

# NITESH HOUSING DEVELOPERS PRIVATE LIMITED

CIN: U45201KA2007PTC044553

REGD. OFFICE: 7<sup>TH</sup> FLOOR, NITESH TIMESQUARE, # 8, M.G. ROAD, BENGALURU – 560 001  
Tel: +91-80-4017 4000; Fax: +91-80-2555 0825; Email: vaidyanathan.ls@niteshestates.com

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## DIRECTORS' REPORT

The Board of Directors present their report for the financial year ended March 31, 2017:

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended March 31, 2017 is given hereunder

(Amount in Lakhs)

Particulars	2016-17	2015-16
Revenue from Operations	6410	10398
Other Income	85	41
<b>Total Income</b>	<b>6495</b>	<b>10439</b>
Total Expenditure	8671	10152
<b>Profit / (Loss) before Tax</b>	<b>(2176)</b>	<b>287</b>
Current Tax expense	-	52
Deferred Tax (expense) / income	1	(9)
<b>Profit / (Loss) after Tax</b>	<b>(2177)</b>	<b>244</b>
Earnings / (Loss) per Share – Basic	(43.54)	4.88
Earnings / (Loss) per Share – Diluted	(43.54)	4.88

### 2. DIVIDEND

No dividend is recommended for the current financial year.

### 3. STATE OF COMPANY'S AFFAIRS AND MATERIAL EVENTS

There were no material events that took place in the Company during this financial year or from the end of the financial year till the date of the report that has a material financial impact.

### 4. BOARD OF DIRECTORS

During the year under review, as recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company, Mr. S. Ananthanarayanan (DIN: 07621318) was appointed as an Additional Director (Independent) on the Board on 8<sup>th</sup> February, 2017. By virtue of the provisions of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting, hence a suitable resolution will be placed at the 10<sup>th</sup> Annual General Meeting for appointing him as an Independent Director of the Company for the first term of five consecutive years.

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Mr. Nitesh Shetty (DIN: 00304555), Director and Mr. M.D. Mallya (DIN: 01804955), Independent Director, resigned from the Board of the Company on 6<sup>th</sup> August, 2016 and 8<sup>th</sup> February, 2017 respectively.

Mr. L.S. Vaidyanathan (DIN: 00304652), Managing Director of the Company, is also on the Board of Nitesh Estates Limited, the 100% holding company as Executive Director and Nitesh Estates Limited has availed necessary approvals including Central Government approval for remunerations payable to him. Pursuant to Section 203 of the Companies Act, 2013 he could be appointed as a whole time director on the Board of the subsidiary company too. In view of the same he was previously appointed as the Managing Director of the Company for a term of three consecutive years, and the same ended on 19<sup>th</sup> August, 2016. Hence, he was re-appointed by the Board on 8<sup>th</sup> August, 2016 as Managing Director with effect from 20<sup>th</sup> August, 2016 for a period of 3 (three) consecutive years at no remuneration subject to the shareholders approval at the general meeting. Accordingly, suitable resolutions were placed and approved at the Extra Ordinary General Meeting held on March 23, 2017.

Mr. Ashwini Kumar (DIN: 02034498), Director, is liable to retire by rotation at the ensuing Annual General Meeting and as he is eligible for re-appointment, the suitable resolutions will be placed for his re-appointment at the forthcoming Annual General Meeting.

### **5. DECLARATION BY THE INDEPENDENT DIRECTORS**

Ms. Dipali Khanna (DIN: 03395440) and Mr. S. Ananthanarayanan (DIN: 07621318), Independent Directors of the Company have submitted their declarations in the prescribed format to the Board that they fulfill all the requirements as stipulated under Section 149(6) read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder so as to qualify them to continue on the Board of the Company as Independent Directors.

### **6. BOARD MEETINGS**

The Company had conducted Five (5) Board meetings during the financial year under review. i.e. on,

27<sup>th</sup> May, 2016

8<sup>th</sup> August, 2016

28<sup>th</sup> September, 2016

11<sup>th</sup> November, 2016

8<sup>th</sup> February, 2017

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### 7. COMPOSITION OF THE COMMITTEES

#### A. Audit Committee

The Audit Committee of the Company is composed of three Directors with the Independent Directors forming a majority.

The composition is as follows:

Mr. L S Vaidyanathan	Managing Director
Ms. Dipali Khanna	Independent Director
Mr. S. Ananthanarayanan	Independent Director

#### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is composed of three Non-executive Directors with the Independent directors forming a majority. The composition is as follows:

Mr. Ashwini Kumar	Director
Ms. Dipali Khanna	Independent Director
Mr. S. Ananthanarayanan	Independent Director

#### C. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Company is composed of three Directors with one Independent director. The composition is as follows:

Mr. L S Vaidyanathan	Managing Director
Ms. Dipali Khanna	Independent Director
Mr. S. Ananthanarayanan	Independent Director

Mr. MD. Mallya resigned from the company with effect from February 08, 2017 and accordingly the composition of the Committees was reconstituted.

### 8. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has constituted the Corporate Social Responsibility Committee on 8<sup>th</sup> February, 2016. For the period under review the Company is not required to spend any amount towards CSR activities. The Company has further adopted the Corporate Social Responsibility Policy of Nitesh Estates Limited, the Company's 100% Wholly Owned Subsidiary.

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### **9. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company has adopted the Nomination & Remuneration Policy of Nitesh Estates Limited, the Company's 100% holding company on directors, key managerial personnel, senior management appointments and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters pursuant to Section 178 of the Companies Act, 2013.

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 of the Company.

No remuneration is being paid to any of the Directors including the Managing Director of the Company. However the Board of Directors at their meeting held on 8<sup>th</sup> February, 2016 have decided to remunerate the Independent directors by way of sitting fees for the Board, Committees thereon and Independent Directors meetings (as required by Schedule IV) attended by them.

