

NITESH PROPERTY MANAGEMENT PRIVATE LIMITED

CIN: U70102KA2010PTC056128

REGD. OFFICE: 7TH FLOOR, NITESH TIMESQUARE, # 8, M.G. ROAD, BANGALORE – 560 001

Tel: +91-80-4017 4000; Email: ashopk.pc@niteshestates.com

DIRECTORS' REPORT

The Board of Directors present their report for the financial year ended March 31, 2017 along with the Audited Accounts as on that date.

1. SUMMARISED FINANCIAL HIGHLIGHTS:

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

(Amount in Rs.)

Particulars	2016-17	2015-16
Revenue from Operations	69,626,302	58,518,595
Other Income	64,228	23,836
Total Income	69,690,531	58,542,431
Total Expenditure	93,756,463	69,141,607
Profit / (Loss) before Tax	(24,065,933)	(10,599,176)
Current Tax expense	-	350,000
Deferred Tax (expense) / income	19,111	(175,040)
Profit / (Loss) after Tax	(24,085,044)	(10,774,136)
Earnings / (Loss) per Share – Basic	(80.28)	(35.91)
Earnings / (Loss) per Share – Diluted	(80.28)	(35.91)

2. DIVIDEND:

The Board has not recommended any dividend.

3. DIRECTORS:

Mr. P C Ashok (DIN: 05127304), Director will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Necessary resolutions will be placed before the ensuing Annual General Meeting.

4. BOARD MEETING:

During the financial year under review, the Board of Directors of the Company met 7 times as detailed below:

- i. 20th April, 2016
- ii. 25th May, 2016
- iii. 22nd June, 2016
- iv. 5th August, 2016
- v. 7th Sep, 2016
- vi. 7th Nov, 2016
- vii. 7th February, 2017

5. STATUTORY AUDITORS:

At the Annual General Meeting of the Company held on June 28, 2016 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. 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

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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.

6. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company is taking necessary steps for implementing adequate Internal Financial Control systems commensurate with its size and nature of business, to safeguard and protect from loss, unauthorized use or disposition of its assets.

7. 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 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 applicable laws and that such systems were adequate and operating effectively.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any loans, guarantees and investments under Section 186 of the Companies Act, 2013 and the rules made thereunder during the period under review.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

There are no transactions to report under Section 188 of the Companies Act, 2013, and the Rules made thereunder. The related party transactions undertaken during the financial year 2016-17 are detailed in the Financial Statements.

10. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is as follows:

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Conservation of Energy

- i) The steps taken or impact on conservation of energy- As the Company is not engaged in manufacturing, the operations of the Company do not involve high-energy consumption.
- ii) The steps taken by the Company for utilizing alternate sources of energy- The Company is in the process of exploring use of alternate source of energy.
- iii) The capital investment on energy conservation equipment- None

Research & Development and Technology Absorption

Our operations are service oriented and hence do not involve any Research and Development or technology absorption.

- i) The efforts made towards technology absorption – Not applicable.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution – Not applicable.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) Not Applicable.
 - a) The details of technology imported – Not applicable.
 - b) The year of import – Not applicable.
 - c) Whether the technology has been fully absorbed – Not applicable.
 - d) If not fully absorbed areas where absorption has not taken place and the reason thereof – Not applicable.
- (iv) The expenditure incurred on Research and Development – Not applicable.

Foreign Exchange Earnings and Outgo

During the year under review there was no foreign exchange inflow or outflow.

11. 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. There were no complaints received by the Company during the year.

12. EXTRACT OF THE ANNUAL RETURN:

The extracts of the Annual Return in the prescribed format MGT-9 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 report.

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13. PARTICULARS OF EMPLOYEES:

The Company being unlisted, the provisions of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

There is no employee drawing remuneration exceeding the limits prescribed under Rule 5 (2) of the Companies Act, 2013 during the financial year or part thereof.

14. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has adopted the Risk Management Policy of its 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.

15. ACKNOWLEDGEMENTS:

The Company has been very well supported from all quarters and therefore 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 receive the continued patronage from all quarters to become a better and stronger Company.

