. No. 8190), who is not in employment with the Company was appointed as the Scrutinizer for the poll process

iii) Notice of postal ballot along with the ballot papers were sent to the shareholders on September 26, 2017 along with a self-addressed Business Reply envelope addressed to the Scrutinizer.

iv) An advertisement was published in the newspapers, English was published in Financial Express and Kannada was in Hosa Digantha on September 27, 2017 regarding the dispatch of ballot papers and notice of postal ballot.

v) The duly completed postal ballot papers were received by the Scrutinizer.

vi) Scrutinizer submitted his report to Mr. Nitesh Shetty, Chairman and Managing Director, on October 30, 2017.

vii) Mr. Nitesh Shetty, Chairman and Managing Director, announced the results on October 30, 2017.

The Postal Ballot result was communicated to the Stock Exchanges, and the result was also put up on the Company's Website.

6. Means of Communication

I. The quarterly unaudited results and Audited Annual Financial Results, in the prescribed format were published in the following Newspapers within 48 hours of the approval by the Board and also been provided to the Stock Exchanges:

i. Financial Express (English Daily) and

ii. Hosa Digantha (Kannada Daily)

ii The financial results are also available on the Company's official website i.e. www.niteshestates.com

iii Management Discussion and Analysis forms part of the Directors' Report.

iv The official news releases are posted on the Company's website.

v The presentations made to institutional investors/ analysts have been posted on the Company's website.

7. General Shareholder Information

I. Annual General Meeting (AGM)

Date: Friday, September 28, 2018

Time: 9.00 A.M.

Venue: "Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052

II. Financial Calendar

Financial Year: April 1 to March 31

III. Date of Book Closure

The Companies Register of Members, Register of Security holders and Securities Transfer Books will remain closed from **Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive)** for the purpose of AGM.

IV. Listing Information

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited with effect from May 13, 2010. It is hereby confirmed the Company has paid the listing fee as stipulated by the respective stock exchanges.

Name of the Stock Exchanges	Stock Code
B S E Limited Floor 25, P J Towers, Dalal Street, Mumbai 400 001	533202
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E) Mumbai – 400 051	NITESHEST, Series-EQ

The ISIN Number of the Company's Equity share is **INE639K01016**.

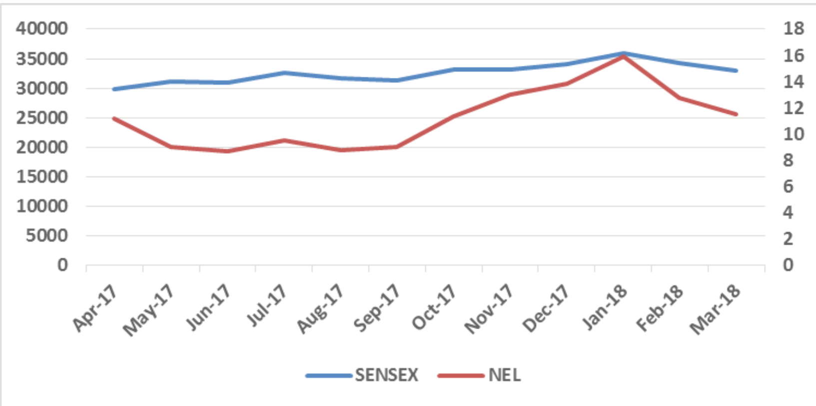
V. Stock Data

a. Monthly High & Low prices at BSE & NSE during the Financial Year 2017-18

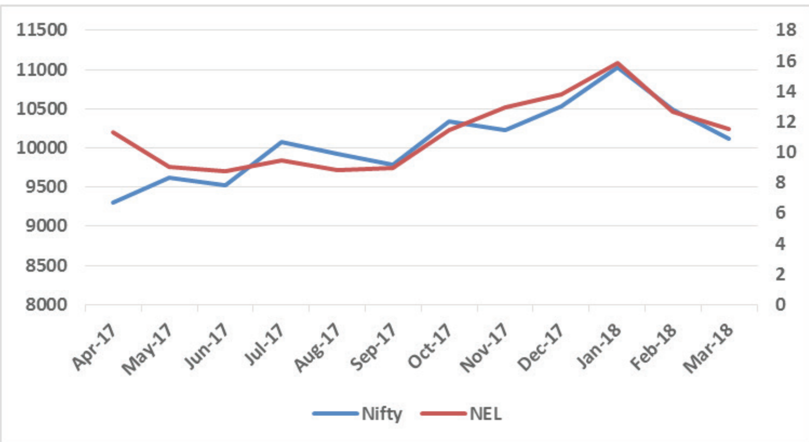
Month	NSE		BSE	
	High	Low	High	Low
April 2017	12.65	8.00	12.60	8.00
May 2017	11.15	8.40	11.50	8.50
June 2017	9.35	8.45	10.26	8.41
July 2017	10.55	8.65	10.65	8.66
August 2017	10.05	8.50	10.00	8.40
September 2017	10.45	8.65	10.60	8.66
October 2017	11.60	8.75	11.59	8.55
November 2017	14.65	10.05	14.61	10.00
December 2017	14.45	10.50	14.44	10.68
January 2018	23.70	12.95	23.50	13.00
February 2018	16.30	12.05	16.25	11.90
March 2018	13.30	10.60	13.35	11.02

b. The Company's share performance compared to BSE SENSEX and NSE NIFTY

- **Compared to BSE SENSEX**

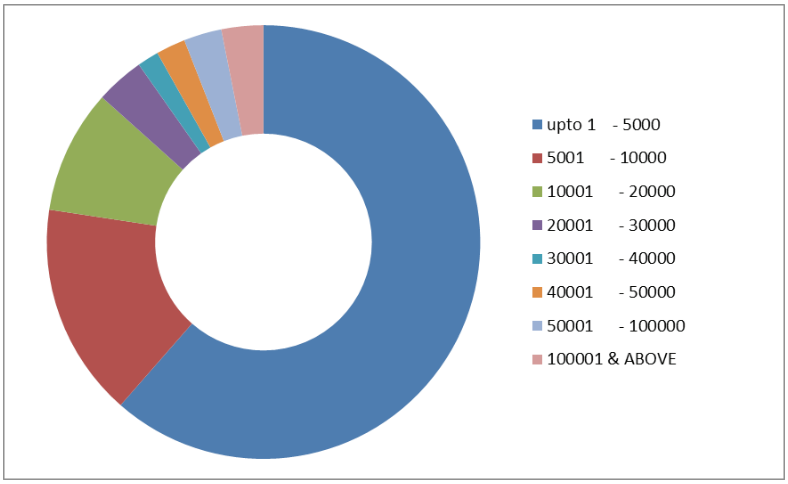


- **Compared to NSE NIFTY**



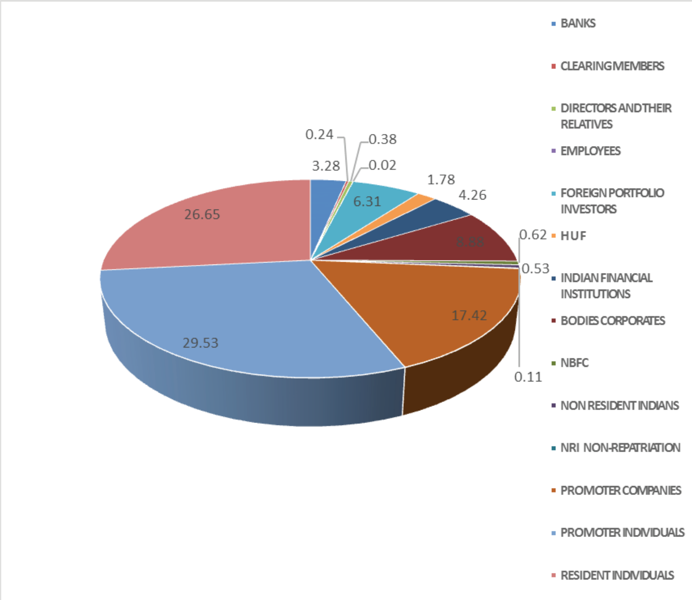
Distribution of shareholding as on March 31, 2018

Category	No. of Shareholders	% of Shareholders	Amount	% Amount
1 - 5000	12605	61.45	25651670.00	1.76
5001 - 10000	3269	15.94	29065110.00	1.99
10001 - 20000	1894	9.23	31068720.00	2.13
20001 - 30000	743	3.62	19880950.00	1.36
30001 - 40000	330	1.61	12199300.00	0.84
40001 - 50000	449	2.19	21774100.00	1.49
50001 - 100000	580	2.83	46231840.00	3.17
100001 & ABOVE	641	3.13	1272449310.00	87.25
Total	**20511**	**100.00**	**1458321000.00**	**100.00**



c. Shareholding pattern as on March 31, 2018

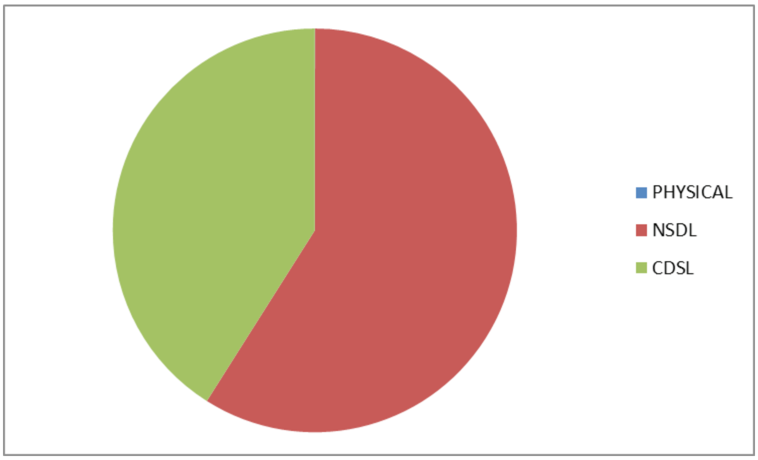
Category	No. of Share Holders	Total Shares	% Shareholding
BANKS	3	4779441	3.28
CLEARING MEMBERS	41	354973	0.24
DIRECTORS AND THEIR RELATIVES	7	560084	0.38
EMPLOYEES	12	22811	0.02
FOREIGN PORTFOLIO INVESTORS	1	9200189	6.31
H U F	551	2596526	1.78
INDIAN FINANCIAL INSTITUTIONS	1	6208422	4.26
BODIES CORPORATES	348	12951815	8.88
NBFC	2	903240	0.62
NON RESIDENT INDIANS	139	767995	0.53
NRI NON-REPATRIATION	53	164945	0.11
PROMOTER COMPANIES	3	25399482	17.42
PROMOTER INDIVIDUALS	3	43060595	29.53
RESIDENT INDIVIDUALS	19346	38859682	26.65
TRUSTS	1	1900	0.00
Total:	**20511**	**145832100**	**100**



d. Shares held in physical and dematerialized form as on March 31, 2018

Description	No. of Holders	No. of Shares	% to Equity
PHYSICAL	5	1008	0.00
NSDL	12091	127225312	87.24
CDSL	8415	18605780	12.76
TOTAL	**20511**	**145832100**	**100.00**

Shares in Electornic and Physical form



e. Share Transfer

The Company has appointed Karvy Computer Share Private Ltd., as Registrars and Share Transfer Agents (SEBI Registration No. INR000000221). The real time transfer will take place in case of dematerialised shares and in case of physical shares, the share transfers are normally effected within the maximum period of Fifteen days from the date of receipt, if all the required documentations are submitted.

f. Registrar and Transfer Agents:

Karvy Computershare Private Limited, Karvy House, No. 46, 8-2-609/K, Avenue 4, Street No. 1, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District,
Nanakramguda, Serilingampally Hyderabad – 500 032
Telephone No. : 91 040 67161510 Toll Free no.: 1800-345-4001
Email: mailmanager@karvy.com

g. Compliance Officer:

Mr. D. Srinivasan, Company Secretary & Chief Compliance Officer
Level 7, Nitesh Timesquare, # 8, M G Road, Bengaluru-560 001
Tel: +91 80 4017 4000,
Email: investor@niteshestates.com

8. Disclosures

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company.

Pursuant to Regulation 23 of the Listing Regulations, the Board of Directors has formulated a Policy on Related Party Transactions which can be accessed from the website of the Company at www.niteshestates.com/Investor Relations/Policies and other related matters/ Related Party Transaction Policy

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013. The transaction for which the approval of Central Government was obtained under earlier Companies Act, 1956 are reviewed and recorded by the Committee and Board. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The disclosure of related party transactions as per IND AS -24 is part of the Notes to Accounts section of the Financial Statement.

The Company has a policy for determining 'Material Subsidiary' which is disclosed on the Company's website at www.niteshestates.com/Investor Relations/Policies and other related matters/ Material Subsidiary Policy

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to the capital markets. The Company has not paid any fines during the last three financial years.

Compliance Certificate certified by the Managing Director and the Chief Financial Officer

The Chairman & Managing Director and the Chief Financial Officer have certified to the Board that the financials for the year ended March 31, 2018 are in accordance with Schedule II Part B of the Listing Regulations and an extract of the same is attached to this Report.

Whistle Blower Policy and Vigil Mechanism

The Company has a vigil mechanism policy for its directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the director(s) and employee(s) who avail of the mechanism. None of the directors/employees of the Company have been denied access to the Chairman of the Audit Committee.

No complaints have been received during the financial year 2017-18.

Non-mandatory Recommendation under the Listing Regulations

Schedule II Part E of the Listing Regulations states that non-mandatory requirements may be implemented as per the Company's discretion. The Company has adopted the following non-mandatory requirements of the Listing Regulations. The statuses of compliance of the non-mandatory requirements are as follows:

The Board: The Chairman of the Board is the Managing Director of the Company.

Shareholders Rights: The half-yearly declaration of financial performance together with the summary of significant events is not individually disseminated to the shareholders. However, the information on financial and business performance is updated in the 'Investor Relations' 'Financial Information' section of the Company's website i.e. www.niteshestates.com, on a quarterly basis.

Audit Qualifications: The audited financial statements of the Company for the financial year 2017-18 do not contain any qualifications and the Audit Report does not contain any adverse remarks.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

Directors Training/ Familiarization:

As part of the meetings of the Board any changes in law or updates on the Securities and Exchange Board of India, Companies Act, 2013 and other regulations and rules are updated to the Board Members from time to time.

Compliance Certificate

A Certificate from S. Kedarnath & Associates, Practicing Company Secretary, Bangalore confirming the compliance with the conditions of Corporate Governance under Regulation 27 read with Schedule V of the Listing Regulations forms part of this Annual Report.

The Secretarial Audit Report submitted by the Secretarial Auditor, attached to this Annual report is part of the Board's Report.

Subsidiary Companies

The Company has following unlisted subsidiary companies as on March 31, 2018.

i. Nitesh Housing Developers Private Limited

ii. Nitesh Urban Development Private Limited

iii. Nitesh Indiranagar Retail Private Limited

a. Nitesh Pune Mall Private Limited (formerly Anuttam Developers Private Limited)

iv. Nitesh Property Management Private Limited

v. Nitesh Office Parks Private Limited (formerly Kakanad Enterprises Private Limited)

vi. Courtyard Constructions Private Limited

The Audit Committee of the Company reviews the financial statements and the investments made by these unlisted subsidiary companies. The minutes of the Board meetings of all the unlisted subsidiary companies including non-material unlisted subsidiary companies are placed at the Board meeting of the Company. The Management also periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered, if any, by all the unlisted subsidiary companies.

CONFIRMATION OF CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for its Board of Directors and the Senior Management Personnel and the same is made available on the Company's website.

I hereby confirm that the Company has received the declarations for the financial year ended March 31, 2018 in confirmation of the compliance with the Code of Conduct by the members of the Board of Directors and the Senior Management Personnel of the Company as required under the provisions of Regulation 34 read with Schedule of V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Sd/-
Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Date: May 30, 2018
Place: Bangaluru

CEO/CFO CERTIFICATION PURSUANT TO REGULATION 17 (8) READ WITH SCHEDULE II OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Nitesh Estates Limited
Bengaluru 560 001

Dear Sir,

We, Nitesh Shetty, Chairman and Managing Director and Venkateshan M.A., Chief Financial Officer certify to the Board that:

a. We have reviewed financial statements and the Cash Flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief :

    i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee

    i. Significant changes in internal control over financial reporting during the year;

    ii. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and

    iii. There is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Nitesh Shetty
Chairman & Managing Director

Sd/-
Venkateshan M.A.
Chief Financial Officer

Place: Bengaluru
Date: May 30, 2018

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE BY COMPANY SECRETRAY IN PRACTICE

To
The Shareholders of
Nitesh Estates Limited
(CIN: L07010KA2004PLC033412)

We have examined the compliance of conditions of Corporate Governance by Nitesh Estates Limited ("the Company") for the year ended 31st March, 2018 as stipulated under Regulation 27 and Para C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of provision relating to Corporate Governance as stipulated in the aforesaid Listing Regulations. It is neither an audit nor an expression on opinion on the financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation of the Management, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For S Kedarnath & Associates

Sd/-
S. Kedarnath,
Practising Company Secretary
C.P. No. 4422

Place: Bengaluru
Date: May 30, 2018

FY2018: Management Discussion and Analysis

Socio Economic Environment

The global economic activity has gathered momentum across the globe including the developed economies and the emerging economies although lately there has been volatility in financial markets and global trade due to pronouncements about tariff barriers. The Indian economy slackened last year with GDP growth at 6.6 % compared to 7.1% in the previous year. The introduction of a major tax reform requiring the entire industry to readjust to the new GST laws did contribute to this, but since then the demand has rebounded particularly in travel and sales of passenger vehicles and consumer durables. The Reserve Bank of India has projected the GDP growth for the year 2018-19 to be around 7.3 to 7.4 per cent.

Real Estate Market

Indian Real Estate Market

There has been a series of radical and transformational reforms such as demonitisation, Real Estate Regulation & Development Act (RERA), FDI relaxations, GST, Benami Transactions (Prohibition) Amendment Act, Change in Accounting standards, all coming in a row and in quick succession. This will increase the transparency of Indian real estate transactions, making it more credible and attractive with only organized players on the ground. Home ownership being a priority ambition and investment objective for Indians, these reforms will have positive implications for home buyers.

The demand for homes has stabilized at a new low and is attracting only end users and investors are staying away from the market. The cycle time for purchase decisions has become long.

Real Estate Regulation & Development Act (RERA) came into effect and in the state of Karnataka with notification dated 10th July, 2017. This law will enforce unprecedented transparency and accountability requirements for developers and will increase the confidence of the consumers. The Goods and Service Tax (GST) and Benami Transactions (Prohibition) Amendment Act will also have a major impact on the operations of the real estate developers.

Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has introduced in June 2015, an interest subsidy scheme called Credit Linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (URBAN)-Housing for All, for purchase/construction/extension/improvement of house to cater Economical Weaker Section (EWS)/Lower Income Group (LIG)/Middle Income Group (MIG), given the projected growth of urbanization & the consequent housing demands in India. The qualifying criteria for affordable housing have been relaxed. This effectively increases the size of affordable housing market across India. This segment saw several new launches and were marketed under the buzzword of "smart", "millennial", "efficient" homes.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2016 across the top eight cities amounted to 29 million square feet (msf) with Bengaluru recording the highest net absorption during the year. Information Technology and Business Process Management sector led the total leasing table with 52 per cent of total space uptake in 2016. Mumbai is the best city in India for commercial real estate investment, with returns of 12-19 per cent likely in the next five years, followed by Bengaluru and Delhi-National Capital Region (NCR).

Bengaluru Real Estate Market

Bengaluru is proving to be a shining spot for the real estate industry. It has witnessed phenomenal migration in last few decades to become the Silicon Valley of India with a 40% share of IT industry. Due to good market drivers – IT/ITes sector – which ensures strong macro-economic dynamics, most home buyers find Bengaluru a perfect place to settle and retire. There has been a significant decline in the absorption, however Bengaluru has been affected to a lesser extent as compared to the other cities in India. The average yield rental yields are comparatively better ranging between 2-4% as compared to cities like Mumbai where yields are in range of 1-3%.For investors looking for less volatile market in a long term, Bengaluru provides an attractive investment option.

The Company

Company Overview and Market Positioning

Nitesh Estates Limited ("Nitesh Estates" or "Company") is an integrated property developer and one of India's most recognized luxury real estate brands with presence in multiple asset classes: Residential, Commercial, Hotel and Shopping Mall. Since inception, the Company has brought over 21.60 mn sq. ft. of area under development. The Company made its Initial Public Offering in May 2010 and was listed on the Bombay Stock Exchange and the National Stock Exchange.

The Company has a very strong brand equity, business processes and partnerships to attain the next stage of growth. Since inception, the Company has completed 13 projects across residential, commercial and hospitality segments covering a developable area of 3.61 mn sq. ft. Nitesh Estates currently has 17 ongoing residential projects with a total developable area of approx. 8 mn sq. ft. The revenue potential of these projects is over Rs. 3000 Crore over 3-5 years.

Nestled in the heartland of Pune, Nitesh HUB is a whole new shopping and entertainment destination in Pune spread over 1 mn sq. ft. The mall has a current occupancy level of around 70% and is expected to be fully occupied in FY 2019 In the commercial space, Nitesh Estates has 4 ongoing/upcoming commercial projects in Bangalore central business district (CBD) covering an area of over 0.45 mn sq. ft. The Company is targeting to attain an annual rental income of over Rs. 300 Crore within the next 5 years through its portfolio of income generating assets.

The Ritz-Carlton, one of the world's finest brands for luxury hospitality, partnered with the Company to bring India's first Ritz Carlton Hotel in Bengaluru. Operational since October 2013, The Ritz-Carlton is an epitome of luxury and Nitesh Estates development capabilities & has become an important landmark in the city.

Nitesh Estates has a comprehensive corporate governance framework with an eminent Board and strong management team with significant experience across industries. In line with best in class corporate governance practices, the Company has a high proportion of independent directors.

Operational Performance

During the year, the Company sold 90,055 sq. ft. of area with a Sales Value of Rs. 62.38 Crore exclusive of taxes. The average realization for the year was Rs. 6,927 per sq. ft., which is one of the best in the Bengaluru real estate industry. The Company sold 49 units in the mid-income, high-income and luxury residential segments. The collections were at Rs. 53.13 Crore in FY2018.

Financial Performance in IND AS (Figures)

Nitesh Estates generated revenue of Rs. 56.07 Crore, compared with FY 2017 revenue of Rs. 311.84 Crore. The Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. (-) 114.61 Crore as compared to Rs. -19.13 Crore in the previous year. The Profit/(Loss) after Tax during the year was Rs. (256) Crore.

There were 10 projects under income recognition during the year with Unrecognized Income of Rs. 87 Crore. The Company expects increased revenue going forward owing to various projects getting to advanced stages of construction.