### **10. STATUTORY AUDITORS**

At the Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2014 M/s. Ray & Ray, Chartered Accountants (Firm Registration No. 301072E) were appointed as the Statutory Auditors of the Company for the first term of five consecutive years, i.e. upto the conclusion of twelfth Annual General Meeting. As per Section 139 of the Companies Act, 2013 and Rules made thereunder their continuance of appointment is to be ratified by the Shareholders at the ensuing Annual General Meeting. Accordingly, the necessary resolutions for the ratification of the appointment of statutory auditors for financial year 2017-18 will be placed at the ensuing Annual General Meeting.

### **11. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control systems commensurate with its size and nature of business, to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

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### **12. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with the 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 and loss 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 devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

### **13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, and the Rules made thereunder, the Company has maintained the necessary registers. However, during the period under review there was no transactions for which an entry to be made under Section 186 of the Companies Act, 2013.

### **14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material (i.e which is not in the ordinary course of business or transaction which are not in arm's length), in terms of Section 188 of the Companies Act, 2013, and the Rules made thereunder.

The related party transactions under Accounting Standard - 18 undertaken during the financial year 2016-17 are detailed in the Notes to Accounts section of the Financial Statements.

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### **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

#### **I. CONSERVATION OF ENERGY**

##### **a) Energy conservation measure taken:**

The Company has taken energy savings measures, viz.,

- Installation of solar water heaters to reduce the EB power consumption
- The buildings are ergonomically designed to consume less power, and to include more natural light and ventilation.
- The flats are appropriately positioned in the best possible directions, allowing direct sun light entering to the flats are, thereby reducing the 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.

##### **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.

#### **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 overseas architects, consultants technology upgradation has been brought to the projects.
  - iii. The Sewage Treatment Plant (STP) – latest technology has been adopted, which is more efficient and energy savings.

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### 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

During the year under review there was no foreign exchange inflow. The details of foreign exchange outflow during the year are as follows:

#### Expenditure in foreign currency (on accrual basis)

(Amount in Rs.)

Particulars	Year ended 31 Mar. 2017	Year ended 31 Mar. 2016
Consultancy Charges	1,003,652	1,772,663

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### **16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has adopted the policy of the group on the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for prevention, prohibition and to redress complaints received regarding sexual harassment in the workplace. No complaints have been received during the year under review.

### **17. EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in “Annexure 1” and is attached to this.

### **18. PARTICULARS OF EMPLOYEES**

There are no employees, who are in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with rules made thereunder.

### **19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has adopted the Risk Management Policy of Nitesh Estates Limited the Company's 100% holding company. The main objective of the Board is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

### **20. ANNUAL EVALUATION OF THE BOARD**

The Independent Directors of the Company as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 had carried out an annual evaluation of the Board, Committees and individual director's 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 directors on the basis of criteria such as their participation, contribution at the meetings, their preparedness on the issues to be discussed etc.



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Further the Independent Directors meeting took place on March 22, 2017.

### **21. ACKNOWLEDGEMENTS**

Your directors wish to place on record their sincere appreciation for the support and co-operation received from the clients, employees, Central and State Governments, Bankers, financial institutions and others associated with the Company.

Your Directors wish to thank the shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger Company.

**For and on behalf of the Board of Directors  
of NITESH HOUSING DEVELOPERS PRIVATE LIMITED**

**Place: Bengaluru**

**Date: 27<sup>th</sup> May, 2017**

**L. S. Vaidyanathan**

**Managing Director**

**DIN:00304652**

**Ashwini Kumar**

**Director**

**DIN:02034498**

**Annexure -1**  
**Form No. MGT-9**

**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2017**

[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   | U45201KA2007PTC044553   |
| ii. Registration Date  | 4 <sup>th</sup> December, 2007  |
| iii. Name of the Company   | Nitesh Housing Developers Private Limited   |
| iv. Category   | Company limited by shares   |
| Sub-Category of the Company  | Indian Non-Government Company   |
| v. Address of the Registered office and contact details                        | Nitesh Timesquare, 7 <sup>th</sup> Floor,<br>No.8, M.G. Road,<br>Bengaluru-560 001<br>Ph. No. : 080-4017 4000<br>Fax.: 080-25550825<br>Email: vaidyanathan.ls@niteshestates.com |
| vi. Whether listed company   | No  |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | Not Applicable  |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

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 Estates Limited 7 <sup>th</sup> Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001	L07010KA2004PLC033412	Holding	100%	2 (46)

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

#### i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.01
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	5,000,000	5,000,000	100	0	5,000,000	5,000,000	100	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
	<b>Sub-Total A(1) :</b>	0	5,000,000	5,000,000	100	0	5,000,000	5,000,000	100	0.00

(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
	<b>Sub-Total A(2) :</b>	0	5,000,000	5,000,000	100	0	5,000,000	5,000,000	100	0.00
	<b>Total A=A(1)+A(2)</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>100</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>100</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(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 Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(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
	<b>Sub-Total B(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	i Indian	0	0	0	0.00	0	0	0	0.00	0.00
	ii Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Others	0	0	0	0.00	0.00	0	0	0	0.00
	<b>Sub-Total B(2) :</b>	0	0	0	0.00	0.00	0	0	0	0.00
	<b>Total B=B(1)+B(2) :</b>	0	0	0	0.00	0	0	0	0.00	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0.00	0	0	0	0.00
	<b>Total (A+B) :</b>	0	0	0	0.00	0.00	0	0	0	0.00
D.	Bodies Corporate - HDFC Asset Management Company Limited	0	0.00	0	0	0.00	0	0	0.00	0
	<b>GRAND TOTAL (A+B+C) :</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>100</b>	<b>0.00</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>100</b>	<b>10.11</b>

