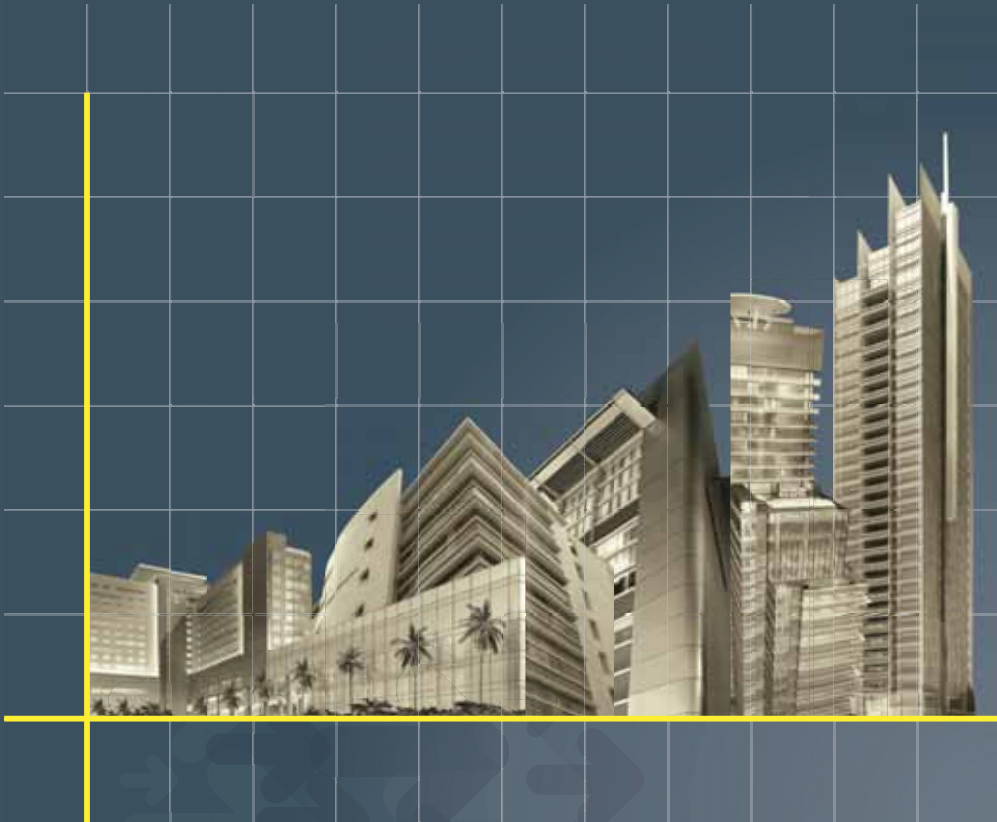




Expect More

12th annual report 2015-16



OUR GUIDING PRINCIPLES

VISION

“To achieve absolute perfection in all our endeavours with our unwavering adherence to excellence, commitment and integrity in order to be a leading national developer with the commitment to create greater value for our customers and loyalty to our investors.”

BUSINESS PRINCIPLES

- ▶ Our foremost goal is to construct/create the best quality buildings which can be benchmarked against the best real estate developments globally
- ▶ Our client's interest always comes first. Our experience shows that if we serve our clients well, our own success will follow
- ▶ Our assets are our people, brand and reputation. If any of these is ever compromised, the last is the most difficult to restore. We undertake to comply fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard
- ▶ We take great pride in the professional quality of our work. We have an uncompromising determination to achieve excellence in all that we create like hotels, residential condominiums, office buildings and retail. Though we may be involved in a wide variety and heavy volume of activity, we would, if it came to a choice, rather be the best than the biggest
- ▶ We stress teamwork in everything we do. While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of Nitesh Estates or its clients.
- ▶ The dedication of our people to the company, the intense effort they put into their jobs is greater than one finds in most other organizations. We think that this is an important part of our success. Nitesh Estates is an organization with a human touch
- ▶ We consider size an asset and try to grow substantially year on year. We want to be big enough to undertake the largest project that any of our clients can contemplate, yet small enough to maintain the loyalty, and the humbleness that we all treasure and that contributes greatly to our success
- ▶ Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do, both in their work for the company and in their personal lives. This culture is imbued into our people from the moment they enter the company
- ▶ At Nitesh Estates, environment, health and safety is a standard which is at the heart of our business. We ensure that in all our projects and our people follow our internal environment health and safety norms stringently and deliver projects keeping this paradigm in mind.

OUR BRAND

NITESH ESTATES LOGO

After a decade of operations our brand Nitesh Estates has evolved. We now have a new logo.



Expect More

We have continued with the credo "Expect More". And continued with our strong palette of Yellow and Black.

BRAND AMBASSADOR

The brand has roped in star cricketer and captain of India's Test team, the charismatic Virat Kohli as Brand Ambassador.





Nitesh PARK^{AVE}

Name of the Project: Nitesh Park Avenue

Genre: High Rise Premium Luxury Condominium

Location: Sankey Road, Bangalore

Project Description: An architecturally stunning tower with luxurious private residences

Highlights: Nitesh Park Avenue comprising luxurious private residences will be a new iconic landmark in the town, ushering in a new paradigm - enviable lifestyle of the privileged that can only be from the Nitesh Estates brand. The architecturally stunning tower is at Bangalore's most sought after location - High Grounds, Sankey Road, and distinguishes itself as the most opulent and spectacular address in Bangalore. This phenomenal future development takes luxury to new heights by offering sweeping 360 degree views of the prestigious Bangalore Golf Club and Downtown Bangalore. An exclusive address for the most discerning connoisseurs of luxury.

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MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholders,

India's macro economic fundamentals are improving. This positions the Real Estate sector to grow. The year gone by has been very challenging and headwinds have been consistent.

Despite this, your company made some strong progress. We got into a long-term platform partnership for commercial assets with Goldman Sachs, a well renowned global institution. We got out cost of capital down across the company business verticals.

We have had some serious challenges in obtaining approvals on 4 residential projects and one of them has come through. We are hopeful of getting the rest in the coming months.

One of the big regulatory breakthroughs has been the enactment of the Real Estate (Regulation and Development) Act, 2016. After years of resistance, the Real Estate regulative may finally see the light of day. The Regulation will facilitate standardization

of norms in the Real Estate sector and this will bring in the much-needed transparency in the sector and differentiate quality players.

In a sector like Real Estate where multiple approvals are required, we are hoping that the Government gets into a digital platform and grants approvals – which will be a significant change for the industry. It will bring in a discipline of granting approvals in a time-bound manner, and an individual's discretion to grant approvals will be eliminated.

Going forward, we shall be shifting from a heavy residential base to equally spreading the focus on commercial and residential real estate.

Our focus has been on delivering projects and our Executive Directors and the teams are determined in the coming year to deliver 2000 homes to our customers.

At NEL, we are focused on preparing the organization for the times to come. On the one hand we have proactively been investing in

long-term assets and new businesses and on the other have set ourselves ambitious targets for the next 5 years.

Leasing has crossed 50 percent in our shopping mall in Pune. Our occupancy in the hotel has crossed 65 percent. We gave 3 exits to NBFC and real estate funds and got our cost of capital down. This however did have an impact on the redemption premiums on the balance sheet.

We improved our employee engagement, creating a new performance management system in which managers provide continuous feedback and ongoing dialogue about performance.

To succeed, smart firms have to be agile by default. Agility is the ability of an enterprise to move with the speed and respond to changes in the environment swiftly (for example when launching new products). We are working on

methodologies to adapt to newer lines of business, which may well the future of the company.

We as a company are working on diversification of asset classes in our portfolio and in the next 3-5 years this will add significant growth.

The Indian economy has become the fastest growing major economy in the world. The real estate sector is likely to disproportionately benefit and your company is well placed to continue its growth.

I would like to take this opportunity to thank all our employees, our customers, our business partners and our other business associates. I would also like to thank our shareholders for the continued support.

With Best Wishes,
Sincerely,

Nitesh Shetty
Chairman & Managing Director



Nitesh
NAPA VALLEY
OFF BELLARY ROAD NORTH BANGALORE

Name of the Project: Nitesh Napa Valley

Genre: Luxury Villas

Location: Off Bellary Road, Bangalore

Project Description: Premium Luxury Villas

Highlights: Nitesh Napa Valley is a picturesque development off Bellary Road, Bangalore. This international gated villa community is spread on over 20 acres of verdant terrain. Each stylish villa is dotted through the lush green property. It proposes to be the harmonious blend of splendid location interpreted in International style and elegance which promises you uncompromised luxury, privacy and convenience. Coupled with top-notch quality in construction, design and style, this project will cater to a global lifestyle with special focus on providing a living experience beyond all of your expectations. Generous plot sizes and dramatic landscaping provides seclusion.



MESSAGE FROM EXECUTIVE DIRECTOR

The year under review continued to be a difficult year for the real estate sector due to an overall weak consumer sentiment. Industry was marred by oversupply which impacted the demand-supply equation resulting in limited price appreciation. Absorption levels in the residential segment have not increased and consequently the price points have also remained unchanged. This has also led to consumers, particularly the younger generation, deferring their purchase decisions. Given the limited upside in the investment value, consumers have preferred renting out house rather than owning one. There has been a rise in the inventory levels but this situation is easing as the new projects launches during the year declined.

However, the long term dynamics of the Bangalore real estate market remains intact. Bangalore's rapid progress in technology and global connectivity continues to drive real estate growth. Over

the last year, the Government of India has launched a number of initiatives which are targeted at improving the prospects of the industry further. These include focus on infrastructure development, improving ease of doing business, relaxation of the FDI norms in the sector, 100 smart cities, banking reforms and control on inflation. Most recent introduction of the Goods and Service Tax bill is expected to have a very positive impact on the Indian economy and the real estate sector.

One of the most important and landmark reforms last year was the Real Estate Regulation. The Regulation intends to address long standing issues that have plagued the growth of the sector and bring greater transparency. This will infuse comfort to customers and investors and will eventually be beneficial to all stakeholders. However, there is a need to improve the complicated regulatory approval process in the sector. A system with streamlined and timely approval processes will be very beneficial for the long term growth of the real estate sector and economy at large.

Given limited new supplies last year, we expect the inventory levels to come down leading to new launches in the coming year. Last year saw improvement in the commercial absorption which is a sign of improving employment situation and consequently demand for residential development. Reduction in interest rates will also help in improving the consumer sentiment.

Commercial real estate space continues to offer attractive avenues for growth. Today, there is a need for an end-to-end solution rather than just commercial spaces. With the advent of start-ups and flexi-working culture, corporates are looking for co-working space solutions. We are actively studying this particular market opportunity and feel that this is the one to be evaluated further.

Over the years, our focus has been on understanding customers' requirement and sustainable growth. This has made us more resilient and future ready. We clearly understand the nuances of the industry and are monitoring each micro markets. When it comes to choosing properties for residential development, we know what works and what

does not. We stick to our basic thumb rule of - Right Size, Right Price and Right Location. Furthermore, the periphery of the upcoming metro provides good growth potential. We look forward to adding residential projects with a total revenue potential of around Rs. 2,000 - 2,500 crore over the next 2 years. With ongoing projects this will take it Rs. 4,500 crores.

Use of technology has undergone lot of changes over the past decade. Be it use of ERP across the organisation systems and processes or use of advanced construction technologies. At Nitesh Estates, we always believe in the best. We continue to explore and implement new emerging technologies for furthering business objectives. In line with this strategy, we are exploring partnerships with leading construction technology providers.

India continues to be one of the fastest growing economies, and real estate sector is bound to be the key beneficiary of this growth. Nitesh Estates is very well positioned to capitalize on the upturn in the real estate industry.

L.S. Vaidyanathan
Executive Director



Nitesh
CHELSEA
HOSUR MAIN ROAD

Name of the Project: Nitesh Chelsea

Genre: High Rise Condominium

Location: Hosur Main Road, Bangalore

Project Description: Premium Condominium

Highlights: Nitesh Chelsea is developed on 2.9 acres of plot designed to create iconic built form. The project is a combination of 3 types of units 2, 3-small, 3-big BHK. A state-of-the-art Club House with modern amenities is designed with a beautiful swimming pool and recreational areas that caters to all age groups. Vehicle-free pedestrian zones are designed with vehicular movements on the periphery. State-of-the-art security systems are being planned for the entire complex.



MESSAGE FROM EXECUTIVE DIRECTOR & CHIEF OPERATING OFFICER

The fiscal year 2016 saw a major regulatory change with the enactment of The Real Estate (Regulation and Development) Act. This will usher in an era of greater transparency and enhance the confidence that the customers and investors have in the real estate industry. We believe that with our customer-centric and process oriented approach, we will have a competitive advantage.

The real estate industry across the country has witnessed subdued demand. The various concerns about environmental issues and the way that the development rights certificates are treated has impacted the pace of decision making by the Government bodies approving the projects. We were able to get approvals for three of our projects during the fiscal year, namely, Nitesh Melbourne Park, Nitesh Rio and Nitesh Knightsbridge. The construction of the aforesaid projects commenced during

the year and is progressing well. We concentrated our efforts on accelerating the pace of construction of our projects and we started handing over units to customers in four projects.

Current Portfolio

Nitesh Estates has a robust portfolio of ongoing projects comprising of 15 residential projects, 4 commercial projects, 1 hospitality and 1 retail project (shopping mall), with a total developable area of 8.94 mn sq. ft. The 15 residential properties have a total developable area of 7.18 mn sq. ft. and sales potential of Rs. 35.6 bn. The residential projects are spread across the key micro markets of Bangalore. Projects cumulating to 20% of the total developable area of residential projects (7.18 mn sq. ft.) are set to be completed by the end of FY 2017. Additionally there is 2.72 mn sq. ft. of area available for future development.

Nitesh HUB - Pune Shopping Mall

Spread across 6 acres of land, with a built up area of 1 mn sq. ft., it has the capacity to accommodate 130 retail outlets and presently

houses luxury brands such as Collective, Swarovski, Tommy Hilfiger, MAC, U.S Polo Assn. & Crossword. The operational cinemas of PVR and supermarket of Spar in addition to being located in the upmarket prime location of Pune draws high footfall to the mall. The current leasing is around 50% and is expected to be fully leased in a year's time.

Hospitality Business

The Ritz-Carlton, a super luxury hotel, developed by Nitesh Estates in Bangalore, opened its doors to the public in FY 2014, and month over month since then has continued to notch higher occupancy rates. The hotel has established a strong presence as a major landmark in the city of Bangalore.

Strategy and Outlook

Over the years, Nitesh Estates has created strong brand equity for itself in the real estate market. We will continue to focus primarily on

Bangalore market, which historically has and will continue to generate much demand in the real estate sector. This is owing to the user driven nature of the market which continues to experience steady demand across micro markets. The continuing choice of the asset light JDA business model coupled with a stable geographic focus, has enabled the Company to rapidly scale up and also provides higher returns on investments.

Though, residential segment continues to be our primary focus, we have been able to seize attractive opportunities in the commercial and retail segment to diversify our revenue stream. We will continue to look for suitable opportunities in these segments by acquisition.

Ashwini Kumar

Executive Director & Chief Operating Officer



Nitesh
MELBOURNE PARK
HENNUR MAIN ROAD

Name of the Project: Nitesh Melbourne Park

Genre: Low Rise Luxury Condominiums

Location: Hennur Main Road, Bangalore

Project Description: A Premium Condominium Development

Highlights: Nitesh Melbourne Park is an upcoming premium condominium development project by Nitesh Estates, for those who seek nothing but the best in a truly international style project. Situated in the northern part of Bangalore. Nitesh Melbourne Park will offer spectacular living spaces designed with modern and global standards of living. This project promises its residents a sublime blend of luxury and tranquility, with exquisite architecture, landscaped gardens, elegant interiors and lavish amenities.



MESSAGE FROM CHIEF FINANCIAL OFFICER

Performance of the year 2016 was a clear reflection of the challenging real estate industry environment. During the year, the Company sold 0.326 mn sq. ft. of area with a total sales value of Rs. 222 crore. The average realization for the year was Rs. 6,799 per sq. ft., which is one of the best in the Bengaluru real estate industry.

Currently, the Company has a portfolio of 21 projects having 8.94 mn sq. ft. of area, including one shopping mall, under various stages of construction. These 21 projects include 15 ongoing residential projects and 6 upcoming projects under various asset classes. These 15 ongoing residential projects have a total sale potential of over Rs. 3,560 crore, of which Company's share of sales is over Rs. 3,250 crore.

Given the recent regulatory changes and the initiatives undertaken by the central government such as the Real Estate Regulation, easing of FDI norms and reduced interest rates, the real estate industry is looking forward to an upturn. We

have a strong development pipeline with projects across price points and at attractive locations to cater to varied customer requirements. This positions us to benefit from the industry growth.

Consolidated Financial Performance

During FY 2016, Nitesh Estates generated a revenue of Rs. 261 crore, compared with FY 2015 revenue of Rs. 291 crore. The Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. 13 crore as compared to Rs. 69 crore in the previous year. There were 7 projects under income recognition during the year with unrecognized income of Rs. 165 crore. The Company expects increased revenue recognition going forward owing to more projects getting to advanced stages of construction. We are focused on project execution and expect at least three more projects to cross the revenue recognition threshold in the coming year.

A large proportion of the revenue was derived from the Company's build-and-sell portfolio of residential properties. Our retail property, i.e. the shopping mall in Pune, also started to

make contribution to the topline. As at the end of the year, Nitesh Hub, the shopping mall in Pune, was 50% leased out.

Leverage Profile

As of March 31, 2016, the Company had cash and cash equivalents of Rs. 39 crore. On a standalone basis, the company had a total debt of Rs. 253 crore and the net worth was Rs. 432 crores. Nitesh Estates is closely monitoring the leverage position and plans to reduce the high cost debt from the cash generated from ongoing projects and exiting some non-core assets in the portfolio. During Q1 FY 2017, the Company retired some high cost debt thereby reducing the average cost of borrowing from 15.5% in March 2016 to 14.7% currently. Net Debt, as of June 30, 2016 was Rs. 915 crore.

Sales

The Company's share of total cumulative Sales booked till March 31, 2016 is Rs. 1,325 crore, of which the Company has successfully made collections for Rs. 822 crore (or 62% of the Sales bookings), thereby providing a ready cash stream for future cash requirements.

During the FY 2017, we expect a strong turnaround in both operational as well as financial performance. The sales booking will be driven by existing projects as well as approvals at new projects. Our continuous focus on execution is expected to drive revenue recognitions as new projects cross recognition thresholds.

M.A. Venkateshan
Chief Financial Officer



Nitesh

PLAZA

ALI ASKER ROAD, BANGALORE.

Name of the Project: Nitesh Plaza

Genre: Mixed use

Location: Ali Asker Road, Bangalore

Project Description: A sophisticated tower, with designated retail, residential and commercial space

Highlights: Nitesh Plaza, a striking new landmark, located at the Ali Asker Road, a prime location in the heart of downtown Bangalore. The residences and office developed on this will be one of Nitesh Estate's signature offering. Nitesh Plaza boasts of sweeping urban views. The occupants can experience a new level of luxury with world class amenities like a fitness centre, swimming pool, dining area, entertainment lounge and a dedicated concierge service.



Nitesh
KNIGHTSBRIDGE
PALACE ORCHARDS | SADASHIVANAGAR

Name of the Project: Nitesh Knightsbridge

Genre: Luxury Homes

Location: Sadashivanagar, Bangalore (Upper Palace Orchards)

Project Description: Premium homes

Highlights : A resplendent blend of contemporary architecture and state-of-the-art luxury homes, Nitesh Knightsbridge is a product of a global acumen and inclination, what with the team of expert designers combining the knowhow and expertise of architects from the United Kingdom to create the final product. Exuding sophistry, elegance and structural magnificence, Nitesh Knightsbridge is the luxurious highlight in the skyline of Bangalore's Sadashivanagar. Unrivalled greenery around and striking details from floor to ceiling height views, finest finishes and appliances, what with a roof top infinity pool offering the perfect setting, Nitesh Knightsbridge is a mélange of the lavish and the thoughtful.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nitesh Shetty,
Chairman & Managing Director

Mr. Ashok T. Aram
Independent Director

Mr. G N Bajpai
Independent Director

Mr. Sudhakar Rao
Non-Executive Director

Mr. Jagdish Capoor
Independent Director

Mr. Mahesh Bhupathi
Non-Executive Director

Mr. M. D. Mallya
Independent Director

Mr. L. S. Vaidyanathan
Executive Director

Mrs. Dipali Khanna
Independent Director

Mr. Ashwini Kumar
Executive Director & Chief Operating Officer

Mr. M A Venkateshan
Chief Financial Officer

Mr. D Srinivasan
Company Secretary & Chief Compliance Officer

COMMITTEES OF THE BOARD

Audit Committee

Mr. Jagdish Capoor - Chairman
Mr. G. N. Bajpai - Member
Mr. M. D. Mallya - Member
Mr. Sudhakar Rao - Member
Mr. L. S. Vaidyanathan - Member

Nomination & Remuneration Committee

Mr. G. N. Bajpai - Chairman
Mr. M. D. Mallya - Member
Mr. Jagdish Capoor - Member
Mr. Sudhakar Rao - Member

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

STATUTORY AUDITORS

RAY & RAY,

Chartered Accountants,
No: 824, Ground Floor, 2nd Cross, 11th Main,
Hal 2nd Stage, Indiranagar, Bangalore-560 008

CORPORATE INFORMATION

SUBSIDIARIES & ASSOCIATES

STATUTORY AUDITORS

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M/s. B S S R & Co.,
Chartered Accountants,
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Bangalore - -560 071

M/s. B. K. Ramadhyani & Co. LLP,
Chartered Accountants,
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8th Main, 15th Cross, Malleswaram,
Bangalore-560 055.

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“Deloitte Center”, Anchorage II, 100/2,
Richmond Road,
Bangalore - 560 025

SECRETARIAL AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

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Avenue 4, Street No. 1, Banjara Hills,
Hyderabad – 500 038
Telangana, India.
Telephone No. : 91-40 23312454 / 23320751
Email: mailmanager@karvy.com

EQUITY SHARES LISTED AT

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

PRINCIPAL BANKERS

HDFC Limited
Yes Bank Limited
HDFC Bank Limited
Canara Bank
Corporation Bank

SOLICITORS

Holla & Holla
Shetty and Hedge Associates
J. Sagar Associates
Cyril Amarchand Mangaldas

REGISTERED OFFICE

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Website: www.niteshestates.com

BOARD OF DIRECTORS



Mr. Nitesh Shetty

Chairman & Managing Director

Mr. Nitesh Shetty a first generation entrepreneur is the founder and Chairman of Nitesh Estates. Under his leadership the company has scaled up in 9 years and successfully completed a initial public offering and raised series of Private equity capital.

A former tennis Player started his career as a 19 year old with the Billboard business and has interests in Infrastructure, Hotels, Shopping Malls & Diversified investments.

He is the founder and sets the Big Vision for the growth of the company.



Mr. G N Bajpai

Independent Director

Mr. G N Bajpai holds a Master in Commerce Degree from the University of Agra and Bachelors in Law Degree from the University of Indore.

Former Chairman of the Securities and Exchange Board of India (SEBI), has also been the Chairman of Life Insurance Corporation of India (LIC). Winner of "Outstanding Contribution to the Development of Finance" award from Dr. Manmohan Singh, Prime Minister of India.

Mr. Bajpai is a visiting faculty at leading institutes of management and also currently serves as Non-Executive Chairman and a Director on the board of several companies, both in India and overseas.



Mr. M. D. Mallya

Independent Director

Mr. M. D. Mallya was a Chairman and Managing Director of Bank of Baroda since May 2008 retired in November 2012. He has been the Business Standard Banker of the Year 2011-12. Prior to joining the Bank, he was the Chairman & Managing Director of Bank of Maharashtra.

Mr. Mallya, born on 9th November 1952, passed out Bachelor of Engineering with Distinction from Karnataka Regional Engineering College, Suratkal. Subsequently, he completed post-graduation Diploma in Management from Indian Institute of Science, Bangalore with Distinction.

His tenure as Executive Director of Oriental Bank of Commerce (OBC) was marked by several new initiatives and providing leadership inputs, the merger of erstwhile Global Trust Bank with OBC etc.

Mr. M. D. Mallya has been on various committees of Indian Banks' Association and National Institute of Bank Management (NIBM), Pune like - Member of the Managing Committee of IBA and Standing Committee on Legal and Banking Operations of IBA, Member of the Governing Board of NIBM, Finance Committee of NIBM and Campus Committee of NIBM., Member of the Governing Council of Indian Institute of Banking and Finance, Member of the Governing Council of Institute of Banking Personnel Selection.

BOARD OF DIRECTORS



Mr. Jagdish Capoor

Independent Director

Mr. Jagdish Capoor, the former Chairman of HDFC Bank, brings with him a wealth of knowledge regarding the banking and financial sector. He has worked at the Reserve Bank of India (RBI) as Deputy Governor of the Bank.

Mr. Capoor's other assignments include serving on the Board of Directors of the Indian Hotels Co Ltd, Non Executive Chairman of Manappuram Finance Limited, Board of Governors of the Indian Institute of Management, Indore.

He also held roles on Academic Advisory Board of Asian Business School and as a Chairman of Governing Board of the Derivatives Segment of the Bombay Stock Exchange Ltd. [BSE]. He is a Fellow of Indian Institute of Banking and Finance and holds a Masters of Commerce from University of Agra.



Mr. Sudhakar Rao

Non Independent Director

Mr. Sudhakar Rao was former Chief Secretary of Government of Karnataka and has held various senior positions in Government of India.

He is currently serving as an Independent Director on the Boards of L&T Infrastructure & Development Projects Ltd, Indian Oil Corporation Limited, United Spirits Limited and other companies.



Mrs. Dipali Khanna

Independent Director

Mrs. Dipali Khanna holds Masters in Arts from the Delhi University (Lady Sri Ram College) and she is M.Sc. (National Security) from the National Defence College, ICMA and Certificate of Leadership Programme, Harvard.

Mrs. Khanna was in Indian Railway Accounts Services in 1976, Retired as Member Secretary of Indira Gandhi National Centre for Arts which is analogues to Secretary to Government of India. Prior to that she was an Additional Member (Finance) of Railway Board and was also a Financial Adviser with National Disaster Management Authority over 10 years and served in Senior Roles at Ministry of Defense and Ministry of Power.

She also served on the Boards of large Public Sector Undertakings – such as HAL, MDL, GRSC and GS. She has also chaired various sub-committees of the Boards.



Mr. Ashok Aram

Independent Director

Mr. Ashok Aram is the Managing Director of Deutsche Bank (Middle East, North Africa). Prior to this he was the Head of Global Banking Division and was MD of Abraaj Capital, one of the largest PE fund in Middle East, which currently has US\$4 billion under management.

BOARD OF DIRECTORS



Mr. Mahesh Bhupathi

Non-Executive Director

Mr. Mahesh Bhupathi is India's first & only 10 times Grand Slam title winner and the US Open mixed double titles holder. He has the distinction of winning three doubles titles including French Open and Wimbledon. He has also been part of the first doubles team to reach the finals of all four Grand Slams.

Mr. Mahesh Bhupathi is the Managing Director of Globosport and the founder of The International Tennis Premier League (ITPL)



Mr. L S Vaidyanathan

Executive Director

Mr. L S Vaidyanathan holds a degree of Bachelor of Science from Madras University. He is a fellow member of the Institute of Chartered Accountants of India.

Before joining the Company in the year 2005, Mr. L S Vaidyanathan was a practicing Chartered Accountant.

Mr L S Vaidyanathan has been associated with the real estate industry for the last 25 years in various capacities. Overall he has over 30 years of experience in auditing, consulting, and in the real estate industry. He is a Professional member of the Royal Institute of Chartered Surveyors (UK)

As a Director of the Company, Mr. L S Vaidyanathan is responsible for all strategic initiatives relating to business including business development, transaction strategy, resources mobilisation and Taxation (Direct).



Mr. Ashwini Kumar

Executive Director & Chief Operating Officer

Mr. Ashwini Kumar, joined the Company on 2nd November, 2009 as the Chief Operating Officer and is responsible for the business operations of the Company. He was elevated to Board as Executive Director and Chief Operating officer effective April 19, 2012.

Prior to joining Nitesh Estates Limited, he was the Managing Director of Lineage Power India Pvt. Ltd. a leading US based MNC in the area of Power Electronics and responsible for their business in India and South East Asia. Prior to this he worked as Director with Tyco Electronics and Lucent Technologies and was responsible for their telecom power electronics business in India.

In all he has an experience of 30 years starting with functional roles, in sales, project management, manufacturing, performance improvement and culminating in business leadership roles.

He is a Mechanical Engineer from NIT, Rourkela (1981) and Post Graduate in Business Management from XLRI, Jamshedpur (1983).



Nitesh

LOGOS

AGA ABBAS ALI ROAD
OFF M.G. ROAD, BANGALORE

Name of the Project: Nitesh Logos

Genre: Low Rise Luxury Condominium

Location: Aga Abbas Ali Road, Bangalore

Project Description: Premium Luxury Residences

Highlights: Nitesh Logos has distinguished itself as the most opulent and spectacular address in Bangalore. The residents will have the convenience of luxury hotel, lifestyle retail, and other world class shopping along with some of the finest banks, making this the most desirable place to live in.

CORPORATE SOCIAL RESPONSIBILITY

The Company as a responsible corporate citizen voluntarily supports the cause of social development, woman development and the cause of education.



CherYsh Trust - for education and women's sustainability in rural Karnataka and Goa.

CherYsh Trust is a registered non-profit organization working towards empowering women and girl children in rural Karnataka, Goa and soon Maharashtra. Our aim is empowerment through learning and livelihood.

CherYsh focuses on the transformative journey from an early-stage learning for the girl child and vocational skills training for work choices, to secure their future as self-reliant women. Nitesh estates is vocal about women empowerment through education and necessary infrastructure. Collaborating and providing financial aid to CherYsh was a clear route to enable this vision.

MANAGEMENT TEAM

**Mr. Ashwini Kumar**

Executive Director & Chief Operating Officer

As Executive Director & Chief Operating Officer Mr. Ashwini Kumar is responsible for Operations and other function strategic planning, growth, decision making, investor relations and the entire day to day operations of the company.

Prior to joining Nitesh Estates Limited, he was the Managing Director of Lineage Power India Pvt. Ltd. a leading US based MNC in the area of Power Electronics and responsible for their business in India and South East Asia. He also worked as Director with Tyco Electronics and Lucent Technologies and was responsible for their telecom power electronics business in India. He is a Mechanical Engineer from NIT, Rourkela (1981) and Post Graduate in Business Management from XLRI, Jamshedpur (1983).

**Mr. L S Vaidyanathan**

Executive Director

Mr. Vaidyanathan, as Executive Director is responsible for all strategic initiatives related to Business Development, Transactional Strategy, working on the growth of the future pipeline of the company and also handles Taxation (direct).

