

Limited Review Report

**REVIEW REPORT TO
THE BOARD OF DIRECTORS OF
NITESH ESTATES LIMITED**

We have reviewed the accompanying statement of standalone unaudited financial results of **Nitesh Estates Limited** ("the Company") for the quarter and nine months ended December 31, 2017 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the aforesaid Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matters

1. We have not audited or reviewed the Statement and other financial information for the quarter and nine months ended December 31, 2016 which have been presented solely based on the information complied by the management. Management has adjusted those unaudited financial results for the differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS') and presented a reconciliation for the same, which has been approved by the Company's Board of Directors but have not been subject to review.



2. Gross accounting method is followed by considering the fair value of the land belonging to the land owners while computing the percentage of profit for revenue recognition. This method has been adopted as per prevailing accounting practice in real estate industry with reference to "Ind AS 18-Revenue", as the same has not been specifically mentioned in "Ind AS 11 Construction Contracts". Due to this revenue has been increased by Rs.404 Lakhs and Construction Cost (net of changes in inventory) decreased by Rs.2,640 Lakhs for the nine months ended December 31, 2017 and revenue has been increased by Rs.12,119 Lakhs and Land and Construction Cost (net of changes in inventory) increased by Rs.11,740 Lakhs for the nine months ended December 31, 2016. We are unable to form an opinion in this matter.

Place: Bengaluru

Date:12th February, 2018



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

A handwritten signature in black ink, appearing to be "Mrinal Kanti Banerjee".

Mrinal Kanti Banerjee
Partner
Membership No 051472

Statement of unaudited standalone financial results for quarter and nine months ended on December 31, 2017

(Rs in lakhs except EPS)

No	Particulars	Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income					
	(a) Revenue from operations	347	573	111	2,420	19,404
	(b) Other Income	142	40	32	225	97
	Total Income	489	613	143	2,645	19,501
2	Expenses					
	(a) Land and construction cost	263	(4,052)	-	1,920	5,526
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	(187)	4,601	-	142	11,879
	(c) Employee benefit expense	414	314	306	1,269	934
	(d) Finance costs	894	668	1,052	2,273	2,266
	(e) Depreciation and amortization expense	10	10	18	32	49
	(f) Other Expenditure	354	313	325	911	1,075
	Total Expenses	1,748	1,854	1,701	6,547	21,728
3	Profit/(Loss) before tax (1-2)	(1,259)	(1,241)	(1,558)	(3,902)	(2,227)
4	Tax expenses					
	i) Current Tax	-	72	-	-	-
	ii) Deferred tax	12	(60)	(1)	(48)	148
5	5. Profit/(Loss) for the period (3-4)	(1,271)	(1,253)	(1,557)	(3,854)	(2,375)
6	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit & Loss	(8)	(50)	(4)	(25)	(8)
	(ii) Income tax on items that will not be reclassified to profit or loss	-	11	1	-	3
	Total Other Comprehensive Income	(8)	(39)	(3)	(25)	(5)
7	Total Comprehensive Income for the period (Comprising profit/(loss) and Other Comprehensive Income for the period (5+6))	(1,279)	(1,292)	(1,560)	(3,879)	(2,380)
8	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.)					
	(a) Basic EPS	(0.87)	(0.86)	(1.07)	(2.64)	(1.63)
	(b) Diluted EPS	(0.87)	(0.86)	(1.07)	(2.64)	(1.63)
9	Paid up equity share capital (Face Value of 10/- each)	14,583	14,583	14,583	14,583	14,583

Notes to the financial results:

- The above standalone results has been reviewed by the Audit committee and on their recommendation have been approved by the Board of Directors at their meeting held on February 12, 2018. The statutory auditors have carried out a limited review of the above Financial Results. These results are uploaded on the Company website i.e. www.niteshestates.com and on the Stock Exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.
- The Company primarily operates in two business segments - 'Residential' and 'Retail'. All operations are in India and hence there is no geographical segment.
- The company has adopted Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (Ind AS) from April 1, 2017, the date of transition being April 1, 2016. All the periods presented in the financial results & other financial information has been prepared in accordance with recognition & measurement principles laid down in Ind AS & disclosure information required to be disclosed under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016

