

NITESH URBAN DEVELOPMENT PRIVATE LIMITED

CIN: U45201KA2007PTC044561

REGD. OFFICE: 7th Floor, Nitesh Timesquare, # 8, M.G. Road, Bengaluru – 560 001

Tel: +91-80-4017 4000; Email: prathima.m@niteshestates.com

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:

(Rs. in Lakh)

Particulars	2016-17	2015-16
Income from operations	3770	5156
Other Income	48	14
Total Income	3818	5170
Total Expenses	4728	5507
Profit/(Loss) before tax	(910)	(337)
Less : Income tax	-	-
Less: Deferred Tax (credit) / charge	3	(20)
Profit / (Loss) after tax	(913)	(317)
Earnings / (Loss) per Share – Basic	(13.88)	(4.81)
Earnings / (Loss) per Share – Diluted	(13.88)	(4.81)

2. COMPANY'S STATE OF AFFAIRS

During the financial year 2016-17 the Company suffered a loss of Rs. 913 Lakhs as compared to previous year's loss of Rs. 317 Lakhs and the total income of the Company for the financial year ended 31st March, 2017 is Rs. 3,818 Lakhs as compared to the previous year's total revenue of Rs. 5,170 Lakhs.

Due to tough market conditions the sales were poor and the Company incurred loss of Rs. 913 Lakhs.

3. TRANSFER TO RESERVES

In view of the loss incurred by the Company during the financial year, no amount was transferred to the reserves.

4. DIVIDEND

The Board of Directors could not recommend any dividend for the financial year ended March 31, 2017.

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5. 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, except for the following,

- a. Consequent to the of the full redemption and extinguishment of the entire 38,500 NCDs aggregating to Rs.77 Cr. (of Rs.20,000/- each) held by Reliance Capital Asset Management Limited, the Debenture holders on 26th April, 2016, the Articles of Association of the Company were altered at Extra ordinary general Meeting held on 30th May, 2016 to remove the restrictive clauses that were in favour of Reliance, the Debenture Holder.

6. ASSOCIATE

Courtyard Constructions Private Limited (CIN: U70100MH1995PTC088020), having its registered office at 94, Maker Chamber VI, Nariman Point, Mumbai 400021, is an associate of the Company, as defined under Section 2(6) of the Companies Act, 2013. The Company holds 5,490 equity shares of face value of Rs.10/- each aggregating to 50% of the total paid up capital of the Associate.

By virtue of the amendment to the Companies (Accounts) Rules, 2014 through the Notification dated 27th July, 2016 issued by the Ministry of Corporate Affairs, the consolidation by the intermediate holding company is exempted. In view of the same, Nitesh Estates Limited, the ultimate holding company shall consolidate the financials of the Company and its Associate and file the financial statements for the year ended 31st March, 2017 with the Registrar of Companies/Ministry of Corporate Affairs.

7. BOARD OF DIRECTORS

During the year under review, as recommended by the Nomination and Remuneration Committee, Mr. S. Ananthanarayanan (DIN: 07621318) was appointed as an Additional Director (Independent) on 8th February, 2017, pursuant to the provisions of Section 161 (1) 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 10th Annual General Meeting for appointing him as an Independent Director on the Board.

Mr. Nitesh Shetty (DIN: 00304555), Director and Mr. M. D. Mallya (DIN: 01804955), Independent Director resigned from the Board with effect from 6th August, 2016 and 8th February, 2017, respectively.

Mr. Ashwini Kumar (DIN: 02034498), Managing Director of the Company was previously appointed for a term of 3 (three) consecutive years from 20th August, 2013 to 19th August, 2016. As his term was expiring, he was re-appointed by the Board on 8th August, 2016 as Managing Director with effect from 20th August, 2016. Pursuant to the provisions of Section 196 of the Companies Act, 2013 the said appointment is subject to shareholders approval. Accordingly, the suitable resolutions will be placed at the ensuing Annual General Meeting.

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Mr. L. S. Vaidyanathan (DIN: 00304652), Director is liable to retire by rotation at the ensuing Annual General Meeting and as he is eligible for re-appointment, the necessary resolution for his re-appointment will be placed at the ensuing Annual General Meeting.

8. DECLARATION BY INDEPENDENT DIRECTORS

Mrs. Dipali Khanna (DIN: 03395440) and Mr. S. Ananthanarayanan (DIN: 07621318), Independent Directors of the Company have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder so as to qualify them to be appointed or continue on the Board as Independent Directors of the Company, as the case may be.