Mr. Vaidyanathan has been associated with the real estate industry for the last 25 years in various capacities. Overall he has over 30 years of experience in auditing, consulting, and in the real estate industry. He is a Chartered Accountant.

**M.A. Venkateshan**

Chief Financial Officer

Mr. Venkateshan as CFO is responsible for the entire compliance, risk management and overall management of the Finance Department. He is also responsible for financial reporting. His 33 years work experience includes companies like JSW Steel Ltd., Jindal Praxair Oxygen Company Limited & Deutsche Babcock Balcke Durr Ltd.

**Pradeep Narayan**

EVP – Sales, Marketing & CRM

Mr. Pradeep Narayan is responsible for the entire Sales initiative of the company along with the Marketing function which involves managing the brand. He has worked for the TATA group, Essilor India and Bharti Airtel Limited.

Mr. Pradeep Narayan is an Engineer with a PGDBM from IIM Ahmedabad. His experience of 25 years covers Brand Management, ROI based Marketing Strategy & Execution, Setting up & managing Channel Partner Networks, Direct Selling Customer Relationship Management.

MANAGEMENT TEAM



Srinivasan D

Company Secretary & Chief Compliance Officer

Mr. Srinivasan is responsible for all Board and Corporate Secretarial activities, with regard to ensuring compliance with statutory and regulatory requirements. Stakeholders relationship, Compliances of other related matters. He is an FCS and holds degrees in LLM; MBA. He has 31 years of experience, working in TVS Electronics & Caterpillar Power India Pvt Ltd.



Vijendra Kumar

Vice President - Design Planning

Mr. Vijendra Kumar is responsible for Design, Planning & Costing of all projects. He is a B- Tech from IIT Kharagpur. His close to 40 years of experience includes Project Management Consultancy for Infrastructure Planning & Construction, Contracts & Tender Management, Structural Design & Engineering, Project Budgeting & Financial Management and Arbitration & Dispute Resolution. He has worked in BSNL.



Reghunadhan Pillay

Vice President – Legal

Mr. Pillay heads the legal department for Nitesh Estates. A qualified lawyer he has completed his BA, LLB, LB and LM. He has a rich work experience of 28 years with Housing & Urban Development Corporation Limited (HUDCO).



Sreenivasa Sharma Anantha

EVP - Corporate

Mr. Sreenivasa Sharma Anantha is Executive Vice President at Nitesh Estates. A Commerce graduate, his previous experience of 38 years includes working at Oriental Bank of Commerce, Global Trust Bank Limited, Vysya Bank Limited.

MANAGEMENT TEAM



Ashok P C

Finance Controller- Hospitality & Retail

Mr. Ashok P C is responsible for finance and accounts function related with hospitality and retail segments of the business.

A finance professional with 33 years experience, Mr. Ashok P C's experience cuts across in various functions including accounts and MIS, project finance, cash flow management, relationship with investors and bankers, statutory compliance.



Subramaniam G

Finance Controller - Residential

Mr.Subramaniam is responsible for managing cash flow and profitability of the Residential part of the business.

Mr.Subramaniam is a Chartered Accountant who's 32 years of experience covers all aspects of Financial Management, Working Capital Management, Preparation and Monitoring of budgets, Banking Operations, Statutory Compliance Finalization of Accounts & Project Finance. He has worked for BPL Limited & Premier Tissues India Ltd. previously.



Jayaram N

Head - HR & Administration

Mr. Jayaram is responsible for the Human Resources & Administration departments at Nitesh Estates. His experience of over 3 decades includes having worked in companies like GMR Infrastructure Ltd. TSI Ventures and GE Power Controls. Mr. Jayaram is a Commerce graduate and holds a Post Graduate Diploma in Human Resources Management.



PV Narasimha Rao

Head - Internal Audit

Mr. PV Narasimha Rao heads the Internal Audit department of Nitesh Estates. His close to 40 years of experience includes 4 decades at Corporation Bank. Mr. Rao holds a Post Graduate degree in Commerce. His stringent measures ensure the company remains compliant in following processes at all times.



Name of the Project: The Ritz-Carlton Hotel, Bangalore

Genre: Luxury Hotel

Location: Residency Road, Bangalore

Project Description: 5 star Luxury hotel



THE RITZ-CARLTON

BANGALORE

Highlights:

- Nitesh Estates has developed India's first Ritz Carlton hotel, one of the world's finest luxury hotel brands
- 5 world class restaurants offering guests multi-cuisine dining experience
- Also offers 18,000 sq. ft. of stylish indoor ballrooms and outdoor venues
- Within a short span of time after being operational, the Hotel has won several coveted awards such as Conde Nast, Travel + Leisure, GeoSpa Asia



NITESH HUB



Coming soon
Pune Central
anchor store.

Name of the Project: Nitesh HUB

Genre : Retail Mall

Location : Koregaon Park, Pune

Project Description:

- Spread over 6 acres of land, with a built up area of 1 mnsqft, the mall is located in Koregaon, an upmarket prime location in Pune
- Has the capacity to accommodate 130 retail outlets and houses luxury brands such as Collective, Swarovski, Tommy Hilfiger, M.A.C, U.S Polo Assn. and Crossword
- Operational cinemas of PVR and hypermarket of SPAR draws high footfalls
- Strategic location facilitates higher footfall for the shops and is expected to generate a rental income of Rs. 450 mn per annum
- Current leasing of around 50%; Expect the mall to be fully occupied in the next fiscal year

AWARDS

 <p>ASIA PACIFIC PROPERTY AWARDS INTERIOR DESIGN</p> <p>HIGHLY COMMENDED HOTEL INTERIOR INDIA</p> <p>The Ritz-Carlton, Bangalore by Nitesh Estates Limited</p> <p>2015-2016</p>	 <p>Trackz Realty BRAND X REPORT 2015-2016</p> <p>Top 10 developers in the hospitality segment across India</p>	 <p>The Ritz Carlton Hospitality Project of the Year</p>	 <p>ASIA PACIFIC PROPERTY AWARDS ARCHITECTURE</p> <p>HIGHLY COMMENDED HOTEL INTERIOR INDIA</p> <p>The Ritz-Carlton, Bangalore by Nitesh Estates Limited</p> <p>2015-2016</p>
<p>THE RITZ CARLTON AWARDS</p> <p>Travel+ Leisure Number 1 Business Hotel in India -2014</p> <p>Conde Nast Readers Travel Awards 2014 Favourite New Business Hotel in India</p> <p>GeoSpa Asia Spa-India Awards 2014 Best New Spa (Hotel) The Ritz Carlton, Bangalore</p>	<p>siliconindia</p> <p>Best design Project of the Year, Nitesh Hyde Park, South Bangalore</p>		
	<p>Times Food Award 2014 The Lantern Best Chinese Restaurant</p> <p>Times Food Awards 2015 Bang Best Alfresco Bar</p> <p>The Market Best All Day Dining</p>	 <p>Trackz Realty BRAND X REPORT 2015-2016</p> <p>Top 10 developers in South India across asset class</p>	



Nitesh Napa Valley recognised as one of the Top 100 luxury project in India



Bangalore Hot 50
by Paul Writer



Nitesh Napa Valley - Super Luxury Project of the Year



Trackz Realty
BRAND X REPORT
2015-2016

Top 10 Super Luxury Segment Across India

STATUTORY REPORTS

Nitesh Estates Limited

CIN : L07010KA2004PLC033412

Regd. Office: Level 7, Nitesh Timesquare, # 8, M. G. Road, Bangalore-560 001, India

Ph. +91-80-4017 4000 Fax: +91-80-2555 0825,

Website: www.niteshestates.com, e-mail : investor@niteshestates.com

Notice

NOTICE is hereby given that the 12th Annual General Meeting of Nitesh Estates Limited will be held at **“Dr. B. R. Ambedkar Memorial Trust” (Ambedkar Bhavana), Miller’s Road, Vasanthnagar, Bangalore – 560 052** on Wednesday, the 28th September, 2016 at 2.00 P.M., to transact the following business:

ORDINARY BUSINESS:

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

“RESOLVED THAT the audited balance sheet as at 31st March 2016, the statement of profit and loss account and cashflow statement including the consolidated financial statements for the year ended as on that date, together with the report of the Director’ and Auditors’ thereon as presented to the meeting, be and are hereby approved and adopted.”

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

“RESOLVED THAT Mr. Mahesh Bhupathi (DIN 01603093) Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

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

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

SPECIAL BUSINESS:

4. **To approve the increase in the Authorised Capital of the Company and to alter the Memorandum of Association:**

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

“RESOLVED THAT pursuant to the provisions of Section 13 read with Section 61 and any other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from the existing Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of face value of Rs.10/- each (Rupees Ten Only) to Rs.500,00,00,000 (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) equity shares of Rs.10/- each (Rupees Ten Only).

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby substituted and read as under:

V. The Authorised Share Capital of the Company is Rs.500,00,00,000 (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) equity shares of Rs.10/- each (Rupees Ten Only), with the power to increase and/or reduce the

Capital of the Company from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide or consolidate the shares in the Capital for the time being, into several classes or kinds and to attach thereto respectively and preferential deferred, qualified or special rights, privileges or conditions as may be determined and to vary, modify and abrogate any such rights, privileges or conditions in such manner as may be provided or determined.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By order of the Board
For **NITESH ESTATES LIMITED**

Registered Office:

Level 7, Nitesh Timesquare,
8, M G Road,
Bangalore – 560 001

Place: Bangalore
Date: August 9, 2016

D. SRINIVASAN
Company Secretary & Chief Compliance Officer

Notes:

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

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

2. A Corporate Member entitled to attend the meeting shall along with their authorized representative(s) send a certified true copy of a resolution passed by the Board of Directors and vote on their behalf at the meeting.
3. A Statement pursuant to Section 102 of the Companies Act, 2013 on each item of special business to be transacted at the meeting is annexed hereto as **Annexure-I**.
4. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 will be open for inspection at the Registered Office of the Company between 10.00 A.M. to 12.00 Noon from Monday to Friday on all business days up to and including the date of the meeting.
5. Section 205A of Companies Act, 1956 (corresponding to Section 124 of Companies Act, 2013) mandates the companies to transfer dividends that have been unclaimed for a period of seven years from the unpaid dividend account of the Company to the Investor Education and Protection Fund (IEPF). Accordingly, The unclaimed dividends of Rs. 41,320/- (Rupees Forty One

Thousand Three Hundred and Twenty only) as on 31st March, 2016 out of the dividends declared for the financial year 2010-11 on 28th September, 2011 will be transferred to IEPF on **27th October, 2018**.

The Company has sent reminders to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders are cautioned that once the unclaimed dividend is transferred to the IEPF, **no claim shall lie in** respect thereof with the Company. Members who have not yet en-cashed the dividend warrant(s) so far for the financial year ended 31st March 2011 are requested to make their claim to the Registrar and Share Transfer Agent of the Company.

6. As required under Sec. 91 of the Companies Act, 2013 and the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Securities Transfer Registers, Register of Members and Register of Debenture holders, shall remain closed from **Friday, the 23rd Sept 2016 to Wednesday, the 28th Sept 2016 (both days inclusive)**.
7. Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the brief details of the director seeking re-appointment at the Annual General Meeting is appended to this Notice as **Annexure - II**.
8. Members are requested to advise any changes in their communication address, register their E-mail address, PAN details and Bank details such as Bank and Branch Name, IFSC Code and MICR No. etc with Karvy Computershare Private Limited, the Registrars and Share Transfer Agents of the Company at Karvy Selenium, Tower B, Plot No. 31 & 32. Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 038, Tel: +91 040 67161510.
9. For the convenience of Members / Proxy Holders and for the proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to this Notice. The Members/ Proxy Holders are requested to bring the duly completed and signed Attendance Slip along with their copy of the Annual Report to the meeting. Additional copies will not be provided at the meeting.
10. The Notice is being sent to all the Members (electronic or physical copy), whose names appeared in the Register of Members as on **Friday, the 19th August, 2016**. The Notice of the meeting is posted on the website of the Company www.niteshestates.com and is also available on the websites of the Stock exchanges where the securities of the Company are listed i.e. the Bombay Stock Exchange Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.
11. **The businesses as set out in the Notice will be transacted through remote electronic voting system and the Company will provide a facility for voting by remote electronic means.** In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of remote e-voting means, as an alternate, to all its Members to enable them to cast their votes electronically. Please note that the remote voting through electronic means is optional.
12. The remote voting through electronic means will commence on **Saturday, September 24, 2016 at 10.00 A.M. and will end on Tuesday, September 27, 2016 at 5.00 P.M.** The Members will not be able to cast their vote electronically beyond the date and time mentioned here. Once the vote on a resolution is cast by a shareholder via remote e-voting, it cannot be changed subsequently or cast the vote again. However, a member may participate in the meeting even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
13. During the period when the facility for remote e-voting is provided, the Members of the Company holding the shares either in physical or in dematerialised form as on **Wednesday, the 21st September, 2016** may opt to vote via remote electronic voting process.
14. Physical Poll/ Ballot voting will be conducted by the Company on the day of the meeting and members who have not cast their vote via remote e-voting process, shall only be entitled to exercise their right to vote by way of Poll Paper/Ballot at the meeting.

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

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

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

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

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

- a) After entering the details appropriately, click on **LOGIN**.
- b) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- c) You need to login again with the new credentials.
- d) On successful login, the system will prompt you to select the EVENT i.e., NITESH ESTATES
- e) On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner.
- f) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- g) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- h) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail: sudhindraksfcs@gmail.com
- i) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- j) The Portal will remain open for voting from: 10.00 A.M. on Saturday, 24th Sept. 2016 to 5.00 P.M. on Tuesday, 27th Sept. 2016 (both days inclusive).**
- k) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Rajendra Prasad, Karvy Computershare Pvt. Ltd. at 040-67161500 or at 1800 345 4001 (toll free).

- l) The results of e-voting will be announced by the Company on its website and the same shall also be informed to the stock exchanges.
- m) **Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.**

By order of the Board
For NITESH ESTATES LIMITED

Registered Office:

Level 7, Nitesh Timesquare,
8, M G Road, Bangalore – 560 001.

Place: Bangalore
Date: August 9, 2016

D. SRINIVASAN
Company Secretary & Chief Compliance Officer

Statement pursuant to Section 102 of the Companies Act, 2013:

The following explanatory statements sets out all the material facts relating to the businesses mentioned in the accompanying Notice of Annual General Meeting dated 9th August, 2016 that requires explanatory statement and shall be taken as forming part of the said Notice.

Item No. 3:

The Company has received certificate pursuant to Section 141 of the Companies Act, 2013 and the rules made thereunder from M/s. Ray & Ray, Chartered Accountants, the Statutory Auditors of the Company, having Firm Registration No. 301072E allotted by the Institute of Chartered Accountants of India (ICAI), who were appointed for a first term of 5 consecutive years pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, at the Annual General Meeting held on September 26, 2014 and are eligible for re-appointment as Statutory Auditors of the Company.

As per the provisions of Section 139(1) of the Act, their appointment for the above term is subject to ratification by the shareholders at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

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

Item No. 4:

The Company is in the process of exploring the opportunities for diversifications and also to increase the investments in its subsidiaries. Further, the capital infusion is required for augmenting the working capital requirements of the Company, for this purpose the Company may have to raise funds which requires the Authorised Capital is increased to adequate limit. Accordingly, it is proposed to increase the authorised capital of the Company to Rs.5,00,00,00,000/- (Rupees Five Hundred Crores only) and to alter the capital clause of the Memorandum of Association of the Company.

Therefore, the Board recommends the Resolution at Item No. 4 for approval by the Members.

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

Documents for inspection:

All the relevant documents are available for inspection at the Registered Office of the Company, during working days from 10.00 A.M. to 12.00 Noon.

Annexure II to the Notice

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

Name of Director	Mr. Mahesh Bhupathi (DIN: 01603093)
Age	42
Date of Appointment	June 30, 2005
Expertise in specific Functional areas	He is a professional tennis player and became the first Indian to win a Grand Slam tournament in 1997 and was ranked number one in the ATP Doubles Rankings in 1999. He has over seven years of professional experience in the sports, media and entertainment industry.
Other Directorships held	i. Bhupathi Tennis Academy Private Limited ii. H.E.A.L. Institute Private Limited iii. Live Sports 365 Private Limited iv. SX Sports Private Limited
Membership of Committees	Nil
No. of shares held in the Company	1,96,410 Equity Shares

By order of the Board
For NITESH ESTATES LIMITED

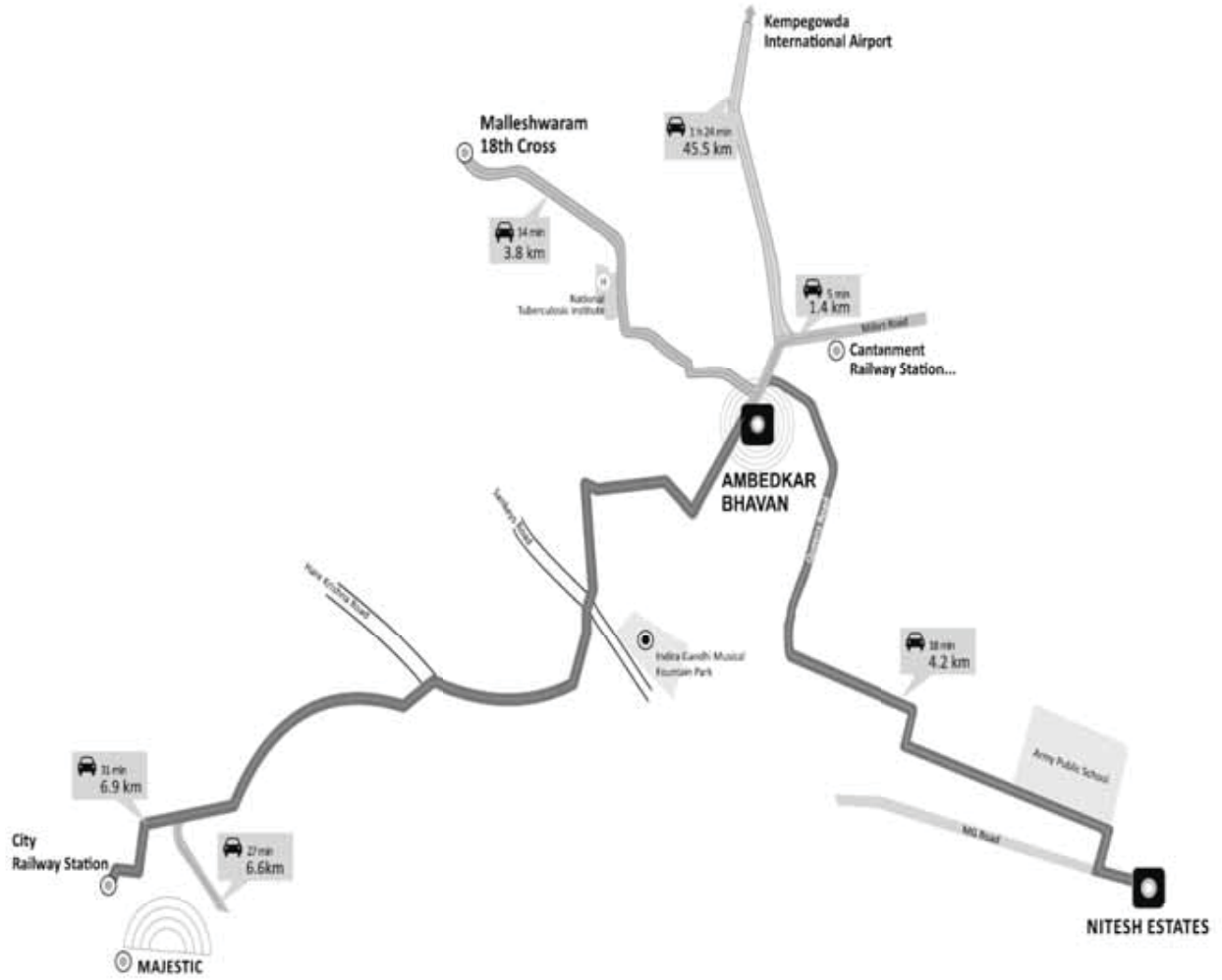
Registered Office:

Level 7, Nitesh Timesquare,
8, M G Road, Bangalore – 560 001.

Place: Bangalore
Date: August 9, 2016

D. SRINIVASAN
Company Secretary & Chief Compliance Officer

ROUTE MAP TO THE VENUE
FOR THE 12TH ANNUAL GENERAL MEETING OF THE COMPANY



Directors' Report

Your Directors present their Twelfth Annual Report and the standalone and consolidated annual audited accounts of the Company for the year ended March 31, 2016.

1. FINANCIAL RESULTS:

Particulars	Rupees in Lakh			
	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Income :				
Income from operations	8712	12501	25351	28760
Other Income	193	41	751	298
Total Income	8905	12542	26102	29058
Profit/(Loss) before depreciation	(2039)	2614	(3643)	4029
Less : Depreciation	132	117	1418	133
Profit/(Loss) before tax	(2171)	2497	(5061)	3896
Less : Income tax	(34)	474	(9)	803
Profit / (Loss) after tax	(2136)	2023	(5052)	3093
Less: Minority interest & share of profit/ (loss) in Associate	0	0	(2220)	(2857)
Net Profit/(Loss)	(2137)	2023	(7272)	236

2. DIVIDEND:

The Directors could not recommend dividend as the Company has incurred loss during the current financial year and it is proposed to conserve the reserves for the projects growth and sound financial position of the Company.

3. State of Company's Affairs:

I. Standalone:

During the year under review the Company could achieve a turnover of Rs. 8,712 Lakh as against Rs. 12,501 Lakh in the previous year and other income of Rs. 193 Lakh as compared to Rs. 41 Lakh in the previous year. The operations had resulted in a loss of Rs. 2,039 Lakh as compared to previous year profit of Rs. 2,614 Lakh.

II. Consolidated:

In compliance with the applicable provisions of Companies Act, 2013 and regulations of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statements and as per the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed to the Annual Report. The total consolidated revenue for the year ended 31st March 2016 amounted to Rs. 26,102 Lakh including other income of Rs. 751 Lakh, as compared to Rs. 29,058 Lakh in the previous year. The Company has incurred a loss after tax of Rs. 5,052 Lakh as compared to previous year profit of Rs. 3,093 Lakh and a Net loss of Rs. 7,272 Lakh for the year (Previous year Net profit of Rs. 236 Lakh), after adjusting the minority interest in subsidiary companies and share of Profit/(Loss) from associate company amounting to Rs.(2,220) Lakh, as compared to the previous year Rs.(2,857) Lakh.

The audited consolidated Balance Sheet as at 31st March, 2016, consolidated Profit and Loss account for the year ended as on that date, Cash flow Statements together with the Notes and Reports of Auditors thereon forms part of the Annual Report. The financial figures have been regrouped in line with the Schedule III of Companies Act, 2013 disclosure requirements.

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

- Nitesh Housing Developers Private Limited (NHDPL), has become a 100% owned subsidiary of the Company, consequent to the investors i.e. M/s. Housing Development Finance Corporation Limited (HDFC) transferring their

stake of 5,05,000 Equity Shares in NHDPL to Kakanad Enterprises Private Limited (KEPL), a 100% subsidiary of the Company. Mr. Nitesh Shetty, Director and member of NHDPL also transferred his 100 Equity Shares to KEPL. This transaction extinguishes the obligations of the Company undertaken to HDFC.

Nitesh Housing Developers Private Limited, has availed a secured term loan of Rs.315 Cr. from Yes Bank Limited during the financial year and as a collateral security the Company has executed a non disposal undertaking on its 100% direct and indirect stake (50,00,000 Equity Shares and 41,50,000 Preference Shares) in NHDPL and the Company has also extended its Corporate Guarantee to NHDPL in favour of Yes Bank Limited.

- b. There is a dispute between the landowners of Indiranagar Mall and Nitesh Indiranagar Retail Private Limited (NIRPL), the Company with respect to the Joint Development Agreement, now the same has been referred to Arbitration. The Company and NIRPL has obtained an interim injunction restraining the landowners from alienating the property.
- c. Nitesh Urban Development Private Limited (NUDPL), a wholly owned subsidiary of the Company has fully redeemed and extinguished the Secured Non-convertible redeemable Debentures issued to Reliance Capital Limited. Consequently, the collateral securities and charge has been released.

Further, NUDPL has availed a secured term loan of Rs.160 Cr. from Yes Bank Limited on 26th April, 2016. The Company has extended its Corporate Guarantee and has also given a Non disposable Undertaking for 100% holding in NUDPL as collateral security for the said term loan in favour of Yes Bank.

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

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

4. The Board of Directors and the Committees thereof

I. Composition of the Board of Directors

The Board of Directors of the Company comprises of ten directors of which five are Independent Directors. The Composition of the Board of Directors is in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

II. Declarations pursuant to Section 149 (6) of the Companies Act, 2013

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

III. Change in the Board

During the year under review the Company appointed Mrs. Dipali Khanna (DIN: 03395440) as an Additional Independent Director for an initial term of 5 consecutive years with effect from 28th May, 2015 at its Board Meeting and later on her appointment was regularized at the 11th Annual General Meeting held on 28th September, 2015 by way of passing an Ordinary Resolution.

Mrs. Shobha Patil (DIN:07144385) who was appointed as an Additional Director (Independent) on the Board of the Company on 31st March, 2015, has resigned on 28th May, 2015, due to increasing work in her professional carrier.

IV. Meetings

During the year under review, the Board of Directors of the Company met 7 (Seven) times on the following dates.

April 20, 2015	May 28, 2015	August 11, 2015	September 28, 2015
November 6, 2015	February 10, 2016	March 29, 2016	-

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 29th March, 2016.

V. Re-appointment of Director Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. Mahesh Bhupathi (DIN: 01603093) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors has recommended the re-appointment of Mr. Mahesh Bhupathi, as Director retiring by rotation.

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

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

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

VII. Familiarization programme for Independent Directors:

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

The Company also keeps the Board updated on the applicable laws, regulations, enactments etc. and any changes, amendments thereon from time to time

5. Directors' Responsibility Statement:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) has formulated a policy relating to nomination of and remuneration for the directors, key managerial personnel and Senior Management personnel.

The Nomination and Remuneration policy has been prepared pursuant to the applicable provisions of the Companies Act, 2013 and Listing Agreement /SEBI (LODR) Regulations 2015.

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

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

Remuneration Details of Directors and Employees

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

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

Sl. No.	Name of the Directors	Designation	Ratio of remuneration to median remuneration of the Company ¹	% increase in the remuneration of Directors
1	Mr. Nitesh Shetty	Chairman & Managing Director	25	15.63
2	Mr. L. S. Vaidyanathan	Executive Director	21	9.87
3	Mr. Ashwini Kumar	Executive Director & Chief Operating Officer	14	Nil
4	Mr. G. N. Bajpai	Independent Director	NA	NA
5	Mr. Jagdish Capoor	Independent Director	NA	NA
6	Mr. M. D. Mallya	Independent Director	NA	NA
7	Mrs. Dipali Khanna ²	Independent Director	NA	NA
8	Mr. Ashok T. Aram	Independent Director	NA	NA
9	Mr. Sudhakar Rao	Non-Independent Director	NA	NA
10	Mr. Mahesh Bhupathi	Non-Independent Director	NA	NA

Note:

- ¹ The median remuneration of employees during the financial year was Rs.6,37,584/- (Rupees Six Lakh Thirty Seven Thousand Five hundred and Eighty four only)
- ² Mrs. Dipali Khanna was appointed as an Independent Director at the 11th Annual General Meeting of the Company for a term of 5 consecutive years.
- ii. The percentage increase in the remuneration for the year ended 31st March, 2016 to the Key Managerial Personnels (other than Directors) namely, Company Secretary & Chief Compliance Officer and Chief Financial Officer is Nil.
- iii. The median remuneration of employees during the financial year 2014-15 was Rs.6,57,257/- as compared to Rs.6,37,584 during the current financial year 2015-16. Hence, there is no increase in the percentage of median remuneration of employees.
- iv. The number of permanent employees on the rolls of the Company as on 31st March, 2016 was 89 (the group has 309 employees).
- v. The Company's turnover is Rs. 8,712 Lakh for the current financial year 2015-16 as against Rs. 12,501 Lakh in the previous year and the operations have resulted in a loss of Rs. 2,039 Lakh as compared to previous year's profit of Rs. 2,614 Lakh. Taking these factors into consideration along with the market scenario and competition in industry practice, and to compensate the inflation increase, there is no change during the financial year in the remuneration to the employees.
- vi. In reference to the above the Nomination & Remuneration Committee has not approved any change in the remuneration to the Key Managerial Personnel.
- vii. During the financial year 2015-16 there is no change in the aggregate remuneration of Key Managerial Personnel on an average.
- viii. The last and only Initial public offer was made in May, 2010 and the price was Rs. 54/- per equity share. The percentage increase over decrease in the market quotations of the shares of the Company in comparison with the last Initial Public Offer is (72.63%).

The variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year is (on standalone basis), as follows:

Particulars		2014-15	2015-16	Variation
Share Prices	BSE	14.71	11.71	-25.62%
	NSE	14.85	11.75	-26.38%
Market Capitalization (in full) (Rs. in Lakhs)		21553.98	17106.10	-26.00%
Market Capitalization (Free Float) (Rs. in Lakhs)		11527.90	9148.84	-26.00%
Price earnings ration (based on audited results)		10.58	-7.97	-232.81%
EPS (in Rs.)		1.39	-1.47	-194.56%

- ix. Average percentile increase in the salaries of employees other than the managerial personnel during 2015-16 was Nil. The percentile increase in the managerial remuneration during the same period was Nil. The percentage increase in the managerial remuneration was on account of the variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment.

7. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism policy for its directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the director(s) and employee(s) who avail of the mechanism. None of the directors/employees of the Company have been denied access to the Chairman of the Audit Committee. No complaint has been received during the financial year 2015-16.

8. Corporate Social Responsibility

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has constituted the Corporate Social Responsibility Committee. The Committee met once on 29th March, 2016 during the financial year 2015-16.

Pursuant, to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Company was required to make a minimum contribution of Rs 3.52 lakh towards the Corporate Social Responsibility activities during the year. Accordingly, the Company had made a contribution of Rs 5 Lakh to CherYsh Trust, a NGO striving for the benefit of development of under privileged women and female children.

9. Internal Financial Controls

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board of the Company is of the opinion that the Company's internal financial controls were adequate and effective during the period ended as on 31st March, 2016.

10. Statutory Auditors

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

There is no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors of the Company. The Statutory Auditors have expressed an unmodified opinion in their Audit Report for the financial year ended 31st March, 2016.

11. Secretarial Auditor

M/s. Kedarnath & Associates, the Practicing Company Secretaries, were appointed as the Secretarial Auditors of the Company for the financial year 2015-16 by the Board of Directors of the Company.

The Secretarial Audit Report for the year ended 31st March, 2016 issued by the Secretarial Auditors in accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder is annexed to this report separately as **Annexure - B**.