Revenue Breakup: - IND AS (Figures)

Rs. Lakhs	FY2018	*% share*	FY2017	% share
Property Development	2114	*37.70*	26390	84.63
Contractual Activities/ Other Operating Income	2	*0.04*	24	0.08
Income from Sale of Land		*0*	2650	8.50
Maintenance Income	807	*14.39*	1192	3.82
Lease Rent	702	*12.52*	523	1.56
Misc- Other Income	2004	*35.35*	705	1.42
Total	**5629**		**31484**	

Financial Condition *IND AS (Figures)*

Rs. Lakhs

Particulars	**March 31, 2018**	**March 31, 2017**
Sources of funds		
a. Shareholders' funds	(8951)	12900
b. Minority Interest	-	-
c. Loan funds	130592	104771
Total	**121641**	**117671**
Application of funds		
a. Fixed assets (net)	67350	67065
b. Investments	4341	8871
c. Net current assets	47304	41660
d. Deferred tax/ miscellaneous expense, among others	2646	75
Total	**121641**	**117671**

Particulars	12 months ended March 31, 2018	12 months ended March 31, 2017
Profit before tax	(26709)	(14009)
Add: Adjustments	25477	12402
Add: Net working capital	1234	1610
Less: Income Tax paid	-	-
Net cash flow from operating activities	(13572)	21588
Net cash flow from investing activities	439	3633
Cash flow from financing activities	13524	(26634)
Net cash inflow / (outflow)	**393**	**(1410)**

Liquidity

As of March 31, 2018, the Company had cash and cash equivalents of Rs. **6,40,46,632-/-.** On a standalone basis, the Company had a total debt of Rs. **4,98,14,35,363**-/- and the net worth was at **3,41,45,67,244**. The Company is closely monitoring the debt levels and plans to reduce the high cost debt from the cash generated from on-going projects and exiting some non-core assets in the portfolio from time to time.

Business Strategy

Complying with Real Estate Regulation and Development Act

The main motive behind establishment of Real Estate Regulation and Development Act (RERA) is to ensure that real estate transactions happen in an efficient and transparent manner and to protect the interest of the consumers along with establishment of an adjudicating mechanism for speedy dispute redressal. Nitesh Estates has geared up its internal processes for becoming compliant with the requirements of RERA.

Growing the residential business segment in Bangalore

Bangaluru continues to be one of the most attractive real estate markets in India. Rightly called the 'Silicon Valley' of India, the city has 40% of India's IT industry. The presence of large IT multinationals, together with the largest number of high-tech start-ups of any Indian city, is providing added impetus to Bangaluru's entrepreneurial growth. Most of the demand in Bangalore is consumer driven. Nitesh Estates is one of the most recognized real estate developers in Bangaluru. The Company is focused on expanding its market share in the Bangaluru market through its strategy of offering a range of products varied by price, location and type of homes.

Revenue diversification and expansion of rental income

Nitesh Estates has been strategically focused on diversifying its revenue to include recurring income stream. In line with this strategy, the Company acquired a shopping mall in Pune, Nitesh Hub.. During FY2016, Nitesh Estates also signed a platform partnership agreement with Goldman Sachs to invest in income generating assets. Total assets/investments under the partnership will be upto $250-$300 million. The Company intends to expand its rental revenue to Rs. 300 Crore annually in next 5 years. Nitesh Estates also has 4 ongoing/ upcoming commercial properties in Bangaluru central business district (CBD) covering an area of over 0.45 mn sq. ft.

Investment in systems and technologies

Information Technology continues to support all aspects of business and operations at Nitesh Estates through continued investment in enterprise wide SAP platform including data analytics.. The Company continues to explore and implement new emerging technologies for furthering business objectives. IT forms the core of all communication and information exchange for ongoing monitoring and effective decision making.

Selective geographic expansion

The Company believes that deep insights into the community and clientele and a thorough understanding of the policies, priorities and processes of the local Government are essential factors that drive success. In line with this belief, Nitesh Estates has chosen to operate in the South Indian market. Majority of the ongoing and upcoming projects are located in Bengaluru, where the Company has strong experience of executing several projects since its incorporation. Furthermore, Bangaluru is considered to be one of the best real estate markets in India. Nitesh Estates is also selectively pursuing opportunities in other southern cities such as Chennai, Kochi and Goa.

Managing and promoting talent

Nitesh Estate's culture is focused on customer-centricity, collaborative team work, result orientation, entrepreneurial mindset and developing people. One of the key growth strategies at Nitesh Estates is to manage and promote talent by providing growth opportunities, rewards, respect, learning and fun. The Company's employees are both an important stakeholder group and key players in its business. With their skills and achievements, the Company is driving a culture of innovation, sustained growth and profitability for Nitesh Estates.

Opportunities and Threats

Opportunities in all segments of real estate development are driven by the macroeconomic forces on account of the unique current situation where a large part of the population consists of people less than 24 years of age, that is people who are young and productive. The benefits to the economy, commonly termed as the demographic dividend is benefitting the real estate sector. The other macroeconomic force is the rapid rate of urbanization on account of migration of population to cities, the growth centres. Implementation of Real Estate Regulation and Development Act (RERA) will bring in more transparency to the real estate transactions and boost buyer's confidence. The disposable income has been steadily increasing and there is easier availability of consumer finance coupled with a declining interest rate trend. All the aforesaid aspects result in opportunities in all segments of real estate.

The key threats to real estate business emanate from the cyclicality of the business owing to the tide and ebb in consumer and business confidence. Going forward, with the e-commerce market in India making itself look attractive, can pose a serious threat to the retail real estate. Other immediate challenges to the business are from:

- environmental risks such as depletion of water table
- potential impact of global slowdown on the Bengaluru IT/ITES industry
- increase in cost of commodities and building materials
- increase in interest rates which could result in depressed demand from customers and at the same time increase our interest burden
- shortage of labour and skilled technical manpower and the consequent upward pressure on cost of human resources
- regulatory and policy changes results in higher costs and delays in approvals related with projects

Risk management

The Company has an established enterprise risk management framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. The ability to anticipate risks and respond effectively is critical for achieving the Company's objectives and provides value to stakeholders. The risk management process also addresses long term strategic and operational planning, talent acquisition and retention, treasury management, financial reporting and controls, information technology and security, environment health and safety compliance, legal, taxation, communication, regulatory compliance and code of conduct for employees. The Company believes that risk is an integral part of every business and promotes a culture of building ability to anticipate and manage the risks effectively and converting them into opportunities. Risk assessment is conducted by the risk management committee and the program is reviewed periodically by the Audit Committee.

There are several areas of risk related with:

- the macroeconomic environment
- the title of land and joint development partners
- the information technology systems and disaster recovery
- the project management resulting in deviation from planned time, quality, cost and safety
- the availability and cost of building materials
- the changes in statutes and processes in decision making by the Government
- the availability of finance and the cost of financing

- the human resources – their availability, costs and compliance with the code of ethics of the Company
- the vendors and business partners
- the assets of the Company
- the customers and the competitors

Internal Control Systems

Nitesh Estates has an elaborate internal control system which monitors compliance to internal processes. It ensures that all transactions are authorized, recorded and reported correctly. Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of the Company, validation of IT security continues to receive focused attention of the internal audit. The Company has appointed PricewaterhouseCoopers its internal auditor. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting to the Audit Committee of the Board.

In order to ensure compliance with the Company's Act related with Internal Financial Control (IFC), the Company appointed KPMG to carry out a study on the processes of the Company and suggest remedial measures if any. Certain process changes were instituted and KPMG reported that the Company is compliant with the requirements of IFC. For the subsequent periods, internal audit has been mandated to specifically carry out audits with respect to the compliance with IFC requirements.

The Company strives to continuously strengthen the internal control systems by adopting standard operating procedures and by delegating roles and responsibilities to various Department heads for effective implementation of the same. This is to ensure that the Company conducts its business with highest standards of statutory, legal and regulatory compliance.

Outlook

In 2017, Indian real estate industry saw the biggest policy changes. Policies like GST and RERA are on their way to full implementation. The long term outlook still remains attractive due to economic growth, increasing urbanization, employment opportunities, affordability, favorable demographics, urbanization, and preferred location by NRIs, expats and IT/ITES professionals. Further, income tax benefits, interest subvention scheme, lower interest rates and availability of financing options support the growing demand. Management would adopt a cautious approach and observe the developments closely while making decisions. The key focus for us in the following year would be:

- <u>Focus on execution and revenue recognition</u>: There are 12 residential projects currently in execution having a developable area of 5.87 million sq ft. There are another 5 residential projects having a developable area of 2.16 million sq ft which are in various stages of design and approval and are targeted for launch during the coming quarters. This represents a huge growth in the intensity of the business and correspondingly on the revenue and profits of the Company. We are now focused on staying ahead on the cash collection cycle and accelerate execution. The consumers are highly discerning and the market is competitive. For success in the market place timeliness and quality of delivery are the differentiators.
- <u>Compliance with RERA:</u> The Company has been focusing on operational changes to be compliant with RERA. The process includes identification of process which has to undergo change, modification and roll out Standard Operational Procedure (SOP) to be compliant.
- <u>Design and Innovation:</u> The Company has always focused on building a strong brand recall and differentiating itself from the competitors by continuous investments in new design and innovation for projects. Our association with leading firms like KPF, WATG, Callison, RK Associates and CnT help us develop projects which provide our customers a unique living experience.
- <u>Cash-flow Management</u> – Tight control on accounts receivables and accounts payables with the objective of reducing the interest burden.
- <u>Customer Relationship</u> – Enhance customer experience at each of their touch points starting with at the stage at which we interact with them to assist in selection of a home till the time it is handed over.

Human Resources Development

Nitesh Estates employs people across all functions. The Company strives to be an Employer of Choice. High quality recruitment supports the talent management practices of the Company. The Company continues to foster a high performance culture by recognizing good performers and providing them with career enhancing opportunities. Several HR initiatives have been taken for the strategic alignment of the HR function with the business objectives. These initiatives encompass employee engagement, learning & development besides improved internal communication mechanism with employees.

Our registered and corporate office is located in Bengaluru. This houses employees who oversee our financial, administrative, design and planning and other reporting functions. We have not experienced any material strikes, work stoppages, labor disputes. Our work-force consists of our permanent employees, consultants and labor work force that work at projects through sub-contractors. The function-wise break-up of our employees is as below.

Functions	2018	%	2017	%
Administration & Secretarial	34	16.75	35	12.73
Business Development & Liason	10	4.93	11	4.00
Company Secretarial Department	3	1.48	4	1.45
Construction Management	42	20.69	63	22.91
Contracts & Procurement	4	1.97	6	2.18
Pre-Construction - Design & Planning	6	2.96	8	2.91
Facility Management	18	8.87	30	10.91
Internal Audit	8	3.94	8	2.91
Internal Support (HR, IT and F&A)	20	9.85	35	12.73
Legal	7	3.45	8	2.91
MD & COO's Office	5	2.46	9	3.27
Pune Mall	19	9.36	22	8.00
Sales & Marketing & Customer Service	27	13.30	36	13.09
Grand Total	203	100	275	100

For the development of some of our projects, we also engage third party consultant engineers, architects, interior designers and landscape designers. In addition to our employees, we also engage the services of contractual workers which include tradesmen, car drivers, housekeeping personnel and other skilled, unskilled and semi-skilled workers. Our consultants, contractors and sub-contractors who work on our projects also employ a significant labor force.

Cautionary Statement

Statements in this Management Discussion and Analysis contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Nitesh Estate's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Nitesh Estates undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For and on behalf of the Board of Directors

Sd/-

Place: Bengaluru **Nitesh Shetty**

Date: May 30, 2018 **Chairman & Managing Director**

DIN:00304555

Standalone Accounts

Independent Auditor's Report

To
The Members of
Nitesh Estates Limited
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Nitesh Estates Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of the affairs of the Company as at 31st March, 2018 and its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

1. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date of opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued

statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and on which we expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 27thMay, 2017and 28th May, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

2. Refer Note no 47 of the Ind AS financial statements wherein it is noted that the management is in the process of refunding the advance booking received before applicability of RERA from the potential customers due to non-registration of projects under RERA and is in the process of complying with the pending requirements of RERA Act.

Our opinion is not modified in respect of this matter.

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 Section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a) We have sought and obtained all the information and explanations except information related to deferred tax assets/ liabilities as stated in Note no 20(a), 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 it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the 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 controls 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,as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations against the Company on its financial position in its standalone Ind AS financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note 34.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore

Date: 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our report to the members of **NITESH ESTATES LIMITED** under the heading 'Report on Other Legal and Regulatory Requirements of our report at even date.

We report that:

i. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.

b) According to the information and explanation given to us, some of the fixed assets have been physically verified by the Management during the year in a phased program and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

c) According to information and explanation given to us no immovable properties are held in the name of the company.

ii. The Company is engaged in the business of real estate development and related services and holds inventories in the form of land, developed and under development of properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the procedures and frequency of the physical verification by way of title deeds, site visits by the management and certification of work completion are reasonable and adequate having regard to the size of the Company and the nature of its business.

iii. According to the information and explanation given to us, the Company has granted unsecured loans to companies, firms, or other parties as listed in the register maintained under Section 189 of the Companies Act, 2013 (Refer to Note 30 to the financial statements).In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.

iv. According to the information and explanation 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 deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The Central Government has prescribed for the maintenance of the cost records under Section 148(1) of the Companies Act, 2013 in respect of the products of the Company. Accordingly, the Management has appointed a Cost Auditor whose report is still awaited and could not be produced to us.

vii. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess, Custom Duty, Goods and Services Tax (GST) and other statutory dues applicable to it.

There are no undisputed amounts payables in respect of provident fund, Employees' State Insurance, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities except GST of Rs. 6 Lakhs and Income Tax of Rs 488 Lakhs [Refer Note no 34 (a) (ii)] as at 31st March, 2018 for a period more than six months from the date they became due.

(b) According to the information and explanations given to us, the following are the disputed statutory dues which have not been deposited by the company as on 31st March, 2018.

Name of Statute	Nature of Dues	Period to which the amount relates	Amount (₹ in Lakhs)	Forum where Disputes is Pending
Income Tax Act, 1961	Income tax	AY 2009-10	148	CIT- Appeal
		AY 2011-12	66	CIT-Appeal
		AY 2011-12	9	CIT- Appeal
KAVAT Act	VAT	AY 2009-10	247	JCCT – Appeal
		AY 2011-12	421	DCCT-Audit
		AY 2012-13	1,655	DCCT-Audit
		AY 2013-14	118	DCCT-Audit

Refer Note no 34 (a) (ii) to the notes to the financial statements for interest on income tax.

viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. However, the Company has defaulted in repayment of principal and interest to debenture holders for an amount of Rs. 8311 Lakhs [Refer note 17(i)]. The Company has not taken any loans or borrowings from the government.

ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us ,no fraud on or by the company has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the said order are not applicable.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us by the management all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., 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 under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

'Annexure B' to the Independent Auditor's 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 **NITESH ESTATES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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.

Auditors' 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 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. 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, to the best of our information and according to the explanations given to us, the Company generally 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 31 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 .

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

Balance sheet as at March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	as at 31 March 2018 (₹)	as at 31 March 2017 (₹)	as at 1 April 2016 (₹)
Assets				
Non- current assets				
Property, plant and equipment	4.1	71	101	102
Capital work-in-progress	4.2	12,998	12,998	12,998
Intangible assets	5	15	21	31
Financial assets				
Investments	6	37,400	47,665	49,610
Trade receivables	9	-	-	-
Loans	7	279	263	248
		50,763	**61,048**	**62,989**
Inventories	8	29,164	31,340	44,105
Financial assets				
Trade receivables	9	3,669	1,723	1,397
Cash and cash equivalents	10	420	46	854
Bank balance other than cash and cash equivalents	11	-	153	1,001
Loans	7	2,201	2,029	1,780
Other current financials assets	12	3	-	-
Other current assets	13	42,202	29,301	24,213
Current tax assets (net)	14	137	119	64
		77,796	**64,711**	**73,414**
Total assets		**128,559**	**125,759**	**136,403**
Equity and liabilities				
Equity				
Equity share capital	15	14,583	14,583	14,583
Other equity	16	19,563	32,696	36,962
Total equity		**34,146**	**47,279**	**51,545**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	-	-	-
Other financial liabilities	18	-	-	-
Provisions	19	222	131	134
Deferred tax Liability (Net)	20	1,050	3,877	3,792
Other non-current liabilities	21	-	-	-
		1,272	**4,008**	**3,926**
Current liabilities				
Financial liabilities				
Borrowings	17	49,814	28,860	24,761
Trade payables	22	17,066	12,690	9,222
Other financial liabilities	18	-	322	2,085
Provisions	19	46	65	26
Other current liabilities	21	26,215	32,535	44,838
		93,141	**74,472**	**80,932**
Total liabilities		**94,413**	**78,480**	**84,858**
Total equity and liabilities		**128,559**	**125,759**	**136,403**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
Date : 30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Statement of profit and loss for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	(₹) for the year ended 31 March 2018	(₹) for the year ended 31 March 2017
Revenue from operations	23	2,754	19,429
Other income	24	1,358	189
Total income		**4,112**	**19,618**
Expenses			
Land and construction cost	25	994	4,871
(Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	25a	2,176	12,765
Employee benefits expense	25b	1,736	1,278
Finance costs	26	4,468	2,981
Depreciation and amortization expense	27	44	70
Other expenses	28	5,433	1,817
Total expenses		**14,851**	**23,782**
Profit/(loss) before tax		**(10,739)**	**(4,164)**
Tax expenses			
Current tax	29	-	-
Deferred tax	29	(1,177)	90
Total tax expense		**(1,177)**	**90**
Profit/(loss) for the year		**(9,562)**	**(4,254)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined beneift plan		(6)	(18)
FVOCI-Equity Investments		(5,405)	-
Tax relating to these items		1,840	6
Other comprehensive income for the year, net of tax		**(3,571)**	**(12)**
Total comprehensive income for the year		**(13,133)**	**(4,266)**
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)]			
Basic ₹		-6.56	-2.92
Diluted ₹		-6.56	-2.92

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
Date : 30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Statement of Cash Flows for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	(₹) for the year ended 31 March 2018	(₹) for the year ended 31 March 2017
Operating activities			
Profit/ (Loss) before tax		**(10,739)**	(4,164)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		44	70
Profit from sale of fixed assets		(3)	-
Gain/ (loss) on disposal of investments		3,558	-
Interest income		(178)	(156)
Finance costs		4,468	2,981
Bad debts/ advances written off and provided for		200	20
Share of profit from investment in partnership firm		23	5
Working capital adjustments:			
(Increase)/ decrease in Inventories		2,176	12,765
(Increase)/ decrease in trade receivables		(2,146)	(346)
(Increase)/ decrease in other financial and non-financial assets		(9,125)	(4,547)
Increase/ (decrease) in trade payables and other financial liabilities		483	1,695
Increase/ (decrease) in provisions		72	36
Increase/ (decrease) in other non-financial liabilities		(7,971)	(12,308)
		(19,139)	(3,949)
Income tax paid (net of refund)		-	-
Net cash flows from/ (used in) operating activities (A)		(19,139)	(3,949)
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(11)	(60)
Proceeds from sale of property, plant and equipment		5	-
Redemption of Investments - net		2,854	1,928
Interest received		178	156
Net cash flows from/ (used in) investing activities (B)		3,026	2,024
Financing activities			
Proceeds from short-term borrowings		20,955	4,098
Interest paid (gross)		(4,468)	(2,981)
Net cash flows from/ (used in) financing activities (C)		16,487	1,117
Net increase/ (decrease) in cash and cash equivalents		374	(808)
Cash and cash equivalents at the beginning of the year	10	46	854
Cash and cash equivalents at the end of the year	**10**	**420**	**46**

Statement of Cash Flows for the year ended March 31, 2018 (Contd.)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Components of cash and cash equivalents		
Cash on hand	3	3
Balance with banks		
- on current account	417	43
Total cash and cash equivalents	**420**	**46**

Note:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow".

(b) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes

Reconciliation of liabilities arising from financing activities

Particulars	As at 31st March, 2017	Changes as per statement of cash flows	As at 31st March, 2018
Current borrowings	28,860	20,955	49,814
Non-Current borrowings	-	-	-
Total Liabilities from Financing Activity	**28,860**	**20,955**	**49,814**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

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Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
Date : 30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount in
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2016	145,832,100	14,583
At March 31, 2017	145,832,100	14,583
At March 31, 2018	**145,832,100**	**14,583**

b. Other equity

For the year ended March 31, 2018

	Reserves and Surplus		Other Reserve	Total
	Security Premium	Retained Earnings	Fair Value through Other Comprehensive Income - Equity Instrument	
As at April 1, 2016	31,259	5,703	-	36,962
Profit/(Loss) for the period	-	(4,254)	-	(4,254)
Other comprehensive income*	-	(12)	-	(12)
Total comprehensive income	**31,259**	**1,437**	**-**	**32,696**
Less : Transferred during the year	-	-	-	-
At March 31, 2017	**31,259**	**1,437**	**-**	**32,696**
As at April 1, 2017	31,259	1,437	-	32,696
Profit/(Loss) for the period	-	(9,562)	-	(9,562)
Other comprehensive income	-	(6)	(3,565)	(3,571)
Total comprehensive income	**31,259**	**(8,131)**	**(3,565)**	**19,563**
At March 31, 2018	**31,259**	**(8,131)**	**(3,565)**	**19,563**

* As required under Ind AS complaint Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
May 30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1 Corporate Information

Nitesh Estates Limited (the Company or 'NEL') was incorporated on 20 February 2004. NEL is a real estate developer engaged in the business development, sale, management and operation of residential buildings, retail and hotel projects, commercial premises and other related activities. The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited with effect from May 13, 2010. The registered office of the company is located at : Level 7, Nitesh Timesquare,#8, M.G. Road, Bangalore – 560 001.

The standalone Ind AS financials statements were authorised for issue in accordance with a resolution of the directors on 30th May 2018.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements of the Company which are prepared in accordance with Ind AS. Refer to note 45 for information on how the Company adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

- Amended Standards adopted by the Group – The amendments to the Ind AS7 require disclosure of changes in liabilities arising from the financing activities.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue does not include sales tax/ value added tax (VAT) and Goods Service Tax (GST) as the same is not received by the Company on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

i. Recognition of revenue from real estate development

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers` commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from real estate projects is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

a) all critical approval necessary for the commencement of the project has been obtained

b) the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred,

c) at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,

d) at least 10% of the contract value as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognised are reversed.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined.

Further, for projects executed through joint development arrangements, wherein the land owner/ possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds. The project costs include fair value of land being offered for the project and revenue from the development and transfer of constructed area/ revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

ii. **Recognition of revenue from contractual projects**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The stage of completion on a project is measured on the basis of proportion of the contract work/based upon the contracts/ agreements entered into by the Company with its customers.

iii. Unbilled Receivables & Billed Receivables in excess of revenue

Unbilled receivables represents revenue recognized based on Percentage of Completion Method over and above the amount due as per the payment plans agreed with the customers.

Billing in excess of revenue represents the amount due as per the payment plans agreed with the customers over and above the revenue recognized based on Percentage of Completion Method.

iv. Share in profits/(loss) from investments in Association of Person ('AOP')

The Company's share in profits from AOP where the Company is a member, is recognized on the basis of such AOP's audited accounts, as per terms of the agreement

v. Income from Sale of Land & Plots

Sale of Land and plots (including development rights) is recognized in the financial year in which the agreement to sell is executed. Where the Company has any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting.

vi. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

vii. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

b) Property, plant and equipment

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are expensed as incurred.

Subsequent costs are included in the asset`s carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item with the item will flow to the Company and the cost of the item can be measured realiably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided 'Written Down Value Method' based on useful life as prescribed under Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets/ Computer software is amortised using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e) Investment Property

Ind AS 101 permits a first-time adopter to measure an item of investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) Segment reporting

Identification of segments - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment

Segment accounting policies - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole

g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) **Exchange difference**: The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

h) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

j) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

k) Fair value measurement

The Company measures financial instruments, such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

m) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

n) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

r) Provisions

A provision is recognized when a Company has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

u) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

v) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under Joint Development Arrangements (JDA) is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. Further, the amount of refundable deposit paid by the Company under JDA is recognised as deposits under loans.

w) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainty that the Company will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

x) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i) **Work-in-progress**: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) **Finished goods** - Stock of Flats: Valued at lower of cost and net realizable value.

iii) **Raw materials, components and stores:** Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) **Land stock**: Valued at lower of cost and net realizable value.