**For and on behalf of the Board of Directors
of NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**

Place: Bangalore
Date: 25.05.2017

Anantha Sreenivasa Sharma
Director
(DIN: 07608336)

P C Ashok
Director
(DIN: 05127304)

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st 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 | U70102KA2010PTC056128 |
| ii. Registration Date | 3 rd December, 2010 |
| iii. Name of the Company | Nitesh Property Management 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 | 7 th Floor, Nitesh Timesquare,
8, M.G. Road,
Bangalore-560 001
Ph.No. : 080-40174000
Email: ashok.pc@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	Services to buildings and landscape activities	811- Combined facilities support activities	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 th 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)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	1	1	0.00	0	1	1	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	2,99,999	2,99,999	100	0	2,99,999	2,99,999	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
	Sub-Total A (1) :	0	3,00,000	3,00,000	100.00	0	3,00,000	3,00,000	0.00	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
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	0	3,00,000	3,00,000	100.00	0	3,00,000	3,00,000	100.00	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	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	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0	0	0	0.00	0.00

(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	0	0	0.00	0.00
	Sub-Total B(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total B=B(1)+B(2) :	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	0	0	0.00	0.00
	Total (A+B) :	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	0	3,00,000	3,00,000	100.00	0.00	3,00,000	3,00,000	100.00	0.00

(ii) Shareholding of Promoters

SHARE HOLDING OF PROMOTERS - COMPARISION REPORT BETWEEN 31/03/2016 AND 31/03/2017									
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	3,00,000*	100	0	3,00,000*	100	0	0	0.00
	Total	3,00,000	100	0	3,00,000	100	0	0	0.00

* 1 equity share of Rs.10/- each is held by Mr. L. S. Vaidyanathan as nominee shareholder on behalf of Nitesh Estates Limited, the beneficial owner.

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

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not applicable*

(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				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				Date	Bought	Sold				
1	Mr. L. S. Vaidyanathan *	1	0.00	-	-	-	1	0.00	1	0.00

* holding 1 equity share of Rs.10/- each as nominee shareholder on behalf of Nitesh Estates Limited, the beneficial owner.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

There is no indebtedness to report during the year under review.

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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)
A. Company					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

**For and on behalf of the Board of Directors
of NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**

**Place: Bangalore
Date: 25.05.2017**

**Anantha Sreenivasa Sharma
Director
(DIN: 07608336)**

**P C Ashok
Director
(DIN: 05127304)**

Independent Auditor's Report

TO THE MEMBERS OF NITESH PROPERTY MANAGEMENT PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NITESH PROPERTY MANAGEMENT PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at 31st 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 31st 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 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our



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

- 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

25th May, 2017



ANNEXURE A TO THE AUDITORS' REPORT

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

We report that:

- (i) The company doesn't have any fixed assets during the year .
- (ii) The company doesn't have inventories during the year.
- (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) 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) The company did not have any dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise or value added tax or cess which have not been deposited as on 31 March, 2017 on account of disputes.
- (viii) As per records of the company, the company has not borrowed any amount from Banks, Financial Institutions & government or has issued debentures, so clause (viii) of the order is not applicable.
- (ix) The company has not raised any money raised by way of initial public offer or further public offer (including debt instruments) or nay loans from Banks.
- (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



Nitesh Property Management Private Limited

Balance Sheet as at 31 March 2017

	Note	as at 31 March 2017	in Rupees as at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,000,000	3,000,000
Reserves and surplus	4	(30,239,008)	(6,153,965)
		<u>(27,239,008)</u>	<u>(3,153,965)</u>
Non-current liabilities			
Other Non- Current Liabilities	5	54,338,157	44,736,911
Long term provisions	6	1,355,512	1,909,907
		<u>55,693,669</u>	<u>46,646,818</u>
Current Liabilities			
Trade Payables	7	37,211,875	12,279,787
Other Current liabilities	8	28,869,308	17,540,263
Short term provisions	9	1,706,848	2,043,297
		<u>67,788,031</u>	<u>31,863,347</u>
		<u>96,242,691</u>	<u>75,356,200</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	10	314,998	-
		<u>314,998</u>	<u>-</u>
Deferred Tax asset	11	706,528	725,639
Current Assets			
Trade Receivables	12	43,996,559	29,288,876
Cash and bank balances	13	3,350,227	5,306,911
Loans and advances	14	47,874,379	40,034,780
		<u>95,221,165</u>	<u>74,630,561</u>
		<u>96,242,691</u>	<u>75,356,200</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 25, 2017

for and on behalf of the Board of Directors of
Nitesh Property Management Private Limited