9. BOARD MEETINGS

During the financial year ended 31st March, 2017, the Board met Four (4) times, on the following dates:

27 th May, 2016	11 th November, 2016
8 th August, 2016	8 th February, 2017

10. COMPOSITION OF THE BOARD AND THE COMMITTEES

The Board of Directors of the Company is comprised of 4 (Four) Directors with fifty percent of the Board being Independent. The composition is as follows:

Mr. Ashwini Kumar	-	Managing Director
Mr. L. S. Vaidyanathan	-	Director
Mrs. Dipali Khanna	-	Independent Director
Mr. S. Ananthanarayanan	-	Independent Director

The Audit Committee of the Company is comprised of 3 (three) Directors with the Independent directors forming majority. The composition is as follows:

Mr. L. S. Vaidyanathan	-	Member
Mrs. Dipali Khanna	-	Member
Mr. S. Ananthanarayanan	-	Member

The Nomination and Remuneration Committee of the Company is comprised of 3 (three) Non - Executive Directors with the Independent directors forming majority. The composition is as follows:

Mr. L. S. Vaidyanathan	-	Member
Mrs. Dipali Khanna	-	Member
Mr. S. Ananthanarayanan	-	Member

11. STATUTORY AUDITORS

At the Annual General Meeting of the Company held on 24th September, 2014, 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

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of Twelfth Annual General Meeting. Pursuant to Section 139 of the Companies Act, 2013 and rules made thereunder the continuance of their appointment is required to be ratified by the Shareholders every year during the term of their appointment. Accordingly, the necessary resolutions will be placed at the ensuing Annual General Meeting for the ratification of the appointment of statutory auditors for financial year 2017-18.

12. 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.

Directors/employees of the Company have been allowed access to 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 8th February, 2016 have resolved 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.

13. 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 the financial statements.

14. 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;

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- (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.

15. 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 were no transactions requiring an entry to be made under Section 186 of the Companies Act, 2013.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Pursuant to the provisions of Section 134 of the Companies Act, 2013, during the year under review, the Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material (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 on the Related Party transactions.

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

17. 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:

A. 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

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- 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, ensuring that the direct sun light enters into the flats, 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.

B. 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. Use of light weight blocks for construction of walls in the projects – The new technology available from Germany has been adopted in the projects. This has considerably saved the construction cost and time.
 - IV. The Sewage Treatment Plant (STP) – latest technology has been adopted, which is more efficient and energy savings.

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. Savings in construction cost and time
- iii. The new technology in STP saves space and energy.

C. Research and Development

Specific area in which Research & Development is 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 workshops are conducted regularly at all the project sites, so that the end user is aware of the standards.

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Benefits derived as a result of the above Research & Development

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

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.

Expenditure on Research & Development

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

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

18. 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 and there are no complaints received during the year.

19. PARTICULARS OF EMPLOYEES

None of the employees is in receipt of remuneration that is required to be reported under Section 134 of the Companies Act, 2013 read with rules made thereunder.

20. 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 as “Annexure 1” to this report.

21. 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.

22. 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

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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. It was further noted that none of the directors draw remuneration from the Company except for the sitting fees paid to the Independent Directors.

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

23. 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 Urban Development Private Limited**

Place: Bengaluru
Date: 27th May, 2017

L. S. Vaidyanathan
Director
DIN:00304652

Ashwini Kumar
Managing Director
DIN:02034498

**Annexure -1
MGT-9**

Extract of Annual Return as 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 | U45201KA2007PTC044561 |
| ii. Registration Date | 4 th December, 2007 |
| iii. Name of the Company | Nitesh Urban Development Private Limited |
| iv. Category
Sub-Category of the Company | Company limited by shares
Indian Non-Government Company |
| v. Address of the Registered office and contact details | 7 th Floor, Nitesh Timesquare,
No.8, M.G. Road, Bangalore-560 001
Ph. No. : 080-4017 4000
Email: ashwini.kumar@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

SI. 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)
II.	Courtyard Constructions Private Limited, 94 Maker Chamber, Vinariman Point, Mumbai-400 021	U70100MH1995PTC088020	Associate	50	2(6)

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	0	0	0.00	0	0	0	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	65,81,999	1	65,82,000	100%	65,81,999	1	65,82,000	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
	Sub-Total A(1) :	65,81,999	1	65,82,000	100%	65,81,999	1	65,82,000	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
	Sub-Total A(2) :	65,81,999	1	65,82,000	100%	65,81,999	1	65,82,000	100%	0.00
	Total A=A(1)+A(2)	65,81,999	1	65,82,000	100%	65,81,999	1	65,82,000	100%	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- Break up required	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
	Sub-Total B(2) :	0	0	0	0.00	0.00	0	0	0	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	0.00	0	0	0	0.00
	Total (A+B) :	65,81,999	1	6,582,000	100%	65,81,999	1	6,582,000	100%	0.00
	GRAND TOTAL (A+B+C) :	65,81,999	1	6,582,000	100%	65,81,999	1	6,582,000	100%	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 *	6,582,000	100%	0	6,582,000	100%	0	0	0
	Total	6,582,000	100%	0	6,582,000	100%	0	0	0

* 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)

There is no change in shareholding of the promoters.