Net realizable 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.

3 Significant accouting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Going concern

These financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation.

These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

ii) Classification of property

The Company determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Revenue recognition, contract costs and valuation of unbilled revenue

The Company uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate projects. The percentage of completion is measured by reference to the stage of the projects determined based on the proportion contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4.1 Property, plant and equipment

(₹)

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
Deemed Cost *						
At 1 April 2016	21	14	19	22	26	102
Additions	-	-	6	16	34	56
Disposals	-	-	-	-	-	-
At 31 March 2017	**21**	**14**	**25**	**38**	**60**	**158**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	1	1
At 31 March 2018	**21**	**14**	**25**	**38**	**59**	**157**
Depreciation and impairment						
At 1 April 2016	-	-	-	-	-	-
Charge for the year	17	4	9	9	13	52
Disposals	-	-	-	-		-
Other adjustments	-	-	-	-	5	5
At 31 March 2017	**17**	**4**	**9**	**9**	**18**	**57**
Charge for the year	3	2	5	6	12	28
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 31 March 2018	**20**	**6**	**14**	**15**	**30**	**85**
Net Book value						
At 31 March 2018	**1**	**8**	**11**	**23**	**29**	**71**
At 31 March 2017	**4**	**10**	**16**	**29**	**42**	**101**
At 1 April 2016	**21**	**14**	**19**	**22**	**26**	**102**

* For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

4.2 Capital Work in progress

(₹)

	Investment property under construction	Property, Plant and Equipment	Total
At 1 April 2016	12998	-	12,998
Additions	-	-	-
Capitalised during the year	-	-	-
At 31 March 2017	**12,998**	**-**	**12,998**
Additions	-	-	-
Capitalised during the year	-	-	-
At 31 March 2018	**12,998**	**-**	**12,998**

Note:

Investment properties under construction

Capital work-in progress includes investment properties under construction amounting to ₹ 12,998 Lakhs. The Management is of the view that the fair value of investment properties under construction cannot be realiably measured and hence fair value disclosures pertaining to investment properties under construction have not been provided.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

5 Intangible assets (₹)

	Computer - Software	Total
Deemed Cost*		
At 1 April 2016	31	31
Additions	8	8
Other adjustments	-	-
At 31 March 2017	**39**	**39**
Purchase	10	10
Other adjustments	-	-
At 31 March 2018	**49**	**49**
Amortization and impairment		
At 1 April 2016	-	-
Additions	18	18
Other adjustments	-	-
At 31 March 2017	**18**	**18**
Charge for the year	16	16
Other adjustments	-	-
At 31 March 2018	**34**	**34**
Net Book value		
At 31 March 2018	**15**	**15**
At 31 March 2017	**21**	**21**
At 1 April 2016	**31**	**31**

* For intangible assets existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

6 Investments

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
(A) Investments in equity instruments (fully paid up), valued at cost unless otherwise stated						
Unquoted						
a) Subsidiary Companies						
6,99,10,000(2017: 6,99,10,000, 2016: 6,99,10,000) equity shares of ₹ 10/- each fully paid up in Nitesh Indiranagar Retail Private Limited	-	-	-	18905	18905	18905
44,94,900 (2017: 44,94,900, 2016: 44,94,900) equity shares of ₹ 10/- each fully padi up in Nitesh Housing Developers Private Limited				449	449	449
41,50,000 (2017: 41,50,000, 2016: 41,50,000) preference shares of ₹ 10/- each fully paid up in Nitesh Housing Developers Private Limited (Equity portion of Preference Shares) **Refer note (i) below**	-	-	-	7703	7703	7703

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

50,000 (2017: 50,000, 2016: 50,000) equity shares of ₹ 10/- each fully paid up in Nitesh Office Parks Pvt. Ltd [Formerly known as Kakanad Enterprises Private Limited]	-	-	-	5	5	5
Less: Provision for impairment in the value of Investments				(5)	(5)	(5)
65,82,000 (2017: 65,82,000, 2016: 65,82,000) equity shares of ₹ 10/- each fully paid up in Nitesh Urban Development Private Limited	-	-	-	2367	2367	2367
3,00,000 (2017: 3,00,000, 2016: 3,00,000) equity shares ₹ 10/- each fully paid up in Nitesh Property Management Private Limited	-	-	-	30	30	30
Less: Provision for impairment in the value of Investments				(30)	(30)	(30)
5,490 (2017: NIL, 2016: NIL) equity shares of ₹ 10/- each fully paid up in Courtyard Construction Private Limited	-	-	-	1422	-	-
b) Associates						
NIL (2017: 13,64,01,904, 2016: 15,23,72,579) equity shares of ₹ 10/- each fully paid up in Nitesh Residency Hotels Private Limited	-	-	-	-	16151	18227
c) Others (measured at fair value to OCI)						
8,22,52,406 (2017: NIL, 2016: NIL) equity shares of ₹ 10/- each fully paid up in Nitesh Residency Hotels Private Limited	-	-	-	4335	-	-
(B) Investments in preference shares (fully paid up)						
41,50,000 (2017: 41,50,000, 2016: 41,50,000) preference shares of ₹ 10/- fully paid up in Nitesh Housing Developers Private Limited (Fair value of debt portion of Preference Shares). **Refer note (i) below and 46(4)**	-	-	-	1211	1058	922
(C) Investments in Association of Persons (AOP)						
Nitesh Estates -Whitefield. **Refer note (ii) below**	-	-	-	1009	1031	1037

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(D) Investment in Government and trust securities (unquoted)						
National Savings Certificate	-	-	-	-	-	-
Total	**-**	**-**	**-**	**37,400**	**47,665**	**49,610**
Aggregate amount of quoted investments	-	-	-	-	-	-
Market value of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	-	-	-	37,435	47,700	49,645
Aggregate amount of impairment in the value of investments				35	35	35

Note:

(i) Non-cumulative redeemable preference shares (NCRPS) carries non-cumulative dividend of 9% p.a. The preference shares carry discretionary dividend in accordance with the terms of issue. Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each NCRPS holder is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to NCRPS. These shares may be redeemed, in whole or in part, at the option of the company at any time on or after 12 December 2012 subject to satisfaction of certain conditions, at the stipulated redemption amount. If not redeemed earlier, these shares will be redeemed on 11 December 2032.

(ii) The particulars of partners of the AOP and the profit sharing ratio are as follows :

Partnership firm	Name of Partners	Share of Profit
Nitesh Estates -Whitefield	Nitesh Estates Limited	24%
	Mrs. Showri Reddy	42%
	Mr. Joji Reddy	34%

7 Loans (Unsecured, considered good unless otherwise stated)

(₹ Lakhs)

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Security deposit						
* Refundable deposit towards joint development agreement	2,201	2,029	1,780	-	-	-
Security deposit paid to related parties				177	177	177
Security deposit to others	-	-	-	102	86	71
	2,201	2,029	1,780	279	263	248
	2,201	**2,029**	**1,780**	**279**	**263**	**248**

* Advances paid by company to the land owners towards joint development of land is recognised as deposits since the advances is in the nature of refundable deposit.

8 Inventories (valued at lower of cost and net realizable value)

	31-Mar-18	31-Mar-17	01-Apr-16
	₹	₹	₹
Land held under joint development arrangements	19,956	23,463	37,770
Properties under development	9,208	7,877	6,163
Finished goods	-	-	172
	29,164	**31,340**	**44,105**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

9 Trade receivables

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
(a) Unsecured, considered good						
Trade receivables						
- from related parties	332	1,066	1,066	-	-	-
- from others	3,337	657	331	-	-	-
(b) Unsecured, considered doubtful						
Trade receivables	-	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-	-
Total Trade receivables	**3,669**	**1,723**	**1,397**	**-**	**-**	**-**

10 Cash and cash equivalent

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Cash on hand	3	3	1	-	-	-
Balances with banks:					-	
– On current accounts	417	43	853	-	-	-
	420	**46**	**854**	**-**	**-**	**-**

11 Bank balances other than cash and cash equivalent

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Other bank balances						
– Fixed Deposits with bank	-	153	1,000	-	-	-
– Margin money	-	-	1	-	-	-
	-	**153**	**1,001**	**-**	**-**	**-**

12 Other Financial Assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
(a) Unsecured, considered good						
Others						
Interest accrued on deposits	3	0	-	-	-	-
	3	**0**	**-**	**-**	**-**	**-**
(b) Unsecured, considered doubtful						
Advances paid towards Joint Development	1,334	1,334	1,253	-	-	-
Less: Provision for doubtful debts/advances *	1,334	1,334	1,253	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**3**	**-**	**-**	**-**	**-**	**-**

*The Company has advanced to various parties for purchase/joint development of land/properties. Considering the timelines of these advances and the period for conversion of these advances into acquired land /joint development agreements ranging between seven to ten years of time for the recoverability/conversion, the management keeping in view the long term nature of these advances and as an abundant caution, provision has been made on the basis of life time expected credit loss.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

13 Other assets

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Advance towards JDA including Non -refundable deposits						
Unsecured, considered good						
Advances paid towards Joint Development-***	11,251	7,264	6,150	-	-	-
Advances paid towards Joint Development to Related Parties-**	108	108	108	-	-	-
Others						
a) Unbilled Revenue						
- related party	1,155	1,155	1,155	-	-	-
- others	10,535	11,506	8,522	-	-	-
b) Vendor advances						
- related party	156	32	32			
- others	5,988	3,220	3,697	-	-	-
c) Advances for supply of goods and rendering of services						
- related party	106	77	88	-	-	-
Advances for supply of goods and rendering of services	1,765	1,809	737	-	-	-
d) Prepaid expenses - NFA	30	37	60	-	-	-
e) Balances with government authorities	533	324	233	-	-	-
f) Deferred Lease expense	-	2	13	-	-	-
g) Receivable from related parties	10,576	3,766	3,418		-	-
	42,202	29,301	24,213	-	-	-

** The Company has granted unsecured loans and advances to related parties in the ordinary course of business towards furtherance of the business objectives of the Company. The interest charged on such loans and advances, wherever applicable, is not prejudicial to the interests of the Company.

*** Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation..

14 Current tax assets (net)

	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Advance Income Tax (Net of Provision, TDS Receivable)	67	49	(6)			-
MAT credit entitlement	70	70	70			
	137	**119**	**64**	**-**	**-**	**-**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

15 Equity Share Capital

	31-Mar-18 (₹)	31-Mar-17 (₹)	01-Apr-16 (₹)
Authorised			
15,00,00,000 (2017: 15,00,00,000 and 2016: 15,00,00,000) equity shares of ₹ 10 each	15,000	15,000	15,000
Issued, subscribed and fully paid shares			
14,58,32,100 (2017: 14,58,32,100 and 2016: 14,58,32,100) equity shares of ₹10 each	14,583	14,583	14,583
	14,583	14,583	14,583

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting period

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares	**(₹)**	**No of Shares**	**(₹)**	**No of Shares**	**(₹)**
Equity shares						
At the beginning of the year	145,832,100	14,583	145,832,100	14,583	145,832,100	14,583
Add: Equity shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	145,832,100	14,583	145,832,100	14,583	145,832,100	14,583

c) Details of shareholders holding more than 5% shares in the Company

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares	**% Holding**	**No of Shares**	**% Holding**	**No of Shares**	**% Holding**
Equity shares of `10 each fully paid up						
Nitesh Shetty, Managing Director	43,029,295	30%	42,974,395	29%	42,974,395	29%
Nitesh Industries Private Limited	15,834,209	11%	15,556,634	11%	15,556,634	11%
Nomura India Investment Fund Mother Fund	-		-		12,971,738	9%
HSBC Bank (Mauritius) Limited	9,200,189	6%	10,423,667	7%	10,423,667	7%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

16 Other equity

	31-Mar-18	31-Mar-17	01-Apr-16
	(₹)	(₹)	(₹)
RESERVES AND SURPLUS			
Securities premium	31,259	31,259	31,259
Retained earnings	(8,131)	1,437	5,703
	23,128	**32,696**	**36,962**
OTHER RESERVE			
FVOCI - Equity Instruments	(3,565)	-	-
	(3,565)	**-**	**-**
	19,563	**32,696**	**36,962**

(A) RESERVES AND SURPLUS		
(a) Securities premium		
Balance at the beginning of the year	31,259	31,259
Add: Adjustment during the year	-	-
Balance at the end of the year	**31,259**	**31,259**
Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.		
(b) Retained earnings		
Balance at the beginning of the year	1,437	5,703
Profit/(loss) for the year	(9,562)	(4,254)
Other cocmpehensive income	(6)	(12)
Balance at the end of the year	**(8,131)**	**1,437**
(B) OTHER RESERVE		
Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year	-	-
Add: Changes during the year	(3,565)	-
Balance at the end of the year	**(3,565)**	**-**
Total other equity	**19,563**	**32,696**

Note: In view of the loss for the year as well as carried forward accumulated losses, the company has not created debenture redemption reserve in respect of 18.5% non convertible redeemable debentures.

17 Borrowings

Particulars	Effective interest rate	Maturity	31-Mar-18	31-Mar-17	01-Apr-16
	%		`	`	`
Secured loans					
Current Borrowings	Refer Note (ii) below	Refer Note (ii) below			
Term loan from banks			234	394	625
Loan from Financial Institutions			44,080	21,473	10,266
18.5 % Non convertible, redeemable debentures - **Refer note (i) below**			5,500	5,472	12,353
Cash credit			-	1,521	1,517
Total current Borrowings			**49,814**	**28,860**	**24,761**

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Note:

(i) 18.5% non Convertible Redeemable Debentures are redeemable in 21 equal monthly instalments starting from July 15, 2016 to March 15, 2018. The following amounts of such non convertible redeemable debentures, which became due have not been paid as on the Balance sheet date. The Company is in the process of discussing its settlement with the lenders.

Partculars	Rupees in Lakhs
Principal Amount	5,500
Interest Amount	2,811
Total	**8,311**

(ii) Details of security and terms of loans and debentures

Particulars	Amount outstanding (₹)			Interest rate	Security details	Repayment terms
	31-Mar-18	31-Mar-17	01-Apr-16			
Term loans from banks	234	394	625	Base rate plus 4.10%.	i. Equitable mortgage of vacant land situated at Mulavukkad Village, Kanaynnur Taluk district registered with Kakanad Enterprises Private Limited, a Subsidiary Company. ii. Developers share of 13,621 sq ft of commercial area on an undivided basis in the Project Nitesh Ceasers Palace situated at Bangalore South Taluk registered with the Company. iii.Personal Guarantee of Mr. Nitesh Shetty. v. Guarantee of Subsidiary Company - Kakanad Enterprises Private Limited.	The amount is repayable in 42 monthly installments beginning 18 months from the date of first disbursement
Loan from Financial Institutions	3700	2177	1567	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum.	i. Mortgage of developer's share of unsold units in Nitesh Park Avenue admesuting 0.62 acres and one Pent House (measuring 15221 sq. ft.) of the same project retained by Mr. Nitesh Shetty situated at Sankey Road, Vasant Nagar, Bangalore. ii. All future receivables of the project Nitesh Park Avenue. iii. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the begining of 25th Month from the date of first disbursement

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Loan from Financial Institutions	151	198	236	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.	i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.	The loan is repayable in 60 equated monthly installments of ₹599,158 pm starting from immediately nest month of disbursement.
Loan from Financial Institutions	21808	16982	5137	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.	i. Mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley - Nitesh Virgin Island ii. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects. iii.Mortgage of developer's share of area in the project Nitesh Madison Square at Cunningham Road. iv. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'. v. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the begining of 37th Month from the date of first disbursement
Loan from Financial Institutions	3647	316	0	Interest rate is based on the Corporate Prime Lending Rate (CPLR) The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.	i. Mortgage of developer's share of receivables of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea (64%) - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley - Nitesh Virgin Island ii. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects. iii. Mortgage of developer's share of area in the project Nitesh Madison Square at Cunningham Road. iv. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'. v. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the begining of 37th Month from the date of first disbursement

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Loan from Financial Institutions	1800	1800	0	17% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivablesfrom the mortgages units. iii. Escrow of all cash flows, both presen & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month
Loan from Financial Institutions	7133	0	0	4.3% ('spread) over and above the Bank's yearly MCLR	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area -89000 sft). Ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/cash flows. iv. personal guarantee from Mr Nitesh Shetty.	Bullet repayment of entire amount at the end of 72 months
Loan from Financial Institutions	7981	0	0	4.3% ('spread) over and above the Bank's yearly MCLR	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). Ii. Exclusive charge on all borrower's share of development. Iii. Exclusive charge on all borrower's share of projects receivables/ cashflows. iv. personal guarantee from Mr Nitesh Shetty.	Bullet repayment of entire amount at the end of 72 months

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

18.5 % Non convertible, redeemable debentures	5500	5472	12353	18.5% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018
Cash credit	0	1521	1518	Base rate plus 7%	i. Exclusive charge on the Property admeasuring 21,000 Sq ft situated at Sampangi Ramaswamy Temple Road registered with Courtyard Constructions Private Limited. ii. Personal Guarantee of Mr. Nitesh Shetty. iii. Corporate Guarantee of a Joint Venture with Courtyard Construction Private Limited (50% shareholding by Nitesh Urban Development Private Limited).	Cash credit facility drawn on 25 October 2013 for a period of 12 months
TermLoan	-	-	3016	16.25%	Registered memorandum of deposit of title deed and deed of hypothication or future receivables of the project Park Avenue. Registered MODTD of Cochin Project -Kakkanad	30 monthly installments
TermLoan	-	-	310	16.25%	Registered memorandum of deposit of title deed and deed of hypothication or future receivables of the project Park Avenue. Registered MODTD of Cochin Project -Kakkanad	62 monthly installments

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

18 Other financial liabilities

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Advance received from related parties	-	322	2,085	-	-	-
	-	**322**	**2,085**	**-**	**-**	**-**

19 Provisions

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits						
Provision for gratuity (refer note 32)	24	20	-	81	45	48
Provision for leave benefits	22	45	26	141	86	86
	46	**65**	**26**	**222**	**131**	**134**

20 Deferred tax laibility (Net)

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Deferred tax liabilities						
a) Fair Valuation of investment Property under construction on the date of transition				4419	4419	4419
b) Fair Valuation of investment in Preference Share (Compound financial instrument)				209	157	110
c) Revenue recognition under gross accounting method				126	126	42
Gross deferred tax liabilities (A)				**4,754**	**4,702**	**4,571**
Deferred tax assets						
a) Depreciation and amortization				47	41	34
b) Leave encashment and gratuity - deductible on payment				83	61	49
c) Fair valuation of security deposit-Assets				-	-	1
d) Provision for advances				448	454	426
e) Fair valuation investments in equity shares				3047	-	-
f) Others				79	269	269
Gross deferred tax assets (B)				**3,704**	**825**	**779**
Net deferred tax liabilities (A) - (B)				**1,050**	**3,877**	**3,792**

20 (a) Deferred tax assets/liabilities outstanding figures as on 31st March, 2018 are under reconciliation due to Ind AS applicability to the Company from the current year and will be provided after reconciliation.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

21 Other liabilities

	Current			Non Current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Liability under joint development arrangement	16,987	21,819	34,170	-	-	-
Advance received from Related parties for sale of properties	4,363	4,638	4,523			
Other advances received from related parties towards contract	400	400	400			
Advance received from customers for sale of properties	4,356	5,437	5,501	-	-	-
Withholding taxes payable	109	241	244	-	-	-
	26,215	**32,535**	**44,838**	**-**	**-**	**-**

The Company has entered into joint development agreements with the land owners whereby the Company, at its cost, will construct apartments/buildings on the land owned by the land owners, and the portion of building constructed will be exchanged for ownership in the land. Such portion of land to be acquired by the Company as per joint development agreement is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction.

22 Trade payables

	Current			Non Current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Trade payables						
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	6	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises						
- to related parties	334	58	56			
- to others	16,726	12,632	9,166	-	-	-
	17,066	**12,690**	**9,222**	**-**	**-**	**-**

23 Revenue from operations

	31-Mar-18 ₹	**31-Mar-17** ₹
Revenue from operations		
Income from property development	2,754	16,779
Income from sale of land	-	2,650
Total	**2,754**	**19,429**

24 Other income

	31-Mar-18 ₹	**31-Mar-17** ₹
Interest income on		
Bank deposits	20	7
Others	158	149
Share of Profit/(Loss) from AOP	(23)	(5)
Profit from sale of fixed assets	3	-
Provisions no longer required written back/reversal of cancellation charges	200	20
Miscellaneous Income	-	18
Profit on sale of land	1000	-
	1,358	**189**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

25 Land and construction cost

	31-Mar-18 (₹)	31-Mar-17 (₹)
Land and construction cost	994	4,871
	994	**4,871**

25a (Increase)/decrease in inventories of stock of flats, land stock and work-in-progress

Opening Inventory	31,340	44,105
Less: Closing Inventory	29,164	31,340
Change in Inventory	**2,176**	**12,765**

25b Employee benefits expense

	31-Mar-18 (₹)	31-Mar-17 (₹)
Salaries, wages and bonus	1,336	868
Directors Remuneration	357	357
Contribution to provident and other fund	27	18
Staff welfare expenses	16	35
	1,736	**1,278**

26 Finance costs

	31-Mar-18 (₹)	31-Mar-17 (₹)
Interest and other charges		
Interest expenses	4,376	2,800
Processing fees and others	92	181
Total finance costs	**4,468**	**2,981**

27 Depreciation and amortization expense

	31-Mar-18 (₹)	31-Mar-17 (₹)
Depreciation of property, plant and equipment	28	52
Amortization of intangible assets	16	18
	44	**70**

28 Other expenses

		31-Mar-18 (₹)	31-Mar-17 (₹)
Payments to auditors - **Refer note (i) below**		17	21
Power and fuel		26	27
Rent	- Related Party	135	128
	- Others	10	13
Lease rent-vehicles		1	2
Rates and taxes		146	86
Insurance		2	49
Repairs and maintenance			
Plant and machinery		14	62
Office maintenance	- Related Party	2	9
	- Others	45	41

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Advertising and sales promotion paid to related parties	6	48
Advertising and sales promotion	1,066	814
Travelling and conveyance	67	76
Communication costs	18	15
Director's sitting fees	17	25
Legal and professional fees	240	199
Loss on Sale of investments (Refer Note (iii) below)	3,558	-
Exchange fluctuation	-	15
Bad debts / advances written off	1	-
Provision for doubtful debts and advances	-	101
Miscellaneous expenses	62	86
	5,433	**1,817**

Note (i) - Payments to auditors

	31-Mar-18 ₹	31-Mar-17 ₹
As an auditor:		
Statutory audit fees	12	12
Limited review fees	4	8
Reimbursement of expenses	1	1
	17	**21**

(ii) Details of CSR expenditure:

The company has not provided for any Corporate Social Responsibility expenses, due to the absence of sufficient cash profits.

(iii) During the year, the Company has incurred a loss from sale of 541,49,499 number of shares in 'Nitesh Residency Hotels Private Limited" to related parties, the sale consideration of which is based on the valuation report of an independent valuer.