P C Ashok

P C Ashok
Director
DIN: 05127304

Bangalore
May 25, 2017

Anantha Greenivasa Sharma

Anantha Greenivasa Sharma
Director
DIN: 07608336



Nitesh Property Management Private Limited
Statement of Profit and Loss for the year ended 31 March 2017

in Rupees

		for the year ended 31 March 2017	for the year ended 31 March 2016
Revenue			
Revenue from operations	15	69,626,302	58,518,595
Other Income	16	64,228	23,836
		<u>69,690,531</u>	<u>58,542,431</u>
Expenses			
Sub-Contracting Expenses	17	56,083,283	39,070,956
Employee benefits	18	20,129,690	17,781,550
Depreciation	10	277,935	-
Other Expenses	19	17,265,555	12,289,101
		<u>93,756,463</u>	<u>69,141,607</u>
Profit before tax		(24,065,933)	(10,599,177)
Less: Current tax		-	350,000
Deferred tax		19,111	(175,040)
Profit after tax for the period		(24,085,044)	(10,774,137)
Earnings Per Equity Share			
Equity Shares of par value of Rs 10 each			
Basic & Diluted		(80.28)	(35.91)

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 25, 2017

for and on behalf of the Board of Directors of
Nitesh Property Management Private Limited

P C Ashok

P C Ashok
Director
DIN: 05127304

Bangalore
May 25, 2017

Anantha Sreenivasa Sharma

Anantha Sreenivasa Sharma
Director
DIN: 07608336



Nitesh Property Management Private Limited
Cash Flow Statement for the year ended 31 March 2017

	for the year ended 31 March 2017	for the year ended 31 March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(24,065,933)	(10,599,177)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for employee benefits	(25,578)	566,474
Operating profit before working capital changes	(24,091,511)	(10,032,703)
<i>Movements in working capital:</i>		
Increase / (decrease) in trade Payables	24,932,088	5,006,583
Increase / (decrease) in other liabilities	11,329,045	(2,333,641)
(Increase) / decrease in trade receivables	(14,707,689)	702,338
(Increase) / decrease in other current assets (unbilled revenue)		-
(Increase) / decrease in short term loans and advances	(7,835,549)	(37,011,150)
Cash (used in) / generated from operations	(10,373,616)	(43,668,573)
Income Tax Paid	865,266	57,768
Net cash (used in)/generated from operating activities - (A)	(11,238,882)	(43,726,341)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Investment in Fixed Deposit	(1,800,000)	3,000,000
Purchase of fixed assets	(314,998)	-
Proceeds from sinking fund collected from customers	9,601,247	36,439,660
Income from fixed deposits	(4,050)	-
Net cash (used in)/ generated from investing activities - (B)	7,482,198	39,439,660
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Net cash from financing activities - (C)	-	-
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(3,756,684)	(4,286,681)
Cash and cash equivalents as at beginning of the period	5,306,911	9,593,592
Cash and cash equivalents as at the end of the period	1,550,227	5,306,911
Components of cash and cash equivalents:		
Cash on hand	191,019	61,587
Balances with scheduled banks:		
In Current accounts	1,359,208	5,245,324
Cash and cash equivalents in cash flow statement	1,550,227	5,306,911

As per our report attached
for Ray & Ray
Chartered Accountants
Firm's Registration No. 301072E

Mrinal Kanti Bandyopadhyay

Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Bangalore
May 25, 2017

For and on Behalf of Board of Directors of
Nitesh Property Management Private Limited

P C Ashok

P C Ashok
Director
DIN: 05127304

Bangalore
May 25, 2017

Anantha Sreenivasa Sharma

Anantha Sreenivasa Sharma
Director
DIN: 07608336



Nitesh Property Management Private Limited
Notes to financial statements as at 31 March 2017

	as at		<i>m Rupees</i>	
	31 March 2017		31 March 2016	
3 Share capital				
Authorised				
500,000 (As at March 31, 2016 - 10,000) Equity Shares Rs. 10/- each		5,000,000		5,000,000
		5,000,000		5,000,000
Issued, subscribed and paid up				
300,000 (As at March 31, 2016 - 10,000) Equity Shares Rs. 10/- each		3,000,000		3,000,000
		3,000,000		3,000,000