(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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	135,50,00,000	-	-	135,50,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	135,50,00,000	-	-	135,50,00,000
Change in Indebtedness during the financial year		-	-	
• Addition	99,50,00,000	-	-	99,50,00,000
• Reduction	77,00,00,000	-	-	77,00,00,000
Net Change	22,50,00,000	-	-	22,50,00,000
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	158,00,00,000	-	-	158,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	158,00,00,000			158,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **Not Applicable**
 (Mr. Ashwini Kumar, Managing Director of the Company is not drawing any remuneration from the Company)

B. Remuneration to other directors: **Not Applicable**
 (the Independent Directors of the Company are paid only the sitting fees and no remuneration is being paid to them)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sl. no.	Particulars of Remuneration	Mr. S. Karthikeyan Chief Financial Officer	Ms. Prathima Mariya Tellis – Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	36,83,004	7,71,687	44,54,691
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify (i) Variable pay	-	-	-
	Total	36,83,004	7,71,687	44,54,691

III. 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 URBAN DEVELOPMENT PRIVATE LIMITED**

**Place: Bangalore
Date: 27.05.2017**

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

**Ashwini Kumar
Managing Director
(DIN: 02034498)**

Independent Auditor's Report

TO THE MEMBERS OF NITESH URBAN DEVELOPMENT PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Nitesh Urban Development 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 judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have 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 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:
 1. 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

27th May, 2017



ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Nitesh Urban Development 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) 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) 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 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 Urban Development 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 May, 2017



Nitesh Urban Development Private Limited
Balance Sheet as at 31 March 2017

Note no.

		as at 31 March 2017 Rs	as at 31 March 2016 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	65,820,000	65,820,000
Reserves and surplus	4	(13,937,382)	77,413,767
		51,882,618	143,233,767
Non-current liabilities			
Long-term borrowings	5	-	770,000,000
Long-term provisions	6	4,883,396	5,328,743
		4,883,396	775,328,743
Current liabilities			
Short-term borrowings	7	1,580,000,000	585,000,000
Trade payables	8	367,827,790	339,111,912
Other current liabilities	9	500,306,429	556,720,818
Short-term provisions	10	1,445,604	1,047,191
		2,449,579,823	1,481,879,921
		2,506,345,838	2,400,442,430
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		1,188,300	1,657,800
- Intangible assets		186,746	274,614
		1,375,046	1,932,414
Non-current investments	12	80,200,000	80,200,000
Deferred tax assets, net	13	2,103,245	2,411,780
Long-term loans and advances	14	2,810,262	2,468,576
		85,113,507	85,080,356
Current assets			
Inventories	15	786,254,446	789,005,201
Trade receivables	16	6,195,373	81,269,073
Cash and bank balances	17	7,458,867	52,509,864
Short-term loans and advances	18	1,275,091,212	1,373,004,186
Other current assets		344,857,386	17,641,336
		2,419,857,284	2,313,429,660
		2,506,345,837	2,400,442,430

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

for and on behalf of the Board of Directors of

Nitesh Urban Development Private Limited

Mrital Kanti Bandopadhyay

Mrital Kanti Bandopadhyay

Partner

Membership No. 051472

L.S. Vaidyanathan

L.S. Vaidyanathan

Director

DIN : 00304652

Ashwini Kumar

Ashwini Kumar

Managing Director

DIN : 02034498

Mr. Karthikeyan.S

Chief Financial Officer

Ms. Prathima Tellis

Company Secretary

Bangalore

May 27, 2017

Bangalore

May 27, 2017



Nitesh Urban Development 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
Income			
Revenue from operations	20	376,962,050	515,595,121
Other income	21	4,754,369	1,401,939
		<u>381,716,419</u>	<u>516,997,059</u>
Expenses			
Cost of inventories sold		310,214,938	371,336,898
Employee benefits	22	60,317,574	70,504,171
Finance costs	23	76,510,815	36,290,043
Depreciation		557,370	804,065
Other expenses	24	25,158,335	71,765,793
		<u>472,759,032</u>	<u>550,700,970</u>
Profit/(Loss) before tax		(91,042,614)	(33,703,911)
Tax expense:			
- current tax		-	-
- deferred tax (credit)/ charge	13	308,535	(2,022,452)
Profit/(Loss) after tax		<u>(91,351,149)</u>	<u>(31,681,459)</u>
Earnings/(Loss) per share (equity shares, par value of Rs 10 each)			
- Basic and diluted		(13.88)	(4.81)