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

12. Particulars of employees

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

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

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

14. Corporate Governance

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

15. Code of Conduct

In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a declaration signed by Mr. Nitesh Shetty, the Chairman & Managing Director of the Company affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2015-16 forms part of the Corporate Governance Report.

16. Management Discussion and Analysis Report

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

17. Extract of the Annual Return

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed format of MGT-9 for the financial year 2015-16 is provided in **Annexure –E** to this Report.

18. Particulars of Loans, Guarantees and Investments

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

19. Related Party Transactions

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material in terms of the policy adopted by the Company, Section 188 of the Companies Act, 2013 and the SEBI (LODR) Regulations 2015 on the Related Party transactions.

The related party transactions under AS 18 undertaken during the financial year 2015-16 are detailed in the Notes to Accounts section of the Annual Financial Statements.

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

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

21. Review of Subsidiaries and Associates

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

Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiaries and associates is annexed to the Consolidated Financial Statement in the prescribed format of Form AOC-1.

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

There have been no material changes in the nature of the business of the subsidiaries (including Associate Company) during the financial year 2015-16.

In terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has adopted a policy for determining material subsidiaries. The Policy as approved may be accessed on the Company's website at the link: [http://www.niteshestates.com/Investor relations/Policies & Other Related Matters/Material Subsidiary Policy](http://www.niteshestates.com/Investor%20relations/Policies%20&%20Other%20Related%20Matters/Material%20Subsidiary%20Policy).

A. Nitesh Housing Developers Private Limited (NHDPL):

The Company directly holds 89.90% equity in NHDPL and during the year Kakanad Enterprises Private Limited (one of the wholly owned subsidiaries of the Company) acquired the balance 10.10% equity in NHDPL, consequently NHDPL has become a Wholly Owned Subsidiary of the Company.

The financial highlights are as below:

Figures in Rs.

Particulars	2015-16	2014-15
Paid up Capital	91,500,000	91,500,000
Reserves & Surplus	291,755,031	267,341,866
Revenue from operations	1,039,881,480	1,308,099,478
Other Income	4,093,570	2,970,968
Profit/(Loss) Before Tax	28,775,217	153,153,531
Profit/(Loss) After Tax	24,413,165	124,887,202

B. Nitesh Urban Development Private Limited (NUDPL):

NUDPL is a 100% subsidiary of the Company.

The financial highlights are as below:

Figures in Rs.

Particulars	2015-16	2014-15
Paid up Capital	65,820,000	65,820,000
Reserves & Surplus	77,246,209	109,095,226
Income from property development	515,595,121	249,316,545
Other Income	1,401,939	19,567,214
Profit/(Loss) Before Tax	(33,697,012)	13,529,622
Profit/(Loss) After Tax	(31,674,560)	11,211,977

C. NITESH INDIRANAGAR RETAIL PRIVATE LIMITED (NIRPL):

NIRPL is a 100% wholly owned subsidiary of the Company.

The financial highlights are as below:

Figures in Rs.

Particulars	2015-16	2014-15
Paid up Capital	699,100,000	699,100,000
Reserves & Surplus	634,777,174	1,087,760,676
Other Income	46,228,752	171,880
Profit/(Loss) Before Tax	48,750,442	(30,826,984)
Profit/(Loss) After Tax	(273,901,373)	(30,826,984)

As reported earlier NIRPL has acquired 100% equity in Nitesh Pune Mall Private Limited (formerly 'Anuttam Developers Private Limited') during the financial year. As a consequence Nitesh Pune Mall Private Limited has become Tier II Subsidiary of the Company.

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

Figures in Rs.

Particulars	2015-16	2014-15
Paid up Capital	280,409,530	242,400,000
Reserves & Surplus	(150,290,703)	(1,744,059,537)
Income from property development	53,227,928	53,258,236
Other Income	2,323,204	3,704,103
Profit/(Loss) Before Tax	(328,976,653)	76,608,717
Profit/(Loss) After Tax	(328,976,653)	76,608,717

D. NITESH PROPERTY MANAGEMENT PRIVATE LIMITED (NP MPL):

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

The financial highlights are:

Figures in Rs.

Particulars	2015-16	2014 -15
Paid up Capital	3,000,000	3,000,000
Reserves & Surplus	(6,153,964)	4,620,171
Current Liabilities	31,863,347	28,850,329
Income from operations	58,518,595	62,993,823
Other Income	23,836	2,845,005
Profit/(Loss) Before Tax	(10,599,176)	7,030,553
Profit/(Loss) After Tax	(10,774,136)	4,798,010

E. KAKANAD ENTERPRISES PRIVATE LIMITED ('KEPL'):

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

The status of the Subsidiary:

Figures in Rs.

Particulars	2015-16	2014 -15
Paid up Capital	500,000	500,000
Reserves & Surplus	(1,589,180)	(571,355)
Income from operations	NIL	NIL
Profit/(Loss) Before Tax	(1,017,825)	(98,248)
Profit/(Loss) After Tax	(1,017,825)	(98,248)

22. Additional Information to shareholders

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

Acknowledgement:

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

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

For and on behalf of the Board of Directors

Place: Bangalore
Date: May 28, 2016

NITESH SHETTY
Chairman & Managing Director
DIN : 00304555

Nomination & Remuneration Policy**1. PREAMBLE**

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

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

2. DEFINITIONS

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

"Nomination & Remuneration Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of SEBI (LODR) Regulations 2015 and section 178 of the Companies Act, 2013.

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

"Company" means Nitesh Estates Limited

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

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

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

3. APPLICABILITY AND EFFECTIVE DATE

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

4. PURPOSE

This policy is framed as per the requirements of the SEBI (LODR) Regulations 2015 executed by the Company with the Stock Exchanges and as per the provisions of Companies Act, 2013.

5. COMPOSITION

- i. The Committee shall consist of minimum three (03) members, and all of whom shall be Non-Executive Directors.
- ii. Majority should be Independent Directors.
- iii. Chairman should be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- iv. Minimum two (2) members shall constitute quorum for the Committee meetings.

6. MEETINGS

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

7. OBJECTIVE

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

- i. Determine, review and propose compensation principles/ policies for the Company.
- ii. Setting the compensation of the Company's Directors, KMPs (as defined under Companies Act, 2013) and Senior Management.
- iii. Approve payments to the managerial personnel as per the policy laid down by the committee.
- iv. Assess and review compensation policy and plans recommended by the management.

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

8. RESPONSIBILITIES AND DUTIES:

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

A. Nomination Policy:

- a) Lay down the principles and policy for the selection, criteria for evaluation and retirement of Independent and Non- Executive Directors.
- b) Identify persons who are qualified to become directors-Independent, Non-Executive & Executive and also persons who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
- c) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and Senior Management.

B. Remuneration Policy:

- a) Submission of the Remuneration Policy to the Board for their approval.
- b) The Committee will provide compensation plans and practices on the basis of remuneration principles.
- c) Describe main roles, responsibilities and competencies involved in the Remuneration process.
- d) Provide specific guidelines for the setting of Board of Directors and Executive Board members' remuneration.
- e) The Committee would also review the company's remuneration principles.
- f) The Committee will specify the sitting fees payable to Non- Executive / Independent Director for attending meetings of Board or Committee thereof provided the same shall not exceed the prescribed limits under the Act.
- g) The Committee would periodically review the implementation of the Remuneration Policy
- h) The Committee may look into the Company's Internal Audit function limited to performing periodic reviews on the remuneration to ensure the applicable rules and standards are complied with.
- i) The Committee would set working standards for determining the remuneration of the members of the Senior Management of the Company and recommend to the Board for their approval.
- j) The Committee would review and recommend the bonus/ performance pay to the Executive Directors to the Board.
- k) Review and recommend to the Board of Director for approval of any Mandatory Disclosures of the Management Compensation
- l) The Committee shall ensure, that:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

9. PERFORMANCE REVIEW:

- a) The Committee would review competitor's market data, trend analysis, Performance and the methodology for determining annual Remuneration pools with the management.
- b) The Committee would assess individual performance evaluations of the Executive Board members including their performance inclusive of managing risk, compliance to the code of conduct etc.
- c) The Committee would get the inputs from the Company's internal control function, Code of Conduct for reviewing the performance.

10. REPORTING TO THE BOARD OF DIRECTOR:

- a) The Committee would provide a periodical report to the Board of Directors on its activities, implementation of the Remuneration Policy and adhering to the applicable standards and rules and Remuneration paid to the Executive Board members.
- b) The Committee would review and approve the annual Remuneration report prior to the Board of Directors approval, and ensure that the same will satisfy the Remuneration principles, policy, plans for the year.
- c) The Committee would review the compensation setting process on annual basis.

11. DISCLOSURES

- a) The Company is required to disclose the remuneration policy and evaluation criteria in the Annual Report.
- b) The Company is also required to disclose pecuniary relationship or transaction of the non-executive directors' vis-à-vis the Company and to make all other disclosures as required under Clause 49 of the SEBI (LODR) Regulations 2015 with the Stock exchange in the Annual Report of the Company.

12. GENERAL

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

**EVALUATION OF PERFORMANCE OF DIRECTORS
(PROFORMA)**

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

Process

Objective (narrative assessment) by all the Directors except himself

SUMMARY OF PERFORMANCE ASSESSMENT PROCESS OF BOARD COMMITTEES

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

SECRETARIAL AUDIT REPORT

*[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
(For the Financial Year ended 31st March, 2016)*

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
3. The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made there under;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as applicable;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and SEBI (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015) as to the requirements of providing necessary information on the Company's website and other necessary disclosures;
 - iii. There were no occasions needing compliance under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; hence not applicable
 - iv. The Company has not issued any securities under ESOP/ESPS during the year under the provisions of The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the year under review.
 - vii. The Company has not applied for delisting of Equity Shares in any stock exchanges under the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and hence not applicable.
 - viii. The Company has not bought back any securities during the financial year under the provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and hence not applicable.

The Company has signed revised listing Agreements with the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (a) The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act") and the rules made there under.
- (b) Transfer of Property Act, 1882 ("T.P. Act") and the rules made there under.
- (c) Registration Act, 1908 ("Registration Act") and the rules made there under.
- (d) The Indian Stamp Act, 1899 ("Stamp Act") and the rules made there under.
- (e) Easements Act, 1882 ("Easements Act") and the rules made there under.
- (f) The Land Acquisition Act, 1894 and the rules made there under.
- (g) Karnataka Land Revenue Act, 1964 ("KLR Act") and the rules made there under.
- (h) Karnataka Apartment Ownership Act, 1972 ("KAO Act") and the rules made there under.
- (i) Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 and the rules made there under.
- (j) Karnataka Rent Control Act, 1999 ("Rent Act") and the rules made there under.
- (k) Karnataka Stamp Act, 1957 ("KSA") and the rules made there under.
- (l) Bangalore Water Supply and Sewage Act, 1964 and the rules made there under.
- (m) Karnataka Town and Country Planning Act, 1961 ("KTCP Act") and the rules made there under.
- (n) Karnataka Municipal Corporation Act, 1976 ("KMC Act") and the rules made there under.
- (o) Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws") and the Rules made there under.
- (p) Bangalore Development Authority Act, 1976 ("BDA Act") and the rules made there under.
- (q) Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act") and the rules made there under.
- (r) The Building and Other Constructions Workers (Regulation of Employment and Condition of Service) Act, 1996 ("Constructions Workers") and the rules made there under

We have also examined compliance with:

- a) The listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Limited as applicable to the Company.
- b) The Secretarial Standards SS-1 AND SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and comment that they have generally complied with the said Standards.

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

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

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through meetings and minutes of meetings are self-explanatory with respect to recording dissenting member's views if any.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report, the following specific action / events having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., covering the audit period 2015-16.

1. The 100% wholly owned subsidiary Nitesh Indiranagar Retail Private Limited (CIN: U45201KA2007PTC042660) has acquired Anuttam Developers Private Limited, Pune and changed its name to Nitesh Pune Mall Private Limited (CIN: U45209PN2005PTC021214). Thereby the acquired entity has become a second layer subsidiary of the Company.

2. That it has been noted that there is dispute between the Landlord's on which the proposed Nitesh Indiranagar Mall is to be constructed, a project of Nitesh Indiranagar Retail Private Limited and the Company. The matter is now under arbitration. The Company has 100% interest in the subsidiary business.
3. During the year under review, Kakanad Enterprises Private Limited – ('KEPL') (Wholly Owned Subsidiary of Nitesh Estates Limited) acquired 10.10 % stake in Nitesh Housing Developers Private Limited (NHDPL). The Company is directly holding 89.9% stake in NHDPL and with the foregoing acquisition its aggregating holding in NHDPL has become 100%. As a result NHDPL has become a 100% subsidiary of the Company.
4. A Special Resolution was passed by the Company by way of Postal Ballot to approve increase in the Investment limits in Nitesh Residency Hotels Private Limited not exceeding Rs.25 Crores in addition to the previously approved limit of Rs.200 Crores aggregating to Rs.225 Crores.
5. The Company has passed a Special Resolution by way of postal ballot for pledging 100 percent of its security investments in Nitesh Urban Development Private Limited, in favour of the debentures trustees, namely, IDBI Trusteeship Services Limited to part secure the Non-Convertible Debentures subscribed by the Debenture holders in Nitesh Urban Development Private Limited.

For S Kedarnath & Associates

S. Kedarnath

Practicing Company Secretaries
C P No 4422

Date: 28.05.2016
Place: Bengaluru

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

'Annexure A' to the Secretarial Audit Report

To,

The Members,
Nitesh Estates Limited,
CIN: L07010KA2004PLC033412
Bengaluru - 560 001.

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

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

For S Kedarnath & Associates

S. Kedarnath

Practicing Company Secretaries
C P No 4422

Date: 28.05.2016
Place: Bengaluru

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

Sl. No.	Name	Age	Designation	Nature of Employment	Gross Remuneration (per Annum)	Qualification	Experience (in years)	Date of commencement of employment	Previous employment held
(A) Employed throughout the financial year									
1	Mr. Ashwini Kumar	57	Executive Director & Chief Operating Officer	Permanent employee	94,64,565	B.E., PGDBM	33	2 Nov.2009	Managing Director-Lineage Power Indian Pvt. Ltd.
2	Mr. Nitesh Shetty	39	Chairman & Managing Director	Permanent employee	1,50,24,048	B.Com	15	20 Feb.2004	-
3	Mr. L. S. Vaidyanathan	55	Executive Director	Permanent employee	1,12,13,460	B.Sc., FCA	31	6 Jan. 2005	Practicing Chartered Accountant
4	Mr. M. A. Venkateshan	60	Chief Financial Officer	Permanent employee	71,94,482	B.Com; CA; LLB; CS; ICWA	34	9 Oct. 2010	Sr.Vp (Fin.) JSW Steel Ltd.
(B) Employed for part of the financial year									
5	Mr. Sanjoy Kumar Das	59	President - Projects	Permanent employee	73,94,882	B.Tech (Mech), PGDM	37	24 Nov. 2014	COO, MAN Industries Ltd.

Note:

- i. Gross remuneration comprises of salary, allowances, company's contribution to the provident fund and taxable value of perquisites.
- ii. None of the employees mentioned above are relative of any Director of the Company.
- iii. All the employees referred above are permanent employees of the Company and there is no other employee who is in receipt of remuneration in terms of the provisions of Section 134 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- iv. Mr. Sanjoy Kumar Das, resigned in the month of November, 2015

For and on behalf of the Board of Directors

Date: 28th May, 2016
Place: Bangalore

**Nitesh Shetty
Chairman & Managing Director
DIN : 00304555**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**I. CONSERVATION OF ENERGY****a) Energy conservation measure taken:**

The Company has taken energy savings measures, viz.,

- Installation of solar water heaters to reduce the EB power consumption
- The buildings are ergonomically designed to consume less power, and to include more natural light and ventilation.
- The flats are positioned north-south directions, so that the direct sun light entering to the flats are reduced, thereby reducing the power consumption.
- Use of materials in construction which are certified by IGBC (Indian Green Building Council)
- Implementing rain water harvesting system in the projects. By this, the ground water table is recharged and rain water is utilized for domestic purposes, thereby reducing the dependency on municipal water supply

b) Additional investment and proposal:

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

c) Impact of measure taken:

The impact and the energy conservation by the system adopted in (a) and (b) above will be known in the long run. These cannot be quantified.

II. TECHNOLOGY ABSORPTION

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

- I. ERP system using SAP implemented successfully and the Company is benefitting from the same.
- II. By appointing overseas architects, consultants technology upgradation has been brought to the projects.
- III. 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. Certifying the projects with LEED Ratings, so that the IGBC guidelines are met and the buildings are more efficient.
- V. 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. The designs brought into our projects have been praised by the customer.
- iii. Savings in construction cost and time
- iv. The new technology in STP saves space and energy.

c. No remarkable technology has been imported.

III. RESEARCH AND DEVELOPMENT**a. Specific area in which R & D carried out by the Company:**

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

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

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

c. Future Plan of Action

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

d. Expenditure on R & D

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

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Expenditure in foreign currency (on accrual basis)

Amount in Rupees

Particulars	Year ended 31.03.16	Year ended 31.03.15
Architect & other related fees	135,006	44,32,287

There is no foreign exchange earnings / inflow during the year.

For and on behalf of the Board of Directors

Place: Bangalore
Date : May 28, 2016

NITESH SHETTY
Chairman & Managing Director
DIN : 00304555

Form No. MGT-9**Extract of Annual Return as on the Financial Year ended on 31st March, 2016**

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L07010KA2004PLC033412
ii.	Registration Date	20th February, 2004
iii.	Name of the Company	Nitesh Estates Limited
iv.	Category Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v.	Address of the Registered office and contact details	Level 7, Nitesh Timesquare, # 8, M.G. Road, Bangalore-560 001 Ph.No. : 080-40174000 Fax.: 080-25550825 www.niteshestates.com email: investor@niteshestates.com
vi.	Whether listed company	Yes, listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy House, No. 46, 8-2-609/K, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 038, Telangana, India. Telephone No. : 91-40 23312454 / 23320751

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
i.	Nitesh Housing Developers Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001	U45201KA2007PTC044553	Subsidiary	100%*	2 (87)
ii.	Nitesh Urban Development Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001	U45201KA2007PTC044561	Subsidiary	100%	2 (87)
iii.	Nitesh Indiranagar Retail Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001	U45201KA2007PTC042660	Subsidiary	100%	2 (87)
iv.	Nitesh Property Management Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001	U70102KA2010PTC056128	Subsidiary	100%	2 (87)
v.	Kakanad Enterprises Private Limited No. CC 49/2796, 2ndFloor, North Square, Paramara Road, Kochi, Kerala-682018	U70200KL2007PTC020808	Subsidiary	100%	2 (87)
vi.	Nitesh Pune Mall Private Limited (Formerly Anuttam Developers Private Limited) Nitesh Mall, 37/4/2 North Main Road, Ghorpadaigaon Pune - 411001	U45209PN2005PTC021214	Subsidiary	100%**	2 (87)
vii.	Nitesh Residency Hotels Private Limited 25A, 2nd Floor, Imperial Court, Cunnigham Road, Bangalore-560052	U55101KA2006PTC041203	Associate	22.22%	2 (6)

* Kakanad Enterprises Private Limited the 100% subsidiary of Nitesh Estates Limited holds 10.1% stake in Nitesh Housing Developers Private Limited, making Nitesh Housing Developers Private Limited a second layer wholly owned subsidiary of Nitesh Estates Limited.

** Nitesh Pune Mall Private Limited is a tier 2 Subsidiary of the Company effective 22nd May 2015, post-acquisition of the entire paid up share capital of the Company by Nitesh Indiranagar Retail Private Limited (the wholly owned subsidiary of the Company).

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Shareholding**

Sl. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	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	43144485	0	43144485	29.59	43005695	0	43005695	29.49	0.10
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	24688780	0	24688780	16.93	24831207	0	24831207	17.03	-0.10
(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) :	67833265	0	67833265	46.51	67836902	0	67836902	46.52	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	67833265	0	67833265	46.51	67836902	0	67836902	46.52	0.00

Sl. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% 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)
(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	10921663	0	10921663	7.49	10911663	0	10911663	7.48	0.01
(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	25703485	0	25703485	17.63	23435405	0	23435405	16.07	1.56
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	36625148	0	36625148	25.11	34347068	0	34347068	23.55	1.56
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate- Break up required									
	i Indian	12961791	0	12961791	8.89	10522383	0	10522383	7.22	1.67
	ii Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	12491068	1007	12492075	8.57	13649228	1007	13650235	9.36	-0.79
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	14506557	0	14506557	9.95	17957687	0	17957687	12.31	-2.37
(c)	Others	1413263	1	1413264	0.97	1517824	1	1517825	1.04	-0.07
	Sub-Total B(2)	41372679	1008	41373687	28.37	43647122	1008	43648130	29.93	-1.56
	Total B=B(1)+B(2)	77997827	1008	77998835	53.49	77994190	1008	77995198	53.48	0.00
	Total (A+B)	145831092	1008	145832100	100.00	145831092	1008	145832100	100.00	0.00
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	145831092	1008	145832100	100.00	145831092	1008	145832100	100.00	-

(ii) **Shareholding of Promoters**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			Change in Shareholding	% Change in Shareholding During the Year
		No. of Shares	% of total Shares of the company	Pledged Shares	No. of Shares	% of total Shares of the company	Pledged Shares		
1	NITESH SHETTY	42973685	29.47	0	42974395	29.47	0	710	0.00
2	NITESH INDUSTRIES PVT LTD	15472634	10.61	0	15556634	10.67	0	84000	0.06
3	NITESH LAND HOLDINGS PRIVATE LIMITED	6802460	4.66	0	6802460	4.66	0	0	0
4	HAMPTON INVESTMENTS PRIVATE LIMITED	2413686	1.66	0	2472113	1.70	0	58427	0.04
5	SUJATA K SHETTY	26300	0.02	0	26300	0.02	0	0	0
6	PUSHPALATHA V SHETTY	5000	0.00	0	5000	0.00	0	0	0
	Total	67693765	46.42	0	67836902	46.52	0	143137	0.10

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in the shareholding due to market purchase			Cumulative Shareholding during the year	
		No of Shares held	% of total shares of the company	Date	Bought	Sold	No. of Shares held as on 31/03/2016	% of total shares of the company
1	NITESH SHETTY	42973685	29.47	11-Sept-15	710	0	42974395	29.47
2	NITESH INDUSTRIES PRIVATE LIMITED	15472634	10.61	11-Sept-15	64000	0	15556634	10.67
				29-Jan-16	20000	0		
3	NITESH LAND HOLDINGS PRIVATE LIMITED	6802460	4.66	-	-	-	6802460	4.66
4	HAMPTON INVESTMENTS PRIVATE LIMITED	2413686	1.66	4-Sep-15	380000	0	2472113	1.70
				16-Oct-15	3236	0		
				4-Mar-16	11114	0		
				11-Mar-16	6077	0		
5	SUJATA K SHETTY	26300	0.02	-	-	-	26300	0.02
6	PUSHPALATHA V SHETTY	5000	0.00	-	-	-	5000	0.00
	Total	67693765	46.42				67836902	46.52

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

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in shareholding			Cumulative Shareholding during the year		Reason	Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Date	Bought	Sold	No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	NOMURA INDIA INVESTMENT FUND MOTHER FUND	12971738	8.89	31-Mar-15	0	0	12971738	8.89	-	12971738	8.89
				31-Mar-16	0	0	12971738	8.89			
2	HSBC BANK (MAURITIUS) LIMITED	10723667	7.35	31-Mar-15	0	0	10723667	7.35	Market action	10423667	7.15
				3-Jul-15	0	300000	10423667	7.15			
				31-Mar-16	0	0	10423667	7.15			
3	LIFE INSURANCE CORPORATION OF INDIA	6208422	4.26	31-Mar-15	0	0	6208422	4.26	-	6208422	4.26
				31-Mar-16	0	0	6208422	4.26			
4	BANK OF BARODA	4048241	2.78	31-Mar-15	0	0	4048241	2.78	-	4048241	2.78
				31-Mar-16	0	0	4048241	2.78			
5	INFINITE INDIA INVESTMENT MANAGEMENT LIMITED	3750000	2.57	31-Mar-15	0	0	3750000	2.57	-	3750000	2.57
				31-Mar-16	0	0	3750000	2.57			
6	SILVER STALLION LIMITED	1968080	1.35	31-Mar-15	0	0	1968080	1.35	Market action	0	0
				5-Feb-16	0	28400	1939680	1.33			
				12-Feb-16	0	396750	1542930	1.06			
				19-Feb-16	0	163896	1379034	0.95			
				26-Feb-16	0	201539	1177495	0.81			
				4-Mar-16	0	697493	480002	0.33			
				11-Mar-16	0	480002	0	0.00			
				31-Mar-16	0	0	0	0.00			
7	CR RETAIL MALLS INDIA LIMITED	1183600	0.81	31-Mar-15	0	0	1183600	0.81	-	1183600	0.81
				31-Mar-16	0	0	1183600	0.81			

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in shareholding			Cumulative Shareholding during the year		Reason	Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Date	Bought	Sold	No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
8	SAHJAIN SERVICES LIMITED	996550	0.68	31-Mar-14	0	0	1225039	0.84	-	996550	0.68
				31-Mar-14	0	500	1224539	0.84			
				30-Sep-14	56233	0	801000	0.55			
9	MOTILAL OSWAL FINANCIAL SERVICES LIMITED	843000	0.58	31-Mar-14	0	0	1049000	0.72	Market action	0	0
				23-May-14	0	52450	996550	0.68			
				22-Aug-14	0	996550	0	0.00			
				31-Mar-15	0	0	0	0.00			
				31-Mar-15	0	0	843000	0.58			
				1-May-15	0	2	842998	0.58			
				8-May-15	2	0	843000	0.58			
				22-May-15	0	1000	842000	0.58			
				5-Jun-15	0	741000	101000	0.07			
				3-Jul-15	1000	0	102000	0.07			
				17-Jul-15	0	1000	101000	0.07			
				31-Jul-15	1000	0	102000	0.07			
				7-Aug-15	0	1000	101000	0.07			
				14-Aug-15	101929	0	202929	0.14			
				21-Aug-15	15168	0	218097	0.15			
				28-Aug-15	482903	0	701000	0.48			
				4-Sep-15	0	1	700999	0.48			
				11-Sep-15	1	0	701000	0.48			
				18-Sep-15	0	13	700987	0.48			
				25-Sep-15	0	3	700984	0.48			
				30-Sep-15	0	22	700962	0.48			
				2-Oct-15	0	33134	667828	0.46			
				9-Oct-15	33172	0	701000	0.48			
				16-Oct-15	0	1000	700000	0.48			
				30-Oct-15	0	599000	101000	0.07			
				20-Nov-15	207732	0	308732	0.21			
				27-Nov-15	0	22818	285914	0.20			
				4-Dec-15	0	88516	197398	0.14			
				18-Dec-15	0	96486	100912	0.07			
				25-Dec-15	0	912	100000	0.07			
				31-Dec-15	689	0	100689	0.07			
				1-Jan-16	311	0	101000	0.07			
				8-Jan-16	555509	0	656509	0.45			
15-Jan-16	0	655509	1000	0.00							
22-Jan-16	141031	0	142031	0.10							
29-Jan-16	0	1031	141000	0.10							
5-Feb-16	1000	0	142000	0.10							
12-Feb-16	3100	0	145100	0.10							
19-Feb-16	1550	0	146650	0.10							
26-Feb-16	599000	0	745650	0.51							
4-Mar-16	0	605650	140000	0.10							
11-Mar-16	0	13860	126140	0.09							
18-Mar-16	0	43625	82515	0.06							
25-Mar-16	0	54413	28102	0.02							
31-Mar-16	0	28102	0	0.00							
31-Mar-16	0	0	0	0.00							
10	UNION BANK OF INDIA	665000	0.46	31-Mar-15	0	0	665000	0.46	Market action	650000	0.45
				5-Jun-15	0	10000	655000	0.45			
				26-Jun-15	0	5000	650000	0.45			
				31-Mar-16	0	0	650000	0.45			

(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 shareholding due to market action			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Date	Bought	Sold	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Nitesh Shetty	42973685	29.47	11-Sept-15	710	0	42974395	29.47	42974395	29.47
2	Mr. L. S. Vaidyanathan	139501	0.10	-	-	-	139501	0.10	139501	0.10
3	Mr. Ashwini Kumar	138818	0.10	-	-	-	138818	0.10	138818	0.10
4	Mr. Ghyanendra Nath Bajpai	100000	0.07	-	-	-	100000	0.07	100000	0.07
5	Mr. Jagdish Capoor	0	0.00	-	-	-	0	0.00	0	0.00
6	Mr. Ashok Tuniharam	0	0.00	-	-	-	0	0.00	0	0.00
7	Mr. M D Mallya	0	0.00	-	-	-	0	0.00	0	0.00
8	Mrs. DipaliKhanna	0	0.00	-	-	-	0	0.00	0	0.00
9	Mr. Sudhakar Rao	0	0.00	-	-	-	0	0.00	0	0.00
10	Mr. Mahesh Bhupathi	196410	0.13	-	-	-	196410	0.13	196410	0.13
11	Mr. D. Srinivasan	0	0.00	-	-	-	0	0.00	0	0.00
12	Mr. M. A. Venkateshan	0	0.00	-	-	-	0	0.00	0	0.00
	Total	43548414	29.87	-	-	-	43549124	29.87	43549124	29.87

(VI) Indebtedness of the Company including interest outstanding/accrued but not due for payment:**(Amount in Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,956,271,961	-	-	1,956,271,961
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,956,271,961	-	-	1,956,271,961
Change in Indebtedness during the financial year				
• Addition	878,479,130	-	-	878,479,130
• Reduction	307,586,671	-	-	307,586,671
Net Change	570,892,459	-	-	570,892,459
Indebtedness at the end of the financial year				
i) Principal Amount	2,527,164,421	-	-	2,527,164,421
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,527,164,421	-	-	2,527,164,421

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Amount in Rs.)**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Nitesh Shetty Chairman & Managing Director	Mr. L. S. Vaidyanathan Executive Director	Mr. Ashwini Kumar Executive Director & Chief Operating Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,50,00,000	96,11,183	80,90,640	3,27,01,823
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	3,07,701	2,68,018	5,75,719
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify, (i) Variable pay	-	32,85,000	9,00,000	41,85,000
	Total (A)	1,50,00,000	99,18,884	83,58,658	3,32,77,542
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and the rules made thereunder. However, the Company has obtained the approval of the Central Government for the aforesaid remuneration.			