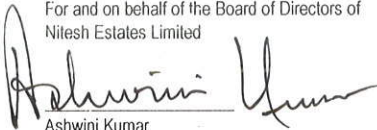
- 4 Reconciliation of the Net Profit/(Loss) as previously reported on account of transition from previous GAAP to Ind AS for the quarter and nine months ended on December 31, 2016 is given below:

(Rs in Lakhs)

Particulars	3 months ended 31.12.2016	9 months ended 31.12.2016
Net Profit/(Loss) as per previous GAAP (Indian GAAP)	(1,553)	(2,679)
Actuarial loss on employee defined benefit plan recognised in Other Comprehensive Income as per Ind AS 19	(4)	(8)
Fair Valuation of Financial Assets & Liabilities as per Ind AS 109	(13)	459
Deferred Tax impact of above adjustments	5	(155)
Net Profit/(Loss) as per Ind AS	(1,565)	(2,383)
Other Comprehensive Income	5	3
Total Comprehensive income for the period	(1,560)	(2,380)

- 5 The Ind AS financial results for the quarter and nine months which ended December 31, 2016 have been compiled by the management after considering the necessary changes to give a true & fair value of the results in accordance with Ind AS. The Ind AS adjustments made in the financial results for the quarter and nine months which ended December 31, 2016 has not been subjected to any limited review or audit.
- 6 Disclosure of figures for previous year ended 31st March 2017 and quarter ended 31st March 2017 is not mandatory as per Circular issued by SEBI no - CIR/CFD/FAC/62/2016 Dated 5th July 2016.
- 7 The Land and construction cost includes Rs. 431 Lakhs as finance cost towards interest for nine months ended on December 31, 2017.
- 8 Gross accounting method is followed by considering the fair value of the land belonging to the land owners while computing the percentage of profit for revenue recognition. This method has been adopted as per prevailing accounting practice in real estate industry with reference to "Ind AS 18-Revenue", as the same has not been specifically mentioned in "Ind AS 11 Construction Contracts". Due to this revenue and land & construction cost (net of changes in inventory) have been increased by Rs 404 Lakhs and decreased by Rs 2640 Lakhs for nine months ended December 31, 2017 and have been increased by Rs 12119 Lakhs and Rs 11740 Lakhs for nine months ended December 31, 2016 respectively.
- 9 The figures in respect of previous period have been regrouped/recast wherever necessary.

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



Ashwini Kumar
DIN: 02034498
Executive Director & Chief Operating Officer

Place: Bengaluru, India
Date : February 12, 2018



Standalone Segment wise revenue, results

(Rs in lakhs except EPS)

No	Particulars	Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment revenue					
	(a) Residential	347	573	111	2,420	19,404
	(b) Retail	-	-	-	-	-
	Total	347	573	111	2,420	19,404
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	347	573	111	2,420	19,404
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Residential	(507)	(613)	(538)	(1,854)	(58)
	(b) Retail	-	-	-	-	-
	Total	(507)	(613)	(538)	(1,854)	(58)
	Add: Other income	142	40	32	225	97
	Less: Interest	894	668	1,052	2,273	2,266
	Total profit/(loss) before tax	(1,259)	(1,241)	(1,558)	(3,902)	(2,227)
3	Segment Assets					
	(a) Residential	1,32,444	1,30,504	1,15,822	1,32,444	1,15,822
	(b) Retail	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-
	Total	1,32,444	1,30,504	1,15,822	1,32,444	1,15,822
4	Segment Liabilities					
	(a) Residential	91,432	88,226	74,720	91,432	74,720
	(b) Retail	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-
	Total	91,432	88,226	74,720	91,432	74,720

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