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

for and on behalf of the Board of Directors of
Nitesh Urban Development Private Limited


Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Bangalore

May 27, 2017


L.S. Vaidyanathan

Director

DIN : 00304652

Bangalore

May 27, 2017


Ashwini Kumar

Managing Director

DIN : 02034498


Mr. Karthikeyan.S

Chief Financial Officer



Ms. Prathima Tellis

Company Secretary



Nitesh Urban Development 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	(91,042,614)	(33,703,911)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	557,370	804,065
Interest on borrowings	2,995,559	33,603,668
Interest income	(3,015,258)	(873,916)
Operating profit before working capital changes	(90,504,943)	(170,093)
<i>Movements in working capital:</i>		
Increase / (decrease) in trade Payables	28,715,878	184,861,606
Increase / (decrease) in other liabilities	(56,414,388)	(68,297,724)
Increase/(decrease) in provisions	(46,934)	795,414
(Increase) / decrease in inventories	2,750,755	(505,370,079)
(Increase) / decrease in trade receivables	75,073,699	(65,020,594)
(Increase) / decrease in loans and advances	97,571,288	(683,997,959)
(Increase) / decrease in other current assets	(327,216,051)	(17,641,335)
Cash (used in) / generated from operations	(270,070,696)	(1,154,840,765)
Income Tax Paid	-	-
Net cash (used in)/generated from operating activities	(270,070,696)	(1,154,840,765)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(7)	(0)
Income from fixed deposits	3,015,263	873,921
Net cash (used in)/ generated from investing activities	3,015,256	873,921
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of fixed assets		
Proceeds from borrowings	225,000,000	1,005,000,000
Interest paid	(2,995,559)	(33,603,668)
Net cash from financing activities	222,004,441	971,396,332
Net increase / (decrease) in cash and cash equivalents	(45,050,999)	(182,570,513)
Cash and cash equivalents as at beginning of the period	52,509,863	235,602,453
Cash and cash equivalents as at the end of the period	7,458,867	52,509,863
Components of cash and cash equivalents:		
Cash on hand	91,592	147,136
Balances with scheduled banks:		
In Current accounts	5,086,878	30,377,145
- deposits with original maturity for more than 3 months but less than 12	2,280,396	21,985,582
Cash and cash equivalents in cash flow statement	7,458,867	52,509,863

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

for and on behalf of the Board of Directors of
Nitesh Urban Development Private Limited

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay
Partner

Membership No. 051472

Bangalore
May 27, 2017

L.S. Vaidyanathan
L.S. Vaidyanathan
Director

DIN : 00304652

Bangalore
May 27, 2017

Ashwini Kumar
Ashwini Kumar
Managing Director

DIN : 02034498

Mr. Karthikeyan.S
Chief Financial Officer

Ms. Prathima Tellis
Ms. Prathima Tellis
Company Secretary



1 Company overview

Nitesh Urban Development 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 complied with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable.

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 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.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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:

Recognition of revenue from construction activity and sale of undivided share of land

Revenue from real estate development is recognised 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 recognised 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) atleast 25% of the saleable project area is secured by sales contracts/ agreements with buyers,
- d) atleast 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 recognised 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 recognised 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 recognised in the period in which these changes may be reliably measured.

2.4 Interest income

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

2.5 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.

2.6 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 capitalised. 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.

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.

2.7 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 recognises 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 recognised immediately in the statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised 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 recognised immediately in the statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised 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 statement of Profit and Loss.

2.8 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.

2.9 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) 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.

2.10 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.



2.11 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) 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.

2.12 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 recognised in the statement of Profit and Loss. If at the balance sheet date there is an indication that 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 recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation 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 realised.

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

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



Notes to Financial Statements

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 realisable value, having regard to the protracted underlying process.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable 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 realisable 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 realisable 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 are recognised in the statement of Profit and Loss 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 recognised in the statement of Profit and Loss.