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. Jagdish Capoor	Mr. G. N. Bajpai	Mr. M. D. Mallya	Mr. Ashok T. Aram	Mrs. Shobha Patil	
1.	3. Independent Directors · Fee for attending board and committee meetings · Commission · Others, please specify	8,50,000	7,70,000	7,70,000	50,000	2,20,000	26,80,000
	Total (1)	8,50,000	7,70,000	7,70,000	50,000	2,20,000	26,80,000
		Mr. Sudhakar Rao	Mr. Mahesh Bhupathi	-	-	-	-
2.	4. Other Non-Executive Directors · Fee for attending board and/or committee meetings · Commission · Others, please specify	6,50,000	50,000	-	-	-	7,00,000
	Total (2)	6,50,000	50,000	-	-	-	7,00,000
	Total (B)=(1+2)	15,00,000	8,20,000	7,70,000	50,000	2,20,000	33,60,000
	Total Managerial Remuneration (A)	-	-	-	-	-	33,60,000
	Overall Ceiling as per the Act	The Independent Directors and the Non-Executive Directors are paid only the Sitting fees within the limits as prescribed under the Companies Act, 2013 and no other remuneration is being paid to them.					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. D. Srinivasan, Company Secretary & Chief Compliance Officer	Mr. M. A. Venkateshan, Chief Financial Officer	Total
1.	Gross salary	30,71,536	69,23,148	99,94,684
	(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	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify (i) Variable pay	1,00,000	-	1,00,000
	Total	31,71,536	69,23,148	1,00,94,684

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty		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

Place: Bangalore
Date : May 28, 2016NITESH SHETTY
Chairman & Managing Director
DIN : 00304555

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

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

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

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

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

1. Board of Directors

a) Composition

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with the Regulation 17 of the Listing Regulations.

The Board of Directors of the Company consists of 10 Directors, which includes the Chairman & Managing Director and 2 Whole Time Directors / Executive Directors. The remaining 7 are Non-Executive Directors, of which 5 are Independent Directors, including a woman director.

The composition of the Board is as under:

Category of Directors	Name of Directors
Executive Non- Independent	Mr. Nitesh Shetty – Chairman & Managing Director
Whole time/ Executive Non-Independent	Mr. L S Vaidyanathan – Executive Director - Business Development Mr. Ashwini Kumar – Executive Director & Chief Operating Officer
Non-Executive -Non-Independent	Mr. Mahesh Bhupathi Mr. Sudhakar Rao
Non-Executive – Independent	Mr. G. N.Bajpai Mr. Jagdish Capoor Mr. Ashok T. Aram Mr. M. D.Mallya Mrs. Dipali Khanna *

* Mrs. Dipali Khanna was appointed as an Additional (Independent) Director on 28th May, 2015 by the Board and later her appointment was regularized the 11th Annual General Meeting held on 28th September, 2015.

Mrs. Shobha Patil was inducted to the Board on 31st March, 2015 as Non-Executive Independent Director and resigned from the Board of Directors with effect from 28th May, 2015.

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

The Board met 7 (Seven) times on the following dates during the financial year 2015-16

April 20, 2015	May 28, 2015	August 11, 2015	September 28, 2015
November 6, 2015	February 10, 2016	March 29, 2016	

All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them. The offices held by the directors are in compliance with the Act and the Listing Regulations.

Name	Category	Board meetings held during the year	Board meetings Attended during the year	Whether attended last AGM	Other Directorships held in Public Companies as at March 31, 2016*		Number of Chairmanship/ Committee membership as at March 31, 2016**	
					Chairman	Director	Chairman	Member
Mr. Nitesh Shetty	Chairman & Managing Director	7	7	Yes	-	3	-	-
Mr. L. S. Vaidyanathan	Executive Director-Business Development	7	7	Yes	-	4	-	3
Mr. Ashwini Kumar	Executive Director & Chief Operating Officer	7	7	Yes	-	-	-	-
Mr. G. N. Bajpai	Independent Director	7	7	Yes	-	8	3	9
Mr. Jagdish Capoor	Independent Director	7	7	Yes	-	8	4	7
Mr. M. D. Mallya	Independent Director	7	7	Yes	-	8	2	9
Mr. Ashok T. Aram	Independent Director	7	1	No	-	-	-	-
Mrs. Dipali Khanna #	Independent Director	5	4	No	-	5	-	2
Mr. Sudhakar Rao	Non Executive Non Independent Director	7	6	Yes	-	6	3	6
Mr. Mahesh Bhupathi	Non Executive Non Independent Director	7	1	No	-	-	-	-

Note:

- *a. Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies, Associations and Government Bodies are excluded. Only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for the committee positions.
- **b. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Regulation 26).
- #c. Mrs. Shobha Patil was inducted to the Board on 31st March, 2015 and designated as Non-Executive Independent Director and she resigned on 28th May, 2015.
- d. Mrs. Dipali Khanna was inducted to the Board on 28th May, 2015 as Non-Executive Independent Director and her appointment was regularized at the 11th Annual General Meeting of the Company held on 28th September, 2015.
- e. Details of the Directors seeking appointment/reappointment at the Annual General Meeting, together with the information required to be provided pursuant to Listing Regulations have been given along with the Notice of Annual General Meeting.
- f. None of the Directors on the Board are related to one another inter-se.

Scheduling of Meeting of Board

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

Post meeting the decisions and action items are discussed by the management team and they are reported back to the Board as Action Taken Report and reviewed by the Board/ Committees.

Code of Conduct

The Company had adopted the Code of Conduct for all the employees including Senior Management and the Directors. The Code of Conduct has been posted on the Company's website under the link: [www.niteshestates.com/Investor Relations/ Policies and other related matters/code of conduct](http://www.niteshestates.com/Investor%20Relations/Policies%20and%20other%20related%20matters/code%20of%20conduct). Further, all the Board members and senior management personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

2. **Audit Committee**

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial results / statements, reviewing with the management on the financial results / statements and adequacy of internal audit function, recommending the appointment/ reappointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Terms of reference of the Audit Committee cover all areas prescribed by the Listing Regulations and in compliance with the provisions of Sec 177 of the Companies Act, 2013 and the Rules made there under, mutatis mutandis, as amended from time to time.

Powers & Role of Audit Committee :

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

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

Powers

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

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

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

The Audit Committee met 7 (Seven) times during the year:

April 20, 2015	May 28, 2015	August 11, 2015	September 28, 2015
November 6, 2015	February 10, 2016	March 29, 2016	

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

Name	Category	Meetings held during the year	Attendance
Mr. Jagdish Capoor Independent Director	Chairman	7	7
Mr. G.N. Bajpai Independent Director	Member	7	7
Mr. M.D. Mallya Independent Director	Member	7	7
Mr. L. S. Vaidyanathan Executive Director	Member	7	7
Mr. Sudhakar Rao Non-Executive Non- Independent Director	Member	7	6

3. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee met 4 (Four) times during the year on 28th May, 2015, 11th August, 2015, 6th November, 2015 and 10th February, 2016.

Stakeholders' Relationship Committee comprises of the following members:

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

The details of the Compliance Officer has been provided in the "General Shareholder Information" section of this report.

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

Particulars	Nos.	Nature of Complaints
Complaints received during the year ended March 31, 2016		Request for Annual Report/ Non receipt of Annual Report
a) For quarter ended June, 2015	1	
b) For quarter ended September, 2015	13	
c) For quarter ended December, 2015	2	
d) For quarter ended March, 2016	Nil	
Complaints resolved during the year ended March 31, 2016	16	
Number of complaints remaining unresolved	0	

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

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

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. To determine the remuneration packages for executive directors including pension rights and any compensation payments. To determine the remuneration to executive directors as required under the Companies Act, 2013 and the Rules made there under.
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. The Nomination and Remuneration Committee shall also function as Compensation Committee to look after the Compensation & Benefits of employees. The same committee shall also consider the benefit and administration of the ESOP or any other similar scheme under the Securities Exchange Board of India Guidelines as and when the same is considered by the Board.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

b) Composition:

The Nomination & Remuneration Committee comprises of 5 (five) members out of which 3 are Independent Directors.

Nomination & Remuneration Committee comprises of the following members:

Name	Category	Meetings held during the year	Attendance
Mr. G. N. Bajpai Independent Director	Chairman	2	2
Mr. Jagdish Capoor Independent Director	Member	2	2
Mr. Sudhakar Rao Non- Executive Non-Independent Director	Member	2	2
Mr. M D Mallya Independent Director	Member	2	2
Mr. Nitesh Shetty * Chairman & Managing Director	Member	2	2

- * The Nomination & Remuneration Committee was re-constituted on 6th November, 2015, so as to comply with the regulations of Listing Regulations by having only non-executive directors in the Committee, majority being Independent Directors. Accordingly, Mr. Nitesh Shetty, Chairman & Managing Director relinquished his position from the committee.

The Committee met 2 (Two) times during the year on 28th May, 2015 and 11th August, 2015.

c) Remuneration Policy:

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

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

Remuneration paid to Executive Directors for the year ended March 31, 2016*

Name of Director	Total Remuneration paid (Rs.)
Mr. Nitesh Shetty Chairman & Managing Director	1,57,60,652
Mr. L.S. Vaidyanathan Executive Director - Business Development	1,31,40,132
Mr. Ashwini Kumar Executive Director & COO	92,24,850

* the remuneration paid to the Executive Directors are as per the Central Government approvals.

Non-Executive Directors

Non-Executive Directors are remunerated only by way of sitting fees for the meetings of the Board and the Committees thereof, attended by them.

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

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

Name & Designation of Directors	Sitting Fees (Rs.)
Mr. Jagdish Capoor, Independent Director	8,50,000
Mr. G. N. Bajpai, Independent Director	7,70,000
Mr. M D Mallya, Independent Director	7,70,000
Mrs. Dipali Khanna, Independent Director	2,20,000
Mr. Ashok T Aram, Independent Director	50,000
Mr. Sudhakar Rao, Non-Executive & Non- Independent Director	6,50,000
Mr. Mahesh Bhupathi, Non-Executive & Non- Independent Director	50,000

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

The number of shares held by Non-Executive Directors is as below:

Name & Designation of Directors	No. of Equity Shares
Mr. G. N. Bajpai, Independent Director	100000
Mr. Mahesh Bhupathi, Non-Executive & Non- Independent Director	196410

d) Meeting of the Independent Directors

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company are required to meet at least once a year without the presence of the executive directors or management personnel. Such a meeting is conducted to enable the independent directors to discuss the matters pertaining to the Company's affairs and put forth their views to the Chairman of the Board. The Chairman takes appropriate steps to present their views to the Chairman of the Board. Accordingly, the Independent directors met on 29th March, 2016 during the financial year.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its committees. The evaluation includes the composition of Board, adequacy of independent directors and process of holding the meeting and its committees, culture and execution and performance of the obligations and Governance of the Board as well.

Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee and for the financial year under review, the Committee met once on 29th March, 2016.

During the financial year a contribution of Rs.5,00,000/- was made to CherYsh Trust, a charitable trust working for the upliftment of women and poor girls by way of educating them.

Risk Management

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

5. General Meetings

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

Year	Date	Time	Location
2015	September 28, 2015	2.00 PM	Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052
2014	September 26, 2014	2.00 PM	Chowdiah Memorial Hall, G. D. Park Extension, Vyalikaval, Bangalore – 560 003
2013	September 27, 2013	2.00 PM	Chowdiah Memorial Hall, G. D. Park Extension, Vyalikaval, Bangalore – 560 003

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

Day, Date & Time of AGM	No. of Special Resolutions Passed	Special Resolution passed
Monday, September 28, 2015 at 2.00 P.M.	-	-
Friday, September 26, 2014 at 2.00 P.M.	1	To approve the appointment and the remuneration payable to Mr. Nitesh Shetty, Chairman & Managing Director
Friday, September 27, 2013 at 2.00 P.M.	-	-

b) Extraordinary General Meeting (EGM):

The Company has not conducted any Extra Ordinary General Meeting during the period under review. However a Postal Ballot was conducted on 3rd August, 2015.

c) Postal Ballot conducted during the financial year 2015-16:

During the year, pursuant to Section 110 of the Companies Act, 2013 and the Rules made there under, one Postal Ballot dated 3rd August, 2015, was conducted for obtaining:

- Approval by way of Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for re – appointment of and remuneration payable to Mr. Ashwini Kumar (DIN-02034498) as Whole – time Director designated as Executive Director and Chief Operating Officer of the Company.
- Approval by way of Special Resolution under Section 186 of the Companies Act, 2013 for making investments, upto and not exceeding Rs. 25 Crore in Nitesh Residency Hotels Private Limited, in addition to Rs. 200 Crores already approved i. e., total aggregating to Rs. 225 Crore.
- Approval by way of Special Resolution under Section 180 of the Companies Act, 2013 for pledging the 100% of the security investments of the Company in Nitesh Urban Development Private Limited (NUDPL) a wholly owned

subsidiary in favour of IDBI Trusteeship Service Limited, the Debenture trustee to part secure the Non – Convertible Debenture subscribed by the Debenture holders, in NUDPL.

4. Ordinary Resolution under section 148 of the Companies Act, 2013 for ratifying the remuneration payable to M/s. G S Associates, Cost Accountants appointed as Cost Auditors for the Financial Years 2014 – 15 and 2015 – 16.

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

Resolution No. 1 - Approval by way of Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for re – appointment of and remuneration payable to Mr. Ashwini Kumar (DIN-02034498) as the Whole – time Director designated as Executive Director and Chief Operating Officer of the Company.

Particulars	No. Shares of Rs.10 each	% of total paid up equity capital
Total Postal Ballot dispatched as on Monday, the 29th June 2015		--
Total postal ballot forms received (includes where votes were cast both for and against)	68469267	--
Less: Invalid postal ballot votes	103249	--
Net valid postal ballot votes	68366018	100
Postal ballot forms with assent for Resolution No. 1 as a percentage of net valid shares polled	68274115	99.86
Postal ballot forms with dissent for Resolution No. 1 as a percentage of net valid shares polled	86740	00.14
Votes not fully exercised	5163	--

Result:

The votes cast in favor of the Special Resolution are 99.86% of the total votes received and consequently, the Special Resolution mentioned in the Resolution 1 of the Notice dated Monday, the 15th June, 2015 has been declared as passed by the requisite 2/3rd majority.

Resolution No. 2 - Approval for Special Resolution Under Section 186 of the Companies Act, 2013 for making investments, up to and not exceeding Rs. 25 Crore in Nitesh Residency Hotels Private Limited, in addition to Rs. 200 Crores already approved i. e., total aggregating to Rs. 225 Crore

Particulars	No of Shares of (Rs. 10 Each)	% of total paid up equity capital
a. Total Postal Ballot dispatched as on Monday, the 29th June 2015		--
b. Total postal ballot forms received (includes where votes were cast both for and against)	68469267	--
c. Less: Invalid postal ballot votes	119424	--
Net valid postal ballot votes	68349843	100.0
Postal ballot forms with assent for Resolution No 2 as a percentage of net valid shares polled.	68261973	99.87
Postal ballot forms with dissent for Resolution No 2 as a percentage of net valid shares polled	84040	0.13
Votes not fully exercised	3830	--

Result:

The votes cast in favor of the Special Resolution are 99.87% of the total votes received and consequently, the special Resolution mentioned in the Resolution 2 of the Notice dated Monday, the 15th June, 2015 has been declared as passed by the requisite 2/3rd majority.

Resolution No. 3 - Approve the Special Resolution Under Section 180 of the Companies Act, 2013 for pledging the 100% of the security investments of the Company in Nitesh Urban Development Private Limited (NUDPL) a wholly owned subsidiary in favour of IDBI Trusteeship Service Limited, the Debenture trustee to part secure the Non – Convertible Debenture subscribed by the Debenture holders, in NUDPL

Particulars	No of Shares of (Rs. 10 Each)	% of total paid up equity capital
a. Total Postal Ballot dispatched as on Monday, the 29th June 2015	--	--
b. Total postal ballot forms received (includes where votes were cast both for and against)	68469267	--
Less: Invalid postal ballot votes	120024	--
Net valid postal ballot votes	68349243	100.00
Postal ballot forms with assent for Resolution No 3 as a percentage of net valid shares polled	68244264	99.84
Postal ballot forms with dissent for Resolution No 3 as a percentage of net valid shares polled	101035	0.16
Votes not fully cast	3944	--

Result:

The votes cast in favor of the Special Resolution are 99.84% of the total votes received and consequently, the special Resolution mentioned in the Resolution 3 of the Notice dated Monday, the 15th June, 2015 has been declared as passed by the requisite $\frac{2}{3}$ rd majority.

Resolution No. 4 - Ordinary Resolution under section 148 of the Companies Act, 2013 for ratifying the remuneration payable to M/s. G S Associates Cost Accountants appointed as Cost Auditors for the Financial Years 2014 – 15 and 2015 – 16

Particulars	No of Shares of (Rs. 10 Each)	% of total paid up equity capital
a. Total Postal Ballot dispatched as on Monday, the 29th June 2015	--	--
b. Total postal ballot forms received (includes where votes were cast both for and against)	68469267	--
Less: Invalid postal ballot votes	119424	--
Net valid postal ballot votes	68349843	100
Postal ballot forms with assent for Resolution No 4 as a percentage of net valid shares polled	68269278	99.88
Postal ballot forms with dissent for Resolution No 4 as a percentage of net valid shares polled	76174	0.12
Votes not fully cast	4391	--

Result:

The votes cast in favor of the Special Resolution are 99.88% of the total votes received and consequently, the special Resolution mentioned in the Resolution 4 of the Notice dated Monday, the 15th June, 2015 has been declared as passed by the requisite $\frac{2}{3}$ rd majority.

Procedure adopted for Postal Ballot

- i) The Board at its meeting held on June 15, 2015 approved the items of business to be passed through postal ballot and authorized Mr. L. S. Vaidyanathan, Executive Director and Mr. D. Srinivasan, Company Secretary to be responsible for the entire process of postal ballot.
- ii) Mr. S. Kedarnath, Practicing Company Secretary (C.P. No. 4422), S. Kedarnath & Associates, Bangalore and who is not in employment with the Company was appointed as the Scrutinizer for the poll process.
- iii) Notice of postal ballot along with the ballot papers were sent to the shareholders on June 29, 2015 along with a self-addressed Business Reply envelope addressed to the Scrutinizer.
- iv) An advertisement was published in newspapers, in English in Financial Express and in Kannada in Hosadigantha on 30th June, 2015 about the dispatch of ballot papers and notice of postal ballot.
- v) The duly completed postal ballot papers were received by the Scrutinizer.
- vi) Scrutinizer gave his report to Mr. L. S. Vaidyanathan, Whole-time Director, on August 3, 2015.
- vii) Mr. L. S. Vaidyanathan, Whole-time Director, announced the results on August 3, 2015.

Result:

The results of the Postal Ballot were announced by Mr. L .S. Vaidyanathan, Whole-time Director, on August 3, 2015 at the Company's Registered Office. The votes cast in favor of the Special Resolution and the Ordinary Resolution set out in the Notice sent with the Postal Ballot were 99.86% for Resolution No. 1 and 99.87% for Resolution No. 2 and 99.84% for Resolution No. 3 and 99.88% for the Ordinary Resolution as set out in Resolution No. 4 of the total votes received. Consequently, the Special Resolutions mentioned in the Item No. 1, 2, and 3 and the Ordinary Resolution as set out in Resolution 4 of the Notice were declared as having been passed with the requisite majority.

The above result was intimated to the Stock Exchanges, and published in the newspapers in English in Financial Express and in Kannada in Hosa Digantha. The result was also put up on the Company's Website.

6. Subsidiary Companies

The Company has following unlisted subsidiary companies as on March 31, 2016.

- i. Nitesh Housing Developers Private Limited
- ii. Nitesh Indiranagar Retail Private Limited
 - a. Nitesh Pune Mall Private Limited (formerly Anuttam Developers Private Limited)
- iii. Nitesh Urban Development Private Limited
- iv. Nitesh Property Management Private Limited
- v. Kakanad Enterprises Private Limited

Out of the aforesaid subsidiaries, Nitesh Housing Developers Private Limited and Nitesh Indiranagar Retail Private Limited are material non-listed subsidiaries of the Company.

On 22nd May 2015, Nitesh Indiranagar Retail Private Limited has acquired 100% equity of Anuttam Developers Private Limited (ADPL), Pune, thereby becoming a wholly owned Subsidiary. As per the provisions of Companies Act, 2013, ADPL will be a Second layer subsidiary (WOS) of the Company. The name of the Company was changed from Anuttam Developers Private Limited to Nitesh Pune Mall Private Limited effective 29th June, 2015 and has listed its Non-Convertible Debentures in Whole Sale Debt Market of Bombay Stock Exchange Ltd.

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

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

7. Disclosures

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

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

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

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The disclosure of related party transactions as per AS -18 is part of the Notes to Accounts section of the Financial Statement

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

During the previous financial year the Company has paid a fine of Rs. 1,000/- for one day delayed filing of the Annual Report for 2013-14 and a fine of Rs. 26,000/- for inadvertent improper filing of Clause 49 of the Listing Agreement report for the quarter ended 30th Sept 2014.

Apart from the foregoing, the Company has complied with the requirements of the Listing Agreements/Listing Regulations as well as regulations and guidelines of SEBI and other Statutory Authority on all matters relating to the capital markets.

C. Compliance Certificate certified by the Chief Executive Officer and the Chief Financial Officer

The Chairman & Managing Director and the Chief Financial Officer have certified to the Board that the financials for the year ended March 31, 2016 are in accordance with Schedule II Part B of the Listing Regulations and a copy of which is attached to this Report.

D. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy. The employees of the Company have direct access to the Chairman of the Audit Committee to report their concerns about unethical or inappropriate behavior or violation of the Company's Code of Conduct. No personnel of the Company have been denied access to the Audit Committee.

E. Directors Training/ Familiarization :

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

F. Non-mandatory Recommendation under the Listing Regulations:

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

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

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

Audit Qualifications: The audited financial statements of the Company for the financial year 2014-15 do not contain any qualifications and the Audit Report does not contain any adverse remarks.

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

Compliance Certificate

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

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

8. Means of Communication

- I. The quarterly results and Audited final accounts, in the prescribed format were published in the following Newspapers within 48 hours of the approval of the Board and also been provided to the Stock Exchanges:
 - i. Financial Express (English Daily) and
 - ii. HosaDigantha (Kannada Daily)

- II. The financial results are displayed on www.niteshestates.com
- III. Management Discussion and Analysis forms part of the Directors' Report.
- IV. The official news releases are posted on the Company's website.

General Shareholder Information

I. Annual General Meeting

Date : Wednesday, September 28, 2016
 Time : 2.00 P. M.
 Venue : Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052

II. Financial Calendar

Financial Year : April 1 to March 31

III. Date of Book Closure

The Companies Register of Members, Register of Security holders and Securities Transfer Books will remain closed from **Friday, the 23rd Sept 2016 to Wednesday, the 28th Sept 2016 (both days inclusive)** for the purpose of AGM.

IV. Listing Information

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

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

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

V. Stock Data

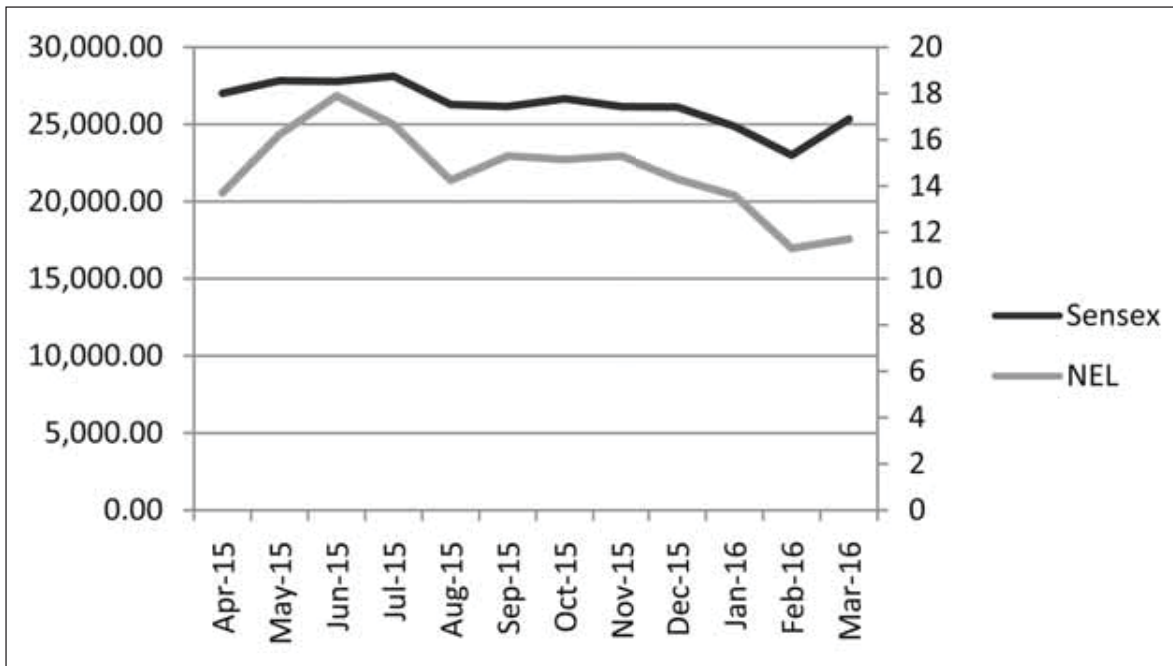
a. Monthly High & Low prices at BSE & NSE during the Financial Year 2015-16

Month	NSE		BSE	
	High	Low	High	Low
Mar-16	13.3	11.05	13.25	11.4
Feb-16	14.10	11.00	14.10	11.00
Jan-16	16.35	12.00	16.35	12.11
Dec-15	15.55	13.55	16.10	13.60
Nov-15	15.50	13.50	17.30	13.50
Oct-15	17.75	14.15	17.95	14.25
Sep-15	17.05	12.75	17.00	12.85
Aug-15	20.40	13.20	20.30	13.25
Jul-15	18.50	16.10	18.50	16.00
Jun-15	18.70	12.55	18.65	13.00
May-15	17.40	12.75	17.55	12.91
Apr-15	17.20	13.00	17.02	12.95

b. The Company's share performance compared to BSE Sensex

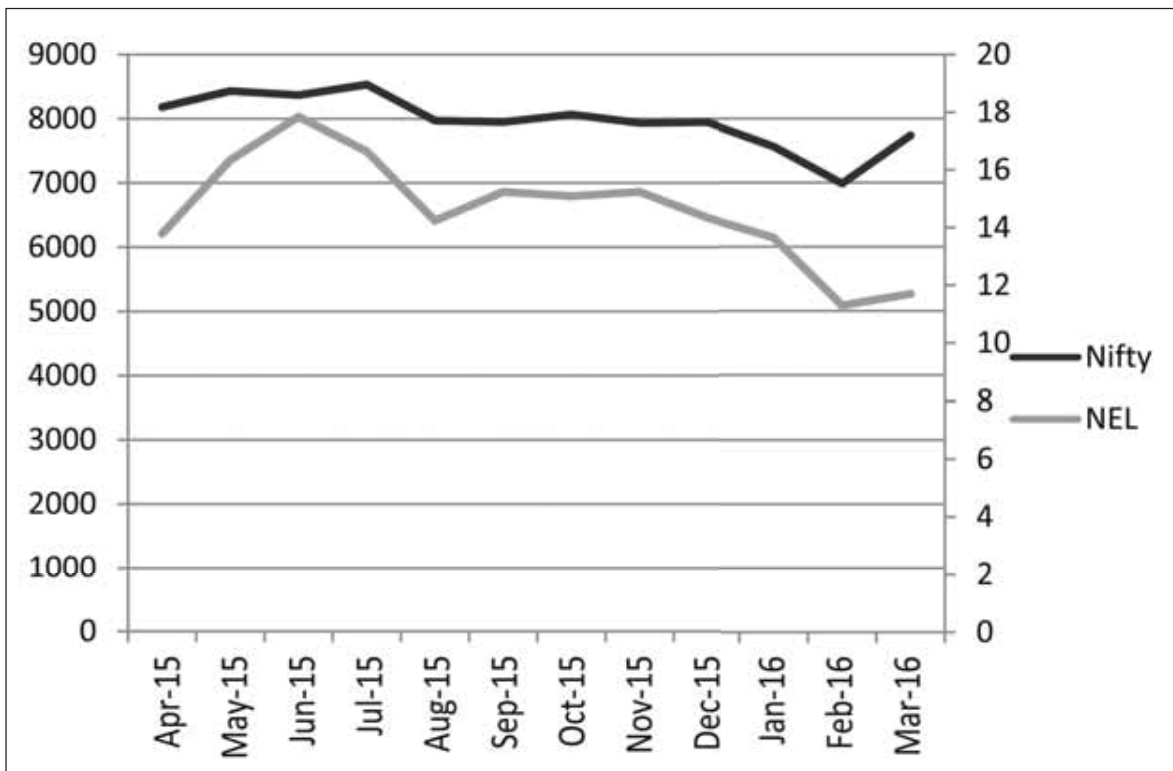
- Compared to BSE SENSEX

Stock Performance



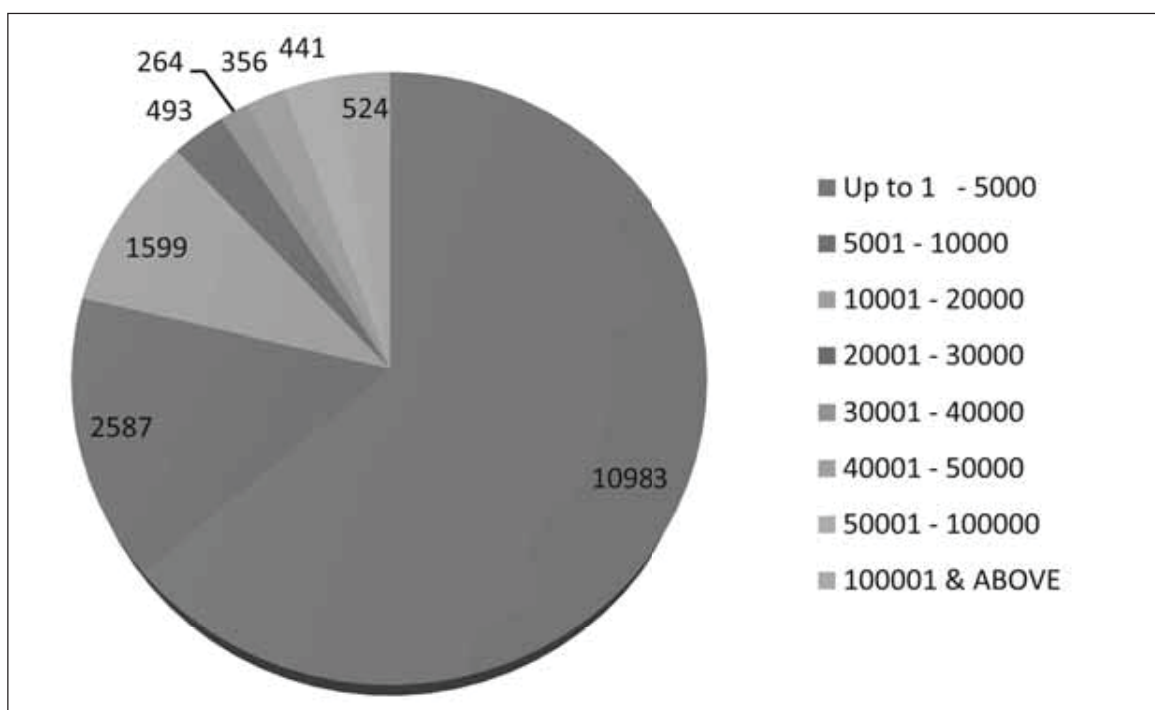
- Compared to NSE NIFTY

Stock Performance

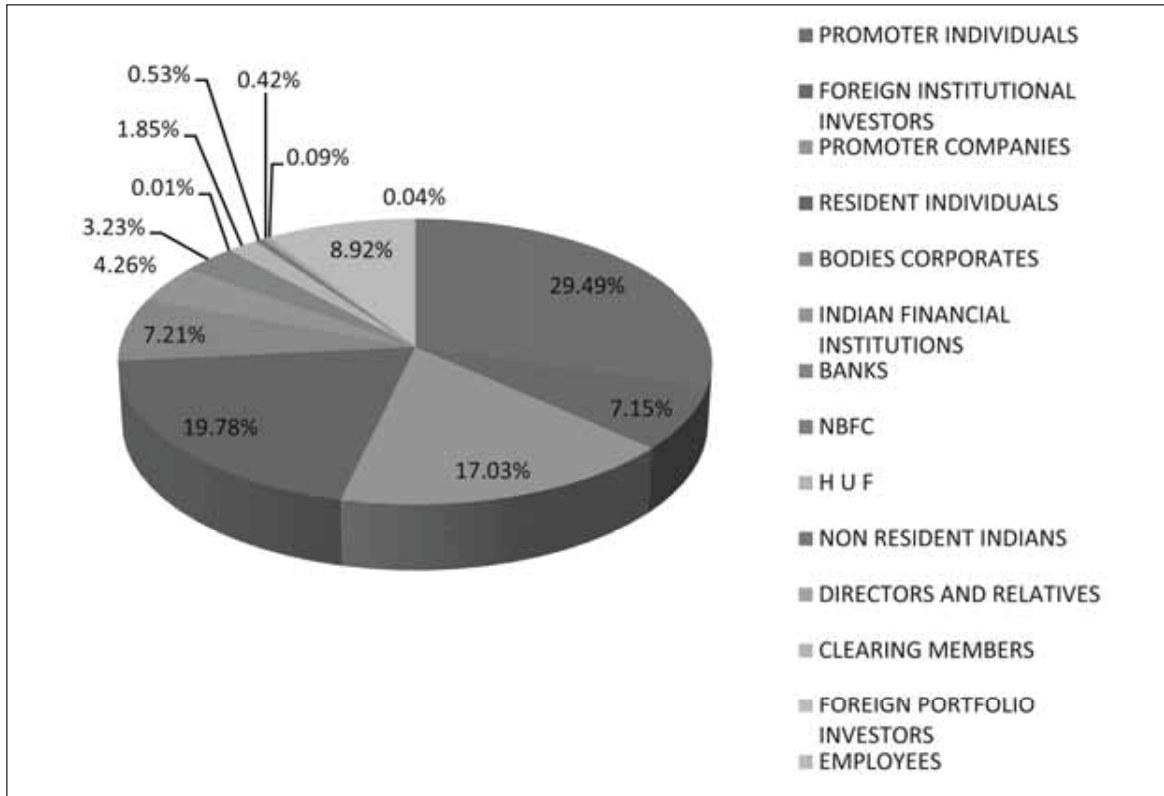


c. Distribution of shareholding as on March 31, 2016

Category	No. of Shareholders	% of Shareholders	Amount	% Amount
1 - 5000	10983	63.68	22673540	1.55
5001 - 10000	2587	15.00	22745470	1.56
10001 - 20000	1599	9.27	26101280	1.79
20001 - 30000	493	2.86	13113950	0.90
30001 - 40000	264	1.53	9686470	0.66
40001 - 50000	356	2.06	17194630	1.18
50001 - 100000	441	2.56	34794100	2.39
100001 & ABOVE	524	3.04	1312011560	89.97
Total	17247	100.00	1458321000	100.00