**(ii) Shareholding of Promoters**

<b>SHARE HOLDING OF PROMOTERS - COMPARISION REPORT BETWEEN 31/03/2016 AND 31/03/2017</b>									
Sl no	Name of the Share Holder	No of Shares held as on 01/04/2016	% of total Shares of the company	PLEDGE SHARES AS ON 1/04/2016	No of Shares Held As on 31/03/2017	% of total Shares of the company	PLEDGE SHARES AS ON 31/03/2017	Change in Shareholding	% Change in Shareholding During the Year
1	Nitesh Estates Limited	4,494,900	89.89	4,494,900	4,494,900	89.89	44,94,900	0	0
3	Kakanad Enterprises Private Limited	505,100	10.11	505,100	505,100	10.11	0	0	0
	<b>Total</b>	<b>5,000,000</b>	<b>100.00</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>100</b>	<b>4,495,000</b>	<b>-</b>	<b>-</b>

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

<b>Change in Promoters' Shareholding During the Year 2016-17</b>
NIL

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

<b>SHARE HOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS ,PROMOTERS AND HOLDERS OF GRDS AND ADRS – BETWEEN 31/03/2016 AND 31/03/2017</b>
NIL

**(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
NIL										

## V. INDEBTEDNESS

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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	295,66,07,073	1,00,000	-	295,67,07,073
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>295,66,07,073</b>	<b>1,00,000</b>	<b>-</b>	<b>2,95,67,07,073</b>
<b>Change in Indebtedness during the financial year</b>			-	
• Addition	16,90,00,000	-	-	16,90,00,000
• Reduction	124,64,324	-	-	124,64,324
<b>Net Change</b>	<b>15,65,35,676</b>	<b>-</b>	<b>-</b>	<b>15,65,35,676</b>
<b>Indebtedness at the end of the financial year</b>		-	-	
i) Principal Amount	311,31,42,749	-	-	311,31,42,749
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>311,31,42,749</b>	<b>-</b>	<b>-</b>	<b>311,31,42,749</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **Not Applicable**

B. Remuneration to other directors: **Not Applicable**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: **Not Applicable**

**II. 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)
<b>A. Company</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors  
of NITESH HOUSING DEVELOPERS PRIVATE LIMITED

Place: Bengaluru  
Date: 27.05.2017

L. S. Vaidyanathan  
Managing Director  
(DIN: 00304652)

Ashwini Kumar  
Director  
(DIN: 02034498)



## **Independent Auditor's Report**

**TO THE MEMBERS OF NITESH HOUSING DEVELOPERS PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **NITESH HOUSING DEVELOPERS PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit / loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015, ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A ", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as 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, in our



opinion and to the best of our information and according to the explanations given to us:

- I. There are no pending litigations impacting the company's financial position in its financial statements;
- II. The Company has no material foreseeable losses, if any, on long-term contracts including derivative contracts .
- III. The Company is not required to transfer any amount to the Investor Education and Protection Fund.
- IV. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm Registration No. 301072E

*Mrinal Kanti Bandopadhyay*

Mrinal Kanti Bandopadhyay

Partner

Membership No. 051472

Bangalore

27<sup>th</sup> May, 2017





**ANNEXURE A TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of **NITESH HOUSING DEVELOPERS PRIVATE LIMITED** for the year ended March 31, 2017.

We report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanation given to us, most of the fixed assets have been physically verified by the Management during the year and no material discrepancies were noted 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) there are no immovable properties held in the name of the company.
- (ii) The company is in the business of real estate development and related services and holds inventories in the form of land, properties under development and constructed properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of real estate and development activities and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (vii) (a) According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, or duty of customs or duty of excise or value added tax or cess which have not been deposited as on 31 March, 2017 on account of disputes are given below:

Name of Statue	Nature of Dues	Amount (Rs. in lakhs)	Period to which amount Pertains	Forum where Disputes is Pending
Income Tax Act	Income Tax	589.04	AY-2012-2013	Commissioner of Income Tax Appeals

- (viii) the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) the company has not raised any money raised 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) No fraud on or by the company has been noticed or reported during the year;
- (xi) No managerial remuneration has been paid or provided during the year.
- (xii) Company is not a nidhi company.
- (xiii) 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;
- (xv) the company has not entered into any non-cash transactions with directors or persons connected with him;
- (xvi) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm Registration No. 301072E

*Mrinal Kanti Bandopadhyay*

Mrinal Kanti Bandopadhyay

Partner

Membership No. 051472

Bangalore

27th May, 2017





**Annexure - B 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")**

We have audited the internal financial controls over financial reporting of **NITESH HOUSING DEVELOPERS PRIVATE LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 and on behalf of

**RAY & RAY**

Chartered Accountants

Firm Registration No. 301072E

*Mrinal Kanti Bandopadhyay*

Mrinal Kanti Bandopadhyay

Partner

Membership No. 051472

Bangalore

27th<sup>th</sup> May, 2017





Nitesh Housing Developers Private Limited  
Balance Sheet as at 31 March 2017

	Note no.	as at 31 March 2017 Rs	as at 31 March 2016 Rs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	91,500,000	91,500,000
Reserves and surplus	4	74,042,600	291,755,031
		<u>165,542,600</u>	<u>383,255,031</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	9,526,775	9,384,070
		<u>9,526,775</u>	<u>9,384,070</u>
<b>Current liabilities</b>			
Short-term borrowings	6	3,113,242,749	2,956,707,073
Trade payables	7	913,419,578	813,442,986
Other current liabilities	8	734,414,112	599,731,960
Short-term provisions	9	61,793,709	67,943,568
		<u>4,822,870,147</u>	<u>4,437,825,586</u>
		<u><u>4,997,939,522</u></u>	<u><u>4,830,464,687</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	10	2,369,117	3,053,652
- Intangible assets	10	187,056	300,909
		<u>2,556,173</u>	<u>3,354,561</u>
Deferred tax assets, net	11	4,583,426	4,721,035
Long-term loans and advances	12	4,999,001	4,501,767
		<u>9,582,427</u>	<u>9,222,802</u>
<b>Current assets</b>			
Inventories	13	732,667,164	810,633,455
Trade receivables	14	96,330,727	184,108,878
Cash and bank balances	15	21,924,612	120,131,373
Short-term loans and advances	16	3,021,483,822	3,068,375,806
Other current assets	17	1,113,394,598	634,637,813
		<u>4,985,800,921</u>	<u>4,817,887,324</u>
		<u><u>4,997,939,522</u></u>	<u><u>4,830,464,687</u></u>