2.19 U/s 467 (1) of the Companies Act 2013, the details of specified bank notes (SBN) held and transacted during the period from 8th November 2106 to 30th December 2016 are:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash In Hand as on 8.11.2016	14,000.00	3,09,706.00	3,23,706.00
(+) Permitted receipts	-	40,000.00	40,000.00
(-) Permitted Payment	14,000.00	1,31,910.00	1,45,910.00
(-) Amount Deposited in Banks	-	-	-
Closing Cash In Hand as on 30.12.2016	-	2,17,796.00	2,17,796.00



3 Share capital

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Authorised		
10,000,000 (previous year: 10,000,000) equity shares of Rs 10 each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, subscribed and fully paid up		
6,582,000 (Previous year : 6,582,000) equity shares of Rs. 10 each	65,820,000	65,820,000
	65,820,000	65,820,000

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount in Rs	No of shares	Amount in Rs
Number of equity shares at the beginning of the year	6,582,000	65,820,000	6,582,000	65,820,000
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares outstanding at the end of the year	6,582,000	65,820,000	6,582,000	65,820,000

(c) Equity shareholders holding more than 5% of equity shares:

Name of the share holder	as at 31 March 2017		as at 31 March 2016	
	No of shares	% holding	No of shares	% holding
Nitesh Estates Limited	6,582,000	100%	6,582,000	100%

(d) 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. The Company declares and pays dividends in Indian rupees. In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) The Company has not issued any bonus shares, bought back shares or issued shares for consideration other than cash for a period of 5 years immediately preceding the balance sheet date.

4 Reserves and surplus

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Securities premium		
Opening balance	170,872,000	170,872,000
Add: addition during the period	-	-
Closing balance	170,872,000	170,872,000
(Deficit) in statement of profit and loss		
Opening balance	(93,458,233)	(61,776,774)
Add: profit/(loss) for the period	(91,351,149)	(31,681,459)
Closing balance	(184,809,382)	(93,458,233)
	(13,937,382)	77,413,767



5 Long-term borrowings

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Unsecured:</i>		
NIL. (Previous year: 38500 redemable NCD of Rs 20,000 each)	-	770,000,000
	-	770,000,000

a) Terms of secured redeemable non convertible debentures (Rs. Nil PY Rs 770,000,000)

- Exclusive First charge by way of Registered Mortgage and Registered equitable mortgage on Development rights on land unsold units of the projects of the Company i.e Cape Cod & Palo Alto
- Hypothecation & Escrowstructures on Cash flows of the project
- Corporate guarantee of Nitesh Estates Limited
- Personal guarantee of Promoters.

Repayment and interest terms

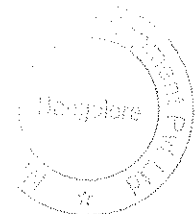
Repayment terms	Interest rate
The loan is repayable in 11 equal quarterly installments beginning after 18th to 48th month from the date of first disbursement	@ 16% p.a payable quarterly for first 18 months from the date of disbursement and @ 18% p.a. thereafter. Redemption along with Redemption premium in such a manner that overall IRR shall be 21%

6 Long-term provisions

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Provision for employee benefits		
Provision for gratuity	1,769,610	2,053,539
Provision for compensated absences	3,113,786	3,275,204
	4,883,396	5,328,743

7 Short-term borrowings

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Secured:</i>		
- from banks	1,580,000,000	585,000,000
	1,580,000,000	585,000,000



a) Bank term loan amounting to: Rs 1,580,000,000 (previous year: 585,000,000)

- i. Registered Mortgage on land, development rights, and structures built thereon of the projects of the Company i.e. Cape Cod & Palo Alto.
- ii. Exclusive charge on all Company's share of receivables of the projects.
- iii. Exclusive charge on all current asset, long term loans & advances and moveable fixed assets of the Company.
- iv. Corporate guarantee of Nitesh Estates Limited
- v. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 12 equal quarterly installments beginning after 36 months from the date of first disbursement	4.5% above base rate

8 Trade payables

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
-Dues to micro and small enterprises	-	-
-Dues to other creditors	367,827,790	339,111,912
	367,827,790	339,111,912

9 Other current liabilities

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Consideration under joint development agreement towards purchase of land	160,231,307	208,744,264
Advance received from related parties	-	-
Advance received from customers for sale of properties	322,894,163	325,198,439
Interest Payable	1,517,450	1,468,396
Other payables		
- accrued salaries and benefits	3,065,866	93,081
-withholding and other taxes and duties payable	12,597,643	21,216,638
	500,306,429	556,720,818

10 Short-term provisions

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Provision for employee benefits		
Provision for compensated absences	828,388	1,009,561
Provision for gratuity	617,216	37,630
	1,445,604	1,047,191



11 Fixed Assets:

Asset category	Gross block			Depreciation			Net block	
	As at 1 April 2016	As at 31 March 2017	Additions	As at 1 April 2016	Charge for the year	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible assets								
Office equipments	445,338	445,338	-	294,395	79,375	373,770	71,568	150,942
Vehicles	2,826,559	2,826,559	-	1,319,701	390,126	1,709,827	1,116,732	1,506,858
Intangible assets								
Computer software	484,667	484,667	-	210,052	87,869	297,921	186,746	274,615
	484,667	484,667	-	210,052	87,869	297,921	186,746	274,615
Previous year	3,756,564	3,756,564	-	1,824,148	557,370	2,381,518	1,375,046	1,932,416
	3,736,264	3,756,564	-	1,020,079	804,070	1,824,149	1,932,416	1,657,801