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	299,999	2,999,990	299,999	2,999,990
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares outstanding at the end of the year	299,999	2,999,990	299,999	2,999,990

(b) Equity 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	299,999	99.99%	299,999	99.99%

(c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Reserves and Surplus

	as at		<i>m Rupees</i>	
	31 March 2017		31 March 2016	
Profit and Loss account				
At the beginning of the period		(6,153,965)		4,620,172
Add: Net profit after tax transferred from Statement of Profit and Loss		(24,085,044)		(10,774,137)
Amount available for appropriation				
At the end of the period		(30,239,008)		(6,153,965)

5 Other Non- Current Liabilities

	as at		<i>m Rupees</i>	
	31 March 2017		31 March 2016	
Sinking fund		54,338,157		44,736,911
		54,338,157		44,736,911

Note: The Company does not have any earmarked investment made against sinking fund

6 Long term provisions

	as at		as at	
	31 March 2017		31 March 2016	
Provision for employee benefits:				
Provision for gratuity		860,231		1,049,101
Provision for compensated absences		495,281		860,806
		1,355,512		1,909,907



7 Trade Payables

	<i>m Rupees</i>	
	as at	as at
	31 March 2017	31 March 2016
Trade Payables	37,211,875	12,279,787
	37,211,875	12,279,787

Note:

The Company doesnot have the status of its creditors regarding their registration under the Micro, Small and Medium Enterprises Development Act, 2006

8 Other Current Liabilities

	<i>m Rupees</i>	
	as at	as at
	31 March 2017	31 March 2016
Advance from customers	20,476,621	15,929,191
Security Deposit	10,000	10,000
Other Liabilities		
Service tax payable	4,124,380	-
Withholding taxes payable	1,598,742	220,357
Other Liabilities	2,659,565	1,380,715
	28,869,308	17,540,263

9 Short term provisions

	<i>m Rupees</i>	
	as at	as at
	31 March 2017	31 March 2016
Provision for compensated absences	539,006	431,251
Provision for gratuity	421,062	-
Provision for income tax (net of Advance Tax and TDS Receivable)	746,780	1,612,046
	1,706,848	2,043,297



10 Fixed Assets:

Asset category	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions/ adjustments during the period	As at 31 March 2017	Charge for the year	Deletions during the period	As at 31 March 2017	As at 31 March 2016	As at 31 March 2016
Tangible assets								
Computers	-	497,984	497,984	248,388	-	248,388	249,506	-
Office equipments	-	94,950	94,950	29,547	-	29,547	65,403	-
	-	592,934	592,934	277,935	-	277,935	314,999	-
	-	-	-	-	-	-	-	-
	-	592,934	592,934	277,935	-	277,935	314,999	-



11 Deferred Tax Assets

	as at 31 March 2017	<i>m Rupees</i> as at 31 March 2016
On account of timing differences in recognition of expenses	706,528	725,639
	706,528	725,639

In accordance with AS 22 - "Accounting for taxes on income" the management believes that there is no virtual certainty supported by convincing evidence for recognising deferred tax asset on carry forward losses and unabsorbed depreciation

12 Trade Receivables

	as at 31 March 2017	<i>m Rupees</i> as at 31 March 2016
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Other receivables	44,630,752	29,923,063
	44,630,752	29,923,063
Less: Provision for doubtful debts	634,192	634,192
	43,996,559	29,288,870

13 Cash and Bank Balances

	as at 31 March 2017	<i>m Rupees</i> as at 31 March 2016
<i>i) Cash and cash equivalents:</i>		
Balances with Bank		
- In Current accounts	1,359,208	5,245,324
Cash on Hand	191,019	61,587
	1,550,227	5,306,911
<i>ii) Other Bank Balances:</i>		
Deposits with maturity of more than 3 months & not exceeding 12 months	1,800,000	-
	1,800,000	-