29 Income tax

	31-Mar-18 ₹	31-Mar-17 ₹
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Decrease / (Increase) in deferred tax assets	-	-
(Decrease) / Increase in deferred tax liabilities	(3,017)	84
Less : Recognised in OCI	1,840	6
Relating to origination and reversal of temporary differences	(1,177)	90
Income tax expense reported in the statement of profit or loss	**(1,177)**	**90**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018:

	31-Mar-18 ₹	31-Mar-17 ₹
Accounting profit before income tax	**(10,739)**	**(4,164)**
At India's statutory income tax rate of 34% (March 31, 2017: 34%)	-	-
Non-deductible expenses for tax purposes:		
Fair value changes in the value of Security Deposits	-	1
Adjustment on account of depreciable assets	(5)	(7)
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts	5	(28)
Adjustment in 43B	(22)	(3)
Other differences:	-	-
Difference due to gross accounting	-	83
Difference due to investment in Preference Shares	53	46
Other Adjustments	-	(9)
Sale of investments	(1,208)	-
Recognised in OCI	-	6
	(1,177)	**90**

Reconciliation of deferred tax liabilities (net)

	31-Mar-18 ₹	31-Mar-17 ₹
Opening balance	3,877	3,792
Deferred tax (credit)/charge during the period recognised in Profit & Loss	(1,177)	90
Deferred tax (credit)/charge during the period recognised in OCI	(1,840)	(6)
Others	190	1
Closing balance	**1,050**	**3,877**

30 Related Party Disclosure

a List of related parties

In accordance with the requirements of Indian Accounting Standards (Ind AS)- 24 'Related Party Disclosure' the names of the related party where control exists / enable to exercise significant influence along with the aggregate transactions and year -end balance with them in the ordinary course of business and on arms' length basis are given below

Key Management Personnel of the company and close member of Key Management Personnel of the company

Nitesh Shetty [Chairman and Managing Director]

Jagdish Capoor(Independent Director)

M. D Mallya (Independent Director) (upto 5th April, 2018)

G. N Bajpai (Independent Director)

Ms. Dipali Khanna (Independent Director)

Mahesh Bhupathi (Independent Director)

L.S.Vaidyanathan [Executive Director]

Ashwini Kumar [Executive Director and Chief Operating Officer]

Venkateshan .M.A.[Chief Financial Officer]

D. Srinivasan [Company Secretary]

Nischita Shetty [Relative of Director]

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Subsidiaries and Fellow Subsidiaries

Nitesh Housing Developers Private Limited
Nitesh Urban Development Private Limited
Nitesh Office Parks Private Limited (formerly Kakanad Enterprises Private Limited)
Nitesh Property Management Private Limited
Nitesh Indiranagar Retail Private Limited
Nitesh Pune Mall Private Limited
Courtyard Constructions Private Limited

Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant Influence with whom transactions have taken place during the year

Nisco Ventures Private Limited
Southern Hills Developers Private Limited
Serve & Volley Signages Private Limited
Nitesh Infrastructure and Construction
Serve & Volley Media Private Limited
Serve & Volley Outdoor Advertising Private Limited
Grass Outdoor Media Private Limited
Nitesh Industries Private Limited
Pushrock Environment Private Limited
Globo Sport In Private Limited

Associates & Joint Ventures

Associates
Nitesh Estates – Whitefield
Enterprises which are post employment benefit plan for the benefit of employees
Nitesh Estates Limited Employees' Gratuity Fund Trust

b. Related party transactions (₹)

Particulars	**31-Mar-18**	**31-Mar-17**
Loans and advances received/(repaid)		
Courtyard Constructions Private Limited	379	-
Nitesh Indiranagar Retails Private Limited	-	-
Nitesh Indiranagar Retails Private Limited- Deposit	-	348
Nitesh Urban Development Private Limited	-	1,648
Nitesh Housing Developers Private Limited	-	142
Nitesh Property Management Private Limited	-	(57)
Nitesh Office Parks Private Limited (formerly Kakanad Enterprises Private Limited)	-	-
Advances received from customers		
Pushrock Environment Private Limited -Plaza	174	710
Pushrock Environement Pvt Ltd-Logos	-	(221)

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	(₹)	
	31-Mar-18	**31-Mar-17**
Nitesh Shetty - Park Avenue	351	(115)
Nischita Shetty - Madision Square	100	-
Guarantees given		
Nitesh Urban Development Pvt Ltd	18,500	18,500
Nitesh Housing Developers Private Limited	31,500	31,500
Nitesh Pune Mall Pvt Ltd	23,500	23,500
Sale of Investment in NRHPL		
Nitesh Shetty		
The no of 2,67,32,031.00 shares of ₹5.27 Each.	1,409	-
Nitesh Industries Pvt Ltd.,		
The no of 2,74,17,467.00 shares of ₹5.27 Each.	1,445	-
Managerial remuneration		
Nitesh Shetty	131	131
L.S.Vaidyanathan	117	117
D. Srinivasan	37	35
Venkateshan .M.A.	80	79
Ashwini Kumar	109	109
Directors' sitting fees		
G. N Bajpai	5	6
M. D Mallya	4	7
Jagdish Capoor	5	7
Ms. Dipali Khanna	3	3
Mahesh Bhupathi	1	1
Sudhakar Rao	-	1
Advertising and sales promotion expenses		
Serve & Volley Outdoor Advertising Private Limited	6	48
Other Maintenance expenses		
Nitesh Property Management Private Limited	2	9
Rent paid		
Nitesh Infrastructure and Construction	75	73
Nitesh Industries Private Limited	60	55
Other expenses		
Nitesh Residency Hotels Private Limited	24	36
Share of profit from investment inassociation of person (post tax)		
Nitesh Estates – Whitefield	(22)	(5)
Contribution of Gratuity Fund		
Nitesh Estates Limited Employees' Gratuity Fund Trust	3	1
Refund of Gratuity		
Nitesh Estates Limited Employees' Gratuity Fund Trust	8	10

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

c. Amount outstanding at the balance sheet date (₹)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Trade receivables			
Nitesh Residency Hotels Pvt. Ltd.	215	1,016	1,016
Nitesh Infrastructures & Contructions	117	50	50
Loans and advances to subsidiaries and other related parties			
Nitesh Housing Developers Pvt Ltd	1,998	-	-
Nitesh Urban Development Pvt. Ltd.	544	-	-
Nitesh Office Parks Private Limited	267	-	-
Southern Hills Developers Pvt Ltd.,	111	-	-
Nitesh Property Management Pvt Ltd.	66	-	-
Nitesh Pune Mall PVT LTD	1	-	-
Nitesh Indirnagar Retail Pvt. Ltd.	4	-	-
Courtyard Constructions Private Limited	379	-	-
Nitesh Estates Whitefield	3,004	-	-
Other financial liabilities			
Nitesh Housing Developers Pvt Ltd	-	2,864	3,006
Nitesh Urban Development Pvt. Ltd.	-	517	2,166
Nitesh Office Parks Private Limited	-	(266)	(266)
Southern Hills Developers Pvt Ltd.,	-	(41)	(41)
Nitesh Property Management Pvt Ltd.	-	30	(28)
Nitesh Pune Mall PVT LTD	-	2	-1
Nitesh Indirnagar Retail Pvt. Ltd.	-	(2)	(3)
Nitesh Estates Whitefield	-	(2,783)	(2,748)
Advance against property			
Nisco Ventures Pvt. Ltd.	108	108	108
Security deposit			
Nitesh Infrastructures & Contructions	177	177	177
Unbilled Revenue			
Nitesh Residency Hotels Pvt. Ltd.	1,155	1,155	1,155
Vendor Advances			
Nisco Ventures Pvt. Ltd.	-	-	-
Nitesh Housing Developers Pvt Ltd	124	-	-
Serve & Volley Outdoor Advt. Pvt. Ltd.	32	32	32
Trade advances			
Serve & Volley Outdoor Advt. Pvt. Ltd.	98	77	80
Globosport In Pvt Ltd	-	-	9
Nitesh Industries	8	-	-
Lease deposit given/(received)			
Nitesh Indirnagar Retail Pvt. Ltd.	4,202	3,766	3,418
Trade payables			
Pushrock Environment Private Limited	174	-	-
Nitesh Industries	15	-	-
Nitesh Infrastructures & Contructions.	8	2	2
Globosport In Pvt Ltd	-	-	-
Nitesh Property Management Pvt Ltd.	14	2	-
Nitesh Residency Hotels Pvt. Ltd.	123	54	54
Other Advances received from customers towards contract			
Nitesh Residency Hotels Pvt. Ltd.	400	400	400

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

c. **Amount outstanding at the balance sheet date** (₹)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Advances received from customers			
Nitesh Residency Hotels Pvt. Ltd.	369	-	-
Pushrock Environment Private Limited -Plaza	-	710	710
Pushrock Environement Pvt Ltd-Logos	801	580	580
Nitesh Estates Whitefield	96	-	-
Nitesh Shetty - Park Avenue	2,997	3,348	3,233
Nischita Shetty - Madision Square	100	-	-
Guarantees given on behlf of the company and outstanding			
Nitesh Urban Development Pvt Ltd	18,500	18,500	9,500
Nitesh Housing Developers Private Limited	31,500	31,500	31,500
Nitesh Pune Mall Pvt Ltd	23,500	23,500	23,500

Note: Amount shown as "0" is below the rounding off norm adopted by the company.

31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost
Financial assets						
Investments Measured at Fair Value through OCI	4,335	-	-	-	-	-
Trade Receivables		3,669		1,723		1,397
Cash and Cash equivalents		420		46		854
Bank balances other than cash and cash equivalents				153		1,001
Other Financial asset		3		-		-
Security deposits	-	279	-	263	-	248
Refundable deposit towards joint development agreement	-	2,201	-	2,029	-	1,780
	4,335	**6,572**	**-**	**4,214**	**-**	**5,280**
Financial liabilities						
Non-Current Borrowings	-	-	-	-	-	-
Current borrowings	-	49,814	-	28,860	-	24,761
Trade payables	-	17,066	-	12,690	-	9,222
Other payables	-	-	-	322	-	2,085
	-	**66,880**	**-**	**41,872**	**-**	**36,068**

<u>Notes:</u>

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The details of fair value measurement of Company's financial assets/liabilities are as below:

Particulars	Level	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets/liabilities measured at fair value through OCI:				
Investment in equity instruments of Other company	3	4,335	-	-

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

The fair values of the unquoted equity shares have been estimated using a Net Asset Value model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

32 Gratuity and other post-employment benefit plans

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
	`	`	`
Defined Benefit Plan			
Gartuity -Funded			
Non Current	81	45	48
Current	24	20	-
	105	**64**	**48**
Leave Encashment			
Non Current	141	86	86
Current	22	45	26
	163	**131**	**112**

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) Gratuity-Funded

The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

b) As per the policy of the company, Cost of long term benefits by way of accumulating compensated absence arising during the tenure of service is calculated taking into account the pattern of availment of leave. The present value of obligations towards availment under such long term benefit is determined based on actual valuation carried on by an independent actuary using Projected Unit Credit Method as at the year end. It is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2018 :

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-17	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-18
Defined benefit obligation	74.22	31.83	5.53	37.36	-8.49	0.00	0.00	-0.49	6.51	6.00	0.00	109.10
Fair Value of plan assets	8.97	0.00	0.67	0.00	-8.49	-0.05	0.00	0.00	0.00	-0.05	2.98	5.07
Benefit liability	**64.96**	**31.83**	**4.86**	**36.70**	**0.00**	**0.05**	**0.00**	**-0.49**	**6.51**	**6.07**	**-2.98**	**105.02**

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2018 :

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-17	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-18
Defined benefit obligation	65.69	11.51	4.39	15.90	-22.75	0.00	0.00	0.76	14.63	15.38	0.00	74.22
Fair Value of plan assets	17.92	0.00	2.28	-	-10.05	-2.10	0.00	0.00	0.00	-2.10	0.92	8.97
Benefit liability	**47.77**	**11.51**	**2.11**	**13.62**	**-12.70**	**2.10**	**0.00**	**0.76**	**14.63**	**17.48**	**-0.92**	65.26

iii The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**March 31, 2017**	**March 31, 2018**
Fund Managed by Insurer	100%	100%

iv. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Discount rate	7.50%	7.45%	7.60%
Future salary increases	6.00%	6.00%	6.00%
Expected rate of return of assets			
Mortality	Indian assured lives mortality(2006-08) (modified ultimate	Indian assured lives mortality(2006-08) (modified ultimate	Indian assured lives mortality(2006-08) (modified ultimate
Withdrawal rate	1%-2%	1%-2%	1%-2%

v. A quantitative sensitivity analysis for significant assumption as at March 31,2017 is as shown below:

	31/03/2018				**31/03/2017**			
Asssmumtions	**Discount Rate**		**Salary Growth Rate**		**Discount Rate**		**Salary Growth Rate**	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Sensitivity Level	+50 basis point	-50 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-4.26%	4.61%	2.15%	-2.52%	-3.31%	3.58%	3.04%	-2.82%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

vi. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)
Year 1	6	30
year 2	5	1
year 3	18	3
year 4	11	1
year 5	28	13
year 6 to 10	34	10
Total expected payments	**101**	**59**

The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

33 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹)

Particulars	31-Mar-18	31-Mar-17
Profit after tax attributable to shareholders (Amount in Lakhs)	(9,562)	(4,254)
Weighted average number of Equity Shares outstanding during the year	145,832,100	145,832,100
Effect of dilution:		
Weighted average number of Equity Shares	145,832,100	145,832,100

34 Contingent Liabilities

The company has contingent liabilities at March 31,2018 in respect of:

a (i). Claims against the company pending appellate/ judicial decision not acknowledged as debts:

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)	01-Apr-16 (₹)
Claims against the company not acknowledged as debts in respect of			
- Income-tax	223	272	272
Value Added Tax	2,441	-	-

a(ii). The Company had filed its return of earlier year which subsequently become defective due to non-payment of MAT liability amounting to ₹ 488 Lakhs, as displayed in the income tax e-filing website dated on 16th October, 2017. The applicable interest liability on the above tax liability from the date of return filing till the date of balance sheet is yet to quantify.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

b. Guarantees

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)	01-Apr-16 (₹)
Corporate guarantee for loans taken by group companies	73,500	73,500	64,500

c. Commitements

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)	01-Apr-16 (₹)
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	19,163	9,963	14,939

Notes :

a. The Company has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Company, the Company is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Company.

b.The Company has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

35 Disclosure as required under Micro Small and Medium Enterprises Act , 2006(MSME Act)

Particulars	31-Mar-18 (₹)	31-Mar-17 (₹)	01-Apr-16 (₹)
a. Principal amount remaimning unpaid to any supplier as at the end of the accounting year	6	-	-
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
d. The amount of interest due and payable for the year	-	-	-
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Note : The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of the information available with the company. The company has received a claim for payment from a party under the MSME Act, 2006, which the company has contested against before the Micro and Small Enterprises Facilition Council of Haryana. Since the claim is contested against, the company is of the opinion that no interest is payable under the Act.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

36 Financial instruments- accounting classification and fair value measurement.

The carrying values of trade and other receivables, other assets, cash and short term deposits, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Company's assets and liabilities which are measeured at amortised cost

	31st March 2018		31st March 2017		1st April 2016	
	Carrying Value	Amortised cost	Carrying Value	Amortised cost	Carrying Value	Amortised cost
Financial assets						
Trade Receivables	3,669	3,669	1,723	1,723	1,397	1,397
Cash and Cash equivalents	420	420	46	46	854	854
Bank balances other than cash and cash equivalents	-	-	153	153	1,001	1,001
Other Financial asset	3	3	-	-	-	-
Security deposits	279	279	263	263	248	248
Refundable deposit towards joint development agreement	2,201	2,201	2,029	2,029	1,780	1,780
	6,572	**6,572**	**4,214**	**4,214**	**5,280**	**5,280**
	-		-		-	
Financial liabilities carried at amortized cost:						
Long-term borrowings	-	-	-	-	-	-
Short-term borrowings	49,814	49,814	28,860	28,860	24,761	24,761
Trade payables	17,066	17,066	12,690	12,690	9,222	9,222
Other payables	-	-	322	322	2,085	2,085
	66,880	**66,880**	**41,872**	**41,872**	**36,068**	**36,068**

37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Company's real estate operations. The Company's principal financial assets include cash and cash equivalents, loans that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

	Increase/decrease in basis points	Effect of profit before tax (Rupees in Lakhs)
March 31, 2018		
INR	+50	22
INR	-50	-22
	Increase/decrease in basis points	**Effect of profit before tax (Rupees in Lakhs)**
March 31, 2017		
INR	+50	15
INR	-50	-15

d. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

e. Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	1 to 2 years	2 - 3 years	> 3 years	Total
Year ended 31/03/2018						
Borrowings	5,818	7,244	8,786	7,174	20,793	49,814
Trade and other payables	2,811	14,255	-	-	-	17,066
Loan and advances from related parties	-	-	-	-	-	-
Year ended 31/03/2017						
Borrowings	1,539	9,621	5,271	5,638	6,790	28,860
Trade and other payables	-	12,690	-	-	-	12,690
Loan and advances from related parties	-	322	-	-	-	322
As at 1 April 2016						
Borrowings	1,571	3,542	13,068	719	5,861	24,761
Trade and other payables	-	9,222	-	-	-	9,222
Loan and advances from related parties repayable on demand	-	2,085	-	-	-	2,085

38 Construction Contracts

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	31-Mar-18 ₹	31-Mar-17 ₹	01-Apr-16 ₹
(i) Amount of contract revenue recognised as revenue for the year	2,754	16,779	838,700
(ii) Amounts in respect of contracts in progress at the reporting date:			
a. Aggregate amount of costs incurred and recognised profits/(losses)	53,262	23,094	19,533
b. Amount of advances received (net)	9,119	10,474	10,424

39 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT OF THE LOANS, ADVANCES, ETC. TO SUBSIDIARIES, FELLOW SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER ENTITIES IN WHICH THE DIRECTORS ARE INTERESTED:

	31-Mar-18		31-Mar-17		01-Apr-16	
Name of the Party	**Closing balance**	Maximum amount due	**Closing balance**	Maximum amount due	**Closing balance**	Maximum amount due
Nitesh Housing Developers Pvt Ltd	1,998	1,998	-	-	-	-
Nitesh Urban Development Pvt. Ltd.	544	544	-	-	-	-
Nitesh Office Park Pvt. Ltd.	267	267	266	266	266	266
Southern Hills Developers Pvt Ltd.,	111	111	41	41	41	41
Nitesh Property Management Pvt Ltd.	66	66	-	-	28	28
Nitesh Pune Mall PVT LTD	1	1	-	-	1	1
Courtyard Constructions Private Limited	379	379	-	-	-	-
Nitesh Indirnagar Retail Pvt. Ltd.	4	4	2	2	3	3
Nitesh Estates Whitefield	3,004	3,004	2,783	2,783	2,748	2,748

40 Disclosure for Specified Bank Notes

Disclosure of details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 has been provided in the table below:

	SBNs	Other denomination notes *	Total
Closing cash in hand as on November 8, 2016	-	2	-
(+) Permitted receipts	-	31	-
(-) Permitted payments	-	32	-
Closing cash in hand as on December 30, 2016	-	1	-

41 Non-cancellable operating leases

The Company has various operating leases for office premises and other facilities (cancellable as well as non-cancellable leases) for a period between 3 and 10 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The leases are cancellable through notice period of 1 to 3 months.

	31st March 2018	31st March 2017
Payments recognised as an expense	145	142
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-

Lease payment under an operating lease have not been recognised as an expenses on a straight-line basis over the lease term, as the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lesoors expected inflationary cost increases.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio minimal. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Company has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Company.

	31-Mar-18	31-Mar-17	01-Apr-16
	₹	₹	₹
Borrowings	49,814	28,860	24,761
Trade payables	17,066	12,690	9,222
Advance from customers (Note xx)			
Other payables	-	322	2,085
Less: Cash and cash equivalents and other bank balances	(420)	(199)	(1,855)
Net debt[A]	**66,460**	**41,673**	**34,213**
Equity Share Capital	14,583	14,583	14,583
Other Equity	19,563	32,696	36,962
Equity [B]	**34,146**	**47,280**	**51,545**
Equity plus Net Debt[C=A+B]	**100,606**	**88,952**	**85,758**
Gearing ratio[D=A/C]	**66%**	**47%**	**40%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

The company has defaulted in repayment of dues to debenture holders which includes overdue Principal and interest as on Balance Sheet date. [Refer Note no 17(i) for the details of default amount]

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

43 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers', which is effective from April 1, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company will adopt Ind AS 115 effective from April 01, 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company's operation primarily relate to operations in India, The directors of the Company do not anticipate that the application of the new standard in future will have significant impact on the financial statement.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight

These amendments are effective for annual periods beginning on or after 1 April 2018.

44 As per para 4 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information as required under Ind AS 108 -Operating Segments is given in the Consolidated Ind AS financial statements of the Company.

45 First-time adoption of Ind AS

Transition to Ind AS

These are the Company`s first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies

(Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or India GAAP).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment`s covered by Ind AS 16 *Property, plant and equipment`s* as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

b) Fair value as deemed cost

Ind AS 101 permits a first-time adopter to measure an item investment properties under construction, at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

c) Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost, which should be either:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date

The Company has elected to measure its investments in subsidiaries, associates and joint ventures using deemed cost at the Previous GAAP carrying amount at the date of transition to Ind AS.

Ind AS Manadatory Exemptions

a) **Estimates**

Ind AS 101 requires an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company's estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investment carried at Fair Value through Profit & Loss (FVPL) or Fair Value through Other Comprehensive Income (FVOCI); and
- Impairment of financial assets based on expected credit loss model.

b) An entity estimates in accordance with Ind AS at the date of tranastion to Ind AS shall be consisitant with estimate made for the same date in accordance with previouse GAAP, unless there is objective evidence that those estimates were in error.

c) **Classification and measurement of financial assets**

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2016.

46 Reconciliation between previous GAAP and Ind AS.

a) Reconciliation of total equity between previous GAAP and Ind AS

	Notes	31-Mar-17	01-Apr-16
Equity under previous GAAP		38,802	43,266
Adjustments (net of tax):			
Gross Accounting Impact of barter	1		
- Grossing up of revenue		27,080	15,082
- Grossing up of cost		(26,713)	(14,960)
Discounting of security deposits	2	(1)	(3)

Lifetime ECL provided for doubtful advance	3	(1,354)	(1,253)
Provision no longer required written back	3	20	-
Notional Interest Income recognised on debt investment in preference shares of NHDPL	4	461	325
Fair valuation of investment property on transition	5	12,998	12,998
Deferred tax impact	6	(4,014)	(3,910)
Equity as per Ind AS		**47,279**	**51,545**

b) **Total comprehensive income reconciliation for the year ended March 31, 2017**

	Notes	Year ended 31-Mar-17
Profit for the year after tax as per previous GAAP		(4,465)
Impact on accounting for Real Estate and Contractual Projects (including JDA accounting) (net of tax)	1	245
Fair Valuation of compound financial instruments (debt portion of Preference Shares)	4	136
Fair valuation of financial assets (net of tax)	2	2
Remeasurnment of Post-employment benefit obligation	7	17
Reversal of excess provision for doubtful advance	3	(81)
Effect of income tax	6	(109)
Total Adjustments		211
Profit after tax as per Ind As		**(4,255)**
Other comprehensive income (Net of Tax)		-
Remeasurnment of Post-employment benefit obligations	7	(17)
Effect of income tax on above	6	6
Total comprehensive income as per Ind As		**(4,266)**

c) **Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017**

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(4,856)	(907)	(3,949)
Net cash flow from investing activities	2,877	853	2024
Net cash flow from financing activities	1,171	54	1117
Net increase/(decrease) in cash and cash equivalents	**(808)**	**-**	**(808)**
Cash and cash equivalents as at April 1, 2016	854	-	854
Cash and cash equivalents as at March 31, 2017	**46**	**-**	**46**

Notes to reconciliations between previous GAAP and Ind AS

1 Gross accounting for joint development arrangements

Company has entered into certain joint development arrangements. In such a situation, revenue is recognised on gross basis. Since the goods exchanged under joint development arrangement i.e. land with flats are dissimilar in nature, as per para 12 of Ind AS 18, the exchange is regarded as a transaction which generates revenue. Company has measured revenue at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. Since, fair value of the goods or services received cannot be measured reliably, revenue is measured in relation to transfer of constructed property to land owners on the basis of fair value of services provided to the landlord. Further, Company has recognised land with corresponding credit to "land cost payable" to account for land received under Joint development arrangement.