12 Non-current investments

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>(At cost less permanent diminution (if any))</i>		
Trade - unquoted Investment in joint venture		
-Courtyard Constructions Private Limited <i>[5,490 equity shares (Previous year: 5,490) of Rs.10 each fully paid up]</i>	80,200,000	80,200,000
	80,200,000	80,200,000

13 Deferred tax assets (net)

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Deferred tax asset		
Excess of depreciation provided in the books over depreciation allowable under income tax laws	-	-
	-	-
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,103,245	2,411,780
	2,103,245	2,411,780.00

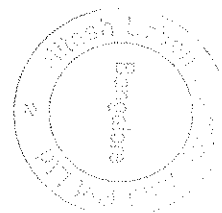
In accordance with AS 22 - "Accounting for taxes on income" the management believes that there is no virtual certainty supported by convincing evidence for recognising deferred tax asset on carry forward losses and unabsorbed depreciation.

14 Long-term loans and advances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Unsecured, considered good</i>		
Advance tax, net of provision for tax	2,810,262	2,468,576
	2,810,262	2,468,576

15 Inventories

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>(Valued at lower of cost and net realisable value)</i>		
Land held under joint development agreements	233,559,868	334,967,320
Properties under development	552,694,578	454,037,881
	786,254,446	789,005,201



16 Trade receivables

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Unsecured</i>		
Receivables outstanding for a period exceeding six months from the date they become due for payment		
- considered good	40,623	40,623
Other debts		
- considered good	6,154,750	81,228,449
- considered doubtful	-	-
	6,195,373	81,269,072
Less: provision for doubtful debts	-	-
	6,195,373	81,269,072

17 Cash and bank balances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Cash and cash equivalents		
Cash on hand	91,592	147,136
Balances with banks		
- in current accounts	5,086,878	30,377,145
Other bank balances		
-in escrow accounts	-	-
- deposits with original maturity for more than 3 months but less than 12 months	2,280,396	21,985,582
	7,458,866	52,509,863

18 Short-term loans and advances

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
<i>Unsecured, considered good</i>		
Security deposits	465,350	465,350
Refundable deposits under joint development agreements	702,494,530	547,090,913
Advance paid to related parties	129,958,811	348,176,554
Vendor advances	256,140,519	321,709,061
Accrued Interest on Fixed Deposit	279,532	46,215
Balances with government authorities	19,357,577	1,290,734
Prepaid expenses	79,569,893	62,717,742
Advance against property	86,825,000	91,000,000
Staff advances	-	507,615
	1,275,091,212	1,373,004,185

19 Other current assets

Particulars	Rs	
	as at 31 March 2017	as at 31 March 2016
Revenue in excess of billing	344,857,386	17,641,335
	344,857,386	17,641,335



20 Revenue from operations

Particulars	for the year ended 31 March 2017	for the year ended 31 March 2016
Income from property development	376,962,050	515,595,121
	376,962,050	515,595,121

21 Other income

Particulars	for the year ended 31 March 2017	for the year ended 31 March 2016
Interest		
Interest income from Banks	2,934,632	847,522
Interest income from others	80,626	26,394
Other income	1,739,111	528,023
	4,754,369	1,401,939

22 Employee benefits

Particulars	for the year ended 31 March 2017	for the year ended 31 March 2016
Salaries, wages and benefits	58,199,833	68,450,456
Contribution to provident and other funds	947,370	1,092,555
Staff welfare expenses	1,170,370	961,160
	60,317,574	70,504,171

23 Finance costs

Particulars	for the year ended 31 March 2017	for the year ended 31 March 2016
Interest expense	2,995,559	33,603,668
Interest On bank loan	68,410,575	2,404,117
Processing fees and other bank charges	5,104,681	282,258
	76,510,815	36,290,043



24 Other expenses

Particulars	for the year ended 31 March 2017	for the year ended 31 March 2016
Advertising and sales promotion	1,616,587	35,294,346
Legal and professional expenses	6,051,607	12,125,349
Audit Fees	257,750	296,500
Travel and conveyance	1,214,873	2,725,253
Rent	5,695,406	5,434,472
Rates and taxes	3,096,471	5,282,428
Power and fuel	909,221	1,209,418
Printing, postage and stationery	236,463	382,040
Insurance charges	52,096	(66,030)
Lease rent-vehicles	-	292,800
Repairs and maintenance	1,075,374	1,301,474
Office maintenance expenses	13,931	28,342
Communication expenses	357,883	405,795
Director's sitting fees	320,000	20,000
Housekeeping Charges	9,946	732,899
Hire Charges	2,697,320	2,471,837
Sales office expense	17,999	90,702
Security Charges	-	597,618
Bank charges	71,019	203,668
Miscellaneous expense	1,464,390	2,936,881
	25,158,335	71,765,793



25 Commitments and contingent liabilities

Particulars	Rs	
	As at 31 March 2017	As at 31 March 2016
Commitments		
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	593,674,316	687,764,439

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.