The notes referred to above 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 Bandyopadhyay*

Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Bangalore

May 27, 2017

for and on behalf of the Board of Directors of  
Nitesh Housing Developers Private Limited

*L.S. Vaidyanathan*      *Ashwini Kumar*  
L.S. Vaidyanathan      Ashwini Kumar  
Managing Director      Director  
DIN: 00304652      DIN: 02034498

Bangalore  
May 27, 2017

*D. Srinivasan*  
D. Srinivasan  
Company Secretary



Nitesh Housing Developers Private Limited

Statement of Profit and Loss for the year ended 31 March 2017

	Note no.	for the year ended 31 March 2017	for the year ended 31 March 2016
		Rs	Rs
<b>Income</b>			
Revenue from operations	18	641,027,468	1,039,881,480
Other income	19	8,531,467	4,093,570
		<u>649,558,935</u>	<u>1,043,975,050</u>
<b>Expenses</b>			
Cost of inventories sold		388,347,373	615,684,221
Employee benefits	20	88,042,365	87,799,050
Finance costs	21	296,175,479	223,798,321
Depreciation		1,698,274	2,462,722
Other expenses	22	92,870,267	85,455,519
		<u>867,133,758</u>	<u>1,015,199,834</u>
<b>(Loss) / profit before tax</b>		<b>(217,574,822)</b>	<b>28,775,217</b>
Tax expense:			
- current tax		-	5,247,670
- deferred tax (credit)/ charge		137,609	(885,618)
<b>Profit/(Loss) after tax</b>		<b>(217,712,431)</b>	<b>24,413,165</b>
<b>Earning/(Loss) per share (equity shares, par value of Rs 10 each)</b>			
- Basic and diluted		(43.54)	4.88

The notes referred to above 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 Bandyopadhyay*

Mrinal Kanti Bandyopadhyay  
Partner

Membership No. 051472

Bangalore  
May 27, 2017

for and on behalf of the Board of Directors of  
Nitesh Housing Developers Private Limited

*L.S. Vaidyanathan* *Ashwini Kumar*

L.S. Vaidyanathan  
Managing Director  
DIN: 00304652

Ashwini Kumar  
Director  
DIN: 02034498

*D. Srinivasan*

Bangalore  
May 27, 2017

*D. Srinivasan*  
D. Srinivasan  
Company Secretary



Nitesh Housing Developers Private Limited  
Cash Flow Statement for the year ended March 31, 2017

	as at 31 March 2017	as at 31 March 2016
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(217,574,822)	28,775,217
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	1,698,274	2,462,722
Interest on borrowings	275,720,139	207,929,197
Dividend income	-	-
Interest on fixed deposits	(4,864,548)	(3,253,664)
<b>Operating profit before working capital changes</b>	<b>54,979,042</b>	<b>235,913,472</b>
<i>Movements in working capital:</i>		
Increase / (decrease) in trade Payables	99,976,592	273,450,742
Increase / (decrease) in other liabilities	128,645,413	(410,471,152)
Increase/(decrease) in provisions	29,585	761,156
(Increase) / decrease in inventories	77,966,291	122,933,309
(Increase) / decrease in trade receivables	87,778,151	(63,644,391)
(Increase) / decrease in other current assets	(478,756,785)	(414,390,948)
(Increase) / decrease in loans and advances	46,394,750	(503,047,400)
<b>Cash (used in) / generated from operations</b>	<b>17,013,040</b>	<b>(758,495,212)</b>
Income Tax Paid	-	(5,247,670)
<b>Net cash (used in)/generated from operating activities</b>	<b>17,013,040</b>	<b>(763,742,882)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	(899,886)	(2,762,168)
Proceeds from sale of investments	-	-
Dividends received	-	-
Decrease/(increase) in fixed deposits accounts	85,750,050	(102,854,178)
Income from fixed deposits	4,864,548	3,253,664
<b>Net cash (used in)/ generated from investing activities</b>	<b>89,714,712</b>	<b>(102,362,682)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Proceeds from sale of fixed assets	-	-
Proceeds from borrowings	156,535,676	1,091,029,366
Interest paid	(275,720,139)	(207,929,197)
<b>Net cash from financing activities</b>	<b>(119,184,463)</b>	<b>883,100,169</b>
Net increase / (decrease) in cash and cash equivalents	(12,456,711)	16,994,605
Cash and cash equivalents as at beginning of the period	17,277,195	282,589
Cash and cash equivalents as at the end of the period	4,820,484	17,277,195
<b>Components of cash and cash equivalents:</b>		
Cash on hand	619,433	135,462
Balances with scheduled banks:		
In Current accounts	4,201,051	17,141,733
In Escrow accounts	-	-
<b>Cash and cash equivalents in cash flow statement</b>	<b>4,820,484</b>	<b>17,277,195</b>

for Ray & Ray  
Chartered Accountants  
Firm registration number: 301072E

*Mrinal Kanti Bandyopadhyay*  
Mrinal Kanti Bandyopadhyay  
Partner  
Membership No. 051472

Bangalore  
May 27, 2017



for and on behalf of the Board of Directors of  
Nitesh Housing Developers Private Limited

*L.S. Vaidyanathan*  
L.S. Vaidyanathan  
Managing Director  
DIN: 00304652

*Ashwini Kumar*  
Ashwini Kumar  
Director  
DIN: 02034498

Bangalore  
May 27, 2017



*D. J. Srinivasan*  
D. J. Srinivasan  
COMPANY SECRETARY



# Nitesh Housing Developers Private Limited

## Notes to financial statements

### 1 Company overview

Nitesh Housing Developers Private Limited ('the Company') was incorporated on December 4, 2007. The registered office of the Company is located at Bangalore. The Company is a subsidiary of Nitesh Estates Limited ('NEL', the holding company).