2 Financial Assets at amortized cost

Under Indian GAAP, there are certain lease deposits and refundable deposits which are carried at nominal value. Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, company recognises difference between deposits fair value and nominal value as deferred lease expenses and same is being recognised as lease expenses on straight line basis over the lease period. Further, company recognises notional interest income on these deposits over the lease term.

In case of refundable deposits for joint development arrangement, difference between nominal value and fair value of deposits is treated as land cost and interest income recognised over the period of deposit is reduced from cosntruction cost. Further as per IND AS land has to be fair valued.

3 Provision for Life time Expected Credit Loss

Under Indian GAAP, company was not creating any provision against advances but under IND AS the company has created a provision for lifetime expected credit loss for doubtful advances. Also excess provision made at the date of transition has been reversed accordingly.

4 Compound financial instruments

The Company has issued non cumulative redeemable preference shares. The preference shares carry discretionary dividend in accordance with the terms of issue. Under Indian GAAP, the preference shares were classified as equity. Under IND AS, the preference shares are separated into liability and equity components (since these instruments carry discretionary dividend) based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

5 Fair valuation of Investment property

Ind AS 101 permits a first-time adopter to measure an items of investment properties under construction, at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

6 **Deferred tax**

Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focusses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

7 Remeasurement of Post-employment benefit obligations (Net of Tax)

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the year.

47 In respect of three of its residential projects, which the Company had pre launched in the prior years, as there are no ongoing development activities or sale of the apartments undertaken by the Company, pending approvals such as sanctioned plan and commencement certificate and also due to prevalent adverse market conditions severely impacting the cash flows, the Company has not registered the said projects under RERA Act, which has come into force during the current fiscal year 2017-18, w. e. f. 1st May 2017. The Company had accepted booking advances from the potential customers in respect of the said projects before the pre RERA period i.e. before 1st May 2017, which the Company is in the process of refunding to the customers as per terms of the bookings.

Similarly, in respect of one of its residential projects, Company has accepted booking advances more than 10% of the project cost before RERA period. Due to non-co-operation of land owners and pending arbitration proceedings between the Company and land owners, Company has decided to stop the project and the same is intimated to Real Estate Regulatory Authority, Karnataka. The Company is in the process of refunding to the customers as per the booking.

48. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
Date : 30th May, 2018

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty	**L.S. Vaidyanathan**	**Ashwini Kumar**
Managing Director	Executive Director	Executive Director & Chief Operating Officer
DIN: 00304555	DIN: 00304652	DIN: 02034498
Venkateshan. M. A.		**D. Srinivasan**
Chief Financial Officer		Company Secretary

Consolidated Accounts

Independent Auditor's Report

TO THE MEMBERS OF NITESH ESTATES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **NITESH ESTATES LIMITED('the Holding Company'**), its subsidiaries and joint venture (the Holding Company, its subsidiaries and joint venture constitute 'the Group') which comprise the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act,2013("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules,2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in term of their reports referred to in the "other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture referred below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2018, and their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

1. We did not audit the financial statements and other financial Information of one subsidiary 'Nitesh Pune Mall Private Limited', whose Ind AS financial statements include total assets of ₹26,507 Lakh and net assets of ₹(12,102) Lakh as at March 31,2018 and total revenue of ₹ 1,393 Lakh and net cash inflows of ₹ (17.93) Lakh for the year ended on that date. These financial statements and other financial information have been audited by other auditor , which financial statements, other financial information and auditor's report have been furnished to us by the management. The consolidated Ind AS financial statements also include the group's share of net loss of ₹ (22.47) Lakhs for the year ended March 31,2018, as considered in the consolidated financial statements, in respect of one Joint Venture 'Nitesh Estates-White field' , whose financial statements , other financial information have been audited by other auditor and whose report have been furnished to us by the Management . Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture ,and our report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the report of the other auditors .

2. The comparative financial information of the group for the year ended March 31, 2017 and the transition date of opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and on which we expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 27th May, 2017 and 28th May, 2016 respectively, as adjusted for the differences in accounting principles adopted by the group on transition to the Ind AS which have been audited by us.

3. Refer Note no 47 of the consolidated Ind AS financial statements wherein it is noted that the management of the Holding Company is in the process of refunding the advance booking received before applicability of RERA from the potential customers due to non-registration of projects under RERA and is in the process of complying with the pending requirements of RERA Act.

4. We draw attention to Note 48 in the consolidated Ind AS financial statements, which indicates that the group has accumulated losses and its net worth has been fully eroded as at 31st March, 2018, leading to a material uncertainty about the group`s ability to continue as a "going concern". However, the financial statements of the group have been prepared on a "going concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statement and the other financial information of the subsidiary and joint venture , as noted in the "Other Matters" paragraph below, we report that:

    a) We have sought and obtained all the information and explanations except information related to deferred tax assets/ liabilities in respect of the Holding Company and two Subsidiaries Nitesh Housing Developers Private Limited and Nitesh Urban Development Private Limited as stated in Note no 9(a), which to the best of our knowledge and belief were necessary for the purpose of our audit;

        a) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statement have been kept so far as it appears from our examination of those books and reports of the other auditors.

    b) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

    c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies(Indian Accounting Standard)Rule,2015,as amended.

    d) On the basis of written representations received from the Directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on 31st March, 2018 from being appointed as director in terms of Section 164(2) of the Act.

    e) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the holding company and its subsidiary companies incorporated in India, refer to our separate report in 'Annexure' to this report;

f) 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 information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph below:

   I. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note to 36 the consolidated Ind AS financial statements;

   II. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts .

   III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by Group.

For and on behalf of
RAY & RAY
Chartered Accountants
Firm Registration No. 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore

Date: 30th May,2018

Annexure - To the 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")

In conjunction with our audit of the consolidated Ind AS financial statements of **Nitesh Estates Limited** as of and for the year ended March 31,2018, we have audited the internal financial controls over financial reporting of **NITESH ESTATES LIMITED** ("the Holding company ") and it's subsidiary companies and joint venture incorporated in India, as of date, except one subsidiary company 'Nitesh Pune Mall Private Limited' and one joint venture 'Nitesh Estates-Whitefield' which is not audited by us.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company ,its subsidiary companies and its joint venture, which are incorporated in India, 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 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 and audit evidence obtained by the other auditor of the subsidiary company and joint venture, which are incorporated in India, in terms of their report referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 explanation given to us and based on the consideration of the reports of our auditors referred to in the other matter paragraph below, the Holding Company, its subsidiary companies and joint venture, have, 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 31 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 ICAI .

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary Company and one joint venture, is based solely on the corresponding reports of the auditors .

Our opinion is not modified in respect of the above matter.

For and on behalf of
RAY & RAY
CharteredAccountants
Firm Registration No. 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore

Date: 30th May, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	as at 31 March 2018 ₹	as at 31 March 2017 ₹	as at 1 April 2016 ₹
Assets				
Non- current assets				
Property, plant and equipment	4	234	313	388
Capital work-in-progress	4a	41,629	41,656	41,486
Investment Property	4b	22,715	23,754	24,799
Goodwill	5	2,755	1,317	1,691
Other Intangible assets	5	17	25	36
Financial assets				
Investments Accounted for using equity method	6a	-	8,865	10,481
Investments	6	4,335	1	1
Loans	8	644	395	2,151
Deferred tax assets (net)	9	2,646	75	-
Other non-current assets	12	27,737	32,647	34,036
		102,712	**109,048**	**115,069**
Current assets				
Inventories	7	78,655	76,246	88,726
Financial assets				
Investments	6	6	5	3
Trade receivables	10	6,726	3,567	4,705
Cash and cash equivalents	13	640	248	1,657
Bank balance other than cash and cash equivalents	14	-	365	2,249
Loans	8	1,147	3,964	4,239
Other current financials assets	11	10	11	22
Other current assets	12	41,184	31,092	41,644
		128,368	**115,498**	**143,245**
Total assets		**231,080**	**224,546**	**258,314**
Equity and liabilities				
Equity				
Equity share capital	15	14,583	14,583	14,583
Other equity	16	(23,534)	(1,687)	12,485
Total equity		**(8951)**	**12,896**	**27,068**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	33,919	30,935	26,747
Other financial liabilities	18	905	337	258
Other Liabilities	19	207	814	550
Long term provisions	20	346	315	317
Deferred tax liabilities (Net)	9	-	-	13
		35,377	**32,401**	**27,885**
Current liabilities				
Financial liabilities				
Borrowings	17	96,674	73,836	92,858
Trade payables	22	31,960	26,172	21,163
Other current financial liabilities	18	51,903	57,013	67,687
Other current liabilities	19	23,901	21,636	20,761
Provisions	20	82	162	274
Current Tax Liabilities (Net)	21	134	430	618
		204,654	**179,249**	**203,361**
Total liabilities		**240,031**	**211,650**	**231,246**
Total equity and liabilities		**231,080**	**224,546**	**258,314**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

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

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	for the year ended 31 March 2018	for the year ended 31 March 2017
Revenue from operations	23	3,625	30,786
Other income	24	2,004	698
Total income		**5,629**	**31,484**
Expenses			
Land and construction cost	25	8,903	13,332
(Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	25a	(2,409)	12,480
Employee benefits expense	26	3,004	3,357
Finance costs	27	13,983	11,120
Depreciation and amortization expense	28	1,264	1,414
Other expenses	29	7,571	3,786
Total expenses		**32,316**	**45,489**
Profit/(loss) before share of profit/(loss) of Investments accounted for using equity method and tax		**(26,687)**	**(14,005)**
Share of net profit of associates and joint venture accounted for using equity method		(22)	(5)
Profit/(loss) before tax		**(26,709)**	**(14,010)**
Tax expenses			
Current tax		-	-
Deferred tax	30	(1,087)	154
Total tax expense		**(1,087)**	**154**
Profit/(loss) for the year		**(25,622)**	**(14,164)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined beneift plan		51	(8)
FVOCI-Equity Investments		(5,405)	-
Tax relating to these items		1,843	-
Other comprehensive income for the year, net of tax		**(3,511)**	**(8)**
Total comprehensive income for the year		**(29,133)**	**(14,172)**
Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]			
Basic ₹		-17.57	-9.71
Diluted ₹		-17.57	-9.71

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
0th May, 2018

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	31-Mar-18 ₹	31-Mar-17 ₹
Operating activities			
Profit/ (Loss) before tax		-26709	-14010
Adjustments to reconcile profit before tax to net cash flows:		-	-
Depreciation of property, plant and equipment		1246	1394
Amortization of intangible assets		18	20
Amortization of fit out liability		170	-
Share of profit/(loss) from investment in AOP		22	5
Profit from sale of fixed assets		-3	-
Gain/ (loss) on disposal of investments		3558	-
Provisions no longer required written back		-275	-16
Dividend from current investments		-41	-18
Finance income		-604	-222
Finance costs (including fair value change in financial instruments)		13983	11120
Bad debts/ advances written off and provided for		117	119
Adjustment of earlier loss/(profit) on account of cessation of Associates		7286	-
Working capital adjustments:			
(Increase)/ decrease in trade receivables		-3158	1020
(Increase)/ decrease in current other financial and non-financial assets		-12663	10487
(Increase)/ decrease in Loans		2568	2030
(Increase)/ decrease in Inventories		-2409	12480
(Increase)/ decrease in non current other financial and non-financial assets		4887	1383
Increase/ (decrease) in Other financial liabilities		-7130	-9820
Increase/ (decrease) in trade payables		5772	5025
Increase/ (decrease) in provisions		-2473	41
Increase/ (decrease) in other non-financial liabilities		2268	554
		-13,570	21,591
Income tax paid (net of refund)		-	-
Net cash flows from/ (used in) operating activities (A)		**-13,570**	**21,591**
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		-1,539	-97
Purchase of intangibles		-10	-8
Proceeds from sale of property, plant and equipment		5	-
Dividend income		41	18
Proceeds from maturity of fixed deposits of maturity between 3 months and 12 months		365	1,884
Proceeds from sale of investment		972	1,614
Interest received		605	222
Net cash flows from/ (used in) investing activities (B)		**439**	**3,633**

Consolidated Cash Flow Statement for the year ended March 31, 2018 (Contd.)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Financing activities			
Proceeds from Current borrowings		25,822	-14,817
Interest paid (gross)		-12,298	-11,817
Net cash flows from/ (used in) financing activities (C)		**13,524**	**-26,634**
Net increase/ (decrease) in cash and cash equivalents		393	-1,410
Cash and cash equivalents at the beginning of the year	15	247	1,657
Cash and cash equivalents at the end of the year	**15**	**640**	**247**
Components of cash and cash equivalents			
Cash on hand		8	17
Balance with banks		-	-
- on current account		632	230
- on deposit account		-	-
Less - Bank overdraft			
Total cash and cash equivalents		**640**	**247**

Note:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow".

(b) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes

Reconciliation of liabilities arising from financing activities

Particulars	As at 1st April, 2017	Changes as per statement of cash flows	As at 31st March, 2018
Current borrowings	73,836	22,838	96,673
Non-Current borrowings	30,935	2,984	33,919
Total Liabilities from Financing Activity	**1,04,771**	**25,822**	**1,30,592**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Place: Bangalore
30th May, 2018

Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount ₹
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2016	145,832,100	14,583
At March 31, 2017	145,832,100	14,583
At March 31, 2018	**145,832,100**	**14,583**

b. Other equity

For the year ended March 31, 2018

	Reserves and Surplus		Other Reserve	Total
	Security Premium	Retained Earnings	Fair Value through Other Comprehensive Income - Equity Instrument	
As at April 1, 2016	31,259	(18,774)	-	12,485
Loss for the year	-	(14,164)	-	(14,164)
Other comprehensive income	-	(8)	-	(8)
Others		-		-
Total comprehensive income	**-**	**(14,172)**	**-**	**(14,172)**
At March 31, 2017	**31,259**	**(32,946)**	**-**	**(1,687)**
As at April 1, 2017				
Loss for the period	-	(25,622)	-	(25,622)
Other comprehensive income	-	51	(3,562)	(3,511)
Adjustment of earlier loss/(profit) on account of cessation of Associates		7,286	-	7,286
Total comprehensive income	**-**	**(18,285)**	**(3,562)**	**(21,847)**
At March 31, 2018	**31,259**	**(51,231)**	**(3,562)**	**(23,534)**

* As required under Ind AS complaint Schedule III, the Group has recognized premeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
30th May, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Notes to the Consolidated Ind AS financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1 Corporate Information

Nitesh Estates Limited ('the Company' or 'NEL' or 'the holding company') was incorporated on February 20, 2004. The Group as a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities. The Consolidated financial statements relate to Nitesh Estates Limited ('the Company') its subsidiary companies, joint ventures and associate as referred in Note 44 (collectively referred as 'the Group')

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Compliance with Ind AS

The consolidated financial statements are prepared in all material respect in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first Consolidated financial statements the Group has prepared in accordance with Ind AS. Refer to note 45 for information on how the Group adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

Amended standards adopted by the Group

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Consolidation procedure

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

f. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

iii. Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint venture are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

iv. **Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group`s share of the post acquisition profits or losses of the investee in profit and loss, and the group`s share of other comprehensive income of the investee in 'Other Comprehensive Income'.

When the group`s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivable, the group doesn't recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint venture are eliminated to the extent of the group`s interest in its entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in Note no 45 - 'First time adoption to Ind AS'.

b) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the date of transition, i.e., April 1, 2016. As such, Previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue does not include sales tax/ value added tax (VAT) and Goods Service Tax (GST) as the same is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

i. Income from lease of commercial properties

Rental income receivable under operating leases is recognized in the income statement as and when due over the lease period.

ii. **Recognition of revenue from real estate development**

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers` commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized.

Revenue from real estate projects is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

a) all critical approval necessary for the commencement of the project has been obtained

b) the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred,

c) at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,

d) at least 10% of the contract value as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognized are reversed.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognized as an expense immediately when such probability is determined.

Further, for projects executed through joint development arrangements, wherein the land owner/ possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds. The project costs include fair value of land being offered for the project and revenue from the development and transfer of constructed area/ revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

Iii. Recognition of revenue from contractual projects

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The stage of completion on a project is measured on the basis of proportion of the contract work/based upon the contracts/ agreements entered into by the Group with its customers.

iv. Unbilled Receivables & Billed Receivables in excess of revenue

Unbilled receivables represents revenue recognized based on Percentage of Completion Method over and above the amount due as per the payment plans agreed with the customers.

Billing in excess of revenue represents the amount due as per the payment plans agreed with the customers over and above the revenue recognized based on Percentage of Completion Method.

v. Income from Sale of Land & Plots

Sale of Land and plots (including development rights) is recognized in the financial year in which the agreement to sell is executed. Where the Group has any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting.

vi. Interest income

Interest income, including income arising from other financial instruments, is recognized using the effective interest rate method.

For all debt instruments measured either at amortized cost , interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

vii. Dividend income

Revenue is recognized when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

Viii) Share in Proffit / (loss) from investment in association of person (AOP). The Company share in profit from AOP where the Company in a member, is recognized on the basis of such AOPs audited accounts, as per term of the agreement.

b) Property, plant and equipment

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are expensed as incurred.

Subsequent costs are included in the asset`s carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided 'Written Down Value Method' based on useful life as prescribed under Schedule II of Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and its cost can be measured reliably. Intangible assets/ Computer software is amortized using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e) Investment Property

Ind AS 101 permits a first-time adopter to measure an item investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) **Segment reporting**

Identification of segments - The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment

Segment accounting policies - The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Foreign currency transactions and balances

i) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) **Exchange difference**: The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

h) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

j) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The real estate development projects undertaken by the Group run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

k) Fair value measurement

The Group measures financial instruments, such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortized cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Equity investments in joint ventures

The Group has availed the option available in Ind AS 27 to carry its investment in joint ventures at cost. Impairment recognized, if any, is reduced from the carrying value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

m) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loans and borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

o) Borrowing costs

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalization are charged to statement of profit and loss.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group does not have any carry forward of unutilized leave balance.

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

r) Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

u) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

> In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

v) Land

Advances paid by the Group, except for acquisition of fixed assets/ investment properties, to the seller/ intermediary towards outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to work in progress. Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as land advance under loans and advances, unless they are non-refundable, wherein they are transferred to work-in-progress or capital work in progress on the launch of project.

Land/ development rights received under joint development arrangements is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Group under joint development arrangements is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

w) Leases

Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainty that the Group will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

x) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i) **Work-in-progress**: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) **Finished goods** - Stock of Flats: Valued at lower of cost and net realizable value.

iii) **Raw materials, components and stores:** Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) **Land stock**: Valued at lower of cost and net realizable value.

Net realizable 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.

3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the Group to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, the group has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i) Going concern

These consolidated financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation.

These consolidated financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

ii) Classification of property

The Group determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Group develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Revenue recognition, contract costs and valuation of unbilled revenue

The uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate projects. The percentage of completion is measured by reference to the stage of the projects determined based on the proportion contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements ('JDA')

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Group under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4 Property, plant and equipment

₹

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
Deemed Cost *						
At 1 April 2016	21	71	23	212	60	388
Additions	-	4	10	22	34	70
Disposals	-	-	-	-	-	-
At 31 March 2017	**21**	**75**	**34**	**234**	**94**	**457**
Additions	-	12	10	-	-	22
Disposals	-	-	-	-	1	2
At 31 March 2018	**21**	**87**	**44**	**234**	**93**	**478**
Depreciation and impairment						
At 1 April 2016	-	-	-	-	-	-
Charge for the year	17	31	13	59	24	145
Disposals	-	-	-	- -		-
At 31 March 2017	**17**	**31**	**13**	**59**	**24**	**145**
Charge for the year	3	19	11	46	21	100
Disposals	-	-	-	-	-	-
Other adjustments	-	1	-	-	-	1
At 31 March 2018	**21**	**50**	**24**	**105**	**44**	**243**
Net Book value						
At 31 March 2018	**-**	**37**	**19**	**129**	**48**	**234**
At 31 March 2017	**3**	**44**	**20**	**175**	**70**	**313**
At 1 April 2016	**21**	**71**	**23**	**212**	**60**	**388**

* For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

4a Capital Work in progress

	Investment property under construction	Property, Plant and Equipment	Total
Deemed cost*			
At 1 April 2016	41486	-	41,486
Additions	170	-	170
Capitalized during the year	-	-	-
At 31 March 2017	**41,656**	**-**	**41,656**
Additions	40	-	40
Capitalized during the year	67	-	67
At 31 March 2018	**41,628**	**-**	**41,628**

a) Investment property under construction as on the date of transition to Ind AS, i.e., April 1, 2016, the group has used fair value on the date of transition as deemed costs.

b) Refer note 36b related to the pending s litigation related to Nitesh Indiranagar Retail Pvt. Ltd and closing balances in Investment property under construction ₹ 28631 lakhs (2017- ₹ 28591, 2016- ₹ 28424 lakhs)

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4b Investment Property

	Freehold Land	Project permits and approvals	Mall Building	Machinery	Electrical installation	Total
Deemed Cost *						
At 1 April 2016	5492	1815	15174	1492	826	24,799
Additions	-	185	10	8	-	203
Disposals	-	-	-	-	-	-
At 31 March 2017	**5,492**	**2,000**	**15,184**	**1,501**	**826**	**25,003**
Additions	-	9	99	-	-	107
Disposals	-	-	-	-	-	-
At 31 March 2018	**5,492**	**2,009**	**15,283**	**1,501**	**826**	**25,110**
Depreciation and impairment						
At 1 April 2016	-	-	-	-	-	-
Charge for the year	-	88	731	282	148	1,249
Disposals	-	-	-	-	-	-
At 31 March 2017	**-**	**88**	**731**	**282**	**148**	**1,249**
Charge for the year	-	93	703	229	122	1,147
Disposals	-	-	-	-	-	-
At 31 March 2018	**-**	**182**	**1,433**	**511**	**270**	**2,396**
Net Book value						
At 31 March 2018	**5,492**	**1,827**	**13,849**	**990**	**556**	**22,715**
At 31 March 2017	**5,492**	**1,912**	**14,453**	**1,219**	**678**	**23,754**
At 1 April 2016	**5,492**	**1,815**	**15,174**	**1,492**	**826**	**24,799**

Note:

a) For Investment property existing as on the date of transition to Ind AS, i.e., April 1, 2016, the group has used Indian GAAP carrying value as deemed costs.