26 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	376,962,050	499,481,513
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to year end	1,202,904,057	983,731,733
The amount of customer advances outstanding as at year end	322,894,163	325,198,439
The amount of retention due from customers for contracts in progress as at year end	-	-

27 Auditors' remuneration

Particulars	Rs	
	For the year ended 31 March 2017	For the year ended 31 March 2016
As statutory auditors		
Statutory audit fees	60,000	160,000
Limited reviews	185,000	120,000
Out of pocket expenses	8,250	16,500
	253,250.00	296,500

28 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	-	-
	-	-

29 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
Earnings / (Loss) for the year attributable to equity shareholders	(91,351,149)	(31,641,459)
Number of weighted average shares considered for calculation of basic earnings per share	6,582,000	6,582,000
Add: Dilutive effect of zero coupon compulsorily convertible debenture*	-	0
Number of weighted average shares considered for calculation of diluted earnings per share	6,582,000	6,582,000
Earnings / (Loss) per share		
- Basic	(13.88)	(4.81)
- Diluted	(13.88)	(4.81)

*As the effect of conversion of debentures is anti-dilutive, dilutive effect for the current year has been considered as Nil.



Nitesh Urban Development Private Limited
Notes to financial statements

30 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. Joint venture company

- Courtyard Constructions Private Limited

C. Enterprises owned or significantly influenced by Key management personnel

- Nitesh Infrastructure and Construction
- Serve & Volley Outdoor Advertising Private Limited
- Nitesh Mylapore Developers Private Limited

D. Key management personnel

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

F. 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
Trade advances paid/(received):		
Nitesh Estates Limited (net)	164,817,743	224,793,691
Nitesh Indiranagar Retail Private Limited	44,100,000	50,000,000
Kakanad Enterprises Pvt. Ltd.	-	56,620,000
Guarantees given on behalf of the Company:		
Nitesh Estates Limited	1,600,000,000	950,000,000
Advertising and sales promotion expenses		
Serve & Volley Outdoor Advertising Private Limited	1,310,000	1,930,000
Rent:		
Nitesh Infrastructure and Construction	2,847,702	2,717,236
Other expenses:		
Nitesh Infrastructure and Construction	950,799	1,297,604
Nitesh Property Management Private Limited	495,000	467,998

G. 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
Other current liabilities:		
Nitesh Estates Limited	51,738,811	216,556,554
Nitesh Indiranagar Retail Private Limited	5,900,000	50,000,000
Kakanad Enterprises Pvt. Ltd.	56,620,000	56,620,000
Trade payables:		
Nitesh Infrastructure and Construction	721,876	90,054
Nitesh Property Management Private Limited	(600,000)	-
Trade advances:		
Serve & Volley Outdoor Advertising Private Limited	(710,000)	-
Courtyard Constructions Private Limited	25,000,000	25,000,000
Investment:		
Courtyard Constructions Private Limited	80,200,000	80,200,000
Guarantees given on behalf of the Company and outstanding:		
Nitesh Shetty / Nitesh Estates Limited	1,600,000,000	950,000,000

31 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').

32 Leases

The Company has taken on lease office facilities, and other 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. 5,695,406/- (previous year: Rs. 5,378,468/-).



33 Gratuity plan

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

Reconciliation of the projected benefit obligations			Rs
Particulars	As at		As at
	31 March 2017	31 March 2016	
Obligations at beginning of the year	2,387,387	2,022,405	
Service cost	860,455	898,858	
Interest on defined benefit obligation	234,150	220,256	
Past service cost	-	-	
Benefits settled	-	(394,062)	
Liabilities assumed	-	-	
Actuarial (gain) / loss	(792,387)	(360,070)	
Obligations at year end	2,689,605	2,387,387	

Change in plan assets			Rs
Particulars	As at		As at
	31 March 2017	31 March 2016	
Plans assets at the beginning of the year, at fair value	296,218	659,765	
Expected return on plan assets (estimated)	50,344	82,125	
Actuarial gain / (loss)	(115,811)	(51,610)	
Contributions	72,028	-	
Benefits settled	-	(394,062)	
Plan assets at year end, at fair value	302,779	296,218	