The Company is primarily engaged in business of the Real Estate Development.

### 2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented on accrual basis of accounting and comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### 2.2 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. Nitesh Estates Limited, the holding company 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. 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.

#### 2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenditure during the year reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 2.4 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from operations is net of sales tax/ value added tax and net of adjustments on account of cancellation/ returns.

##### **Recognition of revenue from property development:**

*For projects commenced and revenue recognition started before 1 April 2012*

Revenue from real estate development 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, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method. Revenue is recognized in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.



## Nitesh Housing Developers Private Limited

### Notes to financial statements

*For projects commenced on or after 1 April 2012 and also to projects which have already commenced but where revenue is being recognised for the first time on or after 1 April 2012*

Revenue from real estate development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of contract entered into with the 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 salable project area is secured by sales contracts/ agreements with buyers,
- d) at least 10% of the revenue as per each sales contracts/ agreements with buyers are realized at the balance sheet date

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied project revenue and project costs associated with the real estate project are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Contract costs include the estimated cost of construction, development and other directly attributable costs of the projects under construction. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognized immediately.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of changes in these estimates are recognized in the period in which these changes may be reliably measured..

#### 2.5 Interest income

Interest income is recognized using the time-proportion method, based on underlying interest rates.

#### 2.6 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value, if any, is made to recognize a decline other than temporary in the value of the investments.

#### 2.7 Fixed assets and depreciation

##### *Tangible fixed assets*

Fixed assets 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.

##### *Depreciation*

Depreciation on Tangible Fixed assets is provided on the useful life computed as per Schedule II of Companies Act 2013.





## Nitesh Housing Developers Private Limited

### Notes to financial statements

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year. Assets costing individually Rs.5000 or less are depreciated fully in the year of acquisition.

#### *Intangible Fixed 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.

## 2.8 Employee benefits

#### *Defined benefit plan*

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

#### *Other long term benefit*

Cost of long term benefits by way of accumulating compensated absences 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 actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

#### *Defined contribution plan*

Contributions to the recognized provident fund and approved superannuation schemes, which are defined contribution schemes, are charged to the profit and loss account.

## 2.9 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

For operating leases, lease payments (excluding cost for services, such as insurance and maintenance) are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

## 2.10 Earnings / (loss) per share

The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings/ (loss)





## Nitesh Housing Developers Private Limited

### Notes to financial statements

per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

#### 2.11 Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision or disclosure is made.

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.

#### 2.12 Impairment of assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

#### 2.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

The Company offsets, the current tax assets and liabilities (on a year on year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

#### 2.14 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 investments with an original maturity of three months or less.

#### 2.15 Recognition and measurement of advances paid and received

*Advances paid towards jointly developable properties*





**Notes to financial statements**

These advances represent monies paid to land owners and intermediaries, where the company proposes to jointly develop the property. Subsequent to a definitive agreement and on actual commencement of development activity, the Company acquires a right in the underlying land at which point, such advances are transferred to capital work in progress. Advances towards joint development rights are valued at cost. On transfer to capital work in progress, measurement is on the basis of cost, less impairment, if any, determined with reference to the discounted values of future anticipated cash flows.

*Advance against property*

These advances represent several intended purchases of parcels of land, which are in various stages of the acquisition process, which is typically long drawn and requires several regulatory compliances. The Company considers the purchase as complete only when all compliances are complete and the ownership right to the land is unfettered. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying, at the lower of cost or net realizable value, having regard to the protracted underlying process.

**2.16 Inventories**

Inventories are carried at the lower of cost and net realizable value. Cost includes all applicable costs incurred in bringing the properties to their present location and condition. The method of determination of cost for various categories of inventories is as follows:

*Land*

Land is valued at cost of acquisition. Cost includes acquisition cost and related development charges. Finished stocks of constructed properties are valued at their cost of construction / acquisition.

*Properties under development*

Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Real estate work-in-progress is valued at lower of cost and net realizable value.

The net realizable value of work in progress is determined with reference to the selling prices of related constructed property. Raw materials and other supplies held for use in construction of property are not written below cost except in cases where material prices have declined and it is estimated that the cost of constructed property will exceed their net realizable value.

**2.17 Land held under joint development arrangements**

In case of joint development with the land owner on space sharing arrangement, land 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. Changes in the estimate/ actual cost of construction from the estimated cost are adjusted in the cost of land in the year of such change/ occurrence.

**2.18 Foreign exchange transactions**

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date; the resultant exchange differences are recognized in the profit and loss account.

**2.19 Borrowing Cost**

Borrowing cost attributable to the acquisition of qualifying assets (ie. The assets that necessarily take substantial period of time to get ready for the intended use) are added to the cost upto the date when such assets are ready for their intended use. Other borrowing costs are recognized as expenses in the period in which these are incurred. Interest has been apportioned over various projects on the basis of loan amount utilize for each.