**d. Shareholding pattern as on March 31, 2016**

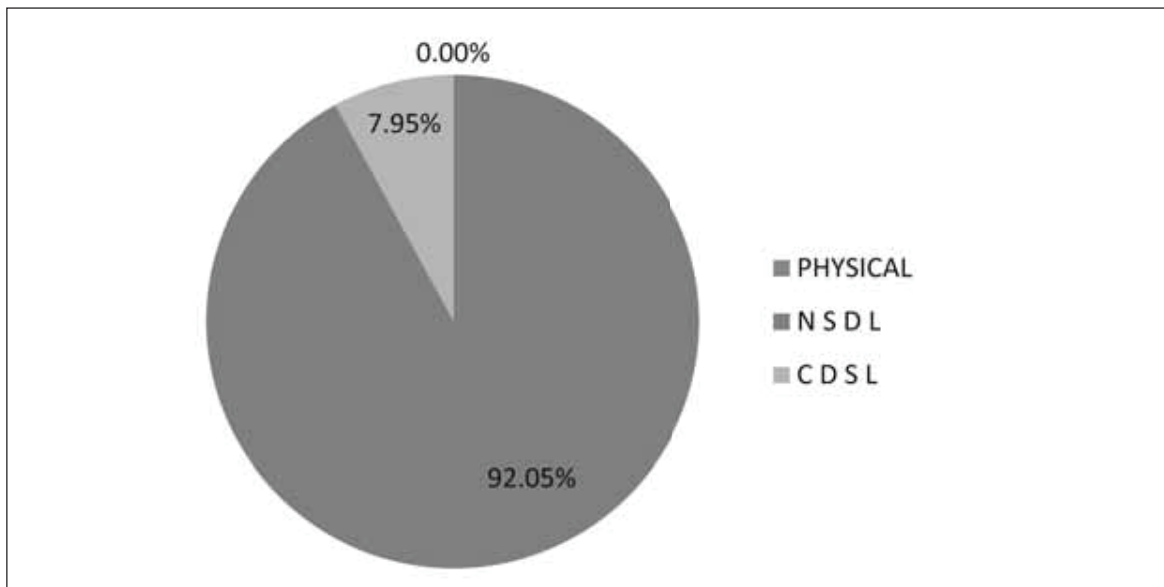
Category	No. of Shareholders	Total Shares	% Shareholding
Banks	3	4703241	3.23
Clearing members	39	129301	0.09
Directors and their relatives	7	609729	0.42
Employees	21	63598	0.04
Foreign Institutional Investor	1	10423667	7.15
Foreign Portfolio Investors	2	13011738	8.92
H U F	490	2698920	1.85
Indian Financial Institutions	1	6208422	4.26
Bodies Corporates	381	10512583	7.21
Non Resident Indians	2	9800	0.01
Promoter Companies	164	778795	0.53
Promoter Individuals	3	24831207	17.03
Resident Individuals	3	43005695	29.49
Total:	16130	28845404	19.78



e. Shares held in physical and dematerialized form as on March 31, 2016

Description	No. of Holders	No. of Shares	% to Equity
PHYSICAL	5	1008	0.00
NSDL	10969	134243493	92.05
CDSL	6273	11587599	7.95
TOTAL	17247	145832100	100.00

Shares in Electronic and Physical form



f. Share Transfer

The Company has appointed Karvy Computer Share Private Ltd., as Registrars and Share Transfer Agents. Karvy's SEBI Registration No. INR000000221. Share transfers are normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

g. Registrar and Transfer Agents:

Karvy Computershare Private Limited,
Karvy House, No. 46, 8-2-609/K,
Avenue 4, Street No. 1 Banjara Hills,
Hyderabad – 500 038, Telangana, India.
Telephone No. : 91-40 23312454 / 23320751
Email: mailmanager@karvy.com

h. Compliance Officer:

Mr. D. Srinivasan,
Company Secretary & Chief Compliance Officer
Level 7, Nitesh Timesquare, # 8, M G Road, Bangalore 560 001
Tel: +91 80 4017 4000, Fax:+91 80 2555 0825
Email: investor@niteshestates.com

CONFIRMATION OF CODE OF CONDUCT

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

I hereby confirm that the Company has received the declarations for the financial year ended 31st March, 2016 in confirmation of the compliance with the Code of Conduct by the members of the Board of Directors and the Senior Management Personnel of the Company as required under the provisions of Regulation 34 read with Schedule of V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place : Bangalore
Date : May 28, 2016

Nitesh Shetty
Chairman & Managing Director
DIN : 00304555

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

To

The Board of Directors
Nitesh Estates Limited
Bangalore 560 001

Dear Sir,

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

- a. We have reviewed financial statements and the Cash Flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Nitesh Shetty
Chairman & Managing Director
DIN : 00304555

Venkateshan M.A.
Chief Financial Officer

Place : Bangalore
Date : May 28, 2016

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
BY COMPANY SECRETARY IN PRACTICE**

To

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

We have examined the compliance of conditions of Corporate Governance by Nitesh Estates Limited for the year ended 31st March, 2016 as stipulated under Regulation 27 and Schedule V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

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

For **S Kedarnath & Associates**
Practicing Company Secretaries

S Kedarnath
Practicing Company Secretary
C.P. No. 4422
FCS. No. 3031

Place : Bangalore
Date : May 28, 2016

Management Discussion and Analysis

Socio Economic Environment

The global economy has been going through a tough and uncertain phase with weak world output growth. This is primarily due to falling commodity prices (in particular crude oil), loss of growth momentum in the advanced economies and continued headwinds in the emerging economies. However, India has been among the few exceptions, with its economy growing at one of the fastest rates globally on the strength of domestic absorption. Despite global headwinds and a second consecutive year of less-than-normal monsoon, the Indian economy is expected to register a robust growth of 7.6% in FY2016, up from 7.2% in FY2015.

In India, lower commodity prices, a range of supply-side measures and a relatively tight monetary stance have resulted in a faster-than-expected fall in inflation, making room for interest rate cuts. Headline inflation based on consumer price index (CPI) declined to 4.9% during April 2015-January 2016 as compared with 5.9% during FY2015. Wholesale price index (WPI) remained in the negative territory since November 2014 and was (2.8)% during April 2015-January 2016 as compared to 2.0% in FY2015. With the easing of inflation and moderation in inflationary expectations, the RBI reduced the repo rate by 25 bps in June 2015 to 7.25%, by 50 bps in September 2015 and then by another 25 bps in April 2016 taking the repo rate down to 6.5%.

Economic growth in India is continued to be driven by a pick-up in domestic demand and private consumption (assuming a normal monsoon), prevalence of low inflationary environment and lower interest rates. According to the Economic Survey 2015-16, the Indian economy stands out as a haven of macroeconomic stability, resilience and optimism, and can be expected to register GDP growth in the range of 7-7.75% in the coming year.

The Current Situation Index (CSI) and the Future Expectation Index (FEI) of consumer confidence have declined by 4.1% and 3.6%, respectively since March 2015 quarter. However, both CSI and FEI have increased marginally (1.2% and 2.2%, respectively) since December 2015 on account of increase in positive perceptions on economic conditions, income and prices. The overall Employment Index increased 41.6% y-o-y to 252 in March 2016. IT – Hardware and Software (+76% y-o-y) continues to chart the steepest year-on-year growth. In terms of region, Bangalore (+64%) leads all cities by the way of long-term growth followed by Chandigarh (+57%) and Mumbai (+53%).

Real Estate Market

Indian Real Estate Market

Overall economic growth, rapid urbanization, rising household incomes and emergence of nuclear families are the key drivers for the growth of real estate market in India. About 10 million people move into cities every year resulting into a shortage of 18.8 million houses. This is expected to result in significant growth in the real estate sector demand.

However, the last few years have been very challenging for the real estate sector with declining sales, mounting debt and delay in projects. To promote the growth in the real estate and infrastructure sectors, the Government has taken commendable steps and unleashed a number of landmark reforms to provide a fresh impetus to these sectors.

The Government of India's vision of 'Affordable Homes' to all and the launch of 100 Smart City projects in India provide a major thrust to the real estate and infrastructure sectors in India. SEBI's notification on the Real Estate Investment Trusts (REITs) Regulation has paved the way for introduction of an internationally acclaimed investment structure in India. The Government also amended the rules for Foreign Direct Investment (FDI) in the construction sector by reducing minimum built up area as well easing the exit norms. These relaxations are expected to go a long way in attracting more investments and improve the business environment in the real estate sector in India. Furthermore, introduction of the new land acquisition law and the appointment of a real estate regulator through the much awaited Real Estate (Regulation and Development) Bill will help boost confidence of the investors as well as the consumers.

The Real Estate (Regulation and Development) Bill will have a profound impact on the Indian real estate industry. Nitesh Estates is in the process of reviewing and modifying the internal processes such that the Company is ready before the time that the applicable clauses become effective. The Bill intends to bring greater transparency in the sale of developed property. This will infuse comfort to customers and investors and will eventually be beneficial to all stakeholders. The Bill makes the real estate developers far more accountable for timely completion of projects, compliance with the promised specifications and usage of the amount received

from the customers for the project by locking of 70% of the value through an escrow mechanism. However, the Bill is silent about the regulation of the approval mechanism that the various Government departments and utility service providers are responsible for. There may be short term operational challenges during the implementation phase but in the longer term the Bill is expected to induce investor and consumer confidence through transparency, accountability and standardization.

Capital market activities in 2015 have been at peak levels with a number of PE deals in the residential and office projects. As a sign of increasing investor confidence, entity-level investments and platform-level deals were also recorded.

The residential segment has seen slow absorption rates across markets resulting in an increase in the inventory levels and stagnation in prices. However, the demand in the mid-income segment remains better than that for the other segments and there is a shift of demand with units of smaller size and correspondingly lower value. Developers' initiative of offering attractive schemes and deal terms, coupled with lowering of interest rates by the RBI has supported investment decision for a lot of home buyers.

The office space absorption in India stood at 35 million sq. ft. which was the second highest number after CY2011. Given the low supply, CY2016 is expected to see consistent demand for commercial spaces. After the opening up of commercial real estate sector to FDI, a shift in the ownership patterns is expected as PE funds and MNC developers increase their stake in projects.

The retail real estate segment has witnessed low supply and development of new quality retail space. In CY2015, industry focused on consolidation of retail real estate by brands and retailers who closed their loss making stores and focused on profit making stores. CY2016 is expected to see more investment in already built, quality retail spaces. New quality malls are expected to become operational indicating the long term attractiveness of India consumption story.

The hotel & hospitality segment has shown early signs of an operational improvement in CY2015 driven by the economic recovery in India. This led to some acquisition and consolidation activity. CY2016 is expected to carry through the momentum generated in CY2015.

Bangalore Real Estate Market

Bangalore's rapid progress in technology and global connectivity helped drive real estate growth. The Bengaluru Real estate market has been one of the most attractive investment destinations in FY2016 when compared with the other cities in India, across all segments. It is the only city which has witnessed an increase in its market size from last year. But absorption levels in the residential segment have not increased and consequently the price points have also remained unchanged. There has been a rise in the inventory levels but this situation is easing as the new projects launched are also seeing a decline.

The Company

Company Overview and Market Positioning

Nitesh Estates Limited ("Nitesh Estates" or "Company") is an integrated property developer and one of India's most recognized luxury real estate brands with presence in multiple asset classes: Residential, Commercial, Hotel and Shopping Mall. Since inception, the Company has brought over 17.80 mn sq. ft. of area under development. The Company made its initial public offering in May 2010 and was listed on the Bombay Stock Exchange and the National Stock Exchange.

The Company has a very strong brand equity, business processes and partnerships to attain the next stage of growth. Over the years, the Company has completed 16 projects across residential, commercial and hospitality segments covering a developable area of 6.12 mn sq. ft. Nitesh Estates currently has 15 ongoing residential projects with a total developable area of 7.18 mn sq. ft. The revenue potential of these projects is over Rs. 3,560 Crore over 3-5 years.

During the year, the Company signed a platform partnership agreement with Goldman Sachs to invest in income generating grade-A office buildings, shopping malls and luxury hotels across Tier I cities in India. Nitesh Estates currently has one operational shopping mall, Nitesh Hub in Pune. The mall has a current leased out to the extent of 50% and is expected to be fully leased out in FY2017. This property is expected to generate an annual rental revenue of Rs. 45 Crore.

In the commercial space, Nitesh Estates has 4 ongoing/upcoming commercial projects in Bangalore central business district (CBD) covering an area of over 0.45 mn sq. ft. The Company is targeting to attain an annual rental income of over Rs. 300 Crore within the next 5 years through its portfolio of income generating assets.

The Ritz-Carlton, one of the world's finest brands for luxury hospitality, partnered with the Company to bring India's first Ritz Carlton Hotel in Bengaluru. Operational since October 2013, The Ritz-Carlton is an epitome of luxury and Nitesh Estates development capabilities. In a very short span of time the hotel has won coveted awards including Conde Nast and Travel + Leisure.

Nitesh Estates has a comprehensive corporate governance framework with an eminent Board and strong management team with significant experience across industries. In line with best in class corporate governance practices, the Company has a high proportion of independent directors with 6 out of the 10 directors being independent.

Operational Performance

During the year, the Company sold 0.326 mn sq. ft. of area with a Sales Value of Rs. 222 Crore. The average realization for the year was Rs. 6,799 per sq. ft., which is one of the best in the Bengaluru real estate industry. The Company sold 151 units in the mid-income, high-income and luxury residential segments. The collections were at Rs. 191 Crore in FY2016.

In March 2016, the Company signed JDA for two additional residential projects which are currently under design and approval stages. These two projects have a total revenue potential of over Rs. 300 Crore.

Financial Performance

Nitesh Estates generated revenue of Rs. 261 Crore, compared with FY2015 revenue of Rs. 291 Crore. The Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. 13 Crore as compared to Rs. 69 Crore in the previous year. The Profit/(Loss) after Tax during the year was Rs. (51) Crore and Net Loss was Rs. (73) Crore.

There were 7 projects under income recognition during the year with Unrecognized Income of Rs. 165 Crore. The Company expects increased revenue going forward owing to various projects getting to advanced stages of construction.

Revenue Breakup

Rs. Crore	FY2016	% share	FY2015	% share
Property Development	239.78	94.64	264.4	92.0
Contractual Activities	3.25	1.28	16.9	5.9
Maintenance Income	7.88	3.12	6.2	2.1
Lease Rent	2.44	0.96	-	-
Total	253.35		287.5	

Financial Condition

(Rupees in Crore)

Particulars	March 31, 2016	March 31, 2015
Sources of funds		
a. Shareholders' funds	236.88	327.82
b. Minority Interest	-	-
c. Loan funds	1,205.23	417.62
Total	1442.11	745.44
Application of funds		
a. Fixed assets (net)	329.56	76.60
b. Investments	104.85	112.15
c. Net current assets	1,006.11	555.72
d. Deferred tax/ miscellaneous expense, among others	1.62	0.97
Total	1442.11	745.44

(Rupees in Crore)

Particulars	12 months ended March 31, 2016	12 months ended March 31, 2015
Profit before tax	(50.61)	38.96
Add: Adjustments	58.21	27.59
Add: Net working capital	(138.73)	(102.59)
Less: Income Tax paid	(4.71)	(1.35)
Net cash flow from operating activities	(135.84)	(37.39)
Net cash flow from investing activities	(563.97)	(25.12)
Cash flow from financing activities	711.68	53.91
Net cash inflow / (outflow)	11.87	(8.6)

Liquidity

As of March 31, 2016, the Company had cash and cash equivalents of Rs. 39 Crore, total debt of Rs. 1,205 Crore and resulting net debt of Rs. 1,166 Crore. The Company's net debt to equity ratio is 4.4x. During Q1 FY2017, the Company retired some high cost debt thereby reducing the average cost of borrowing from 15.5% in March 2016 to 14.7% currently. Net Debt as of June 30, 2016 was Rs. 915 Crore.

Business Strategy

Growing the residential business segment in Bangalore

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

Revenue diversification and expansion of rental income

Nitesh Estates has been strategically focused on diversifying its revenue to include recurring income stream. In line with this strategy, the Company acquired a shopping mall in Pune, Nitesh Hub. This mall is expected to generate about Rs. 45 Crore of annual rental income. During FY2016, Nitesh Estates also signed a platform partnership agreement with Goldman Sachs to invest in income generating assets. Total assets/investments under the partnership will be upto \$250-\$300 million. The Company intends to expand its rental revenue to Rs. 300 Crore annually in next 5 years. Nitesh Estates also has 4 ongoing/upcoming commercial properties in Bangalore central business district (CBD) covering an area of over 0.45 mn sq. ft.

Investment in systems and technologies

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

Selective geographic expansion

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

Managing and promoting talent

Nitesh Estates' culture is focused on customer-centricity, collaborative team work, result orientation, entrepreneurial mindset and developing people. One of the key growth strategies at Nitesh Estates is to manage and promote talent by providing growth opportunities, rewards, respect, learning and fun. The Company's employees are both an important stakeholder group and key

players in its business. With their skills and achievements, the Company is driving a culture of innovation, sustained growth and profitability for Nitesh Estates.

Opportunities and Threats

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

The key threats to real estate business emanate from the cyclicity of the business owing to the tide and ebb in consumer and business confidence. Going forward, with the e-commerce market in India making itself look attractive, can pose a serious threat to the retail real estate. As per an ASSOCHAM report, the surge in e-commerce activities resulted in about 50% decline in footfall in shopping malls across cities. Other immediate challenges to the business are from:

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

Risk management

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

There are several areas of risk related with:

- the macroeconomic environment
- the title of land and joint development partners
- the information technology systems and disaster recovery
- the project management resulting in deviation from planned time, quality, cost and safety
- the availability and cost of building materials
- the changes in statutes and processes in decision making by the Government
- the availability of finance and the cost of financing
- the human resources – their availability, costs and compliance with the code of ethics of the Company
- the vendors and business partners
- the assets of the Company
- the customers and the competitors

Internal Control Systems

Nitesh Estates has an elaborate internal control system which monitors compliance to internal processes. It ensures that all transactions are authorized, recorded and reported correctly. Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of the Company, validation of IT security continues to receive focused attention of the internal audit. The Company has appointed

Deloitte Touche Tohmatsu as their internal auditor. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting to the Audit Committee of the Board.

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

OUTLOOK

The Indian real estate industry witnessed subdued growth in FY2016. However, Bangalore market showed some resilience. The long term outlook still remains attractive due to economic growth, increasing urbanization, employment opportunities, affordability, favorable demographics, urbanization, and preferred location by NRIs, expats and IT/ITES professionals. Further, income tax benefits, interest subvention scheme and availability of financing options support the growing demand. Management would adopt a cautious approach and observe the developments closely while making decisions. The key focus for us in the following year would be:

- **Focus on execution and revenue recognition:** There are 15 residential projects currently in execution having a developable area of 7.18 million sq ft. There are another 6 projects, across asset classes, having a developable area of 1.76 million sq ft which are in various stages of design and approval and are targeted for launch during FY2017. This represents a huge growth in the intensity of the business and correspondingly on the revenue and profits of the Company. We are now focused on staying ahead on the cash collection cycle and accelerate execution. The consumers are highly discerning and the market is competitive. For success in the market place timeliness and quality of delivery are the differentiators.
- **Design and Innovation:** The Company has always focused on building a strong brand recall and differentiating itself from the competitors by continuous investments in new design and innovation for projects. Our association with leading firms like KPF, WATG, Callison, RK Associates and Chadvarkar & Thacker help us develop projects which provide our customers a unique living experience.
- **Cash-flow Management** – Tight control on accounts receivables and accounts payables with the objective of reducing the interest burden.
- **Customer Relationship** – Enhance customer experience at each of their touch points starting with at the stage at which we interact with them to assist in selection of a home till the time it is handed over and thereafter when we provide maintenance services.

Human Resources Development

Nitish Estates employs 674 people across all functions. The Company strives to be an Employer of Choice. High quality recruitment supports the talent management practices of the Company. The Company continues to foster a high performance culture by recognizing good performers and providing them with career enhancing opportunities. Several HR initiatives have been taken for the strategic alignment of the HR function with the business objectives. These initiatives encompass employee engagement, learning & development besides improved internal communication mechanism with employees.

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

Function	Current	% share	FY2015	% share
Construction Management	91	13.50%	78	14.13%
Sales & Marketing	41	6.08%	51	9.24%
Administration & Secretarial	33	4.90%	40	7.25%
Internal Support (HR, IT and F&A)	38	5.64%	31	5.62%
Facility Management	34	5.04%	31	5.62%
Pre-Construction	7	1.04%	9	1.63%
Quality Management	7	1.04%	10	1.81%
Contracts & Procurement	9	1.34%	9	1.63%
MD & COO's Office	8	1.19%	9	1.63%
Business Development	9	1.34%	6	1.09%

Function	Current	% share	FY2015	% share
Legal	6	0.89%	4	0.72%
Pune Mall	23	3.41%	-	-
Ritz Carlton Operations	368	54.60%	274	49.64%
Total	674		552	

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

Cautionary Statement

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

For and on behalf of the Board of Directors

Place : Bangalore
Date : May 28, 2016

NITESH SHETTY
Chairman & Managing Director
DIN : 00304555

Standalone Accounts

Independent Auditor's Report

To
The Members of
Nitesh Estates Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **NITESH ESTATES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit / loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone 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, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the 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.

For and on behalf of
RAY & RAY
Chartered Accountants
Firm Registration No. 301072E

Mrinal Kanti Bandopadhyay
Partner
Membership No. 051472

Bangalore
28th May, 2016

ANNEXURE A TO THE AUDITORS' REPORT**The Annexure referred to in our report to the members of NITESH ESTATES LIMITED for the year ended March 31, 2016**

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, 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, 2016 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, or duty of customs or duty of excise or value added tax or cess which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which amount Pertains	Forum where Disputes is Pending
Income Tax Act	Income Tax	22.50	AY-2011-2012	Asst Commissioner of Income Tax Appeals

- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any money raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (x) No fraud on or by the company has been noticed or reported during the year;

- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (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
Partner
Membership No. 051472

Bangalore
28th May, 2016

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 ESTATES LIMITED** ("the Company") as of 31 March 2016 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. 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 2016, 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 2016, 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
Partner
Membership No. 051472

Bangalore
28th May, 2016

Balance Sheet

	Note	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,458,321,000	1,458,321,000
Reserves and surplus	4	2,868,322,863	3,083,663,911
		4,326,643,863	4,541,984,911
Non-current liabilities			
Long-term provisions	5	13,382,972	11,523,974
		13,382,972	11,523,974
Current liabilities			
Short-term borrowings	6	2,527,164,421	1,956,271,961
Trade payables	7	922,212,431	869,002,346
Other current liabilities	8	1,349,322,968	1,064,728,068
Short-term provisions	9	3,134,043	3,367,808
		4,801,833,864	3,893,370,184
		9,141,860,698	8,446,879,069
ASSETS			
Non-current assets			
Fixed assets	10		
- Tangible assets		10,181,795	13,043,515
- Intangible assets		3,057,855	13,475,868
- Capital work in progress		28,099	-
		13,267,749	26,519,383
Non-current investments	11	4,932,050,870	4,819,519,735
Deferred tax assets, net	12	8,332,345	4,890,223
Long-term loans and advances	13	368,135,952	145,014,172
Other non-current assets	14	7,000,000	7,000,000
		5,315,519,167	4,976,424,130
Current assets			
Inventories	15	1,082,297,109	1,187,944,514
Trade receivables	16	139,669,658	331,548,056
Cash and bank balances	17	185,499,206	27,803,006
Short-term loans and advances	18	1,534,276,139	1,411,275,830
Other current assets	19	871,331,669	485,364,150
		3,813,073,782	3,443,935,556
		9,141,860,698	8,446,879,069
Significant accounting policies	1		
Notes to financial statements	2 to 39		
The notes referred to above form an integral part of the balance sheet			

As per our report of even date attached

for **Ray & Ray**

Chartered Accountants

Firm registration number: 301072E

For and on behalf of the Board of Directors of
Nitesh Estates Limited**Mrinal Kanti Bandyopadhyay**

Partner

Membership No. 051472

Nitesh Shetty

Managing Director

DIN : 00304555

L.S. Vaidyanathan

Executive Director

DIN : 00304652

Ashwini Kumar

Executive Director & Chief Operating Officer

DIN : 02034498

Venkateshan M. A.

Chief Financial Officer

Place: Bangalore

Date: 28 May 2016

D. Srinivasan

Company Secretary

Place: Bangalore

Date: 28 May 2016

Statement of Profit and Loss

	Note	For the year ended 31 March 2016 Rs.	For the year ended 31 March 2015 Rs.
Income			
Revenue from operations	20	871,222,938	1,250,144,430
Other income	21	19,333,330	4,142,471
		890,556,268	1,254,286,901
Expenses			
Cost of inventories sold		623,339,345	683,389,672
Employee benefits	22	94,545,313	68,115,103
Finance costs	23	178,161,621	129,409,617
Depreciation		13,186,963	11,757,810
Other expenses	24	198,392,167	111,863,052
		1,107,625,410	1,004,535,254
Profit / (Loss) before tax		(217,069,142)	249,751,647
Tax expense:			
- current tax		-	52,349,194
- deferred tax (credit)/ charge		(3,442,122)	(4,890,223)
Profit / (Loss) for the year		(213,627,020)	202,292,676
Earning/ (loss) per share (equity shares, par value of Rs 10 each)			
- Basic and diluted		(1.46)	1.39

Significant accounting policies

1

Notes to financial statements

2 to 39

The notes referred to above form an integral part of the statement of profit and loss

As per our report of even date attached

for **Ray & Ray**

Chartered Accountants

Firm registration number: 301072E

For and on behalf of the Board of Directors of
Nitesh Estates Limited**Mrinal Kanti Bandyopadhyay**

Partner

Membership No. 051472

Nitesh Shetty

Managing Director

DIN : 00304555

L.S. Vaidyanathan

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Venkateshan M. A.