5 Intangible assets

	Computer - Software	Goodwill	Total
Deemed Cost*			
At 1 April 2016	36	1691	1,728
Additions	8	-	8
Disposals	-	-	-
Other adjustments	-	374	374
At 31 March 2017	**45**	**1,317**	**1,362**
Additions	10	1438	1,448
Disposals			-
At 31 March 2018	**55**	**2,755**	**2,810**
Depreciation and impairment			
At 1 April 2016	-		-
Charge for the year	20		20
Disposals	-	-	-
At 31 March 2017	**20**	**-**	**20**
Charge for the year	17		17
Disposals			-
Other adjustments			-
At 31 March 2018	**38**	**-**	**38**
Net Book value			
At 31 March 2018	**17**	**2755**	**2772**
At 31 March 2017	**25**	**1317**	**1342**
At 1 April 2016	**36**	**1691**	**1728**

* For intangible assets existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

6 Investments

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**1-Apr-16**	**31-Mar-18**	**31-Mar-17**	**1-Apr-16**
A. Investment in equity instruments (fully paid)						
(i) Unquoted (measured at Fair value through Other comprehensive income)						
8,22,52,406 (2017: NIL, 2016: NIL) equity shares of ₹ 10/- each fully paid up in Nitesh Residency Hotels Private Limited	-	-	-	4,335	-	-
(ii) Investment in Government and trust securities (unquoted)						
National Savings Certificate	-	-	-	-	1	1
B. Investment in Mutual Fund (measured at Fair value through profit & loss)						
Mutual funds	6	5	3	-	-	-
Total	**6**	**5**	**3**	**4,335**	**1**	**1**
Aggregate amount of quoted investments	-	-	-	-	-	-
Market value of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	6	5	3	4,335	1	1
Aggregate amount of impairment in the value of investments	-	-	-	-	-	-

6a Investments accounted for using the equity method

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**1-Apr-16**	**31-Mar-18**	**31-Mar-17**	**1-Apr-16**
Unquoted - In Joint Venture & Associate entities						
NIL (2017: 13,64,01,904, 2016: 15,23,72,579) equity shares of ₹ 10/- each fully paid up in Nitesh Residency Hotels Private Limited	-	-	-	-	8,865	10,481
Total	**-**	**-**	**-**	**-**	**8,865**	**10,481**

7 Inventories (valued at lower of cost and net realizable value)

	Current			Non-current		
	31-Mar-18	**31-Mar-17**	**01-Apr-16**	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Land	796	3130	6459			
Land held under joint development arrangements	54859	54644	64763			
Properties under development	23000	18472	17330			
Finished goods	-	-	172			
	78,655	**76,246**	**88,726**	**-**	**-**	**-**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

8 Loans (Unsecured, considered good unless otherwise stated)

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Security deposit						
Unsecured, considered good						
Security deposit -related parties	-	-	-	177	177	177
Security Deposit -others	119	6	5	467	218	1974
* Refundable deposits under joint development agreements	1028	3959	4234	-	-	-
	1,147	**3,964**	**4,239**	**644**	**395**	**2,151**

* Advances paid by company to the land owners towards joint development of land is recognised as deposits since the advances is in the nature of refundable deposit.

9 Deferred tax Assets /(liabilities) (Net)

	Current			Non-Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Deferred tax liabilities						
a) Fair Valuation of investment Property under construction on the date of transition				4419	4419	4419
b) Fair Valuation of investment in Preference Share (Compound financial instrument)				209	157	110
c) Revenue recognition under gross accounting method				125	125	42
Gross deferred tax liabilities (A)				4753	4701	4571
Deferred tax assets				-	-	-
a) Depreciation and amortization				47	42	34
b) Leave encashment and gratuity - deductible on payment				83	61	49
c) Fair valuation of security deposit-Assets				-	-	1
d) Provision for advances				448	454	426
e) Fair valuation investments in equity shares				3047	-	-
f) Others				79	269	269
g) Other Subsidiaries				3695	3952	3805
Gross deferred tax assets (B)				7400	4776	4583
Total				**2,646**	**75**	**(12)**

9 (a) Deferred Tax assets/liabilities outstanding figure as on 31st March, 2018 are under reconciliation due to Ind AS applicability to the Group from the current year and will be provided after reconciliation.

10 Trade receivables

	Current			Non-current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
(a) Unsecured, considered good						
Trade receivables						
- from related parties	338	1071	432			
- from others	6388	2496	4273			
	6,726	**3,567**	**4,705**			
(b) Unsecured, considered doubtful						
Trade receivables	175	17	137			
Less: Provision for doubtful debts	175	17	137			
	--	-	--			
	6,726	**3,567**	**4,705**			

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

11 Other financial assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
(a) Unsecured, Considered good						
Interest accrued on deposits	10	11	22			
(b) Unsecured, considered doubtful	-	-	-			
Advances paid towards Joint Development	21787	21787	20313			
Less: Provision for doubtful debts/advances *	21,787	21,787	20,313			
	-	**-**	**-**			
	10	**11**	**22**	-	-	-

* The Holding Company and its two subsidiary companies have advanced to various parties for purchase/joint development of land/properties. Considering the timelines of these advances and the period for conversion of these advances into acquired land /joint development agreements ranging between seven to ten years of time for the recoverability/conversion, the management keeping in view the long term nature of these advances and as an abundant caution, provision has been made on the basis of life time expected credit loss.

12 Other Assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Unsecured, Considered good						
Non-refundable deposit towards JDA	400	400	400	-	-	-
Land at Cost	-	-	-	-	266	263
Vendor advances	-	-	-	82	20	86
Prepaid expenses - NFA	38	44	70	-	-	-
Advance against property	-	-	-	-	539	6839
Advance for construction of inventory	-	-	-	-	-	-
- To related parties	79	79	79	-	-	-
- To others	1792	3173	3660	-	-	-
Advance paid for purchase of properties	-	-	-	-	-	-
- To related parties	108	108	108	-	-	-
- To others	20949	14978	-	-	-	-
Advances for supply of goods and rendering of services	-	-	-	-	-	-
- To related parties	106	77	88	-	-	-
- To others	11984	8087	8210	-	1019	5752
Balances with government authorities	1679	975	436	-	-	-
Others	545	239	50	65	-	608
Amount paid to related parties	3504	2931	28543	-	-	-
Advance towards participation in real estate development project	-	-	-	-	33	33
Unbilled Revenue	-	-	-	-	-	-
- Related parties	-	-	-	1155	1155	1155
- Others	-	-	-	26435	29615	19299
	41,184	**31,092**	**41,644**	**27,737**	**32,647**	**34,036**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Current			Non-current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Unsecured, considered doubtful						
Advance paid for purchase of property and Transferable	48	-	-	-	-	-
Less: Provision for impairment of doubtful advance	48	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
	41,184	**31,092**	**41,644**	**27,737**	**32,647**	**34,036**

* The Company has granted unsecured loans and advances to related parties in the ordinary course of business towards furtherance of the business objectives of the Company. The interest charged on such loans and advances, wherever applicable, is not prejudicial to the interests of the Company.

\# Other related party loans and advances are given to entities owned by or significantly influenced by key managerial personnel, towards real estate projects, which are in various stages of development/project set-up.

13 Cash and cash equivalent

	31-Mar-18	31-Mar-17	1-Apr-16
Cash on hand	8	17	9
Balances with banks	-	-	-
- On current accounts	632	231	1648
	640	**248**	**1,657**

14 Bank balances other than cash and cash equivalents

Other bank balances			
- Fixed Deposits with bank	-	365	2248
-Margin money deposit		-	1
	-	**365**	**2,249**

15 Share Capital

	31-Mar-18	31-Mar-17	1-Apr-16
Authorized			
150,000,000 (2017: 150,000,000 and 2016 : 150,000,000) equity shares of ₹ 10 each	15000	15000	15000
5,000,000 (2017: 5,000,000 and 2016: 5,000,000) 9% Non Cumulative Redeemable Preference Shares of ₹ 10 each	500	500	500
Issued, subscribed and fully paid shares			
145,832,100 (2017 : 145,832,100 and 2016: 145,832,100) Equity shares of ₹10 each	14,583	14,583	14583
Total issued, subscribed and fully paid-up share capital	14,583	14,583	14,583

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-18		31-Mar-17		1-Apr-16	
	No of Shares	Amount ₹	No of Shares	Amount ₹	No of Shares	Amount ₹
Equity shares						
At the beginning of the year	145,832,100	1,458	145,832,100	1,458	145,832,100	1,458
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	145,832,100	1,458	145,832,100	1,458	145,832,100	1,458

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
Equity shares of ₹ 10 each fully paid up						
Nitesh Shetty, Managing Director	43,029,295	30%	42,974,395	29%	42,974,395	29%
Nitesh Industries Private Limited	15,834,209	11%	15,556,634	11%	15,556,634	11%
Nomura India Investment Fund Mother Fund	-	-	-	-	12,971,738	9%
HSBC Bank (Mauritius) Limited	9,200,189	6%	10,423,667	7%	10,423,667	7%

As per records of the Holding Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

16 Other equity

	31-Mar-18	31-Mar-17	01-Apr-16
RESERVES AND SURPLUS			
Securities premium	31259	31259	31259
Retained earnings	-51231	-32946	-18774
	-19,972	**(1,687)**	**12,485**
OTHER RESERVE			
FVOCI - Equity Instruments	-3562	-	-
	(3,562)	**-**	**-**
	-23,534	**(1,687)**	**12,485**

(A) RESERVES AND SURPLUS

(a) Securities premium

Balance at the beginning of the year	31,259	31,259
Add: Adjustment during the year	-	-
Balance at the end of the year	**31,259**	**31,259**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(b) Retained earnings

Balance at the beginning of the year	(32,946)	(18,774)
Profit/(loss) for the year	(25,622)	(14,164)
Other cocmpehensive income	51	(8)
Adjustment of earlier loss/(profit) on account of cessation of Associates	7,286	0
Balance at the end of the year	**(51,231)**	**(32,946)**

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(B) OTHER RESERVE		
Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year		
Add: Changes during the year	(3,562)	-
Balance at the end of the year	**(3,562)**	**-**
Total other equity	**(19,972)**	**(1,687)**

Note: In view of the loss for the year as well as carried forward accumulated losses, the company has not created debenture redemption reserve in respect of 18.5% non convertible redeemable debentures.

17 Borrowings

	Effective interest rate	Maturity	31-Mar-18	31-Mar-17	1-Apr-16
	%		₹	₹	₹
Non-current Borrowings					
Secured loans					
- Non convertible debentures	Refer Note (ii) below	Refer Note (ii) below	33919	30935	26747
Total non-current Borrowings			**33,919**	**30,935**	**26,747**
Current Borrowings -Secured					
Term loan from banks	Refer Note (ii) below	Refer Note (ii) below	46769	47311	63341
Loan from Financial Institutions			44314	19528	7916
18.5 % Non convertible, redeemable debentures			5500	5472	12353
Nil (2017- Nil, 2016- 38500 redeemable NCD of ₹ 20,000 each			-	-	7700
Cash credit			-	1521	1518
			96,584	**73,831**	**92,827**
Unsecured loans					
- from a director	Refer Note (ii) below	Refer Note (ii) below	1	1	1
- from others			89	4	29
			90	**5**	**30**
Total current Borrowings			**96,674**	**73,836**	**92,858**

The management has obtained confirmation from all banks wherein banks/lenders have confirmed that the Company has made the interest payment along with repayment of principal amount as per the sanction terms/approvals and there has been no instance of any delay in repayment of principal amount along with interest during the year, with respect to instances of repayment of term loans beyond contractual due date, hence the management is of the view that the Company has not defaulted in repayment of dues to banks and financial institutions.

Current Borrowings

Note:

(i) 18.5% non Convertible Redeemable Debentures are redeemable in 21 equal monthly installment starting from July 15, 2016. The following amounts of such non convertible redeemable debentures, which became due on March 15, 2018 has not been paid as on the Balance sheet date.

Particulars	**Amount**
Principal Amount	5500
Interest Amount	2811
Total	**8,311**

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(ii) Details of security and terms of loans and debentures

Particulars	Amount outstanding (`) 31-Mar-18	31-Mar-17	1-Apr-16	Interest rate	Security details	Repayment terms
Term loans from banks-NEL	234	394	625	Base rate plus 4.10%.	i. Equitable mortgage of vacant land situated at Mulavukkad Village, Kanaynnur Taluk district registered with Kakanad Enterprises Private Limited, a Subsidiary Company. ii. Developers share of 13,621 sq ft of commercial area on an undivided basis in the Project Nitesh Ceasers Palace situated at Bangalore South Taluk registered with the Company. iii. Simple and registered mortgage of a flat in the project Nitesh Camp David situated at Pulakeshi Nagar registered with the Company. iv. Personal Guarantee of Mr. Nitesh Shetty. v. Guarantee of Subsidiary Company - Kakanad Enterprises Private Limited.	The amount is repayable in 42 monthly installments beginning 18 months from the date of first disbursement
Loan from Financial Institutions-NEL	3700	2177	1567	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum.	i. Mortgage of developer's share of unsold units in Nitesh Park Avenue admesuting 0.62 acres and one Pent House (measuring 15221 sq. ft.) of the same project retained by Mr. Nitesh Shetty situated at Sankey Road, Vasant Nagar, Bangalore. ii. All future receivables of the project Nitesh Park Avenue. iii. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the beginning of 25th Month from the date of first disbursement

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Loan from Financial Institutions-NEL	151	198	236	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.	i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.	The loan is repayable in 60 equated monthly installments of ₹599,158 pm starting from immediately nest month of disbursement.
Loan from Financial Institutions-NEL	21808	16982	5137	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.	i. Mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley - Nitesh Virgin Island ii. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects. iii.Mortgage of developer's share of area in the project Nitesh Madison Square at Cunningham Road. iv. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'. v. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the beginning of 37th Month from the date of first disbursement

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Loan from Financial Institutions-NEL	3647	316	-	Interest rate is based on the Corporate Prime Lending Rate (CPLR) The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.	i. Mortgage of developer's share of receivables of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea (64%) - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley - Nitesh Virgin Island ii. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects. iii. Mortgage of developer's share of area in the project Nitesh Madison Square at Cunningham Road. iv. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'. v. Personal guarantee of Mr. Nitesh Shetty.	Repayment starts from the beginning of 37th Month from the date of first disbursement
Loan from Financial Institutions-NEL	1800	1800	-	17% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivables from the mortgages units. iii. Escrow of all cash flows, both present & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month
Loan from Financial Institutions	7133	-	-	4.3% ('spread) over and above the Bank's yearly MCLR	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area -89000 sft). Ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/ cash flows. iv. personal guarantee from Mr Nitesh Shetty.	Bullet repayment of entire amount at the end of 72 months

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Loan from Financial Institutions NEL	7981	-	-	4.3% ('spread) over and above the Bank's yearly MCLR	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). Ii. Exclusive charge on all borrower's share of development. Iii. Exclusive charge on all borrower's share of projects receivables/ cash flows. iv. personal guarantee from Mr Nitesh Shetty.	Bullet repayment of entire amount at the end of 72 months
18.5 % Non convertible, redeemable debentures NEL	5500	5472	12353	18.5% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favor of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018
Cash credit-NEL	-	1521	1518	Base rate plus 7%	i. Exclusive charge on the Property admeasuring 21,000 Sq ft situated at Sampangi Ramaswamy Temple Road registered with Courtyard Constructions Private Limited. ii. Personal Guarantee of Mr. Nitesh Shetty. iii. Corporate Guarantee of a Joint Venture with Courtyard Construction Private Limited (50% shareholding by Nitesh Urban Development Private Limited).	Cash credit facility drawn on 25 October 2013 for a period of 12 months
TermLoan	-	-	3016	16.25%	Registered memorandum of deposit of title deed and deed of hypothecation or future receivables of the project Park Avenue. Registered MODTD of Cochin Project -Kakkanad	30 monthly installments

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Term Loan	-	-	310	16.25%	Registered memorandum of deposit of title deed and deed of hypothication or future receivables of the project Park Avenue. Registered MODTD of Cochin Project -Kakkanad	62monthly installments
Term loans from banks	30326	29515	27515	Base rate plus 3.50%.	i.Exclusive charge by way of registered mortgage on all present & future assets of the borrower, entire land, development rights and structures built thereon (both present & future). Current ongoing projects are Hyde Park, Columbus Square, Napa Valley I, Napa Valley II, Fisher Island, Melburne Park and Grand Canyon. ii. Exclusive charge on all borrower's share of project receivables/ cashflows (both sold and unsold stock, present &future) along with escrow of gross sales proceeds. iii. Exclusive charge on the current assets, movable fixed assets and non current loan & advances of the borrower. YBL to have charge on all assets created out of loans and advances of the company. iv. Corporate Guarantee of Nitesh Estates Limited v. Personal Guarantee of Mr Nitesh Shetty vi. DSRA of one quarter interest and one quarter principal; DSRA for principal amount to be created before 36th month from the date of first disbursement.	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Term loans from banks	59	201	326	13.75%	i. Mortgage of Villa No. 82 A in the project "Napavalley"admeasuring about 5342 sq ft of BUA along with UDL situated at Vadeyarapura Village , Yelaanka Hobli , Bangalore North Tulak. ii. Personal Guarantee of Mr. Nitesh Shetty. iii.Any other security of similar/ higher value acceptable to HDFC. iv. NHDPL to give post dated cheques towards the repayment of principal. You shall execute a Facility Agreement containing these terms, conditions and convenants in detail, Demand Promissory note and/or such other documents as may be required by us in the format laid down by HDFC.	The loan will be repaid in 47 Equated Monthly installments of ₹ 13,60,062/- and last installment of ₹ 13,60,043/- (comprising of principal and interest) commencing from subsequent month of the disbursement or earlier at HDFC's option. Strict monitoring of the project will be done either by HDFC iteself or may be outsourced. Interest on the outstanding principal will be paid monthly Or earlier at HDFC's option.

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Term loans from banks	17299	15004	5223	Base rate plus 4.50%.	i. Registered mortgage on land, developments rights and structures built theron (both prsent &future) of projects presently under development under NUDPL Viz Cape Cod, Palo Alto, Santa Clara and Melno Park. ii. Exclusive charge on all borrower's share of project receivables/ cash flows (both sold and unsold stock, present &future) along with escrow of gross sale proceeds. (Sum of receivables from sold stock and value of unsold stock minus cost to be incurred on project will at any point in time provide min 1.5x cover. Value of unsold stock to be calculated basis prevailing market rate). iii. Exclusive charge on all current assets long term loans and advances and movable fixed assets (both present and future) of the borrower. iv. Corporate guarantee from Nitesh Estates Limited Mortgage will be created in favour of Security Trustee to be appointed for the facility v. Personal Guarantee of Mr Nitesh Shetty	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months
Term Loan-	-	-	27300	11.50%		The company took loan on 10/02/2016 and repaid on 05/04/2016
Vehicle LoaN	-	-	2	0.18	i. Loan amounting to RS 23,00,000 was taken against Vehicle - Renault Koleos - KA01 MJ 5031	The amount is repayable in 60 monthly installments beginning from 30/09/2012

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

2,350 (March 31, 2017 : 2,350) Non Convertible Debentures of ₹ 1,000,000/- each (secured)	33919	30935	26747	0.19	(i) a first ranking exclusive mortgage on the Mortgaged Properties, as described in Schedule I of debenture trust deed i.e. non agricultural land and shopping mall in favour of the Debenture Trustees; (ii) a first ranking exclusive hypothecation over the Hypothecated Properties i.e. all movable assets (both present and future) of the Company; all rights, titles, interests, benefits, claims and demands of the Company in respect of insurances both present and future and all monies lying to the credit of Transaction Accounts, accounts linked to Transaction accounts, Project receipts and all monies, securities, instruments, investments deposited or required to be deposited to the Transaction accounts; (iii) a first ranking exclusive pledge over the pledged securities i.e. 100% of the issued share capital of the Company in favour of the Debenture Trustee under the Securities Pledge Agreement; (iv) issuance by the Company of a Demand Promissory Note in favour of the Debenture Trustee; (v) a Corporate Guarantee issued by Nitesh Estates Limited (Ultimate Holding Company), In the absence of profits in the current year, the Company has not created debenture redemption reserve on NCDs as required under section 71 of the Companies Act, 2013 and the rules made thereunder.	a) The Company issued rated, listed, redeemable, non-convertible debentures ("NCD") of INR 2,350 million [2350 debentures of INR 1 million each] on May 14, 2015 on a private placement basis, in accordance with Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014. 1. In the first and second year from the deemed date of allotment, no fixed Interest is payable on the Debentures; provided that if there are any amounts lying to the credit of the Payment Account (including in the form of any fixed deposits linked to the Payment Account) on the date falling on the 180th calendar day from Deemed Allotment Date and every 180th calendar day thereafter until the second anniversary from the Deemed Allotment Date (i.e. semi-annual interest payments), such amounts shall be paid out of the Payment Account by the Company to the Debenture Holders on each of such dates as Interest; 2. On the first Interest Payment Date after the beginning of the third year from the Deemed Date of Allotment, all amounts lying to the credit of the Payment Account, if any, shall be paid out as Interest. On the second Interest Payment Date after the beginning of the third year from the Deemed Date of Allotment, an aggregate Interest at the rate of 8% (eight per cent) per annum for the third year, compounded annually on the third anniversary from the Deemed Date of Allotment, shall be paid to the Debenture Holders. For the purposes of calculating the 8% per annum interest payable to the Debenture Holders for the third year, the following amounts shall be included (a) any amounts paid as Interest on the first Interest Payment Date after the beginning of the third year from the Deemed Date of Allotment; and (b) any amounts paid as Interest in the first and second year from the Deemed Date of Allotment in excess of ₹ 4,70,00,000/- 3. In the fourth year from the Deemed Date of Allotment, an interest at the rate of 10% per annum, compounded annually on the fourth anniversary from the Deemed Date of Allotment shall be paid semi-annually; and 4. In the fifth year from the Deemed Date of Allotment, an interest at the rate of 10% per annum, compounded annually on the fifth anniversary from the Deemed Date of Allotment shall be paid semi-annually. The following amounts shall be deposited into the Payment Account for each month: (I) During the first year from the Deemed Date of Allotment, 25% (twenty five per cent) of the Project Receipts received by the Company in the previous month; (II) During the second year from the Deemed Date of Allotment, 30% (thirty per cent) of the Project Receipts received by the Company in the previous month; (III) During the third year from the Deemed Date of Allotment, 35% (thirty five per cent) of the Project Receipts received by the Company in the previous month; (IV) During the fourth year from the Deemed Date of Allotment, 35% (thirty five per cent) of the Project Receipts received by the Company in the previous month; and (V) During the fifth year from the Deemed Date of Allotment, 35% (thirty five per cent) of the Project Receipts received by the Company in the previous month.
	-	-	-			
	-	-	-			

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

18 Other financial liabilities

	Current			Non-Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Security Deposit	548	451	380	286	36	-
Other payables	465	115	146	619	301	258
Current maturities of long-term borrowings	64	2	5	-	-	-
Payable to land owners	48924	56214	66253	-	-	-
Accrued salaries and benefits	86	114	87	-	-	-
Interest accrued on borrowings	1800	117	814	-	-	-
Payable for purchase of property	16	-	-	-	-	-
Total	**51,903**	**57,013**	**67,687**	**905**	**337**	**258**

19 Other Liabilities

	Current			Non-Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Sinking Fund	-	-	-	-	543	447
Consideration under JDA towards purchase of land*	-	-	2087	-	-	-
Interest free security deposit (IFRSD) from tenants	-	-	-	207	271	103
Advance received from related parties for sale of properties	7257	4692	4865	-	-	-
Other advance received from related parties towards contract	400	400	400	-	-	-
Advance received from customers for sale of properties	11035	12987	12077	-	-	-
Billings in excess of revenue	3700	2118	423	-	-	-
Other statutory dues	945	995	689	-	-	-
Advance received from related parties	565	440	220	-	-	-
Total	**23,901**	**21,632**	**20,761**	**207**	**814**	**550**

The Group has entered into joint development agreements with the land owners whereby the Group, at its cost, will construct apartments/buildings on the land owned by the land owners, and the portion of building constructed will be exchanged for ownership in the land. Such portion of land to be acquired by the Group as per joint development agreement is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction.