## Nitesh Housing Developers Private Limited

### Notes to financial statements

#### 2.20 SBN Disclosure

U/s 467 (1) of the Companies Act 2013, the details of specified bank notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016

Particulars	SBNs	Other Denomination	Total
Closing Cash In Hand as on 8.11.2016	3,500.00	258,641.00	262,141.00
(+) Permitted receipts		85,000.00	85,000.00
(-) Permitted Payment	3,500.00	293,852.00	297,352.00
(-) Amount Deposited in Banks			
Closing Cash In Hand as on 30.12.2016	-	49,789.00	49,789.00



3 Share capital

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Authorised</b>		
5,000,000 (previous year: 5,000,000) Equity Shares of Rs 10 each	50,000,000	50,000,000
5,000,000 (previous year: 5,000,000) 9% Non Cumulative Redeemable Preference Shares of Rs 10 each	50,000,000	50,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, subscribed and fully paid up</b>		
5,000,000 (Previous year : 5,000,000) Equity shares of Rs.10 each	50,000,000	50,000,000
4,150,000 (Previous year : Nil) 9% Non Cumulative Redeemable Preference Shares of Rs. 10 each	41,500,000	41,500,000
	<b>91,500,000</b>	<b>91,500,000</b>

Notes :

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period is as given below :

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
Number of equity shares at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares	5,000,000	50,000,000	5,000,000	50,000,000

(b) Equity and preference shareholders holding more than 5% of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below :

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No of shares	% holding	No of shares	% holding
<i>Equity shares of Rs.10 each fully paid</i>				
Nitesh Estates Limited	4,494,900	89.90%	4,494,900	89.90%
Kakanad Enterprises Private Limited	505,100	10.10%	505,100	10.10%
<i>9% Non-Cumulative redeemable preference shares of Rs.10 each</i>				
Nitesh Estates Limited	4,150,000	100%	4,150,000	100%

4 Reserves and surplus

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Security premium</b>		
Opening balance	788,500,000	788,500,000
Add: premium received on issue of preference shares	-	-
Closing balance	<b>788,500,000</b>	<b>788,500,000</b>
<b>Surplus in statement of profit and loss</b>		
Opening balance	(496,744,969)	(521,158,134)
Add: profit/(loss) for the period	(217,712,431)	24,413,165
Closing balance	<b>(714,457,400)</b>	<b>(496,744,969)</b>
	<b>74,042,600</b>	<b>291,755,031</b>

5 Long-term provisions

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Provision for employee benefits</b>		
Gratuity (refer note )	4,510,160	3,719,278
Compensated absences	5,016,615	5,664,792
	<b>9,526,775</b>	<b>9,384,070</b>



6 Short-term borrowings

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Secured:</i>		
Short term loan from bank	3,113,142,749	2,956,607,073
<i>Unsecured</i>		
Short term loan from director	100,000	100,000
	<b>3,113,242,749</b>	<b>2,956,707,073</b>

Short Term loans from financial institutions are secured by:

a) Term loan amounting to: Rs. 3,093,000,000 (previous year: Rs. 2,924,000,000 )

i. Mortgage of the following projects to the extent of unsold area;

- Nitesh Hyde Park
- Nitesh Columbus Square
- Nitesh Napa Valley I & II
- Nitesh Fisher Island
- Nitesh Melbourne Park
- Nitesh Grand Canyon

ii. Charge on all the future receivables from the booked, sold and to be sold apartments in the above projects.

iii. Corporate Gurantee of M/s Nitesh Estates Ltd.'

iv. Personal guarantee of Mr. Nitesh Shetty.

v. DSRA of one quarter interest and one quarter principal

**Repayment and interest terms**

Repayment terms	Interest rate
12 equal quarterly instalments starting from 39th month	3.5% above YBBR

b) Term loan amounting to: Rs. 20,142,749 (previous year: Rs. 32,607,073)

i. Mortgage of Villa No 82 A in the project Nitesh Napa Valley admesuring 5342 sq ft of BUA situated at Vadeyapurra Village, Yelaanka Hobli.

ii. Personal guarantee of Mr. Nitesh Shetty.

**Repayment and interest terms**

Repayment terms	Interest rate
47 equated monthly installments starting from subsequesnt month of the disbursement	13.75 % pa

7 Trade payables

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
-Dues to micro and small enterprises	-	-
-Dues to other creditors	913,419,579	813,442,986
	<b>913,419,579</b>	<b>813,442,986</b>

8 Other current liabilities

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Advance received from customers for sale of properties	411,053,724	348,195,308
Payable to land owner	59,109,857	150,016,963
Billings in excess of revenue	211,768,187	71,573,791
Interest accrued but not due	0	3,901,659
Other payables		
- accrued salaries and benefits	8,313,340	5,595,783
-withholding and other taxes and duties payable	44,169,005	20,448,457
	<b>734,414,112</b>	<b>599,731,960</b>

9 Short-term provisions

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Provision for employee benefits</b>		
Gratuity	1,691,181	2,016,421
Compensated absences	1,985,139	1,773,019
Provision for income tax (net of Advance Tax and TDS Receivable)	58,117,389	64,154,128
	<b>61,793,709</b>	<b>67,943,568</b>



16 Fixed Assets:

Asset category	Gross block		Depreciation		Net block	
	As at 1 April 2016	As at 31 March 2017	As at 1 April 2016	Charge for the year	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>						
Office equipments	3,979,485	3,987,767	1,835,895	1,016,446	1,135,425	2,145,590
Computers	418,140	418,140	241,853	93,340	82,948	176,287
Furniture and fittings	509,007	900,597	320,245	49,502	530,850	188,762
Vehicles	1,525,905	1,525,905	980,894	425,133	619,894	545,011
<b>Intangible assets</b>						
Computer software	6,432,537	6,832,409	3,378,887	1,584,421	2,369,117	3,053,650
	795,373	795,373	494,464	113,853	187,056	300,909
	795,373	795,373	494,464	113,853	187,056	300,909
<b>Total</b>	<b>7,227,910</b>	<b>7,627,782</b>	<b>3,873,351</b>	<b>1,698,274</b>	<b>2,556,173</b>	<b>3,354,550</b>
<i>Previous year</i>	<i>4,831,317</i>	<i>5,227,070</i>	<i>1,480,551</i>	<i>3,392,495</i>	<i>3,354,361</i>	<i>3,354,550</i>