Chief Financial Officer

Place: Bangalore

Date: 28 May 2016

D. Srinivasan

Company Secretary

Place: Bangalore

Date: 28 May 2016

Cash Flow Statement

	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Cash flow from operating activities		
Profit/(loss) before tax	(217,069,142)	249,751,647
Adjustments:		
Depreciation	13,186,963	11,757,810
Interest	168,608,242	116,169,760
Deferred tax	-	-
Interest income	(4,553,400)	(834,545)
Creditors no longer required, written back	-	(5,572,944)
Operating profit before working capital changes	(39,827,336)	371,271,727
Decrease/ (increase) in inventories	105,647,403	110,525,436
Decrease/ (increase) in trade receivables	191,878,398	64,396,322
Decrease/ (increase) in other assets	(399,704,969)	(176,640,302)
Decrease/ (increase) in loans and advances	(385,357,300)	(287,255,785)
(Decrease)/ increase in liabilities	337,804,985	(385,579,569)
(Decrease)/ increase in provisions	1,625,233	(489,866)
Cash generated from / (used in) operations	(187,933,585)	(303,772,038)
Income taxes paid	13,737,448	(5,066,676)
Net cash generated from / (used in) operating activities	(174,196,138)	(308,838,714)
Cash flow from investing activities		
Purchase of fixed assets	(1,649,358)	(1,038,198)
Sale/ (purchase) of investments, in subsidiaries and associates, net (including share application money pending allotment)	(112,531,135)	(379,642,566)
Loans and inter corporate deposits (given)/ received, net	39,235,212	(6,443,428)
Decrease/ (increase) in fixed deposits accounts	(99,883,618)	39,575,602
Interest received	4,553,400	1,845,588
Creditors no longer required, written back	-	5,572,944
Net cash generated from /(used in) investing activities	(170,275,498)	(340,130,059)
Cash flow from financing activities		
Secured loans from banks and financial institutions availed/ (repaid)	570,892,460	82,245,268
Proceeds from issue of debentures/ (Repayment) of debentures	-	690,000,000
Decrease/ (increase) in fixed deposits accounts kept as escrow/ lien	-	9,250,000
Interest paid	(168,608,242)	(116,169,760)
Dividend paid, including tax on dividends	-	-
Net cash provided by/(used in) financing activities	402,284,217	665,325,508

Cash Flow Statement (Contd.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Net increase / (decrease) in cash and cash equivalents	57,812,582	16,356,736
Cash and cash equivalents at the beginning of the year	27,610,798	11,254,062
Cash and cash equivalents at the end of the year	85,423,380	27,610,798

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents comprise of:		
Cash and bank balance (refer note 17)	85,423,380	27,610,798
	85,423,380	27,610,798

As per our report of even date attached
for **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

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

Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Nitesh Shetty

Managing Director

DIN : 00304555

L.S. Vaidyanathan

Executive Director

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DIN : 02034498

Venkateshan M. A.

Chief Financial Officer

Place: Bangalore

Date: 28 May 2016

D. Srinivasan

Company Secretary

Place: Bangalore

Date: 28 May 2016

Notes to Financial Statements

1. Company overview

Nitesh Estates Limited (the Company or 'NEL') was incorporated on 20 February 2004. NEL is a real estate developer engaged in the business development, sale, management and operation of residential buildings, retail and hotel projects, commercial premises and other related activities.

2. Significant accounting policies

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

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

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

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

2.3 Use of estimates

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

2.4 Revenue recognition

Revenue is 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.

a) Recognition of revenue from contractual projects

If the outcome of the contractual contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity of each project at the year end. (Percentage of Completion method).

b) Recognition of revenue from property development

For projects commenced and revenue recognition started before 1 April 2012

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 the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognised on percentage of completion method. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

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

Notes to Financial Statements (Contd.)

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.

Unbilled Receivables & Billed Receivables in excess of revenue

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

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

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

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

d) Income from Sale of Land & Plots

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

e) Interest income

Interest income is recognized using the time-proportion method, based on the amount outstanding and the rate applicable.

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.

Notes to Financial Statements (Contd.)

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 profit and loss account. 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 avilment of leave. The present value of obligations towards avilment 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 profit and loss account. 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 profit and loss account.

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

Notes to Financial Statements (Contd.)

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 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 profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

2.12 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.

2.13 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

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.

Notes to Financial Statements (Contd.)

2.14 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.

2.15 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.

2.16 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 profit and loss account for the year.

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

2.17 Borrowing Cost

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

2.18 Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. General corporate income and expense items are not allocated to any business segment.

2.19 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.

2.20 Cash flow statement

Cash flows are prepared using indirect method, whereby net profits/(losses) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipt or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

Notes to Financial Statements (Contd.)**3. Share capital**

Particulars	Rs	
	As at 31 March 2016	As at 31 March 2015
Authorised		
150,000,000 (Previous year: 150,000,000) Equity shares of Rs 10 each	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000
Issued, subscribed and fully paid up		
145,832,100 (Previous year : 145,832,100) Equity shares of Rs.10 each	1,458,321,000	1,458,321,000
	1,458,321,000	1,458,321,000

Notes :

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of shares	Amount	No. of shares	Amount
Number of equity shares at the beginning of the year	145,832,100	1,458,321,000	145,832,100	1,458,321,000
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares outstanding at the end of the year	145,832,100	1,458,321,000	145,832,100	1,458,321,000

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

Name of the share holder	As at 31 March 2016		As at 31 March 2015	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Nitesh Shetty, Managing Director	42,974,395	29%	42,973,685	29%
Nitesh Industries Private Limited	15,536,634	11%	15,472,634	11%
Nomura India Investment Fund Mother Fund	12,971,738	9%	12,971,738	9%
HSBC Bank (Mauritius) Limited	10,423,667	7%	10,723,667	7%

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

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (Previous year : Rs. Nil).

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.

- (d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

Notes to Financial Statements (Contd.)**4. Reserves and surplus**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Security premium		
Opening balance - Security Premium	3,125,854,554	3,125,854,554
Add: addition during the period	-	-
Closing balance	3,125,854,554	3,125,854,554
Surplus in statement of profit and loss		
Opening balance	(42,190,643)	(280,535,576)
Add: profit/(loss) for the period	(213,627,020)	202,292,676
Less: Appropriations		
Depreciation effect	1,714,029	5,558,854
Debentures Redemption Reserve	-	(41,611,111)
Closing balance	(257,531,691)	(42,190,643)
	2,868,322,863	3,083,663,911

5. Long-term borrowings

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
<i>Provision for gratuity (refer note 29)</i>	4,777,242	3,343,793
Provision for compensated absences	8,605,730	8,180,181
	13,382,972	11,523,974

6. Short-term borrowings

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Other short term borrowings		
<i>Secured:</i>		
- from banks	62,481,904	75,000,000
- from financial institutions	1,062,926,170	378,163,135
- 18.5% Non convertible, redeemable debentures	1,250,000,000	1,250,000,000
Cash credit	151,756,347	253,108,826
	2,527,164,421	1,956,271,961

Notes to Financial Statements (Contd.)

Details of security and terms of loans and debentures

(i) Short-Term loans from banks are secured by:

Bank term loan amounting to: Rs 62,481,904 (previous year: Rs 75,000,000)

- i. Equitable mortgage of vacant land situated at Mulavukkad Village, Kanayannur Taluk district registered with Kakanad Enterprises Private Limited, a Subsidiary Company.
- ii. Developers share of 13,621 sq ft of commercial area on an undivided basis in the Project Nitesh Ceasers Palace situated at Bangalore South Taluk registered with the Company.
- iii. Simple and registered mortgage of a flat in the project Nitesh Camp David situated at Pulakeshi Nagar registered with the Company.
- iv. Personal Guarantee of Mr. Nitesh Shetty.
- v. Guarantee of Subsidiary Company - Kakanad Enterprises Private Limited.

Repayment terms	Interest rate
The amount is repayable in 42 monthly installments beginning 18 months from the date of first disbursement	4.10% above base rate

(ii) Short-Term loans from financial institutions are secured by:

a) Term Loan amounting to: Rs 156,729,130 (previous year: Nil)

- i. Mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres and one Pent House (measuring 15221 sq. ft.) of the same project retained by Mr. Nitesh Shetty situated at Sankey Road, Vasant Nagar, Bangalore.
- ii. All future receivables of the project Nitesh Park Avenue.
- iii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Repayment starts from the beginning of 25th Month from the date of first disbursement	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum.

b) Term Loan amounting to: Rs 23,584,179 (previous year: Rs. Nil)

- i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 60 equated monthly installments of Rs. 599,158 pm starting from immediately next month of disbursement.	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.

Notes to the Financial Statements (Contd.)**c) General purpose Working Capital Loan amounting to: Rs 301,602,860 (previous year: Rs 347,602,473)**

- i. First and exclusive charge by way of a mortgage by deposit of title deeds of Nitesh Park Avenue project and Hypothecation of future receivables of the project Nitesh Park Avenue.
- ii. First and exclusive charge by way of a mortgage by deposit of title deeds of Land situated at Kochin, Kakanad, registered in the name of the Company.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 30 Equated Monthly Installment starting from March 15, 2015 to Aug 15, 2017	Rate of Interest for the facility is 16.25%

d) General purpose Working Capital Loan amounting to: Rs 31,010,000 (previous year: Rs. Nil)

- i. First and exclusive charge by way of a mortgage by deposit of title deeds of Nitesh Park Avenue project and Hypothecation of future receivables of the project Nitesh Park Avenue.
- ii. First and exclusive charge by way of a mortgage by deposit of title deeds of Land situated at Kochin, Kakanad, registered in the name of the Company.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 44 Equated Monthly Installment starting from 18th month from the date of first disbursement	Rate of Interest for the facility is 16.25%

e) Term Loan amounting to: Rs 550,000,000 (previous year: Rs Nil)

- i. Mortgage of developer's share of receivables of the following projects ;
 - Nitesh British Columbia
 - Nitesh Long Island
 - Nitesh Chelsea (64%)
- ii. Mortgage of developer's share of area of the following projects ;
 - Nitesh Knights Bridge
 - Nitesh RIO
 - Nitesh Hunter Valley
- iii. Mortgage of developer's share of area in the project Nitesh Virgin Island situated at SY No 2/6 and developers share of revenue (65.5%) in the project situated at SY No 2/2, 2/3, 2/4 & 2/5 at Konadasapura Village, Bidarahalli, Bangalore.
- iv. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects.
- v. Mortgage of developer's share of area in the project Nitesh Soho (formerly known as Plaza) situated at Ali Aksar Road.
- vi. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'.
- vii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Repayment starts from the beginning of 37th Month from the date of first disbursement	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.

Notes to the Financial Statements (Contd.)**f) Term Loan amounting to: Rs NIL (previous year: Rs 30,560,662)**

- i. Mortgage of two unsold units in Nitesh Central Park and three unsold units in Nitesh Flushing Meadows.
- ii. All future receivables of the project Nitesh Flushing Meadows.
- iii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Bullet repayment at the end of 6 months from the date of disbursement	Floating Reference Rate (FRR) plus 0.50%

(iii) Debentures**a) 18.5% Non-Convertible, Redeemable debentures from financial institution amounting to Rs.1,250,000,000 (previous year: Rs. 1,250,000,000) are secured by :**

- i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea.
- ii. Escrow account in respect of the receivables from the projects Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea. .
- iii. First and exclusive charge by way of hypothecation on the receivables in the projects Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea. .
- iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.

Repayment and interest terms

Repayment terms	Interest rate
The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018	18.5% per annum

(iv) Cash credit from banks are secured by :**a) Cash credit amounting to: Rs 9,235 Dr (previous year: Rs 101,440,306)**

- i. Lien on refundable deposits paid to land owners and which are not hypothecated to any Banks/ Institutions in respect of projects which are under pipeline and for which approvals have not yet been received.
- ii. Hypothecation of Receivables/other current assets.
- iii. Personal Guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Cash credit facility drawn on 23 July 2012 for a period of 12 months , extended for a period of 12 months from 28 December 2013	Base rate plus 3%

b) Cash credit amounting to: Rs 151,770,664 (previous year: Rs 151,668,521)

- i. Exclusive charge on the Property admeasuring 21,000 Sq ft situated at Sampangi Ramaswamy Temple Road registered with Courtyard Constructions Private Limited.
- ii. Personal Guarantee of Mr. Nitesh Shetty.
- iii. Corporate Guarantee of a Joint Venture with Courtyard Constructions Private Limited (50% shareholding by Nitesh Urban Development Private Limited).

Repayment and interest terms

Repayment terms	Interest rate
Cash credit facility drawn on 25 October 2013 for a period of 12 months	Base rate plus 7%

Notes to the Financial Statements (Contd.)

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
-Dues to micro and small enterprises (refer note 32)	-	-
-Dues to other creditors	922,212,431	869,002,346
	922,212,431	869,002,346

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Advance received from related parties	208,485,121	-
Advance received from customers for sale of properties	1,042,422,156	734,105,741
Payable to land owners	73,996,200	185,206,070
Other payables		
- withholding and other taxes and duties payable	24,419,491	145,416,256
	1,349,322,968	1,064,728,068

The Company has entered into a joint development agreement with the land owner whereby the Company, at its cost, will construct apartments/buildings on the land owned by the land owner, and the portion of building constructed will be exchanged for ownership in the land. Such portion of land to be acquired by the Company as per joint development agreement is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction. Changes in the estimate/ actual cost of construction from the originally estimated cost are adjusted in the cost of land in the year of such change/ occurrence.

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Provision for compensated absences	2,566,384	3,367,808
Provision for income tax (net of Advance Tax and TDS Receivable)	567,659	-
	3,134,043	3,367,808

Notes to the Financial Statements (Contd.)

10. Fixed assets

Asset category	Gross block				Depreciation			Net block		Rs.
	As at 1 April 2015	Additions/ adjustments during the period	Deletions during the period	As at 31 March 2016	As at 1 April 2015	Charge for the year	Deletions during the period	As at 31 March 2016	As at 31 March 2015	
Tangible assets										
Leasehold improvements	1,63,79,381	-	-	1,63,79,381	1,16,33,145	26,76,190		1,43,09,335	20,70,046	47,46,236
Office equipments	1,14,24,923	2,88,224	3,37,075	1,13,76,072	67,38,305	10,21,322	-22,42,085	1,00,01,711	13,74,361	46,86,618
Computer equipments	2,19,28,969	12,84,636	82,86,318	1,49,27,287	1,94,21,021	10,95,174	75,48,583	1,29,67,612	19,59,675	25,07,948
Furniture and fixtures	97,25,534	2,66,000	1,53,736	98,37,798	64,75,333	5,59,040	-6,18,848	76,53,221	21,84,577	32,50,201
Vehicles	1,65,46,170	-	3,46,131	1,62,00,039	1,31,34,805	6,35,463	1,63,365	1,36,06,903	25,93,137	34,11,365
	7,60,04,977	18,38,860	91,23,260	6,87,20,577	5,74,02,609	59,87,188	48,51,015	5,85,38,782	1,01,81,795	1,86,02,368
Intangible assets										
Computer software	4,69,79,102	-	45,61,995	4,24,17,107	3,35,03,234	71,99,775	13,43,756	3,93,59,253	30,57,855	1,34,75,868
	4,69,79,102	-	45,61,995	4,24,17,107	3,35,03,234	71,99,775	13,43,756	3,93,59,253	30,57,855	1,34,75,868
Asset fully charged	5,558,854									
Total	11,74,25,225	18,38,860	1,36,85,255	11,11,37,684	9,09,05,843	1,31,86,963	61,94,772	9,78,98,034	1,32,39,650	3,20,78,236
Previous year	12,46,54,989	16,77,105	33,48,015	12,29,84,079	8,18,57,149	1,07,93,907	17,45,214	9,09,05,842	3,20,78,237	

Notes to the Financial Statements (Contd.)**11. Non-current investments**

Particulars	Number of shares		Value (Rs)	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
At cost less provision for other than temporary diminution				
Trade investments				
Unquoted				
(i) Investments in equity instruments (fully paid up), unless otherwise stated				
Subsidiary companies				
Nitesh Indiranagar Retail Private Limited	69,910,000	69,910,000	1,890,520,000	1,890,520,000
Nitesh Housing Developers Private Limited	4,494,900	4,494,900	44,949,000	44,949,000
Kakanad Enterprises Private Limited	50,000	50,000	500,000	500,000
Nitesh Urban Development Private Limited	6,582,000	6,582,000	236,692,000	236,692,000
Nitesh Property Management Private Limited	300,000	300,000	3,000,000	3,000,000
Associate company				
Nitesh Residency Hotels Private Limited	152,372,579	140,342,579	1,822,725,790	1,702,425,790
(ii) Investments in preference shares (fully paid up)				
Subsidiaries				
Nitesh Housing Developers Private Limited	4,150,000	4,150,000	830,000,000	830,000,000
(iii) Investments in Association of Persons (AOP)				
Nitesh Estates -Whitefield (refer note iii below)			103,606,880	111,375,745
(iv) Others				
<i>Investment in Government and trust securities (unquoted)</i>				
National Savings Certificate			57,200	57,200
			4,932,050,870	4,819,519,735

Note:

- The Company has made further investments in its subsidiaries based on the independent valuation reports obtained by the Company and as approved by the Board. As at the balance sheet date, the subsidiary companies are in various stages of development/ project set-up and hence, the management believes that there is no diminution other than temporary in the value of its investments.
- Non-cumulative redeemable preference shares (NCRPS) carries non-cumulative dividend of 9% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each NCRPS holder is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to NCRPS. These shares may be redeemed, in whole or in part, at the option of the company at any time on or after 12 December 2012 subject to satisfaction of certain conditions, at the stipulated redemption amount. If not redeemed earlier, these shares will be redeemed on 11 December 2032.
- The particulars of partners of the AOP and the profit sharing ratio are as follows :

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

Notes to the Financial Statements (Contd.)**12. Deferred tax assets (net)**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	8,332,345	4,890,223
	8,332,345	4,890,223
	8,332,345	4,890,223

13. Long-term loans and advances

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Security deposits	368,135,952	145,014,172
	368,135,952	145,014,172

14. Other non current assets

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Minimum alternate tax credit entitlement	7,000,000	7,000,000
	7,000,000	16,250,000

15. Inventories

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Land	333,207,900	368,069,104
Land held under joint development arrangements	118,805,668	285,257,661
Properties under development	613,060,193	534,617,749
Finished goods	17,223,348	-
	1,082,297,109	1,187,944,514

16. Trade receivables

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Debts due for a period exceeding Nine months		
- considered good	-	-
- considered doubtful	-	-
	-	-
Other debts		
- considered good	139,669,658	331,548,056
- considered doubtful	-	-
	139,669,658	331,548,056
Less: provision for doubtful debts	-	-
	139,669,658	331,548,056

Notes to the Financial Statements (Contd.)**17. Cash and bank balances**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash on hand	110,643	296,368
Balances with banks		
- in current accounts	85,312,738	27,314,430
Other bank balances		
- in fixed deposits with bank	100,000,000	-
- in escrow accounts with banks	75,826	192,208
	185,499,206	27,803,006

18. Short-term loans and advances

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Advances paid towards jointly developable properties	998,528,952	848,458,472
Advance paid to related parties		
- loans and advances to subsidiaries and other related entities	-	39,235,212
Vendor advances	372,913,711	168,109,633
Advances for supply of goods and rendering of services	82,513,282	168,768,648
Balances with government authorities	23,266,411	159,274,767
Prepaid expenses	57,053,782	27,047,720
Other advances	-	381,378
	1,534,276,139	1,411,275,830

19. Other current assets

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Unbilled revenue	871,331,669	471,626,700
Advance tax, net of provision for tax	-	13,737,450
	871,331,669	485,364,150

20. Revenue from operations

Particulars	Rs	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Income from property development	838,700,335	1,047,326,720
Income from contractual activities	32,522,603	202,817,710
	871,222,938	1,250,144,430

Notes to the Financial Statements (Contd.)

21. Other income		Rs	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Interest			
- from banks	87,891	797,634	
- from others	4,465,509	36,911	
Provision no longer required	-	5,572,944	
Share of profit/(loss) from investment in AOP	(7,768,865)	(3,627,434)	
Miscellaneous	1,354,517	1,362,416	
Prior Period Income	21,194,278	-	
	19,333,330	4,142,471	
22. Employee benefits		Rs	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Salaries, wages and benefits	55,735,795	32,078,133	
Directors remuneration	35,701,475	33,801,475	
Contribution to provident and other funds	1,468,090	1,254,098	
Staff welfare	1,639,954	981,397	
	94,545,313	68,115,103	
23. Finance costs		Rs	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Interest and other charges			
Interest expense	168,608,242	116,169,760	
Processing fees and other bank charges	9,553,379	13,239,857	
	178,161,621	129,409,617	
24. Other expenses		Rs.	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Power and fuel	3,994,608	3,171,249	
Rent	12,355,720	12,324,307	
Repairs and maintenance	7,793,601	7,725,782	
Office maintenance expenses	4,433,345	3,312,805	
Audit Fees	3,465,000	2,400,000	
Insurance charges	1,526,492	3,342,257	
Interest on customer refund	-	1,937,590	
Rates and taxes	10,817,704	7,084,691	
Legal and professional expenses	30,192,465	14,795,049	
Loss on Scraping of Assets	181,943	-	
Advertising and sales promotion	102,675,434	36,761,468	
Travel and conveyance	7,394,153	7,565,967	
Lease rent-vehicles	370,452	-	
Communication expenses	1,517,166	1,842,818	
Director's sitting fees	3,360,000	2,180,000	
Exchange fluctuation	23,363	38,801	
Miscellaneous expense	8,290,721	7,380,267	
	198,392,167	111,863,052	

Notes to the Financial Statements (Contd.)**25. Commitments and contingent liabilities**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Contingent liabilities		
Claims against the company not acknowledged as debts in respect of		
- Income-tax	27,185,945	27,185,945
- Service tax	-	31,156,450
Corporate guarantee for loans taken by group companies	6,450,000,000	-
Commitments		
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	1,493,871,167	575,905,220

Notes :

- 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.
- The Company has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

26. Details of Construction contracts in progress

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Contract revenue recognized during the year	885,280,983	1,250,144,430
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to the year end	1,801,509,818	1,510,937,894
The amount of customer advances outstanding for contracts in progress as at the year end	968,025,690	734,105,741

27. Auditors' remuneration

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Statutory audit fees	3,300,000	3,540,000
Reimbursement of expenses	165,000	398,968
	3,465,000	3,938,968

Notes to the Financial Statements (Contd.)**28. Earnings/(Loss) per share**

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

(Figures in rupees except number of shares)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net profit/(loss) for the year attributable to equity shareholders	(213,627,020)	202,292,676
Weighted average number of equity shares (face value of Rs 10 each) considered for calculation of basic earnings per share	145,832,100	145,832,100
Earnings / (Loss) per share, basic and diluted	(1.46)	1.39

The Company has no potentially dilutive equity shares.

29. Employee benefits

The Company has a defined benefit gratuity plan. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half months' salary for each year of completed service at the time of retirement/ exit. The Company provides the gratuity benefit through annual contributions to a fund managed by the insurer (Life Insurance Corporation of India). Under this plan, the settlement obligation remains with the Company, although the Employees Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Company.

During the previous year, the scheme was unfunded and hence, the disclosures with respect to plan assets as per Accounting Standard - 15 (Revised) - Employee Benefits were not applicable to the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Particulars	As at 31 March 2016	As at 31 March 2015
Obligations at beginning of the year	5,181,030	6,530,305
Service cost	861,357	1,038,041
Interest on defined benefit obligation	433,092	635,332
Benefits settled	(192,064)	(175,712)
Actuarial (gain)/ loss	285,771	(2,846,936)
Obligations at year end	6,569,186	5,181,030
Plan assets at year beginning, at fair value	1,837,237	1,846,620
Expected return on plan assets (estimated)	262,162	260,796
Actuarial gain / (loss)	(115,390)	(94,467)
Benefits settled	(192,064)	(175,712)
Plan assets at year end, at fair value	1,791,945	1,837,237.00
Reconciliation of present value of the obligation and the fair value of the plan assets:		
Closing obligations	(6,569,186)	(5,181,030)
Closing fair value of plan assets	1,791,944	1,837,237.00
Liability recognised in the balance sheet	(4,777,242)	(3,343,793)
Gratuity cost for the year		
Service cost	861,357	1,038,041
Interest cost	433,092	635,332
Expected return on plan assets	(262,162)	(260,796)
Actuarial (gain)/loss	401,161	(2,752,469)
Net gratuity cost	1,433,448	(1,339,892)

Notes to the Financial Statements (Contd.)

Particulars	As at 31 March 2016	As at 31 March 2015
Assumptions		
Discount rate	7.60%	7.90%
Salary increase	6.00%	6.00%
Attrition rate		
- 21-44 years	2.00%	2.00%
- 45-60 years	1.00%	1.00%
Retirement age	60 years	60 years

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:**Rs.**

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
Present value of the defined benefit obligations	6,569,186	5,181,030	6,530,305	5,751,012	4,163,524
Fair value of plan assets	1,791,944	1,837,237	1,846,620	-	-
Deficit	(4,777,242)	(3,343,793)	(4,683,685)	(5,751,012)	(4,163,524)
Experienced adjustments on plan liabilities	143,429	(3,285,085)	169,954	(2,625)	(2,967,790)
Experienced adjustments on plan assets	(115,390)	(94,467)	69,709	-	-

30. Related parties**(i) Names of related parties and description of relationship:****Enterprises where control exists**

Nitesh Indiranagar Retail Private Limited	Subsidiary company
Nitesh Housing Developers Private Limited	Subsidiary company
Nitesh Urban Development Private Limited	Subsidiary company
Kakanad Enterprises Private Limited	Subsidiary company
Nitesh Property Management Private Limited	Subsidiary company

Related parties where significant influence exists and with whom transactions have taken place during the year*Individuals, Associates and Companies under common control*

Associate company	Nitesh Residency Hotels Private Limited
Enterprises owned or significantly influenced by Key Managerial Person	Nisco Ventures Private Limited
	Southern Hills Developers Private Limited
	Serve & Volley Signages Private Limited
	Nitesh Infrastructure and Construction
	Serve & Volley Media Private Limited
	Serve & Volley Outdoor Advertising Private Limited
	Grass Outdoor Media Private Limited
	Nitesh Industries Private Limited
Partnership firm in which the Company is a partner	Pushrock Environment Private Limited
	Nitesh Estates – Whitefield

Notes to the Financial Statements (Contd.)

Key management personnel
 Nitesh Shetty [Chairman and Managing Director]
 L.S.Vaidyanathan [Executive Director]
 Ashwini Kumar [Executive Director and Chief Operating Officer]

(ii) Related party transactions	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Particulars		
<i>Loans and advances received/(repaid)</i>		
Nitesh Indiranagar Retail Private Limited	(26,671)	181,730
Nitesh Urban Development Private Limited	(224,793,690)	5,997,015
Nitesh Housing Developers Private Limited	(300,644,722)	(5,802,442)
Kakanad Enterprises Private Limited	64,329	201,281
<i>Advances received from customers</i>		
Pushrock Environment Private Limited (Plaza)	(23,000,000)	44,600,000
Pushrock Environment Private Limited (Logos) (Formerly known as Nitstone Environment Private Limited)	(57,979,760)	-
Nitesh Shetty - Park Avenue	(48,705,817)	-
<i>Guarantees given</i>		
Nitesh Urban Development Pvt Ltd	950,000,000	-
Nitesh Housing Developers Private Limited	3,150,000,000	-
Nitesh Pune Mall Pvt Ltd	2,350,000,000	-
<i>Share Application money given/(refunded)</i>		
Nitesh Residency Hotels Private Limited	120,300,000	198,720,000
Nitesh Indiranagar Retail Private Limited	-	181,350,000
Kakanad Enterprises Private Limited	-	500,000
<i>Allotment of shares out of share application money - in equity shares</i>		
Nitesh Residency Hotels Private Limited (refer note below)	120,300,000	230,020,000
Kakanad Enterprises Private Limited	-	400,000
Nitesh Indiranagar Retail Private Limited	-	566,620,000
Nitesh Property Management Private Limited	-	2,900,000
<i>Managerial remuneration</i>		
Nitesh Shetty	13,101,475	13,101,475
L.S.Vaidyanathan	11,700,000	11,700,000
Ashwini Kumar	10,900,000	9,000,000
<i>Advertising and sales promotion expenses</i>		
Serve & Volley Outdoor Advertising Private Limited	4,700,000	200,000
Globo Sport In Private Limited	750,000	-
<i>Rent paid</i>		
Nitesh Infrastructure and Construction	7,245,701	7,449,924
Nitesh Property Management Private Limited	854,495	915,397
Nitesh Industries Private Limited	4,800,000	4,800,000
Nitesh Residency Hotels Private Limited	1,966,763	3,708,966
<i>Share of profit from investment in association of persons (post-tax)</i>		
Nitesh Estates – Whitefield	(7,768,865)	(3,627,434)

Notes to the Financial Statements (Contd.)

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
Income from contractual activities		
Nitesh Residency Hotels Private Limited	10,687,559	60,215,830
Nitesh Estates – Whitefield	21,805,044	140,199,843

(iii) Amount outstanding as at the balance sheet date**Rs.**

Particulars	As at	As at
	31 March 2016	31 March 2015
Trade receivables		
Nitesh Estates – Whitefield	274,813,275	114,298,970
Nitesh Residency Hotels Private Limited	101,557,318	37,689,952
Nitesh Infrastructure and Constructions	5,030,000	5,030,000
Loans and advances to subsidiaries and other related entities		
Nitesh Housing Developers Private Limited	(300,610,495)	34,227
Nitesh Urban Development Private Limited	(216,556,554)	8,237,136
Kakanad Enterprises Private Limited	26,624,349	26,560,020
Southern Hills Developers Private Limited	4,120,672	4,120,672
Nitesh Property Management Pvt Ltd	2,774,780	-
Nitesh Pune Mall Pvt Ltd	92,399	-
Nitesh Indiranagar Retail Private Limited	256,485	283,156
Advance against property		
Nisco Ventures Private Limited	10,762,955	10,762,955
Security Deposits		
Nitesh Infrastructure and Construction	17,690,475	17,690,475
Trade payables		
Nitesh Infrastructure and Construction	203,737	625,801
Nitesh Property Management Private Limited	-	74,032
Serve & Volley Outdoor Advertising Private Limited	-	224,720
Globosport In Pvt Ltd	8,750	-
Nitesh Residency Hotels Private Limited	5,380,539	2,213,776
Trade Advances		
Serve & Volley Outdoor Advertising Private Limited	7,973,182	6,965,002
Globosport In Pvt Ltd	850,000	-
Lease deposit given /(received)		
Nitesh Indiranagar Retail Private Limited	341,775,000	118,700,000
Advance from customers		
Nitesh Residency Hotels Private Limited	40,000,000	40,000,000
Pushrock Environment Pvt Ltd - Plaza	71,000,000	48,000,000
Pushrock Environment Pvt Ltd - Logos (Formerly known as Nitstone Environment Private Limited)	57,979,760	-
Nitesh Shetty - Park Avenue	323,303,511	274,597,694

Notes to the Financial Statements (Contd.)**Lease Deposits Given/Received**

Nitesh Indiranagar Retail Private Limited	341,775,000	118,700,000
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Guarantees given on behalf of the Company and Outstanding

Nitesh Urban Development Pvt Ltd	950,000,000	-
Nitesh Housing Developers Private Limited	3,150,000,000	-
Nitesh Pune Mall Pvt Ltd	2,350,000,000	-

Notes :

The Company has invested a sum of Rs. 1,776,725,790 (Previous year: Rs.1,702,425,790) towards 152,372,579 (Previous year: 140,342,579) Class A equity shares of Nitesh Residency Hotels Private Limited ('NRHPL'). The aforesaid investment has certain transfer restrictions (including consent of another investor) under the Shareholders' Agreement entered into with the other investors in NRHPL. As part of the loan arrangement entered into by NRHPL for funding the hotel project, the Company has provided an undertaking to lenders not to divest its shares in NRHPL. The aforesaid Class A shares have similar voting rights to the Class B shares held by another investor but have different dividend rights in terms of the shareholders agreement. Effective 30 October 2009, NRHPL became an associate of the Company.