20 Provisions

	Current			Non-Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Provision for employee benefits						
Provision for gratuity (Refer Note no ……)	38	66	193	150	126	124
Provision for leave benefits	44	97	81	197	188	193
	82	**162**	**274**	**346**	**315**	**317**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

21 Current Tax Liability (net)

	Current			Non-Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Provision for income tax	134	500	618	-	-	-
Mat Credit Entitlement	-	-70	-			
	134	**430**	**618**	**-**	**-**	**-**

22 Trade payables

	Current			Non Current		
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-18	31-Mar-17	1-Apr-16
Trade payables						
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 35 for details of dues to micro and small enterprises)	67	52	34			
	-	-	-			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-			
- to related parties	375	66	60			
- to others	31518	26055	21070			
	31,960	**26,172**	**21,163**			

23 Revenue from operations

	31-Mar-18 ₹	31-Mar-17 ₹
Income from property development	2114	26390
Building Maintaiance income	807	1200
Lease Rent Income	702	523
Other operating income	2	24
Income from sale of land	-	2650
	3,625	**30,786**

24 Other income

	31-Mar-18 ₹	31-Mar-17 ₹
Interest income on		
Bank deposits	20	86
Others	584	125
Dividend from current investments	41	18
Provisions no longer required written back	275	16
Income from sale of fixed assets	3	-
Miscellaneous Income	81	454
Profit on sale of Land	1000	-
	2,004	**698**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

25 Land and construction cost

	31-Mar-18 ₹	31-Mar-17 ₹
Land and construction cost	8903	13332
	8,903	**13,332**

25a (Increase)/decrease in inventories of stock of flats, land stock and work-in-progress

Opening Inventory	76246	88726
Less: Closing Inventory	78655	76246
Change in Inventory	**(2,409)**	**12,480**

26 Employee benefits expense

	31-Mar-18 ₹	31-Mar-17 ₹
Salaries, wages and bonus	2569	2873
Directors remuneration	357	357
Contribution to provident and other fund	57	65
Gratuity expense (net) [Note 30]	22	-
Staff welfare expenses	-	62
	3,004	**3,357**

27 Finance costs

	31-Mar-18 ₹	31-Mar-17 ₹
Interest		
- On debentures	4906	4335
- On bank loan	8528	6347
- Others	194	2
Total interest expense	**13,628**	**10,683**
Processing charges and other charges	355	437
Total finance costs	**13,983**	**11,120**

28 Depreciation and amortization expense

	31-Mar-18 ₹	31-Mar-17 ₹
Depreciation of property, plant and equipment	100	145
Depreciation on Investment Property	1147	1249
Amortization of intangible assets	17	20
	1,264	**1,414**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

29 Other expenses

	31-Mar-18 ₹	31-Mar-17 ₹
Power and fuel	120	170
Rent	332	320
Lease rent-vehicles	4	7
Rates and taxes	913	563
Insurance	19	66
Repairs and maintenance	-	-
Others	21	107
Office maintenance	49	57
Advertising and sales promotion	1388	1653
Travelling and conveyance	93	144
Communication costs	31	29
Printing and stationery	3	10
Director's sitting fees	29	34
Exchange fluctuation	-	15
Bad debts / advances written off	117	119
Professional and consultancy charges	543	340
Payment to Auditors - Refer note (i) below	44	43
Hire Charges	1	33
Security Charges	-	2
Interest and other charges	-	2
Bank charges	2	6
Sales office expense	20	-
Provision for doubtful debts	158	-120
Loss on Sale of investments (Refer Note (ii) below)	3558	-
Miscellaneous expenses	125	187
	7,571	**3,786**

Note:

(i) Payments to auditors

	31-Mar-18 ₹	31-Mar-17 ₹
As an auditor:		
Statutory Audit fees	28	24
Limited review fees	14	17
Reimbursement of expenses	2	2
	44	**43**

(ii) During the year, the Company has incurred a loss from sale of 541,49,499 number of shares in 'Nitesh Residency Hotels Private Limited" to related parties, the sale consideration of which is based on the valuation report of an independent valuer.

(iii) Details of CSR expenditure:

The group has not provided for any Corportae Social Responsibility expenses, due to the absense of sufficient cash profits.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

30 Income tax

	31-Mar-18 ₹	31-Mar-17 ₹
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Decrease / (Increase) in deferred tax assets	-2930	-154
(Decrease) / Increase in deferred tax liabilities	-	-
Less : Recognised in OCI	1843	-
	-	-
Relating to origination and reversal of temporary differences	-1087	-154
Income tax expense reported in the statement of profit or loss	**(1,087)**	**(154)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018:

	31-Mar-18 ₹	31-Mar-17 ₹
Accounting profit before income tax	-26709	-14010
At India's statutory income tax rate of 34% (March 31, 2017: 34%)	-	-
Non-deductible expenses for tax purposes:	-	-
Fair value changes in the value of Security Deposits	-	1
Adjustment on account of depreciable assets	-2	-5
Tax effect of amounts which are not taxable in calculating taxable income:	-	-
Provision for doubtful debts	5	-28
Adjustment in 43B	-33	-3
Other differences:	-	-
Difference due to gross accounting	-	140
Difference due to investment in Preference Shares	-	7
Other Adjustments	150	-400
Sale of investments	-1208	-
Recognised in OCI	1350	
	(1,087)	**(154)**

Reconciliation of deferred tax liabilities (net)

	31-Mar-18 ₹	31-Mar-17 ₹
Opening balance	75	-12
Deferred tax (credit)/charge during the period recognised in Profit & Loss	-1087	-154
Deferred tax (credit)/charge during the period recognised in OCI	1843	-
Others	1815	241
Closing balance	**2,646**	**75**

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

31 Related Party Disclosure

a List of related parties

Description of relationship	**Names of related parties**
(a) Controlling enterprise:	
Holding company	Nitesh Estates Limited
(b) Subsidiaries	
	Nitesh Indiranagar Retail Private Limited
	Nitesh Housing Developers Private Limited
	Nitesh Urban Development Private Limited
	Nitesh Office Parks Private Limited (Formerly known as Kakanad Enterprises Private Limited)
	Nitesh Property Management Private Limited
	Courtyard Construction Private Limited
	Nitesh Pune Mall Private Limited (Formerly Anuttam Developers Private Limited)
(c) Joint Venture	Nitesh Estates – Whitefield [Association of Persons]
(d)Joint venture partners	Joji Reddy
	Showrie Reddy

(f) Key Management Personnel of the company and close member of Key Management Personnel of the company

Nitesh Shetty [Chairman and Managing Director]
L.S.Vaidyanathan [Executive Director]
Ashwini Kumar [Executive Director and Chief Operating Officer]
Jagdish Capoor [Independent Director]
G. N. Bajpai [Independent Director]
M D Mallya [Independent Director]
Dipali Khanna [Independent Director]
Mahesh Bhupati [Independent Director]
Sudhakar Rao [upto October 12, 2016]
Ashok T. Aram [upto February 7, 2017]
Venkateshan .M.A.[Chief Financial Officer]
D. Srinivasan [Company Secretary]
Nischita Shetty [Relative of KMP]

(g) Enterprises owned or significantly influenced by Key Managerial Person

Nisco Ventures Private Limited
Southern Hills Developers Private Limited
(formerly Nitesh Estates Projects Private Limited)
Serve & Volley Signages Private Limited
Nitesh Infrastructure and Construction
Nitesh Industries Private Limited
Serve & Volley Media Private Limited
Serve & Volley Outdoor Advertising Private Limited
Grass Outdoor Media Private Limited
Pushrock Environment Private Limited
Avni Financial & Real Estate Private Limited
Birch Investment Private Limited
HMG Estate & Housing Limited
Khubchandani Interbuild Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(ii) Transactions with related parties

Transactions with related parties	**31 March 2018**	**31 March 2017**
Share in Profit to Joint Venturer:		
Showrie Reddy	-39	-6
Joji Reddy	-32	-5
	-	-
Advertising and sales promotion expenses	-	-
Serve & Volley Outdoor Advertising Private Limited	6	61
	-	-
Rent paid	-	-
Nitesh Infrastructure and Construction	243	232
Nitesh Industries Private Limited	60	55
Other Expenses	-	-
Nitesh Residency Hotels Private Limited	24	38
	-	-
Maintenance charges received	-	-
Nitesh Shetty	1	5
Nitesh Infrastructure & construction	-2	12
	-	-
Advances received from customers	-	-
Pushrock Environment Private Limited	138	-514
Nitesh Shetty	351	115
Nischita Shetty	100	-
	-	-
Repaid advance	-	-
Avani Financial & Real Estate P. ltd.	189	-
Birch Investment Pvt. Ltd.	19	-
HMG Estate & Housing Ltd.	1	-
Khubchandani Interbuild Pvt. Ltd.	11	-
Managerial remuneration (Refer note 1 below)	-	-
Nitesh Shetty	131	131
L.S.Vaidyanathan	117	117
Ashwini Kumar	109	109
D. Srinivasan	37	35
Venkateshan .M.A.	80	79
	-	-
Directors' sitting fees	-	-
G. N Bajpai	5	6
M. D Mallya	4	10
Jagdish Capoor	5	7
Ms. Dipali Khanna	7	6
S. Ananthanarayanan	4	-
Mahesh Bhupathi	1	1
Sudhakar Rao	-	1
	-	-

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Contribution of Gratuity Fund	-	-
Nitesh Estates Limited Employees' Gratuity Fund Trust	6	1
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	9	14
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	5	1
Nitesh Property Management Private Limited Employees' Gratuity Fund Trust	2	1
	-	-
Refund of Gratuity	-	-
Nitesh Estates Limited Employees' Gratuity Fund Trust	8	10
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	8	12
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	5	-
	-	-
Sale of Investment in NRHPL	-	-
Nitesh Shetty	-	-
The no of 2,67,32,031 shares of ₹5.27 Each.	1409	-
Nitesh Industries Pvt Ltd.,	-	-
The no of 2,74,17,467 shares of ₹5.27 Each.	1445	-
	-	-

(iii) Amount Outstanding as at Balance Sheet Date

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 March 2018	31 March 2017	01 April 2016
Trade receivables(asset)			
Nitesh Residency Hotels Private Limited	215	1016	377
Nitesh Infrastructure and Constructions	121	56	55
Nitesh Shetty	1	-	-
	-	-	-
Loans and advances to related entites(asset)	-	-	-
Southern Hills Developers Private Limited	111	41	41
Joji Reddy and Showrie Reddy	1172	1172	1172
Nitesh Estates – Whitefield	3388	3166	3115
Serve & Volley Outdoor Advt. Pvt. Ltd.	5	16	16
Nitesh Residency Hotels Private Limited	-	-	28218
	-	-	-
***Loans and advances from related entites* (liability)**	-	-	-
Nitesh Residency Hotels Private Limited	206	206	-
Nitesh Infrastructure and Constructions	7	-	-
Pushrock Environment Private Limited	83	-	-
Avni Financial & Real Estate Private Limited	-	189	189
Birch Investment Private Limited	-	19	19
HMG Estate & Housing Limited	-	1	1
Khubchandani Interbuild Private Limited	-	11	11
	-	-	-
Advance against Property (asset)	-	-	-
Nisco Ventures Private Limited	108	108	108
	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Security Deposits (asset)	-	-	-
Nitesh Infrastructure and Construction	177	177	177
	-	-	-
Unbilled Revenue(asset)	-	-	-
Nitesh Residency Hotels Private Limited	1155	1155	1155
	-	-	-
***Unsecured Loans*(liability)**	-	-	-
Nitesh Shetty	1	1	1
	-	-	-
Vendor Advance(asset)	-	-	-
Nisco Ventures Private Limited	-	-	-
Serve & Volley Outdoor Advertising Private Limited	32	32	32
Nitesh Infrastructure and Construction	47	47	47
	-	-	-
Trade Advances(asset)	-	-	-
Serve & Volley Outdoor Advt. Pvt. Ltd.	98	77	80
Globo Sport in Private Ltd	-	-	9
Nitesh Industries	8	-	-
	-	-	-
***Trade payables*(liability)**	-	-	-
Pushrock Environment Private Limited	174	-	-
Nitesh Industries	15	-	-
Nitesh Infrastructure and Construction	55	3	2
Serve & Volley Outdoor Advertising Private Limited	2	3	-
Nitesh Residency Hotels Private Limited	129	60	57
Globosport In PVT LTD	-	-	-
	-	-	-
***Other Advance from customers towards contract*(liability)**		-	-
Nitesh Residency Hotels Private Limited	400	400	400
	-	-	-
***Advance from customers*(liability)**	-	-	-
Nitesh Residency Hotels Private Limited	369	-	-
Nitesh Estates – Whitefield	96	-	-
Nitesh Shetty	2997	3233	3233
Nischita Shetty - Madision Square	100	-	-
Pushrock Environment Private Limited	3695	1459	1632

Terms and conditions of transactions with related parties

1) Remuneration paid to KMP includes perquisites evaluated as per Income tax Rules and excludes provision for/contribution to gratuity and unveiled leave which are based on actuarial valuation done on an overall company basis (cannot be individually identified) are excluded in the disclosure above. Further the remuneration to KMP excludes accrual for bonus/incentives which is considered in the year in which the same is actually paid out.

2) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

3) Nitesh Residency Hotels Private limited (NRHPL) has ceased to exist as an associate company of holding company as the holding company has divested/ trasferred 5,41,49,498 Class A equity shares of ₹ 10 each for a consideration of ₹ 5.27 per share aggregating to ₹ 2854 lakhs on the basis of the board resolution dated 12th December, 2017 and valuation report of independent valuer. (refer above mentioned related party list).

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

32 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Particulars	March 31, 2018			March 31, 2017			April 1, 2016		
	Fair value through PL	**Fair value through OCI**	**Amortised Cost**	**Fair value through PL**	**Fair value through OCI**	**Amortised Cost**	**Fair value through PL**	**Fair value through OCI**	**Amortised Cost**
Financial assets									
Investments Measured at Fair Value	6			5			3		
Investments Measured at Fair Value through OCI		4335			-			-	
Measured at cost/ amortised cost									
Other Investments									
Trade receivables			6726		3567				
Cash and Cash Equivalents			640		247				
Bank balances other than Cash and Cash Equivalents			-		365				
Loan			1791		4358				
Other Financial Assets			10		11				
			-						
	6	**4,335**	**9,168**	**5**	**8,549**		**3**	**-**	
Financial liabilities									
Measured at amortised cost									
Non Current borrowings			33919			30935			26747
Current borrowings			96673			73836			92858
Trade payables			31960			26172			21163
Other financial liabilities			905			337			258
Other current financial liabilities			51902			57013			67687
			215,359			**188,294**			**208,713**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The Group does not enters into any derivative financial instruments like foreign exchange forward contracts, futures , options etc, which employs the use of market observable inputs. Further, the carrying amount is a reasonable approximation of fair value for all other financial instruments such as short-term trade receivables and payables.Hence no fair value hierarchy disclosures has been provided. There have been no transfers between the levels during the period.

The carrying amounts of trade payables, non-trade payables, inter-corporate loans, loans (financial asset) and unbilled revenue, cash and cash equivalents, bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets & liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The details of fair value measurement of Group's financial assets/liabilities are as below:

Particulars	Level	March 31, 2018	March 31, 2017	April 1, 2016
Investments Measured at Fair Value through Profit and Loss:				
Investments in quoted investments	1	5.61	5.37	2.92
Financial assets/liabilities measured at fair value through OCI:				
Investment in equity instruments of Other company	3	4,335	-	-

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

a) The quoted investments (mutual funds and bond) are valued using the quoted market prices in active markets for identical investments.

b) The fair values of the unquoted equity shares have been estimated using a Net Asset Value model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

33 **Gratuity and other post-employment benefit plans**

Particulars	31-Mar-18 ₹	31-Mar-17 ₹	1-Apr-16 ₹
Defined Benefit Plan			
Gratuity - Funded			
Non Current	150	126	124
Current	38	66	193
	18,797,730	**19,191,590**	**18,797,730**
Leave Encashment			
Non-Current	197	188	193
Current	44	97	81
	241	**285**	**275**

The Group has a defined benefit gratuity plan (funded). The Group's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) Gratuity -Funded

The Group operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

b) As per the policy of the Group, cost of long term benefits by way of accumulating compensated absence arising during the tenure of service is calculated taking into account the pattern of availment of leave. The present value of obligations towards availment under such long term benefit is determined based on actual valuation carried on by an independent actuary using Projected Unit Credit Method as at the year end. It is an unfunded plan. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2018 :

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	1-Apr-17	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-18
Defined benefit obligation	211	42	16	58	-25			-1	-43	-44	-	201
Fair Value of Plan Asset	20	-	1	-	-24	--	-	-	-	-	16	13
Benefit liability	-192	-42	-14	-58	1	--	-	1	43	44	16	-188

ii. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2017 :

Particulars	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	1-Apr-16	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-17
Defined benefit obligation	191	45	12	57	-54	-	-	2	1	3	-	211
Fair Value of Plan Asset	26	-	2	-	-40	-4	-	-	-	-	34	20
Benefit liability	**-166**	**-45**	**-10**	**-57**	**13**	**-4**	**-**	**-2**	**-1**	**-3**	**34**	**-192**

iii. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Discount rate	7.50%	7.45%	7.60%
Future salary increases	6.00%	6.00%	6.00%
Expected rate of return of assets			
Mortality	Indian assured lives mortality(2006-08) (modified ultimate)	Indian assured lives mortality(2006-08) (modified ultimate)	Indian assured lives mortality(2006-08) (modified ultimate)
Withdrawal rate	1%-2%	1%-2%	1%-2%

iv. A quantitative sensitivity analysis for significant assumption as at March 31,2017 is as shown below:

Asssmumtions	3/31/2018				3/31/2017			
	Discount Rate		Salary Growth Rate		Discount Rate		Salary Growth Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	'+50 basis point	-50 basis point	'+50 basis point	-50 basis point	'+50 basis point	-50 basis point	'+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-4.26%	4.61%	2.15%	-2.52%	-3.31%	3.58%	3.04%	-2.82%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

v. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	**31-Mar-18** ₹	**31-Mar-17** ₹
Year 1	8	85
year 2	9	4
year 3	31	6
year 4	45	5
year 5	38	18
year 6 to 10	50	45
Total expected payments	181	163
Total expected payments	181	163

The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

34 **Segment information**

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Holding Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the group based on the below operative segment for the purpose of allocation resources and evaluating financial performance.

The Holding Company is domiciled in India. The amount of its revenue from external customers broken by location of the customers is shown in the table below. There are no material assets held by the Holding Company outside India.

The Operative segment comprises of the following:

1) Residential,

2) Retail

Particulars	From the year ended 31st march, 2018			From the year ended 31st march, 2017		
	Residential	**Retail**	**Total**	**Residential**	**Retail**	**Total**
Segment Revenue:						
External Customers	3625	1330	3625	-	1050	30786
Inter-segment revenue	-	-	-	-	-	-
Total Revenue	**3,625**	**1,330**	**3,625**	**-**	**1,050**	**30,786**
Segment Results:						
Profit/(loss) before tax and interest	-21365	6658	-14707	-2144	-1631	(3,775)
Add: Other Income (including interest income)			1982			448
Add: Share of profit/(loss) from associate			-22			(5)
Less: Finance cost			-13983			(11,120)
Less: Other unallocated expenditure			22			5
Profit/(Loss) before tax			**(26,708)**			**(14,447)**

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Segment Assets	175521	58423	233,944	124227	51975	176,202
Unallocated			1,394			2,434
			235,338			**178,636**
Segment Liabilities	198460	45712	244,172	163,806	45,712	209,518
Unallocated			1,991			1,991
			246,163			**211,509**
Capital Assets Purchased*	22	118	**139**	**74**	**208**	**281**
Depreciation and amortization:	**66**	**1,197**	**1,264**	**98**	**1,316**	**1,414**

As at 1st April, 2016

	Hospitality	Residential	Retail	Total
Segment Assets	18944	34788	73117	126,849
Less: Unallocated items and intra-group eliminations				-71,056
Total				**55,792**
Segment Liablities		118697	59779	178,476
Less: Unallocated items and intra-group eliminations				7,123
Total				**171,353**

The Group is discontinuing its segment operation on Hospitality sector.

* Capital expenditure consists of addition of property, plant and equipment, investment property, intangible assets, intangible assets under development and CWIP.

Segment Policies:

1) Segment revenue and expenses are directly attributable to the segment except for certain expenses which are in the nature of common expenses. Common expenses have been allocated to the business segments on a reasonable basis.

2) Segment assets and liabilities include all operating assets and liabilities used by a segment.

Revenue from external customers

India

Rest of the world

The revenue information above is based on the locations of the customers.

35 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**31-Mar-18**	**31-Mar-17**
Profit after tax attributable to shareholders (Amount in ₹)	-25622	-14164
	-	-
Weighted average number of Equity Shares outstanding during the year	145832100	145832100
Effect of dilution:	-	-
Weighted average number of Equity Shares	145832100	145832100
Loss per share ['EPS']	**-17.57**	**-9.71**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

36 Contingent liabilities

The Group have the following Contingent liabilities on the reporting date in respect of:

a (i). Claims against the Group pending appellate/judicial decision not acknowledged as debts:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Claims against the Group not acknowledged as debts in respect of			
- Income-tax	807	861	861
- Service tax	70	-	4
- Karnataka Value Added Tax	4374	-	-

a(ii). The holding company had filed its return of earlier year which subsequently become defective due to non-payment of MAT liability amounting to ₹ 488 lakhs, as displayed in the income tax e-filing website dated on 16th October, 2017. The applicable interest liability on the above tax liability from the date of return filing till the date of balance sheet is yet to quantify.

a (iii) Nitesh Property Management Pvt. Ltd, subsidiary Company of NEL had not file the income tax return for the earlier year and had not paid the tax liability amounting ₹ 8 lakhs. The applicable interest liability on the above tax liability from the due date of return filing till the date of balance sheet is yet to quantify.

a (iv) In the case of Nitesh Pune Mall Private limited, as per the debenture trust deed dated 13th May 2015, the Company is required to pay an additional redemption premium (in addtion to the redemption premium) of 10% of net equity value at the time of redemption of NCDs. Net equity value means the product of last twelve months actual net operating income divided by cap rate and subtracted by the net debt. Net debt means sum of the NCD subscription amount and redemption premium as substrated by cash equivalents. Since, the amount of additional premium payable is presently unascertainable, the same has not been provided for in the books.

b. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31-Mar-18	31-Mar-17	1-Apr-16
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	53700	38592	34378

Notes :

a. The Group has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Group, the Group is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Group.

b. Nitesh Indiranagar Retail Private Limited (NIRPL), which is a 100% subsidiary of NEL, has entered into Joint Development Agreement with land owner dated 11th February, 2011 and paid the Non- refundable deposit amounting ₹ 105,50,00,000. As per the arbitration award dated 25th April, 2018, the NIRPL has been awarded a refund of ₹ 42,45,00,000 from the respondent (land owners) out of the non refundable deposit of ₹105,50,00,000 with interest @ 9% p.a. from the date of award to the date of actual payment.