11 Deferred tax assets (net)

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
	-	-
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,583,426	4,721,035
	4,583,426	4,721,035
	4,583,426	4,721,035

12 Long-term loans and advances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Unsecured, considered good</b>		
Security deposit	4,999,001	4,501,767
	4,999,001	4,501,767

13 Inventories

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Land held under joint development agreements	147,761,405	286,151,279
Properties under development	584,905,759	524,482,176
	732,667,164	810,633,455

14 Trade receivables

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Unsecured, considered good</b>		
Debts due for a period exceeding Nine months		
- considered good	-	-
- considered doubtful	-	-
Other debts		
- considered good	96,330,726	184,108,878
- considered doubtful	-	-
	96,330,726	184,108,878
Less: provision for doubtful debts	-	-
	96,330,726	184,108,878



## 15 Cash and bank balances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<b>Cash and cash equivalents</b>		
Cash on hand	619,433	135,462
Balances with banks		
- in current accounts	4,201,051	17,141,733
<b>Other bank balances</b>		
-in fixed deposits with bank	17,104,127	102,854,178
	<b>21,924,612</b>	<b>120,131,373</b>

## 16 Short-term loans and advances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Unsecured, considered good</i>		
Advance paid to related parties	295,141,398	300,492,963
Advance against property	548,536,670	550,736,670
Vendor advances	418,792,439	482,439,630
Balances with government authorities	17,698,150	-
Prepaid Expenses	141,890,699	173,494,577
Refundable deposits under joint development agreements	1,599,424,466	1,561,211,966
	<b>3,021,483,822</b>	<b>3,068,375,806</b>

## 17 Other current assets

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Revenue in excess of billing	1,113,193,691	633,150,306
Interest Receivable	200,907	1,487,507
	<b>1,113,394,598</b>	<b>634,637,813</b>



**18 Revenue from operations**

Particulars	Rs	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Sale of products/ finished goods		
Income from property development	641,027,468	1,039,881,480
	<b>641,027,468</b>	<b>1,039,881,480</b>

**19 Other income**

Particulars	Rs	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Interest income	4,864,548	3,253,664
Miscellaneous income	3,666,919	839,906
	<b>8,531,467</b>	<b>4,093,570</b>

**20 Employee benefits**

Particulars	Rs	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Salaries and wages	84,857,248	83,841,789
Contribution to provident and other funds	2,116,092	2,231,045
Staff welfare	1,069,025	1,726,216
	<b>88,042,365</b>	<b>87,799,050</b>

**21 Finance costs**

Particulars	Rs	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Interest		
- On bank loan	275,720,139	207,929,197
Other borrowing costs (processing fees)	20,455,340	15,869,124
	<b>296,175,479</b>	<b>223,798,321</b>

**22 Other expenses**

Particulars	Rs	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Advertising and sales promotion	48,332,477	41,894,140
Professional and consultancy	3,978,128	6,344,919
Travel and conveyance	3,771,353	4,609,517
Rent	12,122,517	11,845,224
Printing, postage and stationery	592,825	655,123
Office maintenance expenses	663,787	1,024,583
Audit Fees	388,951	593,700
Communication expenses	802,453	752,621
Director's sitting fees	320,000	20,000
Lease rent - vehicles	355,000	470,828
Rates and taxes	10,546,614	7,360,434
Repairs and maintenance - others	2,419,591	2,093,262
Security Charge	249,391	1,006,347
Hire Charges	592,723	1,378,695
Insurance charges	79,044	6,211
Bank and other charges	524,861	546,006
Miscellaneous expenses	7,130,553	4,853,911
	<b>92,870,267</b>	<b>85,455,519</b>



23 Commitments and contingent liabilities

Particulars	Rs	
	As at 31 March 2017	As at 31 March 2016
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debts in respect of		
- Income-tax	58,904,760	58,904,760
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	2,269,180,332	1,256,149,442

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.

24 Details of Construction contracts in progress

Particulars	Rs	
	As at 31 March 2017	As at 31 March 2016
Contract revenue recognized as revenue for the year	641,027,468	909,698,474
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to year end	2,486,330,289	2,315,557,738
The amount of customer advances outstanding as at year end	96,330,727	348,195,308

25 Auditors' remuneration (included in professional and consultancy charges)

Particulars	Rs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>As statutory auditors</b>		
Statutory audit fees	170,000	340,000
Limited reviews	200,000	225,000
Out of pocket expenses	18,500	28,700
	<b>388,500</b>	<b>593,700</b>

26 Expenditure in foreign currency (on accrual basis)

Particulars	Rs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Consultancy charges	1,003,652	1,772,663
	<b>1,003,652</b>	<b>1,772,663</b>

27 Earnings / (Loss) per share

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	(Figures in rupees except number of shares)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit / (Loss) for the year attributable to equity shareholders	(217,712,431)	24,413,165
Number of weighted average shares considered for calculation of basic earnings per share	5,000,000	5,000,000
Add: Dilutive effect of preference shares	-	-
Number of weighted average shares considered for calculation of diluted earnings per share	5,000,000	5,000,000
Earnings per share, basic and diluted	(43.54)	4.88

The Company has no potentially dilutive equity shares.