31. Interest in Joint Venture

The Company has a 24% share in the profits and losses of Nitesh Estates - Whitefield (Association of Persons), formed in India, a jointly controlled entity, which is engaged in real estate development. The Company's proportionate share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows :

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Assets	161,448,431	178,486,061
Liabilities	85,771,381	95,016,146
Income	5,192,637	39,193,456
Expenses	12,429,494	42,634,838
Net Profit	(7,768,865)	(3,627,434)

Note: The capital expenditure and contingent liability as at and for the year ended 31 March 2016 is Rs. Nil (Previous year: Rs. Nil).

- 32.** The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). The Company has no dues to Micro and Small Enterprises as at 31 March 2016 and 31 March 2015 in the financial statements based on information received and available with the Company.

33. Expenditure in foreign currency (on accrual basis)

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Architect and other related fees included under cost of construction	135,006	4,432,287

Notes to the Financial Statements (Contd.)**34. Unhedged foreign currency exposure**

Foreign currency exposures that have not been hedged by a derivative instrument or otherwise :

Particulars	As at 31 March 2016	
	Amount in foreign currency	Amount in INR
Trade Payables		
- in USD	-	-
- in SGD	-	-
	-	-

There were no unhedged foreign currency exposure as at 31 March 2016.

- 35.** The Company primarily operates only in three business segments - Residential, Retail and Hospitality. All the operations are carried out in India and hence there is no geographical segment.

Accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

Primary segment information:

Rs.

Particulars	For the year ended	
	31 March 2016	31 March 2015
Segment revenue		
Residential	871,222,938	1,250,144,340
Retail	-	-
Hospitality	-	-
Total	871,222,938	1,250,144,340
Less : inter segment revenue	-	-
Net income from operations	871,222,938	1,250,144,340
Segment results		
Residential	(58,240,851)	375,018,793
Retail	-	-
Hospitality	-	-
Total	(58,240,851)	375,018,793
Other income	19,333,330	4,142,471
Interest	(178,161,621)	(129,409,617)
Profit/(Loss) before tax	(217,069,142)	249,751,647
Segment assets		
Residential	(83,178,962)	4,379,626,161
Retail	7,311,731,758	1,944,130,316
Hospitality	1,913,307,901	2,075,865,759
Corporate – unallocated	-	47,256,833
	9,141,860,698	8,446,879,069

Notes to the Financial Statements (Contd.)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Segment liabilities		
Residential	4,815,216,836	3,904,894,158
Retail	-	-
Hospitality	-	-
Corporate – unallocated	-	-
	4,815,216,836	3,904,894,158
Depreciation		
Residential	-	-
Retail	-	-
Hospitality	-	-
Corporate – unallocated	13,186,963	11,757,810
	13,186,963	11,757,810
Capital expenditure		
Residential	-	-
Retail	-	-
Hospitality	-	-
Corporate – unallocated	1,838,860	1,677,105
	1,838,860	1,677,105

36. During the previous year, the Company had revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013.

The carrying amount less residual value of the assets whose remaining useful life has become nil at the beginning of the period amounting to Rs 17,13,325/- has been adjusted in opening retained earnings as on 1st April, 2015

37. In respect of debentures outstanding of Rs. 125 Crores, the transfer to Debenture Redemption Reserve to the tune of Rs. 31.25 Crores could not be made due to absence of adequate profit.
38. The Land and construction cost includes Rs. 1268 Lakhs as finance cost towards interest for the year ended on March 31, 2016.
39. Previous years' figures have been regrouped/ reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached
for **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

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

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Nitesh Shetty
Managing Director
DIN : 00304555

L.S. Vaidyanathan
Executive Director
DIN : 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN : 02034498

Venkateshan M. A.
Chief Financial Officer

D. Srinivasan
Company Secretary

Place: Bangalore
Date: 28 May 2016

Place: Bangalore
Date: 28 May 2016

Consolidated Accounts

Independent Auditor's Report

To the Board of Directors of Nitesh Estates Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NITESH ESTATES LIMITED** ("the Holding Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2016, and their profit / loss and their cash flows for the year ended on that date.

Auditor's Report (Contd.)

Other Matter:

1. We did not audit the financial statements three subsidiaries and one joint venture, whose financial statements reflect total assets (net) of Rs. 14,041.08 Lakhs as at 31st March, 2016, total revenues of Rs. 1587.14 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net Loss of Rs. 36 Lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.
2. The consolidated financial statements also include the Group's share of net loss of Rs. 2,220 Lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate (Previous year ended 31st March, 2015: Rs. (2,857 Lakhs), based on their audited financial statements as certified by the management. These statements reflect total assets (net) of Rs. 47,871 Lakhs as at 31st March, 2016 (As at 31st March, 2015: Rs. 55,620 Lakhs), total revenue of Rs. 11,308 Lakhs (Previous year ended) 31st March, 2015: Rs. 7,854 Lakhs) for the year ended on that date.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with in this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on 31st March, 2016 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the 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.

for RAY & RAY
Chartered Accountants
(Firm's registration number: 301072E)

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Place: Bangalore
Date: 28 May 2016

Annexure - A 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 consolidated internal financial controls over financial reporting of **NITESH ESTATES LIMITED** ("the Holding company") as of 31 March 2016 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. 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 2016, 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 Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI .

for **RAY & RAY**
Chartered Accountants
(Firm's registration number: 301072E)

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Place: Bangalore
Date: 28 May 2016

Consolidated Balance Sheet

	Note	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,458,321,000	1,458,321,000
Reserves and surplus	4	910,443,827	1,819,893,939
		<u>2,368,764,826</u>	<u>3,278,214,939</u>
Non-current liabilities			
Other long-term liabilities	5	385,022,194	147,965,752
Long-term borrowings	6	5,850,229,535	350,758,811
Long-term provisions	7	31,777,057	29,878,781
		<u>6,267,028,786</u>	<u>528,603,344</u>
Current liabilities			
Short-term borrowings	8	6,202,093,995	3,824,829,667
Trade payables	9	2,101,619,803	1,582,877,788
Other current liabilities	10	2,432,343,749	2,771,807,102
Short-term provisions	11	82,268,196	118,863,282
		<u>10,818,325,743</u>	<u>8,298,377,839</u>
		<u>19,454,119,355</u>	<u>12,105,196,122</u>
ASSETS			
Non-current assets			
Fixed assets	12		
- Capital work in progress		604,237,733	581,042,944
- Tangible assets		2,518,702,613	19,815,982
- Intangible assets		3,633,379	14,149,878
		<u>3,126,573,725</u>	<u>615,008,804</u>
Goodwill on consolidation		169,143,521	151,144,857
Non-current investments	14	1,048,179,656	1,121,540,938
Deferred tax assets, net	15	16,190,799	9,665,567
Long-term loans and advances	16	3,841,412,946	3,345,580,576
Other non-current assets	17	36,893,985	36,893,985
		<u>4,942,677,385</u>	<u>4,513,681,066</u>
Current assets			
Current investment	13	291,993	-
Inventories	18	2,698,271,662	2,445,598,499
Trade receivables	19	465,295,837	535,945,331
Cash and bank balances	20	390,590,692	279,687,620
Short-term loans and advances	21	6,109,088,944	2,682,637,456
Other current assets	22	1,552,185,595	881,492,490
		<u>11,215,724,724</u>	<u>6,825,361,395</u>
		<u>19,454,119,355</u>	<u>12,105,196,122</u>

Significant accounting policies

Notes to financial statements

2 to 36

The notes referred to above form an integral part of the balance sheet

As per our report of even date attached

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

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

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Nitesh Shetty
Managing Director
DIN : 00304555

L.S. Vaidyanathan
Executive Director
DIN : 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN : 02034498

D. Srinivasan
Company Secretary

Venkateshan M. A.
Chief Financial Officer

Place: Bangalore
Date: 28 May 2016

Place: Bangalore
Date: 28 May 2016

Statement of Consolidated Profit and Loss

	Note	For the year ended 31 March 2016 Rs.	For the year ended 31 March 2015 Rs.
Income			
Revenue from operations	23	2,535,139,701	2,875,968,379
Other income	24	75,073,578	29,828,929
		2,610,213,279	2,905,797,308
Expenses			
Cost of inventories sold		1,718,779,340	1,716,349,885
Employee benefits	25	302,368,813	221,788,732
Finance costs	26	497,091,095	284,181,710
Depreciation		141,764,693	13,256,762
Other expenses	27	456,356,703	280,613,519
		3,116,360,644	2,516,190,608
Profit / (loss) before tax		(506,147,365)	389,606,700
Tax expense:			
- current tax		5,597,670	89,657,913
- deferred tax (credit)/ charge		(6,525,232)	(9,382,425)
Profit / (loss) for the year after tax		(505,219,803)	309,331,212
Less: Share in loss of associate		222,010,584	285,738,601
Net profit / (loss) for the year		(727,230,387)	23,592,611

Significant accounting policies

Notes to financial statements

2 to 36

As per our report of even date attached

for **Ray & Ray**

Chartered Accountants

Firm registration number: 301072E

For and on behalf of the Board of Directors of
Nitesh Estates Limited**Mrinal Kanti Bandyopadhyay**

Partner

Membership No. 051472

Nitesh Shetty

Managing Director

DIN : 00304555

L.S. Vaidyanathan

Executive Director

DIN : 00304652

Ashwini Kumar

Executive Director & Chief Operating Officer

DIN : 02034498

D. Srinivasan

Company Secretary

Venkateshan M. A.

Chief Financial Officer

Place: Bangalore

Date: 28 May 2016

Place: Bangalore

Date: 28 May 2016

Consolidated cash flow statement

	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Cash flow from operating activities		
Profit/(loss) before tax	(506,147,365)	389,606,700
Adjustments:		
Depreciation	141,764,693	13,256,762
Finance costs	497,091,095	284,181,710
Dividend income	(770,017)	(1,002,663)
Interest income	(55,915,800)	(20,556,530)
Operating profit / (loss) before working capital changes	76,022,605	665,485,979
Decrease / (increase) in inventories	(252,673,163)	996,016,010
Decrease / (increase) in trade receivables	70,649,494	(4,630,365)
Decrease / (increase) in other assets	(677,061,847)	(550,608,772)
Decrease / (increase) in loans and advances	(891,891,215)	(375,449,755)
Decrease/ (increase) in escrow accounts	116,382	85,865,565
(Decrease) / increase in liabilities	359,279,549	(1,186,764,392)
(Decrease) / increase in provisions	4,280,750	9,716,891
Cash generated from / (used in) operations	(1,311,277,445)	(360,368,840)
Income taxes paid	(47,183,500)	(13,456,024)
Net cash generated from / (used in) operating activities	(1,358,460,945)	(373,824,864)
Cash flow from investing activities		
Purchase of fixed assets	(2,655,043,642)	(80,836,041)
Sale / (purchase) of investments, net	(168,363,523)	(195,092,567)
Loans and inter corporate deposits (given) / received, net	(3,022,903,140)	89,709,692
Capital reserve on consolidation	140,734,652	-
Decrease / (increase) in fixed deposits accounts	7,660,240	(87,525,651)
Interest received	57,403,307	21,567,573
Dividends received	770,017	1,002,663
Net cash generated from / (used in) investing activities	(5,639,742,089)	(251,174,332)

Consolidated cash flow statement (Contd.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
	Rs.	Rs.
Cash flow from financing activities		
Secured loans from banks and financial institutions received / (repaid)	5,106,791,912	123,978,271
Debentures received / (repaid)	2,770,000,000	690,000,000
Decrease / (increase) in fixed deposits accounts kept as escrow/ lien	-	9,250,000
Provision for premium on redemption (NIRPL)	(319,816,782)	-
Interest paid	(440,092,401)	(284,099,078)
Net cash provided by / (used in) financing activities	7,116,882,728	539,129,193
Net increase / (decrease) in cash and cash equivalents	118,679,694	(85,870,003)
Cash and cash equivalents at the beginning of the year	46,995,412	132,865,415
Cash and cash equivalents at the end of the year	165,675,106	46,995,412

	As at 31 March 2016	As at 31 March 2015
Components of cash and cash equivalents		
Cash on hand	906,357	1,841,751
Balances with banks		
- in current accounts	164,768,749	45,078,661
- in deposits with original maturity of less than three months	-	75,000
Total cash and cash equivalents (refer note 20)	165,675,106	46,995,412

As per our report of even date attached

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

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

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Nitesh Shetty
Managing Director
DIN : 00304555

L.S. Vaidyanathan
Executive Director
DIN : 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN : 02034498

D. Srinivasan
Company Secretary

Venkateshan M. A.
Chief Financial Officer

Place: Bangalore
Date: 28 May 2016

Place: Bangalore
Date: 28 May 2016

Notes to consolidated financial statements

1 Company overview

Nitesh Estates Limited ('the Company' or 'NEL' or 'the holding company') was incorporated on February 20, 2004. NEL together with its subsidiaries, joint ventures and associate are hereinafter collectively referred to as 'the Group'. The Group is a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities.

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

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

The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

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 Principles of consolidation

- In accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements", the financial statements of the parent company and the subsidiaries have been consolidated, on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- The proportionate share of Group's interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits, to the extent it pertains to the Group as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- The difference between the cost of investment to the holding company, in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. The holding company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.
- The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Notes to consolidated financial statements (Contd.)

2.3 Going concern

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

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

2.4 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.

2.5 Revenue recognition

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

(a) Recognition of revenue from contractual projects

If the outcome of the contractual contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity of each project at year end. (Percentage of Completion method)

(b) Recognition of revenue from property development:

For projects commenced and revenue recognition started before 1 April 2012

Revenue from real estate development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method. Revenue is recognized in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

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

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

- a) all critical approval necessary for the commencement of the project has been obtained
- b) the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred,
- c) at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,
- d) at least 10% of the revenue as per each sales contracts/ agreements with buyers are realized at the balance sheet date

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

Notes to consolidated financial statements (Contd.)

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

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

Unbilled Receivables & Billed Receivables in excess of revenue

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

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

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

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

(d) Income from Sale of Land & Plots

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

(e) Interest income

Interest income is recognized using the time-proportion method, based on the amount outstanding and the rate applicable.

2.6 Investments

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments". Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value, if any, is made to recognize a decline other than temporary in the value of the investments.

2.7 Fixed assets and depreciation

Tangible fixed assets

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

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

Notes to consolidated financial statements (Contd.)

Intangible Fixed Assets

Computer software is amortised using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

2.8 Employee benefits

Defined benefit plan

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

Other long term benefit

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

Defined contribution plan

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

2.9 Leases

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

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

2.10 Earnings / (loss) per share

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

Notes to consolidated financial statements (Contd.)**2.11 Provisions and contingent liabilities**

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

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

2.12 Impairment of assets

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

2.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of 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 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

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

Notes to consolidated financial statements (Contd.)

2.15 Inventories

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

Land

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

Properties under development

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

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

2.16 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.

2.17 Foreign exchange transactions

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

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

2.18 Borrowing Cost

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

2.19 Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. General corporate income and expense items are not allocated to any business segment.

2.20 Cash flow statement

Cash flows are prepared using indirect method, whereby net profits/(losses) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipt or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

Notes to consolidated financial statements (Contd.)**3. Share capital**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Authorised		
150,000,000 (previous year: 150,000,000) equity shares of Rs 10 each	1,500,000,000	1,500,000,000
5,000,000 (previous year: 5,000,000) 9% Non Cumulative Redeemable Preference Shares of Rs 10 each	50,000,000	50,000,000
	1,550,000,000	1,550,000,000
Issued, subscribed and fully paid up		
145,832,100 (Previous year : 145,832,100) Equity shares of Rs.10 each	1,458,321,000	1,458,321,000
	1,458,321,000	1,458,321,000

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

Particulars	31 March 2016		31 March 2015	
	No of shares	Amount	No of shares	Amount
Number of equity shares at the beginning of the year	145,832,100	1,458,321,000	145,832,100	1,458,321,000
Add: Equity shares issued during the year	-	-	-	-
Number of equity shares outstanding at the end of the year	145,832,100	1,458,321,000	145,832,100	1,458,321,000

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

Name of the Shareholder	As at 31 March 2016		As at 31 March 2015	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Nitesh Shetty, Managing Director	42,974,395	29%	42,973,685	29%
Nitesh Industries Private Limited	15,536,634	11%	15,472,634	11%
Nomura India Investment Fund Mother Fund	12,971,738	9%	12,971,738	9%
HSBC Bank (Mauritius) Limited	10,423,667	7%	10,723,667	7%

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

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (Previous year : Rs.Nil).

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.

(d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

Notes to consolidated financial statements (Contd.)**4. Reserves and surplus**

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Security premium		
Opening balance - Security Premium	3,125,854,554	3,125,854,554
Add: addition during the period	(319,816,782)	
Closing balance	2,806,037,772	3,125,854,554
Surplus in statement of profit and loss		
Opening balance	(1,305,960,615)	(1,364,181,918)
Add: profit/(loss) for the period	(727,230,387)	23,592,611
Capital Reserve on consolidation	140,734,652	-
Less: Appropriations		
Reversal of Goodwill on sale of 10 % in NHDPL	5,051,000	5,051,000
Depreciation effect	1,714,029	5,558,854
Debentures Redemption Reserve	-	(41,611,111)
Share of loss in AOP	(3,627,434)	(3,627,434)
Closing balance	(1,895,593,944)	(1,305,960,615)
	910,443,827	1,819,893,939

5. Other long term liabilities

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Security Deposit	1,543,500	2,043,500
Sinking fund	44,736,911	8,297,252
Others	338,741,782	137,625,000
	385,022,194	147,965,752

6. Long-term borrowings

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
<i>Secured:</i>		
- from Banks	2,730,000,000	-
- from financial institutions	229,535	758,811
- Non convertible debentures	3,120,000,000	-
- Compulsorily convertible debentures	-	350,000,000
	5,850,229,535	350,758,811

- a) Vehicle loan from a financial institution [amounting to: Rs 229,535 (previous year: Rs 758,811)]
Vehicle loans from banks are secured by hypothecation of vehicles.

Repayment terms

Loan from a Company is repayable in 60 equated monthly instalments of Rs. 49,588/- per month commencing from September 2012 and ending on August 2017. Loan carries an interest of 11.50% p.a.

Notes to consolidated financial statements (Contd.)**b) Terms of secured redeemable non convertible debentures**

- i. 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
- ii. Hypothecation & Escrow structures on Cash flows of the project
- iii. Corporate guarantee of Nitesh Estates Limited
- iv. Personal guarantee of Promoters.

c) Bank term loan amounting to: Rs 2,730,000,000(previous year: Rs NIL)

- a) Term loan from a Bank is secured against the Hypothecation of all current and movable assets of the Company and Equitable mortgage of leasehold rights on land and building owned by the Company. The loan is guranteed by Nitesh Estates Limited and by Mr. Nitesh Shetty.

Repayment terms	Interest rate
a) Term loan from the Bank is repayable in 36 structured quarterly instalment starting after moratorium period of 36 months.	Loan carries an interest of 2.50% more than the Bank's base rate currently 12.75% p.a.

Interest on term loan taken from the bank amounting to Rs.48,635,137/- is due for the month of February and March 2016.

d) Non convertible Debentures Rs. 2,350,000,000 (previous year Rs. NIL)

The subsidiary company and Debenture Trustee have agreed that the Debenture Payments shall be secured as below :-

- (i) a first ranking exclusive mortgage on the Mortgaged Properties, as described in Schedule I of debenture trust deed i.e. non agricultural land and shopping mall in favour of the Debenture Trustees;
- (ii) a first ranking exclusive hypothecation over the Hypothecated Properties, and all monies lying to the credit of Transaction Accounts in favour of the Debenture Trustee under the Deed of Hypothecation;
- (iii) a first ranking exclusive pledge over the pledged securities in favour of the Debenture Trustee under the Securities Pledge Agreement;
- (iv) issuance by the Company of a Demand Promissory Note in favour of the Debenture Trustee;
- (v) a Corporate Guarantee issued by Nitesh Estates Limited (Ultimate Holding Company)

Repayment terms & rate of interest

These NCD's are issued at par and redeemable at premium which gives an IRR of 16% to the debenture holder (inclusive of interest payments) and an additional premium of 10% of prescribed net equity value payable on redemption. The NCD's are redeemable after five years subject to the call options available at the end of three years and one month.

e) Terms of Zero Coupon Compulsory Convertible Debentures :

The debentures shall be converted into equity shares of the subsidiary company on earlier of the following dates:

- Mandatory conversion date i.e. date falling 8 years after the issue of debentures on 20 June 2012;
- Optional conversion date i.e.
 - (a) dates falling 48 months from the issue date;
 - (b) at the investors' option, upon the occurrence of an event of default;
 - (c) if the project is completed and all sale proceeds have been realised prior to expiry of 48 months from the closing date and if both the parties mutually agree.

The debentures are entitled for conversion to equity shares in the ratio of 1:27,800 on the conversion date.

Notes to consolidated financial statements (Contd.)**7. Long-term provisions****Rs.**

Particulars	As at	
	31 March 2016	31 March 2015
Provision for gratuity (refer note 31)	12,442,956	11,314,039
Compensated absences	19,334,101	18,564,742
	31,777,057	29,878,781

8. Short-term borrowings**Rs.**

Particulars	As at	
	31 March 2016	31 March 2015
Other short term borrowings		
<i>Secured:</i>		
- from banks	3,604,088,977	1,940,577,706
- from financial institutions	1,062,926,170	378,163,135
- 18.5 % Non convertible, redeemable debentures	1,250,000,000	1,250,000,000
Cash credit	151,756,347	253,108,826
<i>Unsecured:</i>		
- from a director	100,000	100,000
- from others	133,222,501	2,880,000
	6,202,093,995	3,824,829,667

Details of security and terms of loans and debentures :**i) Short-Term loans from banks are secured by:****a) Bank term loan amounting to: Rs 62,481,904 (previous year: Rs 75,000,000)**

- i. Equitable mortgage of vacant land situated at Mulavukkad Village, Kanaynnur Taluk district registered with Kakanad Enterprises Private Limited, a Subsidiary Company.
- ii. Developers share of 13,621 sq ft of commercial area on an undivided basis in the Project Nitesh Ceasers Palace situated at Bangalore South Taluk registered with the Company.
- iii. Simple and registered mortgage of a flat in the project Nitesh Camp David situated at Pulakeshi Nagar registered with the Company.
- iv. Personal Guarantee of Mr. Nitesh Shetty.
- v. Guarantee of Subsidiary Company - Kakanad Enterprises Private Limited.

Repayment terms	Interest rate
The amount is repayable in 42 monthly installments beginning 18 months from the date of first disbursement	4.10% above base rate

b) Term loan amounting to: Rs NIL (previous year: Rs 1,137,096,456)

- i. Mortgage of the following projects to the extent of unsold area;
 - Nitesh Hyde Park
 - Nitesh Columbus Square
 - Nitesh Napa Valley and
 - Nitesh Fisher Island
- ii. Charge on all the future receivables from the booked, sold and to be sold apartments in the above projects.
- iii. Mortgage of Company's share in the Project 'Nitesh Key Biscayne'
- iv. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
The amount is repayable in 17 monthly installments beginning 19 months from the date of first disbursement	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.75% per annum and the applicable rate for the said financial facility was 15.00% per annum.

Notes to consolidated financial statements (Contd.)**c) Term loan amounting to: NIL (previous year: Rs 540,508,805)**

- i. Mortgage of the following projects to the extent of unsold area;
 - Nitesh Hyde Park
 - Nitesh Columbus Square
 - Nitesh Napa Valley and
 - Nitesh Fisher Island
- ii. Charge on all the future receivables from the booked, sold and to be sold apartments in the above projects.
- iii. Mortgage of Company's share in the Project 'Nitesh Key Biscayne' and 'Nitesh Melbourne Park'
- iv. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
The loan has to be repaid in 5 monthly installments beginning from the 33rd month from the date of disbursement.	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 18.50% per annum and the applicable rate for the said financial facility was 14.50% per annum.

d) Term loan amounting to: NIL (previous year: Rs 187,972,445)

- i. Mortgage of the following projects to the extent of unsold area;
 - Nitesh Hyde Park
 - Nitesh Columbus Square
 - Nitesh Napa Valley and
 - Nitesh Fisher Island
- ii. Charge on all the future receivables from the booked, sold and to be sold apartments in the above projects.
- iii. Mortgage of Company's share in the Project 'Nitesh Key Biscayne' and 'Nitesh Melbourne Park'
- iv. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Each Tranche of the loan has to be repaid in 12 equal monthly installments after first 6 months of moratorium from end of 1st month from the date of first disbursement of each tranche.	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 18.50% per annum and the applicable rate for the said financial facility was 14.50% per annum.

e) Term loan amounting to: Rs. 2,924,000,000 (previous year: NIL)

- i. Mortgage of the following projects to the extent of unsold area;
 - Nitesh Hyde Park
 - Nitesh Columbus Square
 - Nitesh Napa Valley I & II
 - Nitesh Fisher Island
 - Nitesh Melbourne Park
 - Nitesh Grand Canyon
- ii. Charge on all the future receivables from the booked, sold and to be sold apartments in the above projects.
- iii. Corporate Gurantee of M/s Nitesh Estates Ltd.
- iv. Personal guarantee of Mr. Nitesh Shetty.
- v. DSRA of one quarter interest and one quarter principal

Repayment and interest terms

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

Notes to consolidated financial statements (Contd.)**f) Term loan amounting to: Rs. 32,607,073 (previous year: NIL)**

- i. Mortgage of Villa No 82 A in the project Nitesh Napa Valley admeasuring 5342 sq ft of BUA situated at Vodeyarapura Village, Yelahanka Hobli.
- ii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

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

g) Bank term loan amounting to: Rs 585,000,000 (previous year: NIL)

- i. Mortgage was created on 26.04.2016 (after satisfaction of charge of IDFC Debenture on 26.04.2016) 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 M/s. Nitesh Estates Limited
- v. Personal guarantee of Mr. Nitesh Shetty.

ii) Short-Term loans from financial institutions are secured by:**a) Term Loan amounting to: Rs 156,729,130 (previous year: Rs NIL)**

- i. Mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres and one Pent House (measuring 15221 sq. ft.) of the same project retained by Mr. Nitesh Shetty situated at Sankey Road, Vasant Nagar, Bangalore.
- ii. All future receivables of the project Nitesh Park Avenue.
- iii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Repayment starts from the begining of 25th Month from the date of first disbursement	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum.

b) Term Loan amounting to: Rs 23,584,179 (previous year: Rs NIL)

- i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 60 equated monthly installments of Rs. 599,158 pm starting from immediately next month of disbursement.	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.

c) General purpose Working Capital Loan amounting to: Rs 301,602,860 (previous year: Rs 347,602,473)

- i. First and exclusive charge by way of a mortgage by deposit of title deeds of Nitesh Park Avenue project and Hypothecation of future receivables of the project Nitesh Park Avenue.
- ii. First and exclusive charge by way of a mortgage by deposit of title deeds of Land situated at Kochi, Kakkanad, registered in the name of the Company.

Notes to consolidated financial statements (Contd.)**Repayment and interest terms**

Repayment terms	Interest rate
The loan is repayable in 30 Equated Monthly Installment starting from March 15, 2015 to Aug 15, 2017	Rate of Interest for the facility is 16.25%

d) General purpose Working Capital Loan amounting to: Rs 31,010,000 (previous year: Rs NIL)

- i. First and exclusive charge by way of a mortgage by deposit of title deeds of Nitesh Park Avenue project and Hypothecation of future receivables of the project Nitesh Park Avenue.
- ii. First and exclusive charge by way of a mortgage by deposit of title deeds of Land situated at Kochi, Kakkanad, registered in the name of the Company.

Repayment and interest terms

Repayment terms	Interest rate
The loan is repayable in 44 Equated Monthly Installment starting from 18th month from the date of first disbursement	Rate of Interest for the facility is 16.25%

e) Term Loan amounting to: Rs 550,000,000 (previous year: Rs NIL)

- i. Mortgage of developer's share of receivables of the following projects ;
 - Nitesh British Columbia
 - Nitesh Long Island
 - Nitesh Chelsea (64%)
- ii. Mortgage of developer's share of area of the following projects ;
 - Nitesh Knights Bridge
 - Nitesh RIO
 - Nitesh Hunter Valley
- iii. Mortgage of developer's share of area in the project Nitesh Virgin Island situated at SY No 2/6 and developers share of revenue (65.5%) in the project situated at SY No 2/2, 2/3, 2/4 & 2/5 at Konadasapura Village, Bidarahalli, Bangalore.
- iv. Charge on all the future receivables from the booked, sold and unsold apartments in the above projects.
- v. Mortgage of developer's share of area in the project Nitesh Soho (formerly known as Plaza) situated at Ali Aksar Road
- vi. Mortgage of Flat No A-04 (on 3rd Floor) in the Project 'Nitesh Buckingham Gate'.
- vii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Repayment starts from the beginning of 37th Month from the date of first disbursement	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche.

f) Term Loan amounting to: Rs NIL (previous year: Rs 30,560,662)

- i. Mortgage of two unsold units in Nitesh Central Park and three unsold units in Nitesh Flushing Meadows.
- ii. All future receivables of the project Nitesh Flushing Meadows.
- iii. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Bullet repayment at the end of 6 months from the date of disbursement	Floating Reference Rate (FRR) plus 0.50%

Notes to consolidated financial statements (Contd.)**(iii) Debentures**

18.5% Non-Convertible, Redeemable debentures from financial institution amounting to Rs.1,250,000,000 (previous year: Rs. 1,250,000,000) are secured by:

- i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea.
- ii. Escrow account in respect of the receivables from the projects Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea.
- iii. First and exclusive charge by way of hypothecation on the receivables in the projects Caesar's Palace, Logos, Long Island, British Columbia, Virgin Island & Chelsea. .
- iv. Personal Guarantee of Mr.Nitेश Shetty in favour of the Debenture Trustee.

Repayment and interest terms

Repayment terms	Interest rate
The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018	18.5% per annum

(iv) Cash credit from banks are secured by :**a) Cash credit amounting to: Rs 9,235 Dr (previous year: Rs 101,440,306)**

- i. Lien on refundable deposits paid to land owners and which are not hypothecated to any Banks/ Institutions in respect of projects which are under pipeline and for which approvals have not yet been received.
- ii. Hypothecation of Receivables/ other current assets.
- iii. Personal Guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

Repayment terms	Interest rate
Cash credit facility drawn on 23 July 2012 for a period of 12 months , extended for a period of 12 months from 28 December 2013	Base rate plus 3%

b) Cash credit amounting to: Rs 151,770,664 (previous year: Rs 151,668,521)

- i. Exclusive charge on the Property admeasuring 21,000 Sq ft situated at Sampangi Ramaswamy Temple Road registered with Courtyard Constructions Private Limited.
- ii. Personal Guarantee of Mr. Nitesh Shetty.
- iii. Corporate Guarantee of a Joint Venture with Courtyard Constructions Private Limited (50% shareholding by Nitesh Urban Development Private Limited).