14 Loans and advances

	as at 31 March 2017	<i>m Rupees</i> as at 31 March 2016
<i>(unsecured and considered good)</i>		
Vendor Advances	1,743,060	2,050,458
Service tax input credit receivable	3,766,675	810,268
Advances to related party	41,922,541	36,736,000
Other loans and advances	438,053	438,054
Revenue in excess of billing	-	-
	47,874,379	40,034,780



15 Revenue from operations

	for the year ended 31 March 2017	for the year ended 31 March 2016
Building Maintenance income	67,235,348	56,999,599
Other operating Income	2,390,954	1,518,996
	69,626,302	58,518,595

16 Other Income

	for the year ended 31 March 2017	for the year ended 31 March 2016
Miscellaneous Income	64,228	23,836
	64,228	23,836

17 Subcontracting Charges

	for the year ended 31 March 2017	for the year ended 31 March 2016
Security Charges	25,742,965	17,716,282
Housekeeping expenses	6,438,827	5,590,023
Building maintenance expenses	18,215,412	7,625,184
Repairs & maintenance	5,686,079	8,139,467
	56,083,283	39,070,956

18 Employee benefits

	for the year ended 31 March 2017	for the year ended 31 March 2016
Salaries, wages and bonus	19,231,219	16,397,834
Contribution to provident and other funds	689,389	974,631
Staff welfare expenses	209,083	409,085
	20,129,690	17,781,550



19 Other expenses

Particulars	<i>in Rupees</i>	
	for the year ended 31 March 2017	for the year ended 31 March 2016
Power and fuel	13,378,829	7,911,481
Repairs and maintenance	635,160	1,115,554
Bank Charges	-	70,530
Insurance charges	-	314,075
Rates and taxes	437,622	628,789
Professional and consultancy charges	973,802	135,750
Payment to auditor (Refer details below)	220,001	350,000
Travelling and conveyance	741,238	692,770
Lease rent-vehicles	100,000	-
Communication expenses	409,486	424,096
Printing and stationery	156,301	239,001
Miscellaneous expenses	213,117	407,055
	17,265,555	12,289,101



Nitesh Property Management Private Limited
Notes forming part of the financial statements

1. Background

The Nitesh Property Management Private Limited ("the Company") was incorporated on December 3, 2010, to carry on the business of the Property management. The Company has become a wholly owned subsidiary of Nitesh Estates Limited with effect from February 10, 2011.

2. Significant Accounting Policies:

a) Basis of Preparation:

The financial accounts are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and in accordance with the Accounting Standards referred to in the Companies Act, 2013. All income and expenditure, having a material bearing on financial statements, are recognized on an accrual basis.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual could differ from these estimates.

c) Revenue Recognition:

- a. Property Management fees has been accounted on accrual basis based on the agreements entered with the tenants.
- b. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) Employee Benefits:

(i) Short term Employee Benefits:

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance etc. and the expected cost of bonus are recognized in the period in which the employee renders the related service.

(ii) Long term Employee Benefits:

(a) Defined Contribution Plan:

The Company has contributed to state governed provident fund scheme, employee's state insurance scheme and employee pension scheme which are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the year in which employee renders the related service.



Nitesh Property Management Private Limited
Notes forming part of the financial statements

(b) Defined Benefit Plan:

Gratuity (unfunded) is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the balance sheet date.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation performed at the balance sheet date. The actuarial valuation is done as per the projected unit credit method.

Actuarial gains/ losses are immediately taken to profit and loss account.

e) Income Taxes:

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made on estimated basis on current year profit at the rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference, which arise during the year and reverse out in the subsequent periods. It is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

f) Provisions:

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

g) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. The assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.



Nitesh Property Management Private Limited
Notes forming part of the financial statements

20. The Company has accounted the provision for gratuity based on the actuarial valuation computed on projected unit credit method.

Disclosures as per Accounting Standard 15 "Employee Benefits":

(a) Defined Contribution Plan:

Contribution to Defined Contribution, recognized as expense for the year are as under:

	Current Year (Rs.)	Previous Year (Rs.)
Employer's Contribution to Provident Fund & Pension Scheme	6,01,304	6,01,304

(b) Defined Benefit Plan:

Gratuity: The Present value of obligation is determined based on actuarial valuation using the projected unit credit method and provided for. The same is unfunded hence disclosure in respect of plan assets as per AS – 15 are not applicable to the Company.