Reconciliation of present value of the obligation and the fair value of the plan assets:			Rs
Particulars	As at		As at
	31 March 2017	31 March 2016	
Closing obligations	(2,689,605)	(2,752,369)	
Closing fair value of plan assets	302,779	(67,329)	
Liability recognised in the balance sheet	(2,386,826)	(2,819,698)	

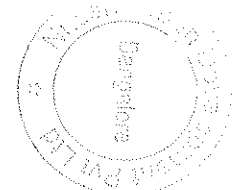
Gratuity cost for the year			Rs
Particulars	For the year ended		For the year ended
	31 March 2017	31 March 2016	
Service cost	860,455	898,858	
Interest cost	234,150	220,256	
Expected return on plan assets	(50,344)	(82,125)	
Actuarial (gain) / loss	(676,576)	(308,460)	
Net gratuity cost	367,685	728,529	

Assumptions		
Particulars	For the year ended	
	31 March 2017	31 March 2016
Discount rate	7.6%	7.6%
Estimated rate of return on plan assets	8.0%	8.0%
Salary increase	6.0%	6.0%
Attrition rate	2% to 5%	2% to 5%
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 31 March					Rs
	2013	2014	2015	2016	2017	
Present value of the defined benefit obligations	1,102,290	1,550,167	2,022,405	2,387,387	2,689,605	
Fair value of plan assets	-	891,976	659,765	296,218	302,779	
Surplus / (Deficit)	(1,102,290)	(658,191)	(1,362,640)	2,091,169	(2,386,826)	
Experience adjustment on plan assets	-	79,929	(130,679)	(51,610)	(115,811)	
Experience adjustment on plan liabilities	478,245	(282,624)	(555,461)	(433,402)	(828,517)	



Nitesh Urban Development Private Limited
Notes to financial statements

34 Interest in joint venture

The company holds 36% interest in Courtyard Constructions Private Limited, a Company formed in India. This is a jointly controlled entity which is involved in real estate development. The company's share of the assets, liabilities, income and expenses of the jointly controlled entity (as per the audited financial statements available with the company) are as follows.

Particulars	Rs	
	As at 31 March 2017	As at 31 March 2016
Assets		
Non current assets		
Current assets	29,893,985	29,896,485
Liabilities		
Non current liabilities		
Current liabilities	1,425,090	51,025,090
Income	912,446	914,000
Expenses	-	-
	89,583	71,955

35 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 or 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.

36 The Land and construction cost includes Rs. 686 Lakhs as finance cost towards interest for the year ended on March 31, 2017.

37 Courtyard Constructions Private Limited is an associate company of Nitesh Urban Development Private Limited. The accounts of Courtyard Constructions Private Limited are consolidated & reflected as per AS23 in the Consolidated Financial Statements of Nitesh Estates Limited (the group), being the 100% holding company of Nitesh Urban Development Private Limited.

38 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: 3010726

Mrunal Kanti Bandyopadhyay

Mrunal Kanti Bandyopadhyay

Partner

Membership No. 051472

Bangalore
27 May 2017

L. S. Vaidyanathan

L. S. Vaidyanathan

Director

DIN: 00304652

Bangalore
27 May 2017

for and on behalf of the Board of Directors of
Nitesh Urban Development Private Limited

Ashwini Kumar

Ashwini Kumar

Managing Director

DIN: 02034498

Mr. Karthikeyan.S

Mr. Karthikeyan.S

Chief Financial Officer

Ms. Prathima Tellis

Ms. Prathima Tellis

Company Secretary



Annexure
FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5
of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Courtyard Constructions Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5,490
Amount of Investment in Associates/Joint Venture	80,200,000
Extend of Holding %	50
3. Description of how there is significant influence	50% of stakeholding
4. Reason why the associate/joint venture is not consolidated	Refer Note 3
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(1,316,487)
6. Profit / Loss for the year	
i. Considered in Consolidation	(89,583)
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL
- The Company being an intermediate wholly owned subsidiary of Nitesh Estates Limited, the consolidation is not applicable pursuant to the amendment to the Companies (Accounts) Rules, 2014, through the Notification dated 27th July, 2016 issued by Ministry of Corporate Affairs. The ultimate holding company is consolidating its financial

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

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

for and on behalf of the Board of Directors of
Nitesh Urban Development Private Limited

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

Mr. Karthikeyan.S
Mr. Karthikeyan.S
Chief Financial Officer

Ashwini Kumar
Ashwini Kumar
Managing Director
DIN : 02034498

Prathima Mariya Tellis
Prathima Mariya Tellis
Company Secretary