28 Related parties disclosures

Related parties where control exists

A. Holding company

- Nitesh Estates Limited

Related parties with whom transactions have taken place during the year

B. Fellow subsidiaries

- Nitesh Indranagar Retail Private Limited  
- Nitesh Urban Development Private Limited (erstwhile Nitesh Boat Club Development Private Limited)  
- Kakanad Enterprises Private Limited (erstwhile Nitesh Kochi Projects & Developers Private Limited)  
- Nitesh Property Management Private Limited

B. Enterprises owned or significantly influenced by Key managerial personnel

- Nitesh Infrastructure and Construction

C. Key management personnel

- L S Vaidyanathan Managing Director  
- Ashwini Kumar Director  
- Nitesh Shetty Director (till 6th August, 2016)

D. The following is a summary of related party transactions

Particulars	Rs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Trade advances paid/(received):</b>		
Nitesh Estates Limited (net)	14,169,097	300,644,723
<b>Rent:</b>		
Nitesh Infrastructure and Construction	12,122,517	11,545,252
<b>Hoarding Exp:</b>		
Serve & Volley Outdoor Advertising	-	5,775,000
<b>Gifts Staff:</b>		
Nitesh Residency Hotels Private Limited	244,545	359,233
<b>Advance received as Customer</b>		
Pushrock Environment Pvt Ltd	2,500,000	2,500,000

E. The following is a summary of balances receivable from and payable to related parties:

Particulars	Rs	
	As at 31 March 2017	As at 31 March 2016
<b>Unsecured loan:</b>		
Nitesh Shetty	100,000	100,000
<b>Trade payables:</b>		
Nitesh Infrastructure and Construction	-	-
Serve & Volley Outdoor Advt. Pvt. Ltd.	23,442	23,442
Nitesh Residency Hotels Private Limited	603,778	359,233
<b>Advance from customers</b>		
Pushrock Environment Pvt Ltd	16,961,225	34,180,000
<b>Loans and advances:</b>		
Nitesh Estates Limited	286,441,398	300,610,495
Nitesh Infrastructure and Construction - Trade Advance	4,680,000	4,680,000
Serve & Volley Outdoor Advt. Pvt. Ltd. - Trade Advance	1,625,000	1,625,000
Nitesh Urban Development Private Limited	8,700,000	-
<b>Guarantees given:</b>		
Nitesh Estates Limited	(3,150,000,000)	(3,150,000,000)

29 Segment reporting:

The Company's operations solely relate to real estate development in India and hence does not have any primary or secondary business segments. Since the relevant information is available from the balance sheet and statement of profit and loss itself, the Company is not required to disclose segment information as per AS 17 ('Segment Reporting').

30 Leases

The Company has taken on lease office facilities, under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total expense under operating leases amounted to Rs. 12,122,517 (previous year: Rs. 12,795,307).



31 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required under revised AS 15 'Employee benefits'

<b>Reconciliation of the projected benefit obligations</b>			<b>Rs</b>
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
Obligations at beginning of the year	5,741,260	4,973,945	
Service cost	1,392,561	1,244,966	
Interest on defined benefit obligation	465,335	453,538	
Past service cost	-	-	
Benefits settled	(1,213,702)	(1,549,474)	
Liabilities assumed / (settled on divestiture)	-	-	
Actuarial (gain)/loss	(132,796)	618,285	
<b>Obligations at year end</b>	<b>6,252,658</b>	<b>5,741,260</b>	
<b>Change in plan assets</b>			<b>Rs</b>
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
Plans assets at the beginning of the year, at fair value	5,562	300,551	
Expected return on plan assets (estimated)	-	25,810	
Actuarial gain / (loss)	(141,530)	(114,185)	
Contributions	1,400,988	1,342,860	
Benefits settled	(1,213,702)	(1,549,474)	
<b>Plan assets at year end, at fair value</b>	<b>51,318</b>	<b>5,562</b>	
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>			<b>Rs</b>
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
Closing obligations	(6,252,658)	(5,741,260)	
Closing fair value of plan assets	51,318	5,562	
<b>Liability recognised in the balance sheet</b>	<b>(6,201,340)</b>	<b>(5,735,698)</b>	
<b>Gratuity cost for the year</b>			<b>Rs</b>
<b>Particulars</b>	<b>For the year ended</b>		<b>For the year ended</b>
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2016</b>
Service cost	1,392,561	1,244,966	
Past service cost	-	-	
Interest cost	465,335	453,538	
Expected return on plan assets	-	(25,810)	
Actuarial (gain)/loss	8,734	732,470	
<b>Net gratuity cost</b>	<b>1,866,630</b>	<b>2,405,164</b>	



**Assumptions**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discount rate	7.6%	7.6%
Estimated rate of return on plan assets	8.00	8.00
Salary increase	6.0%	6.0%
Attrition rate	1% to 2%	1% to 2%
Retirement age	60	60

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.

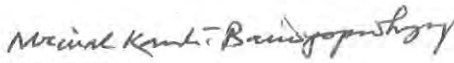
**Information of plan assets, defined benefit obligation and experience adjustments:**

Particulars	As at					Rs
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	
Present value of the defined benefit obligations	1,386,094	1,421,959	4,973,945	5,741,260	6,252,658	
Fair value of plan assets	-	699,005	300,551	5,562	51,318	
Surplus/ (Deficit)	(1,386,094)	(722,954)	(4,673,394)	(5,735,698)	(6,201,340)	
Experience adjustment on plan assets	-	26,387	(158,885)	(114,185)	(141,530)	
Experience adjustment on plan liabilities	(100,565)	(245,448)	2,466,086	443,985	(226,290)	

- 32 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.
- 33 The Land and construction cost includes Rs. 1448 Lakhs as finance cost towards interest for the year ended on March 31, 2017.
- 34 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

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 Housing Developers Private Limited**


  
**Mrinal Kanti Bandyopadhyay**  
Partner  
Membership No. 051472

  
**L.S. Vaidyanathan**  
Managing Director  
DIN: 00304652

  
**Ashwini Kumar**  
Director  
DIN: 02034498

Bangalore  
May 27, 2017

Bangalore  
May 27, 2017

  
COMPANY SECRETARY.