I. Reconciliation of opening and closing balances of Defined Benefit obligation:

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Defined Benefit obligation at beginning of the year	1,285,459	987,043
Taken over from the holding company	Nil	Nil
Current Service Cost	257,589	171,993
Interest Cost	110,474	81,940
Actuarial (gain)/ loss	(118,196)	44,483
Benefits Paid	(58,287)	Nil
Defined Benefit obligation at end of the year	1,477,039	1,285,459

II. Reconciliation of fair value of assets and obligations:

Fair value of plan assets	(195,746)	(236,358)
Present value of obligation	1,477,039	1,285,459
Amount recognized in Balance Sheet	1,281,293	1,049,101

III. Expense recognized during the year: (under "Note 18")
Employee Related Expenses in Statement of the Profit and Loss)

Taken over from holding company		
Current Service Cost	257,589	171,993
Interest Cost	110,474	81,940
Expected return on plan assets	(19,754)	(15,688)
Actuarial (gain)/ loss	(116,117)	41,732
	232,192	279,977



Nitesh Property Management Private Limited
Notes forming part of the financial statements

IV. Experience adjustments:

	Period ended March 31, 2013	Period ended March 31, 2014	Period ended March 31, 2015	Period ended March 31, 2016	Period ended March 31, 2017
Defined Benefit obligation	476,422	573,647	987,043	1,285,459	1,477,039
Plan Assets	Nil	223,562	217,920	236,358	195,746
Surplus/ (Deficit)	(476,422)	(350,085)	(769,123)	(1,049,101)	(1,281,293)
Experience adjustments on plan liabilities	122,113	(35,406)	197,113	23,388	(127,217)
Experience adjustments on plan assets	Nil	16,560	(22,265)	2,751	(2,079)

V. Actuarial assumptions:

Mortality Table (Indian Assured Lives)	Current Year	Previous Year
Discount rate (per annum)	7.45%	7.60%
Expected return on assets	7.50%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

21. The Company is engaged in the business of property management in India. Since the Company's business activity primarily falls within single business and geographical segment, no further disclosures required other than those given in the financial statements.

22. Related Party Transactions:

a) List of related Parties:

Name of the Related Parties

Mr. Nitesh Shetty
 Mr. Ashwini Kumar
 Mr. Ganapathy Joshy
 Mr. Ashok P C
 Nitesh Estates Limited

Nature of relationship

Key Managerial Personnel ("KMP")

Holding Company



Nitesh Property Management Private Limited
Notes forming part of the financial statements

Nitesh Indiranagar Retail Private Limited
 Nitesh Housing Developers Private Limited
 Nitesh Urban Development Private Limited
 Kakanad Enterprises Private Limited
 Nitesh Infrastructure and Construction
 Nitesh Estates Whitefield
 Nitesh Residency Hotels Private Limited

Fellow Subsidiaries

Enterprises owned and significantly influenced by KMP

b) Transactions with related parties:

(Amount in Rupees)

	Current Year	Previous Year
Maintenance Charges Received from:		
Nitesh Estates Limited (net)	1,160,874	1,267,010
Nitesh Shetty	459,928	253,296
Nitesh Infrastructure and Construction	1,248,433	723,133
Nitesh Urban Development Private Limited	495,000	468,000

c) Balances outstanding with Related parties:

Amount receivable from:	As at March 31, 2017	As at March 31, 2016
Nitesh Estates Limited	2,967,882	Nil
Nitesh Infrastructure and Construction	527,781	433,096
Mr. Nitesh Shetty	22,822	34,642
Nitesh Urban Development Private Limited	600,000	89,310
Nitesh Housing Developers Private Limited	188,957	626,746
Nitesh Estates Whitefield	38,354,659	36,736,000
Amount payable to Nitesh Estates Limited	NIL	2,474,624

23. During the year, the Company has made provision towards Compensated absences of the employees, the details are as under:

Particulars		As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
i)	Carrying amount as at beginning of the year	1,292,057	1,005,561
ii)	Provision made during the year	Nil	286,496
iii)	Amount utilized during the year	257,770	Nil
iv)	Carrying amount as at the end of the year	1,034,287	1,292,057

- 24 Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation.