The group is showing th above deposit as investment property under construction (Capital work-in-progress). The Group is of the view that recoverability of the deposit is certain and there is no requirement of recognition of impairement loss. The group has decided to file an appeal before the higher authorities against the said order.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

37 Disclosure as required under Micro Small and Medium Enterprises Act, 2006 (MSME Act)

Particulars	March 31, 2018 ₹	March 31, 2017 ₹	April 1, 2016 ₹
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.			-
Principal amount due to micro and small enterprises	67	52	34
Interest due on above	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	25	20	13

(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.

Note: The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is determined to the extent such parties have been identified on the basis of the information available with the Group. The holding company has received a claim for payment from a party under the MSME Act, 2006, which the holding company has contested against before the Micro and Small Enterprises Facilition Council of Haryana. Since the claim is contested against, the holding company is of the opinion that no interest is payable under the Act.

38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio minimal. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Group has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Group.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	31-Mar-18	31-Mar-17	1-Apr-16
Borrowings	130947	104771	116990
Interest accrued but not due on borrowings	-	-	-
Trade payables	31960	26172	21163
Other payables	-	-	-
Less: Cash and cash equivalents	-640	-247	-1657
Net debt (A)	162266	130696	136496
Equity	-8988	12858	27029
Total capital (B)	-8,988	12,858	27,029
Equity plus Net debt [C=A+B]	**153,278**	**143,554**	**163,525**
Gearing ratio [D=A/C]	106%	91%	83%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

39. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Group's real estate operations. The Group's principal financial assets include cash and cash equivalents, loans and unbilled revenue that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advices on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect of profit before tax
March 31, 2018		
INR	+50	-26709
INR	-50	-26709

	Increase/decrease in basis points	Effect of profit before tax
March 31, 2017		
INR	+50	-14010
INR	-50	14010

iii. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Unbilled revenue

The Company is not substantially exposed to credit risk as they are secured by the related undelivered property.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

iv. Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Group's debt will mature in less than one year at 31 March 2016 (31 March 2015: 11%, 1 April 2014: 19%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	2-3 years	More than 3 Years	Total
Year ended 31/03/2018					
Borrowings	5818	8,513	12,940	56,886	84,157
Trade and other payables	2,811	28,458			31,269
Interest free security deposit from customer		36			
Loan and advances from related parties repayable on demand	1,188	1			1,189
Other non current liabilities			6,150		6,150

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Year ended 31/03/2017					
Borrowings	1,539	10,842	10,639	46,308	23,020
Trade and other payables		25,875	-		25,875
Interest free security deposit from customer					
Loan and advances from related parties repayable on demand	1,097	323	-		1,420
Other non current liabilities					
As at 1 April 2016					
Borrowings	1,571	3,542	719		5,832
Trade and other payables	-	20,897	-		20,897
interest free securitry deposit from customer					
Loan and advances from related parties repayable on demand	832	2,085	-		2,917
Other non current liabilities					

40 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers', which is effective from April 1, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company will adopt Ind AS 115 effective from April 01, 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company's operation primarily relate to operations in India, The directors of the Company do not anticipate that the application of the new standard in future will have significant impact on the financial statement. "Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight

These amendments are effective for annual periods beginning on or after 1 April 2018.

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

41 Financial instruments- accounting classification and fair value measurement

The carrying values of trade and other receivables, other assets, cash and short term deposits, tarde and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Group's assets and liabilities which are measured at amortised cost

Particulars	31st March 2018		31st March 2017		April 1, 2016	
	Carrying Value	Amortised Cost	Carrying Value	Amortised Cost	Carrying Value	Amortised Cost
Financial Assets						
Trade Receivables	6726	6726	3567	3567	4705	4705
Cash and Cash equivalents	640	640	247	247	1657	1657
Bank balances other than cash and cash equivalents	-	-	365	365	2249	2249
Other Financial Assets	10	10	10	10	10	10
Security Deposits	296	296	401	401	2156	2156
Refundable deposits towards Joint Development Agreement	1028	1028	3959	3959	4234	4234
	8,700	**8,700**	**8,549**	**8,549**	**15,011**	**15,011**
Financial Liabilities carried at amortised costs:						
Non-Current borrowings	33919	33919	30935	30935	26747	26747
Current borrowings	96673	96673	73836	73836	92858	92858
Trade payables	31960	31960	26172	26172	21163	21163
Other Financial Liability	52807	52807	57350	57350	67945	67945
	215,359	**215,359**	**188,294**	**188,294**	**208,713**	**208,713**

42 Construction Contracts

	31 March, 2018	31 March, 2017	1st April, 2016
(i) Amount of contract revenue recognised as revenue for the year	2114	26390	23942
(ii) Amounts in respect of contracts in progress at the reporting date:			
a. Aggregate amount of costs incurred and recognised profits/(losses)	41628	41656	41486
b. Amount of advances received (net)	10247	12816	11919

43 Non- cancellable operating leases

The Group has various operating leases for office premises and other facilities (cancellable as well as non-cancellable leases) for a period between 3 and 10 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The leases are cancellable through notice period of 1 to 3 months.

	31st March, 2018	31st March, 2017
Payments recognised as an expense	336	327
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-

Lease payment under an operating lease have not been recognised as an expenses on a straight-line basis over the lease term, as the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lesoors expected inflationary cost increases.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

44 Group Information

The consolidated financial statements of the Group includes the following components:

Subsidiaries

Name of the Entity	Principal Activities	Country of Incorporation/ Principal place of business	% of equity interest held by the Group		
			March 31st, 2018	March 31st, 2017	March 31st, 2016
Nitesh Housing Developers Pvt. Ltd	Real Estate Development	India	100% *	100% *	100%*
Nitesh Urban Development Pvt Ltd	Real Estate Development	India	100%	100%	100%
Nitesh Indiranagar Retail Pvt Ltd	Real Estate Development-Retail	India	100%	100%	100%
Nitesh Property Management Pvt. Ltd	Property Management	India	100%	100%	100%
Nitesh Office Parks Private Limited	Real Estate Development	India	100%	100%	100%
Nitesh Pune Mall Private Limited	Real Estate Development-Retail	India	100%	100%	100%
Courtyard Costruction Private Limited	Real Estate Development	India	**100%	50%	50%

* NEL Holds 89.9 % and NOPPL holds 10.1%

** NEL holds 50% and NUDPL holds 50%

Joint Ventures

Name of the Entity	Principal Activities	Country of Incorporation/ Principal place of business	% of equity interest held by the Group		
			March 31st, 2018	March 31st, 2017	March 31st, 2016
Nitesh Estates - Whitefield	Real Estate Development	India	24%	24%	24%

The consolidated financial statements of the Group includes the following components:

(a) Associate

The Group has a 24% interest in Nitesh Estates- whitefield , which is engaged in development of residential complex in India. The Group's interest in Nitesh Estates- whitefield is accounted for using the equity method in the consolidated financial statements. Nitesh Estates- whitefield is not a listed company and hence, there is no quoted market price for the investment made by the Group.

The following table illustrates the summarised financial information of the Group's investment in Nitesh Estates- whitefield:

(i) Summary of assets and liabilities

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
	₹	₹	₹
Current assets	6724	6706	6726
Non-current assets	1	1	1
Current liabilities	-3684	-3573	-3573
Total Equity	3040	3134	3154
Attributable to the Group (24%)	730	752	757

Notes to the consolidated financial statements for the year ended March 31, 2018
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(ii) Summary of profit and loss

Particulars	**March 31, 2018**	**March 31, 2017**
	₹	₹
Total Revenue	1	-
Profit/(loss) for the year	-94	-20
Attributable to the Group (24%)	(22)	(5)

(iii) Summary of cash flows

Particulars	**March 31, 2018**	**March 31, 2017**
	₹	₹
Net cash inflow/(outflow) during the year	2	(2)
Attributable to the Group (24%)	1	(0.51)

(iv) Summary of commitments and contingent liabilities

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	₹	₹	₹
Capital commitments	-	-	-
Contingent liabilities	402	402	402
Attributable to the Group (24%)	96	96	96

45 First-time adoption of Ind AS

These are the Group`s first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the Group's date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or India GAAP).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment`s covered by Ind AS 16 Property, plant and equipment`s as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

b) Fair value as deemed cost

Ind AS 101 permits a first-time adopter to measure an item investment properties under construction, at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

c) "Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost, which should be either:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date"

The Group has elected to measure its investments in subsidiaries, associates and joint ventures using deemed cost at the Previous GAAP carrying amount at the date of transition to Ind AS.

Ind AS Manadatory Exemptions

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a) Estimates

Ind AS 101 requires an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Group's estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investment carried at Fair Value through Profit & Loss (FVPL) or Fair Value through Other Comprehensive Income (FVOCI); and
- Impairment of financial assets based on expected credit loss model.

b) An entity estimates in accordance with Ind AS at the date of tranastion to Ind AS shall be consisitant with estimate made for the same date in accordance with previouse GAAP, unless there is objective evidence that those estimates were in error.

c) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the Group has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2016.

46 Reconciliation between previous GAAP and Ind AS.

a) Reconciliation of total equity between previous GAAP and Ind AS

	Notes	31-Mar-17	1-Apr-16
Equity under previous GAAP			
Adjustments (net of tax):			
Gross Accounting Impact of barter		9830	23688
Less: Reversal of equity component of compound financial instruments on redemption		-	-
- Grossing up of revenue	1	27080	15082
- Grossing up of cost	1	-26577	-14737
Discounting of security deposits	2	-1	-3
Lifetime ECL provided for doubtful advance	7	-21906	-21655
Provision for premium on redemption	5	3555	3198
IND AS adjustments on financial assets and liabilities	2 & 3	-3639	-4267
Provision no longer required written back		20	-
Interest expenses recognised on financial liability portion of compound financial instruments	5	-461	-325
Impact on accounting for real estate projects (including JDA accounting)	1	386	640
Other adjustments		102	1320
Interest payable on ICDS	7	449	-94
Fair valuation of investment property on transition	2	24893	24893
Deferred tax impact	4	-835	-673
Equity as per Ind AS		**12,897**	**27,068**

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

b) Total comprehensive income reconciliation for the year ended March 31, 2017

	Notes	Year ended 31-Mar-17
Profit for the year after tax as per previous GAAP		-10,288
Impact on accounting for Real Estate and Contractual Projects (including JDA accounting) (net of tax)	1	-92
Fair Valuation of compound financial instruments (debt portion of Preference Shares)	5	--
		-
Fair valuation of financial assets (net of tax)	2	-3,860
Remeasurnment of Post-employment benefit obligation	6	20
Reversal of excess provision for doubtful advance	2	127
Effect of income tax	4	-67
Total Adjustments		(3,877)
Profit after tax as per Ind As		(14,164)
Other comprehensive income (Net of Tax)	6	-
Remeasurnment of Post-employment benefit obligations	6	-12
Effect of income tax on above	4	4
Total comprehensive income as per Ind As		(14,172)

c) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	9,667	-11,920	21,591
Net cash flow from investing activities	20,382	16,749	3,633
Net cash flow from financing activities	-31,459	-4,825	-26,634
Net increase/(decrease) in cash and cash equivalents	**-1,410**	**4**	**(1,410)**
Cash and cash equivalents as at April 1, 2016	1,657	1	1,657
Cash and cash equivalents as at March 31, 2017	**247**	**5**	**247**

Notes to reconciliations between previous GAAP and Ind AS

1 Gross accounting for joint development arrangements

The Group has entered into certain joint development arrangements. In such a situation, revenue is recognised on gross basis. Since the goods exchanged under joint development arrangement i.e. land with flats are dissimilar in nature, as per para 12 of Ind AS 18, the exchange is regarded as a transaction which generates revenue. The Group has measured revenue at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. Since, fair value of the goods or services received cannot be measured reliably, revenue is measured in relation to transfer of constructed property to land owners on the basis of fair value of services provided to the landlord. Further, the Group has recognised land with corresponding credit to "land cost payable" to account for land received under Joint development arrangement.

2 Financial Assets at amortized cost

"Under Indian GAAP, there are certain lease deposits and refundable deposits which are carried at nominal value. Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, the Group recognises difference between deposit fair value and nominal value as deferred lease expenses and same is being recognised as lease expenses on straight line basis over the lease period. Further, the Group recognises notional interest income on these deposit over the lease term. In case of refundable deposits for joint development arrangement, difference between nominal value and fair value of deposit is treated as land cost and interest income recognised over the period of deposit is reduced from construction cost. Further as per IND As land has to be fair valued."

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3 Financial Liabilities at amortized cost

"Under Indian GAAP, there are certain lease deposits received from customers which are carried at nominal value. Ind AS requires to measure these deposits at fair value on inception and subsequently they are measured at amortized cost. At inception date, the Group recognises difference between deposit fair value and nominal value as deferred lease income and same is being recognised as lease income on straight line basis over the lease period. Further, the Group also recognises notional interest expenses on deposits receieved over the lease term."

4 Deferred tax

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focusses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5 Compound financial instruments

The Group has issued non cumulative redeemable preference shares. The preference shares carry discretionary dividend in accordance with the terms of issue. Under Indian GAAP, the preference shares were classified as equity. Under IND AS, the preference shares are separated into liability and equity components (since these instrument carry discretionary dividend) based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

6 Other comprehensive income

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

7 Interest payable on ICDs

Under Indian GAAP, the group is not required for accounting of notional interest on interest free deposits. However, as per Ind AS the Group is providing notional interest on inter corporate deposits.

8 ECL on doubtful advances

The Group is required to recognise expected credit loss of the loans provided towards joint development in the course of its business. The advances so provided is refundable in nature and accordingly provision has been made.

47 In respect of three of its residential projects, which the Holding Company had pre launched in the prior years, as there are no ongoing development activities or sale of the apartments undertaken by the Company, pending approvals such as sanctioned plan and commencement certificate and also due to prevalent adverse market conditions severely impacting the cash flows, the Holding Company has not registered the said projects under RERA Act, which has come into force during the current fiscal year 2017-18, w. e. f. 1st May 2017. The Holding Company had accepted booking advances from the potential customers in respect of the said projects before the pre RERA period i.e. before 1st May 2017, which the Holding Company is in the process of refunding to the customers as per terms of the bookings.

Similarly, in respect of one of its residential projects, Holding Company has accepted booking advances more than 10% of the project cost before RERA period. Due to non-co-operation of land owners and pending arbitration proceedings between the Holding Company and land owners, Holding Company has decided to stop the project and the same is intimated to Real Estate Regulatory Authority, Karnataka. The Holding Company is in the process of refunding to the customers as per the booking.

Notes to the consolidated financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

48 Note on Going concern

The Group has incurred loss in the current year and previous years and its net worth has been fully eroded by the accumulated losses of the past periods. The consolidated Ind AS financial statement has been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation because of support of holding company to its subsidiary companies.

49 Prior year comparatives

The figures of the previous years have been regrouped/reclassified, wherever necessary, to conform with the current year's classification.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**	for and on behalf of the Board of Directors of		
Chartered Accountants	Nitesh Estates Limited		
Firm registration number: 301072E			
	Nitesh Shetty	**L.S. Vaidyanathan**	**Ashwini Kumar**
	Managing Director	Executive Director	Executive Director & Chief Operating Officer
	DIN: 00304555	DIN: 00304652	DIN: 02034498
Mrinal Kanti Banerjee	**Venkateshan. M. A.**		**D. Srinivasan**
Partner	Chief Financial Officer		Company Secretary
Membership No. 051472			
Place: Bangalore			
30th May, 2018			

Annexure

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(Information in respect of each subsidiary presented with amounts in Rs.)

1		1	2	3	4	5	6	7
2	**Name of the subsidiary**	**Nitesh Housing Developers Pvt. Ltd.**	**Nitesh Urban Development Pvt. Ltd.**	**Nitesh Indiranagar Retail Pvt. Ltd.**	**Nitesh Property Management Pvt. Ltd.**	**Nitesh Office Parks Private Limited**	**Courtyard Constructions Pvt. Ltd.**	**Nitesh Pune Mall Private Limited***
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA	NA
5	Share capital	500	658	6,991	30	5	1	2,804
6	Reserves & surplus	(15,817)	(5,506)	17,822	(614)	(18)	(77)	(14,906)
7	Total assets	45,083	42,164	35,918	821	822	554	26,507
8	Total Liabilities	0	0	35,918	0	822	554	26,507
9	Investments	-	802	5,602	-	556	-	6
10	Turnover	(1,389)	749	-	182	-	-	1,330
11	Profit before taxation	(6,878)	(1,888)	(430)	(314)	(1)	(49)	(6,385)
12	Provision for taxation	(37)	9	-	-	-	-	118
13	Profit after taxation	(6,841)	(1,897)	(430)	(314)	(1)	(49)	(6,503)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	89.90	100	100	100	100	100	100

1 Names of subsidiaries which are yet to commence operations.: Nitesh Office Parks Private Limited

* Nitesh Pune Mall Private Limited is 100% subsidiary of Nitesh Indiranagar Retail Private Limited.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	Nitesh Estates-Whitefield
1.	Latest audited Balance Sheet Date	31.03.2018
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	1,009
	Extend of Holding %	24
3.	Description of how there is significant influence	24% of stakeholding
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	730
6.	Profit / Loss for the year	
	i. Considered in Consolidation	(22)
	ii. Not Considered in Consolidation	(-71)

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN: 02034498

Mrinal Kanti Banerjee
Partner
Membership No. 051472
Place: Bangalore
May 30, 2018

Venkateshan. M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Additional Information to Consolidated Inds-AS Financial Statements Based on the Standalone Ind-AS Financial Statements of the compenents of the Group

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Name of the entity	Net Assets/ (Liabilities), *i.e.*, Total Assets minus Total Liabilities						Total Comprehensive Income for the year ended March 31, 2018						Total Comprehensive Income for the year ended March 31, 2017					
	March 31, 2018		March 31, 2017		March 31, 2016		Share in Profit/ [Loss]		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Share in Profit/ [Loss]		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent																		
Nitesh Estates Limited	-315%	34146	258%	47279	219%	51545	37%	-9562	102%	-3571	45%	-13133	30%	-4254	247%	-12	30%	-4266
Subsidiaries (Indian)																		
Nitesh Indiranagar Retail Private Limited	-229%	24813	138%	25235	108%	25396	2%	-430	0%	9	1%	-422	1%	-162	0%	0	1%	-162
Nitesh Housing Developers Private Limited	142%	-15317	-46%	-8513	-26%	-6078	27%	-6841	-1%	36	23%	-6805	17%	-2435	-4%	0	17%	-2435
Nitesh Property Mangement Private Limited	5%	-584	-1%	-272	0%	-32	1%	-314	0%	3	1%	-311	2%	-241	0%	0	2%	-241
Nitesh Urban Development Private Limited	45%	-4848	-16%	-2960	-8%	-1982	7%	-1897	0%	9	6%	-1888	7%	-982	-96%	4	7%	-978
Nitesh Office Parks Private Limited	0%	-13	0%	-12	0%	-11	0%	-1	0%	0	0%	-1	0%	-1	0%	0	0%	-1
Nitesh Pune Mall Private Limited(PUNE)	112%	-12102	-31%	-5599	2%	480	25%	-6503	0%	0	22%	-6503	43%	-6081	-47%	2	43%	-6079
Courtyard Construction Private Limited	1%	-76					0%	-49	0%	0	0%	-49						
Joint Ventures																		
Nitesh Estates - whitefiled	-7%	730	4%	752	3%	757	0%	-22	0%	0	0%	-22	0%	-5	0%	0	0%	-5
Courtyard Construction Private Limited			0%	-13	0%	-12							0%	-1	0%	0	0%	-1
Sub Total	**-247%**	26749	305%	55911	298%	70076	100%	-25621	100%	-3514	100%	-29135	100%	-14161	100%	-5	100%	-14166
Elimination and Consolidation Adjustments	347%	37574	-205%	37603	-198%	0	0%		0%		0%		0%		0%		0%	
Consolidated Total	**100%**	**-10825**	100%	**18308**	100%	23502	100%	-25621	100%	-3511	100%	-29135	100%	-14161	100%	-5	100%	-14166

NITESH ESTATES LIMITED

CIN :L07010KA2004PLC033412
Regd. Office: Level 7, 'NITESH TIMESQUARE', # 8, M.G. Road, Bengaluru 560 001
Tel: +91-80-4017 4000;; Web: www.niteshestates.com, email : investor@niteshestates.com

ATTENDANCE SLIP

(Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the **14th Annual General Meeting** of the Company held on Friday, September 28, 2018 at 9.00 A.M. at **"Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052.**

Full Name & Address of the Member (in BLOCK letters)-- -- -- -- Folio No/DP ID* & Client ID*:-- -- No. of Shares held : ---	------------------------------------- **Signature of the Member**

*applicable for member holding shares in electronic form

Full Name of the Proxy (in BLOCK letters) --- --	------------------------------------- **Signature of the Proxy**

PROXY FORM - MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : NITESH ESTATES LIMITED (CIN: L07010KA2004PLC033412)

Registered Office : 'Nitesh Timesquare', 7th Floor, No. 8, M.G. Road, Bengaluru-560 001.

Name of the Member (s) : ______________________________

Registered address: ______________________________

E-mail Id: ______________ DP ID.* ______________ Folio No./Client ID.* ______________

**** Applicable for member holding shares in electronic form.***

I / We, being the member(s) of______________ Equity Shares of Nitesh Estates Limited hereby appoint

1. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________ Signature: ______________, or failing him / her
2. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________ Signature: ______________, or failing him / her
3. Name : ______________________________
   Address : ______________________________
   E-mail Id : ______________ Signature: ______________, or failing him / her

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 14th Annual General Meeting of the Company, to be held on **Friday, September 28, 2018 at 9.00 am. at 'Dr. B. R. Ambedkar Memorial Trust' (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052** and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting as are indicated below:

List of Resolutions:

Resolution No.	Resolution	Vote (Optional) (please refer Note No. 3)		
ORDINARY BUSINESS		**For/ Assent**	**Against/ Descent**	**Abstain**
1.	To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2018.			
2.	To ratify the appointment of M/s. Ray & Ray, Chartered Accountants, as the Statutory Auditors of the Company			
SPECIAL BUSINESS				
3.	To appoint Mr. Mahesh Bhupathi (DIN: 01603093) as an Independent Director of the Company			
4.	To ratify the remuneration payable to the Cost Auditors for the financial year 2018-19			

Signed this ___day of_______, 2018

Signature of Shareholder(s)

Signature of Proxyholder (s)

Affix Revenue Stamp

Note:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

(2) For detailed resolutions please refer 14th Annual General Meeting Notice.

(3) It is optional to indicate your preference, if you leave the 'For / Assent', 'Against / Descent' or 'Abstain' column blank against any or all resolutions, your Proxy will be at the option to vote in the manner as he/she may deem appropriate.

As part of **GO GREEN** initiative and **SAVE PLANET EARTH,** the shareholders of Nitesh Estates who have still not registered their email ids are hereby requested to register their email ids with their respective Depositories in their demat accounts in order to receive the soft copy of Annual Report by email

Nitesh Estates

Expect More

Nitesh Estates Limited
CIN: L07010KA2004PLC033412
Regd Office: Level 7, Nitesh Timesquare, #8, M. G. Road, Bangalore – 560 001, India
P: +91-80-4017-4000   F: +91-80-2555-0825
E: investor@niteshestates.com W: niteshestates.com