Repayment and interest terms

Repayment terms	Interest rate
Cash credit facility drawn on 25 October 2013 for a period of 12 months	Base rate plus 7%

Notes to consolidated financial statements (Contd.)**9. Trade payables****Rs.**

Particulars	As at	
	31 March 2016	31 March 2015
-Dues to micro and small enterprises (refer note 33)	-	-
-Dues to other creditors	2,101,619,802	1,582,877,788
	2,101,619,802	1,582,877,788

10. Other current liabilities**Rs.**

Particulars	As at	
	31 March 2016	31 March 2015
Current maturities of long-term debt	534,532	477,672
Advance received from related parties	(18,372,022)	16,509,382
Advance received from customers for sale of properties	1,734,262,043	1,641,189,159
Payable to land owners	224,013,163	465,569,174
Billings in excess of revenue	71,573,791	324,866,015
Consideration under joint development agreement towards purchase of land	208,744,264	99,821,663
Accrued salaries and benefits	5,688,864	5,216,585
Interest payable	57,092,042	93,349
Security Deposit	66,883,258	10,000
Other payables	319,499	57,370,965
- for expenses	12,744,257	6,985,314
- withholding and other taxes and duties payable	68,860,059	153,697,825
	2,432,343,749	2,771,807,102

11. Short-term provisions**Rs.**

Particulars	As at	
	31 March 2016	31 March 2015
Provision for gratuity (refer note 31)	3,912,386	966,139
Provision for compensated absences	8,126,689	8,690,462
Provision for income tax (net of Advance Tax and TDS Receivable)	70,229,121	109,206,681
	82,268,196	118,863,282

Notes to consolidated financial statements (Contd.)

12. Fixed assets

Asset category	Gross block		Depreciation				Net block			
	As at 1 April 2015	Additions during the period	Deletions during the period	As at 31 March 2016	As at 1 April 2015	Charge for the period	Impairment provision	Deletions during the period	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Freehold land	-	549,201,283	-	549,201,283	-	-	-	-	549,201,283	-
Project permits and approvals	-	221,632,758	-	221,632,758	-	7,891,279	-	-	181,496,960	-
Mall Building	-	2,261,878,988	-	2,261,878,988	-	298,042,740	380,228,902	-	1,517,392,734	-
Electrical installation	-	181,922,441	-	181,922,441	-	83,890,088	-	-	82,610,891	-
Leasehold improvements	16,379,381	-	-	16,379,381	11,633,145	-	2,676,190	-	2,070,046	4,746,236
Office equipments	13,560,524	300,830,283	389,911	314,000,896	7,408,406	114,077,939	33,922,690	-	156,370,973	6,152,118
Computer equipments	22,268,779	3,928,923	8,286,318	17,911,384	19,669,742	2,233,074	1,237,528	-	2,319,623	2,599,037
Furniture and fixtures	10,251,983	29,370,293	171,178	39,451,098	6,740,754	6,301,864	4,572,586	-	21,234,488	3,511,229
Vehicles	23,374,251	925,175	199,131	24,100,295	15,008,036	868,273	2,381,742	-	6,005,609	8,366,215
	85,834,918	3,549,690,144	9,046,538	3,626,478,524	60,460,083	537,658,497	380,228,902	4,889,654	2,518,702,608	25,374,835
Intangible assets										
Computer software	48,142,380	-	4,445,231	43,697,149	33,992,502	-	7,446,610	-	3,633,384	14,149,878
Assets fully charged	48,142,380	-	4,445,231	43,697,149	33,992,502	-	7,446,610	-	3,633,384	14,149,878
	5,558,854	-	-	-	-	-	-	-	-	5,558,854
Total	128,418,444	3,549,690,144	13,491,770	3,670,175,673	94,452,585	537,658,497	380,228,902	6,265,001	2,522,335,992	33,965,860
Previous year	132,366,560	5,254,102	3,348,015	128,418,444	84,200,285	-	12,961,413	-	33,965,861	94,452,584

Notes to consolidated financial statements (Contd.)

13. Current investments		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
Investment in mutual funds	291,993	-	
	291,993	-	
14. Non-current investments		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
At cost less provision for other than temporary diminution			
Trade investments			
Unquoted			
i. Investments in equity instruments (fully paid up), unless otherwise stated			
Associates			
Nitesh Residency Hotels Private Limited	1,048,122,456	1,121,483,738	
ii. Others			
<i>Investment in Government and trust securities (unquoted)</i>			
National Savings Certificate	57,200	57,200	
	1,048,179,656	1,121,540,938	
15. Deferred tax assets (net)		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
Deferred tax liability			
Excess of depreciation allowable under the income tax laws over depreciation provided for in the books	52,953,354	-	
	52,953,354	-	
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	16,076,072	9,114,968	
Impact of differences between tax depreciation and depreciation/amortization charged for financial reporting	48,117,310	-	
On account of timing differences in recognition of expenses	4,950,771	550,599	
	69,144,153	9,665,567	
	16,190,799	9,665,567	

Notes to consolidated financial statements (Contd.)

16. Long-term loans and advances		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
<i>Unsecured, considered good</i>			
Capital advances	-	1,000,000	
Security deposits	216,828,739	1,205,729,782	
Advance paid to related parties			
- towards jointly developable properties	575,240,913	-	
- non refundable deposit to land owner	1,055,000,000	-	
- others	1,398,253	-	
Other loans and advances			
- Vendor advance	8,644,062	-	
- Advance against property	1,915,026,687	2,125,976,687	
- Advance tax, net of provision for tax	8,468,810	979,309	
- Others	60,805,482	11,894,798	
	3,841,412,946	3,345,580,576	
17. Other non current assets			
Particulars	As at 31 March 2016	As at 31 March 2015	Rs.
Land at cost	26,572,085	26,572,085	
Advance towards participation in real estate development project	3,321,900	3,321,900	
Minimum alternate tax credit entitlement	7,000,000	7,000,000	
	36,893,985	36,893,985	
18. Inventories			
Particulars	As at 31 March 2016	As at 31 March 2015	Rs.
Land	359,359,978	394,579,478	
Land held under joint development arrangements	631,180,165	791,408,666	
Properties under development	1,690,508,170	1,259,610,355	
Finished goods	17,223,348	-	
	2,698,271,662	2,445,598,499	
19. Trade receivables			
Particulars	As at 31 March 2016	As at 31 March 2015	Rs.
<i>Unsecured, considered good</i>			
Debts due for a period exceeding Nine months			
- considered good	21,746,725	40,623	
- considered doubtful	13,022,444	-	
	34,769,169	40,623	
Other debts			
- considered good	444,183,305	535,904,707	
- considered doubtful	-	750,000	
	444,183,305	536,654,707	
Less: provision for doubtful debts	13,656,636	750,000	
	465,295,837	535,945,331	

Notes to consolidated financial statements (Contd.)

20. Cash and bank balances		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
Cash and cash equivalents			
Cash on hand	906,357	1,841,751	
Balances with banks			
- in current accounts	164,768,749	45,078,661	
- in fixed deposit accounts with banks	-	75,000	
Other bank balances			
-in fixed deposits with bank	224,839,760	232,500,000	
-in escrow accounts with banks (Refer note below)	75,826	192,208	
	390,590,692	279,687,620	
21. Short-term loans and advances		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
Unsecured, considered good			
Security Deposit	465,350	465,350	
Advance paid for purchase of properties	215,629,505	462,722,385	
Advances paid towards jointly developable properties	1,317,975,939	1,163,124,503	
Advance paid to related parties			
- loans and advances to subsidiaries and other related entites	3,033,792,043	10,888,903	
Advance for construction of inventory	372,913,711	168,109,633	
Advances for supply of goods and rendering of services	829,852,978	657,736,706	
Balances with government authorities	43,550,181	173,797,030	
Prepaid expenses	293,267,351	35,928,645	
Interest accrued	696,215	9,161,649	
Other advances	945,671	702,652	
	6,109,088,944	2,682,637,456	
22. Other current assets		Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015	
Interest accrued but not due	1,487,507	-	
Unbilled revenue	1,541,841,871	867,755,039	
Advance tax, net of provision for tax	8,856,219	13,737,450	
	1,552,185,597	881,492,488	
23. Revenue from operations		Rs.	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	
Income from property development	2,397,899,612	2,643,804,808	
Income from contractual activities	32,493,243	169,169,748	
Building Maintenance income	78,800,609	61,752,562	
Lease Rent Income	24,427,742	-	
Other operating income	1,518,496	1,241,261	
	2,535,139,701	2,875,968,379	

Notes to consolidated financial statements (Contd.)

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
24. Other Income		
Interest		
- from banks	4,317,791	20,433,975
- from others	51,598,009	122,555
Dividend from mutual funds	770,017	1,002,663
Provision no longer required	1,273,628	8,384,799
Share of profit from investment in AOP	(7,768,865)	(3,627,434)
Miscellaneous income	3,688,720	3,512,371
Prior Period Income	21,194,278	-
	75,073,578	29,828,929
25. Employee benefits		
Salaries and wages	255,191,933	212,445,584
Directors remuneration	35,701,475	-
Contribution to provident and other funds	6,563,283	5,619,576
Staff welfare	4,912,122	3,723,572
	302,368,813	221,788,732
26. Finance costs		
Interest and other charges		
- On bank loan	463,033,415	270,754,932
- On debentures	6,940,680	-
- Others	1,404,866	180,869
Processing fees and other bank charges	25,712,134	13,245,909
	497,091,095	284,181,710
27. Other expenses		
Power and fuel	13,347,607	10,684,162
Rent	29,635,416	30,498,082
Repairs and maintenance - others	45,769,170	16,577,463
Office maintenance expenses	5,486,270	4,826,120
Bad debts written off	510,066	-
Insurance charges	3,095,821	3,674,974
Rates and taxes	27,536,398	14,917,430
Professional and consultancy charges	73,365,511	38,006,162
Payment to Auditors	6,565,103	4,051,178
Advertising and sales promotion	197,820,779	101,092,503
Travelling and conveyance	17,769,269	19,618,475
Lease rent - vehicles	1,134,080	1,670,000
Loss on Scraping of Assets	181,943	-
Communication expenses	3,348,142	3,714,230
Printing, postage and stationery	1,360,240	1,621,619
Director Sitting fees	3,400,000	2,180,000
Housekeeping Charges	732,899	972,071
Hire Charges	3,850,532	2,274,888
Sales office expense	90,702	1,336,396
Security Charges	1,603,965	1,879,177
Bank charges	2,229,786	7,776,254
Interest and other charges	302,686	2,241,118
Foreign exchange loss (net)	9,755	38,802
Miscellaneous expenses	17,210,562	10,962,414
	456,356,703	280,613,519

Notes to consolidated financial statements (Contd.)

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Contingent liabilities		
Claims against the company not acknowledged as debts in respect of		
- Income-tax	86,090,705	99,414,236
- Service tax	394,966	31,156,450
Commitments		
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	3,437,785,047	1,898,308,616

Notes :

- a. During the year, Nitesh Urban Development Private Limited, a subsidiary Company, issued Non-Convertible Debentures to an investor amounting to Rs 770,000,000. NCD Shall be redeemed along with redemption premium. Out of these proceeds the Company has utilized Rs. 580,000,000 for the retirement of 350 Compulsorily Convertible Debentures of Rs. 1,000,000 each.
- b. The Group has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Group, the Group is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Group.

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Contract revenue recognized as revenue for the year	2,812,974,556	2,812,974,556
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to the reporting date for all the contracts in progress	5,216,689,969	4,087,629,798
The amount of customer advances outstanding for contracts in progress as at the reporting date	1,599,265,166	1,625,100,100

30. Earnings / (Loss) per share

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

(Figures in rupees except number of shares)

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Net profit / (loss) for the year attributable to equity shareholders	(727,190,387)	23,592,611
Weighted average number of equity shares (face value of Rs 10 each) considered for calculation of basic earnings per share	145,832,100	145,832,100
Earnings / (Loss) per share, basic and diluted	(5)	0.16

The Company has no potentially dilutive equity shares.

Notes to consolidated financial statements (Contd.)**31. Employee benefits**

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

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Obligations at beginning of the year	15,406,073	13,008,438
Service cost	3,749,048	3,210,005
Interest on defined benefit obligation	1,407,975	1,348,349
Benefits settled	(2,135,600)	(716,361)
Actuarial (gain) / loss	(115,132)	(1,444,358)
Liabilities settled on divestiture	-	-
Obligations at year end	18,312,364	15,406,073

Change in plan assets

Particulars	As at	
	31 March 2016	31 March 2015
Plan assets at the beginning of the year, at fair value	3,447,308	3,845,447
Expected return on plan assets (estimated)	403,428	463,569
Actuarial gain / (loss)	(260,016)	(352,349)
Contributions	1,342,860	207,002
Benefits settled	(2,135,600)	(716,361)
Plan assets at year end, at fair value	2,797,980	3,447,308

Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	As at	
	31 March 2016	31 March 2015
Closing obligations	(9,933,250)	(15,308,848)
Closing fair value of plan assets	3,032,826	3,447,308
Asset / (liability) recognised in the balance sheet	(6,900,424)	(11,861,540)

Gratuity cost for the year

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
Service cost	3,749,048	3,210,005
Interest cost	1,407,975	1,348,349
Expected return on plan assets	(403,428)	(353,298)
Actuarial (gain)/loss	144,884	(1,222,688)
Past service cost	-	-
Net gratuity cost	4,898,479	2,982,368

Assumptions

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
Discount rate	7.90%	9.10%
Estimated rate of return on plan assets	8.00%	8.00%
Salary increase	6.00%	6.00%
Attrition rate		
- 21-44 years	2.00%	2.00%
- 45-60 years	1.00%	1.00%
Retirement age	60 years	60 years

Notes to consolidated financial statements (Contd.)

The estimate 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 the employment market.

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

Particulars	As at and for the year ended 31 March				
	2012	2013	2014	2015	2016
Present value of the defined benefit obligations	7,642,718	11,260,042	13,008,438	15,308,848	9,933,250
Fair value of plan assets	-	-	4,069,009	3,447,308	3,032,826
Surplus/ (Deficit)	(7,642,718)	(11,260,042)	(8,939,429)	(11,861,540)	(6,900,424)
Experience adjustment on plan assets	-	-	200,431	(352,349)	(260,016)
Experience adjustment on plan liabilities	(2,967,790)	(959,115)	(574,480)	675,311	197,113

32. Related parties**(i) The details of subsidiaries, joint ventures and associate companies consolidated in these financial statements are:**

Name of Company	Country of incorporation	Equity holding
Subsidiaries		
Nitesh Indiranagar Retail Private Limited	India	100%
Nitesh Housing Developers Private Limited	India	100%
Nitesh Urban Development Private Limited	India	100%
Kakanad Enterprises Private Limited	India	100%
Nitesh Property Management Private Limited	India	100%
Joint Venture		
Nitesh Estates – Whitefield [Association of Persons]	India	24%
Associate		
Nitesh Residency Hotels Private Limited	India	22.22%

(ii) Related parties with whom transactions have taken place during the year

Associate company	Nitesh Residency Hotels Private Limited
Enterprises owned or significantly influenced by Key Managerial Person	Nisco Ventures Private Limited Southern Hills Developers Private Limited (formerly Nitesh Estates Projects Private Limited) Serve & Volley Signages Private Limited Nitesh Infrastructure and Construction Nitesh Industries Private Limited Serve & Volley Outdoor Advertising Private Limited Grass Outdoor Media Private Limited Avni Financial & Real Estate Private Limited Birch Investment Private Limited HMG Estate & Housing Limited Khubchandani Interbuild Private Limited Pushrock Environment Private Limited
Joint venture	Nitesh Estates – Whitefield Courtyard Constructions Private Limited

Notes to consolidated financial statements (Contd.)

Joint venturers	D. N. Budhrani H. N. Budhrani Khubchandani Joji Reddy Showrie Reddy
Key management personnel	Nitesh Shetty [Chairman and Managing Director] L.S.Vaidyanathan [Executive Director] Ashwini Kumar [Executive Director and Chief Operating Officer]

(iii) Related party transactions**Rs.**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Share in Profit to Joint Venturer		
Showrie Reddy	(10,332,591)	(6,348,009)
Joji Reddy	(8,364,478)	(5,138,864)
Advances received from customers		
Pushrock Environment Private Limited (Formerly known as Nitstone Environment Private Limited)	78,479,760	76,280,000
Nitesh Shetty - Park Avenue	48,705,817	-
Share Application money given/ (refunded)		
Nitesh Residency Hotels Private Limited (refer note below)	120,300,000	198,720,000
Allotment of shares out of share application money - in equity shares		
Nitesh Residency Hotels Private Limited (refer note below)	120,300,000	230,020,000
Managerial remuneration		
Nitesh Shetty	13,101,475	13,101,475
L.S.Vaidyanathan	11,700,000	11,700,000
Ashwini Kumar	10,900,000	9,000,000
Advertising and sales promotion expenses		
Serve & Volley Outdoor Advertising Private Limited	12,405,000	6,515,000
Globo Sport In Private Limited	750,000	-
Rent paid		
Nitesh Infrastructure and Construction	22,805,793	21,038,384
Nitesh Property Management Private Limited	1,322,493	915,397
Nitesh Industries Private Limited	4,800,000	4,800,000
Nitesh Residency Hotels Private Limited	2,325,996	3,708,966
Other expenses:		
Nitesh Infrastructure and Construction	-	1,416,505
Nitesh Property Management Private Limited	-	467,997
Income from contractual activities		
Nitesh Residency Hotels Private Limited	10,687,559	60,215,830
Nitesh Estates – Whitefield	21,805,044	140,199,843
Maintenance charges received from		
Nitesh Shetty	731,842	1,035,536
Nitesh Infrastructure and Constructions	732,112	284,540

Notes to consolidated financial statements (Contd.)

(iv) Amount outstanding as at the balance sheet date	Rs.	
Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivables		
Nitesh Estates – Whitefield	274,813,275	114,298,970
Nitesh Residency Hotels Private Limited	37,689,952	37,689,952
Nitesh Infrastructure and Constructions	5,030,000	5,283,394
Nitesh Shetty	-	519,824
Unsecured loan		
Nitesh Shetty	-	100,000
Loans and advances to subsidiaries and other related entities		
Southern Hills Developers Private Limited	4,120,672	4,120,672
Joji Reddy and Showrie Reddy	117,154,543	115,649,759
Nisco Ventures Private Limited	10,762,955	10,762,955
Avni Financial & Real Estate Private Limited	18,925,000	18,925,000
Birch Investment Private Limited	1,880,000	1,880,000
HMG Estate & Housing Limited	87,240	87,240
Khubchandani Interbuild Private Limited	1,100,000	1,100,000
Security Deposits		
Nitesh Infrastructure and Construction	17,690,475	17,690,475
Trade payables		
Nitesh Infrastructure and Construction	203,737	1,831,747
Serve & Volley Outdoor Advertising Private Limited	23,442	3,474,102
Nitesh Residency Hotels Private Limited	5,380,539	2,213,776
Nitesh Property Management Private Limited	198,710	117,073
Globosport In Private Limited	8,750	-
Trade Advances		
Nitesh Infrastructure and Construction	4,680,000	4,680,000
Courtyard Constructions Private Limited	25,000,000	25,000,000
Globosport In Private Limited	850,000	-
Serve & Volley Outdoor Advertising Private Limited	9,574,740	-
Advance from customers		
Nitesh Residency Hotels Private Limited	40,000,000	40,000,000
Nitesh Shetty	323,303,511	274,597,694
Pushrock Environment Private Limited (Formerly known as Nitstone Environment Private Limited)	163,159,760	79,680,000

Notes :

- a) The Company has invested a sum of Rs. 1,776,725,790 (Previous year: Rs.1,702,425,790) towards 152,372,579 (Previous year: 140,342,579) Class A equity shares of Nitesh Residency Hotels Private Limited ('NRHPL'). The aforesaid investment has certain transfer restrictions (including consent of another investor) under the Shareholders' Agreement entered into with the other investors in NRHPL. As part of the loan arrangement entered into by NRHPL for funding the hotel project, the Company has provided an undertaking to lenders not to divest its shares in NRHPL. The aforesaid Class A shares have similar voting rights to the Class B shares held by another investor but have different dividend rights in terms of the shareholders agreement. Effective 30 October 2009, NRHPL became an associate of the Company.

Notes to consolidated financial statements (Contd.)

33. 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'). The Group has no dues to Micro and Small Enterprises as at 31 March 2016 and 31 March 2015 in the financial statements based on information received and available with the Company.

34. The Group primarily operates only in three business segments - Residential, Retail and Hospitality. All the operations are carried out in India and hence there is no geographical segment.

Accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

Primary segment information:

Particulars	Rs.	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Segment revenue		
Residential	2,535,139,701	2,875,968,379
Retail	-	-
Hospitality	-	-
Total	2,535,139,701	2,875,968,379
Less : Inter segment revenue	-	-
Net income from operations	2,535,139,701	2,875,968,379
Segment results		
Profit / (loss) before tax and interest		
Residential	191,666,649	674,786,465
Retail	(273,901,373)	(30,826,984)
Hospitality	(222,010,584)	(285,738,601)
Total	(304,245,308)	358,220,880
Add : Other income	75,073,578	29,828,929
Less : Interest	(497,091,095)	(284,181,710)
Profit/ (loss) before exceptional item and tax	(726,262,825)	103,868,099
Less: Exceptional item	-	-
Profit / (Loss) before tax and minority interest	(726,262,825)	103,868,099
Less: Tax expense	(927,562)	(80,275,488)
Profit / (loss) for the year after tax	(727,190,387)	23,592,611
Particulars	As at 31 March 2016	As at 31 March 2015
Carrying value of segment assets		
Residential	3,478,764,328	8,985,387,175
Retail	7,311,731,758	1,944,130,316
Hospitality	1,894,364,258	1,196,483,738
Less : Unallocated items and intra-group eliminations	(7,105,642,507)	(20,805,107)
	19,790,502,851	12,105,196,122
Segment liabilities		
Residential	11,869,731,778	8,832,581,638
Retail	5,977,854,585	157,269,640
Hospitality	-	-
Less : Unallocated items and intra-group eliminations	(712,277,633)	(162,870,095)
	17,135,308,729	8,826,981,183

Notes to consolidated financial statements (Contd.)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Depreciation		
Residential	-	-
Retail	-	-
Hospitality	-	-
Corporate – unallocated	141,764,693	13,256,762
	141,764,693	13,256,762
Capital expenditure		
Residential	-	-
Retail	-	-
Hospitality	-	-
Corporate – unallocated	-	3,509,737
	-	3,509,737

35. The Company has taken on lease office facilities, vehicles 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 2,96,16,416 (previous year: Rs 15,806,158).

The Company has operating lease with the landowner towards relocation expenses. Rental expenses for such operating leases recognized in the financial statements for the year are Rs nil (previous year Rs. 1,033,350).

The Company has taken certain office facilities on operating leases on non cancelable basis. The total minimum lease payments under the non cancellable operating leases as under:

Particulars	Rs.	
	As at 31 March 2016	As at 31 March 2015
Not later than one year	-	-
Later than one year not later than 5 years	469,474	2,699,346

36. The Land and construction cost includes Rs. 2743 Lakhs as finance cost towards interest for the year ended on March 31, 2016.

37. Previous years' figures have been regrouped/ reclassified wherever necessary to conform to current year's presentation.

As per our report of even date attached

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

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

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Nitesh Shetty
Managing Director
DIN : 00304555

L.S. Vaidyanathan
Executive Director
DIN : 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN : 02034498

D. Srinivasan
Company Secretary

Venkateshan M. A.
Chief Financial Officer

Place: Bangalore
Date: 28 May 2016

Place: Bangalore
Date: 28 May 2016

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

(Information in respect of each subsidiary presented with amounts in Rs.)					
1	2	3	4	5	5
Name of the subsidiary	Nitesh Housing Developers Pvt. Ltd.	Nitesh Urban Development Pvt. Ltd.	Nitesh Indiranagar Retail Pvt. Ltd.	Nitesh Property Management Pvt. Ltd.	Kakanad Enterprises Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
5	Share capital	91,500,000	65,820,000	699,100,000	3,000,000
6	Reserves & surplus	291,755,031	77,413,766	634,777,173	(6,153,967)
7	Total assets	4,830,464,686	2,400,442,430	7,311,731,757	75,356,198
8	Total Liabilities	4,830,464,686	2,400,442,430	7,311,731,757	75,356,198
9	Investments	-	80,200,000	-	-
10	Turnover	1,039,881,480	515,595,121	46,228,752	58,518,095
11	Profit before taxation	28,775,217	(33,703,911)	(273,901,373)	(10,599,177)
12	Provision for taxation	4,362,052	(2,022,452)	-	174,960
13	Profit after taxation	24,413,165	(31,681,459)	(273,901,373)	(10,774,137)
14	Proposed Dividend	-	-	-	-
15	% of shareholding	89.90	100	100	100

1 Names of subsidiaries which are yet to commence operations: Kakanad Enterprises Pvt. Ltd.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures				
	Name of Associates/Joint Ventures	Nitesh Estates-Whitefield	Courtyard Constructions Pvt. Ltd.	Nitesh Residency Hotels Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	-	5,490	129,935,579
	Amount of Investment in Associates/Joint Venture	103,606,880	80,200,000	1,776,725,790
	Extend of Holding %	24	50	22
3.	Description of how there is significant influence	24% of stakeholding	50% of stakeholding	22.22% of stakeholding
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	75,701,050	(1,226,904)	-
6.	Profit / Loss for the year			
	i. Considered in Consolidation	(7,768,865)	(56,590)	222,010,584
	ii. Not Considered in Consolidation	-	-	-

1 Names of associates or joint ventures which are yet to commence operations.

NIL

2 Names of associates or joint ventures which have been liquidated or sold during the year.

NIL

As per our report of even date attached

for **Ray & Ray**

Chartered Accountants

Firm registration number: 301072E

For and on behalf of the Board of Directors of

Nitesh Estates Limited

Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Nitesh Shetty

Managing Director

DIN : 00304555

L.S. Vaidyanathan

Executive Director

DIN : 00304652

Ashwini Kumar

Executive Director & Chief Operating Officer

DIN : 02034498

D. Srinivasan

Company Secretary

Venkateshan M. A.

Chief Financial Officer

Place: Bangalore

Date: 28 May 2016

Place: Bangalore

Date: 28 May 2016

Notes to consolidated financial statements (Contd.)

Additional information:				
Schedule III of the Companies Act 2013				
Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent				
Nitesh Estates Limited	-25.75%	(609,954,724)	-28.11%	(204,432,842)
Subsidiaries				
Indian				
1 Nitesh Indiranagar Retail Private Limited	56.31%	1,333,877,174	-37.66%	(273,901,373)
2 Nitesh Housing Developers Private Limited	14.55%	344,546,272	3.02%	21,947,435
3 Nitesh Property Mangement Private Limited	-0.13%	(3,153,964)	-1.48%	(10,774,137)
4 Nitesh Urban Development Private Limited	6.05%	143,233,763	-4.36%	(31,681,459)
5 Kakanad Enterprises Private Limited	-0.05%	(1,089,057)	-0.14%	(1,017,702)
Minority Interests in all subsidiaries				
Nitesh Housing Developers Private Limited	1.63%	38,708,758	0.34%	2,465,730
Joint Ventures (as per proportionate consolidation/investment as per the equity method)				
Indian				
1 Nitesh Estates - whitefiled	3.20%	75,701,050	-1.07%	(7,768,865)
2 Courtyard Constructions Private Limited	-0.05%	(1,226,904)	-0.01%	(56,590)
Total	55.75%	1,320,642,369	-69.47%	(505,219,803)
Add:				
Investment in Associates:				
Nitesh Residency Hotels Private Limited	44.25%	1,048,122,456	-30.53%	(222,010,584)
Grand Total	100.00%	2,368,764,825	-100.00%	(727,230,387)

As per our report of even date attached

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

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

Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Nitesh Shetty
Managing Director
DIN : 00304555

L.S. Vaidyanathan
Executive Director
DIN : 00304652

Ashwini Kumar
Executive Director & Chief Operating Officer
DIN : 02034498

D. Srinivasan
Company Secretary

Venkateshan M. A.
Chief Financial Officer

Place: Bangalore
Date: 28 May 2016

Place: Bangalore
Date: 28 May 2016

Nitesh Estates Limited

CIN : L07010KA2004PLC033412

Regd. Office: Level 7, 'NITESH TIMESQUARE', # 8, M.G. Road, Bangalore 560 001

Tel: +91-80-4017 4000; Fax: +91-80-2555 0825

Web: www.niteshestates.com, email : investor@niteshestates.com

ATTENDANCE SLIP

(Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the **12th Annual General Meeting** of the Company held on Wednesday, the 28th Sept. 2016 at 2.00 P. M. at **"Dr. B. R. Ambedkar Memorial Trust" (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052.**



<p>Full Name & Address of the Member (in BLOCK letters)----- ----- ----- ----- ----- Folio No/DP ID* & Client ID*:----- ----- ----- No. of Shares held :-----</p>	<p>----- Signature of the Member</p>
---	---

*applicable for member holding shares in electronic form.

<p>Full Name of the Proxy (in BLOCK letters)----- -----</p>	<p>----- Signature of the Proxy</p>
---	--

PROXY FORM - MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : NITESH ESTATES LIMITED (CIN : L07010KA2004PLC033412)
Registered Office : 'NITESH TIMESQUARE', 7th Floor, No. 8, M.G. Road, Bangalore 560001.

Name of the Member (s) : _____
Registered address: _____
E-mail Id: _____ DP ID _____ Client ID No.* _____

* Applicable for member holding shares in electronic form.

I / We, being the member(s) of _____ Equity Shares of Nitesh Estates Limited hereby appoint

1. Name : _____
Address : _____
E-mail Id : _____ Signature: _____, or failing him / her
2. Name : _____
Address : _____
E-mail Id : _____ Signature: _____, or failing him / her
3. Name : _____
Address : _____
E-mail Id : _____ Signature: _____, or failing him / her

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 12th Annual General Meeting of the Company, to be held on **Wednesday, September 28, 2016 at 2.00 p.m. at 'Dr. B. R. Ambedkar Memorial Trust' (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bangalore – 560 052** and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting as are indicated below:

List of Resolutions :

Resolution No.	Resolution	Vote (Optional) (please refer Note No. 3)		
		For/ Assent	Against/Descent	Abstain
ORDINARY BUSINESS - ORDINARY RESOLUTION				
1.	To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2016.			
2.	To appoint a Director in place of Mr. Mahesh Bhupathi (DIN:01603093), who retires by rotation and being eligible, offers himself for re-appointment			
3.	To ratify the appointment of M/s. Ray & Ray, Chartered Accountants, as the Statutory Auditors of the Company.			
SPECIAL BUSINESS - ORDINARY RESOLUTION				
4.	Increase the authorised capital of the Company and to alter the Memorandum of Association			

Affix Re. 1
Revenue
Stamp

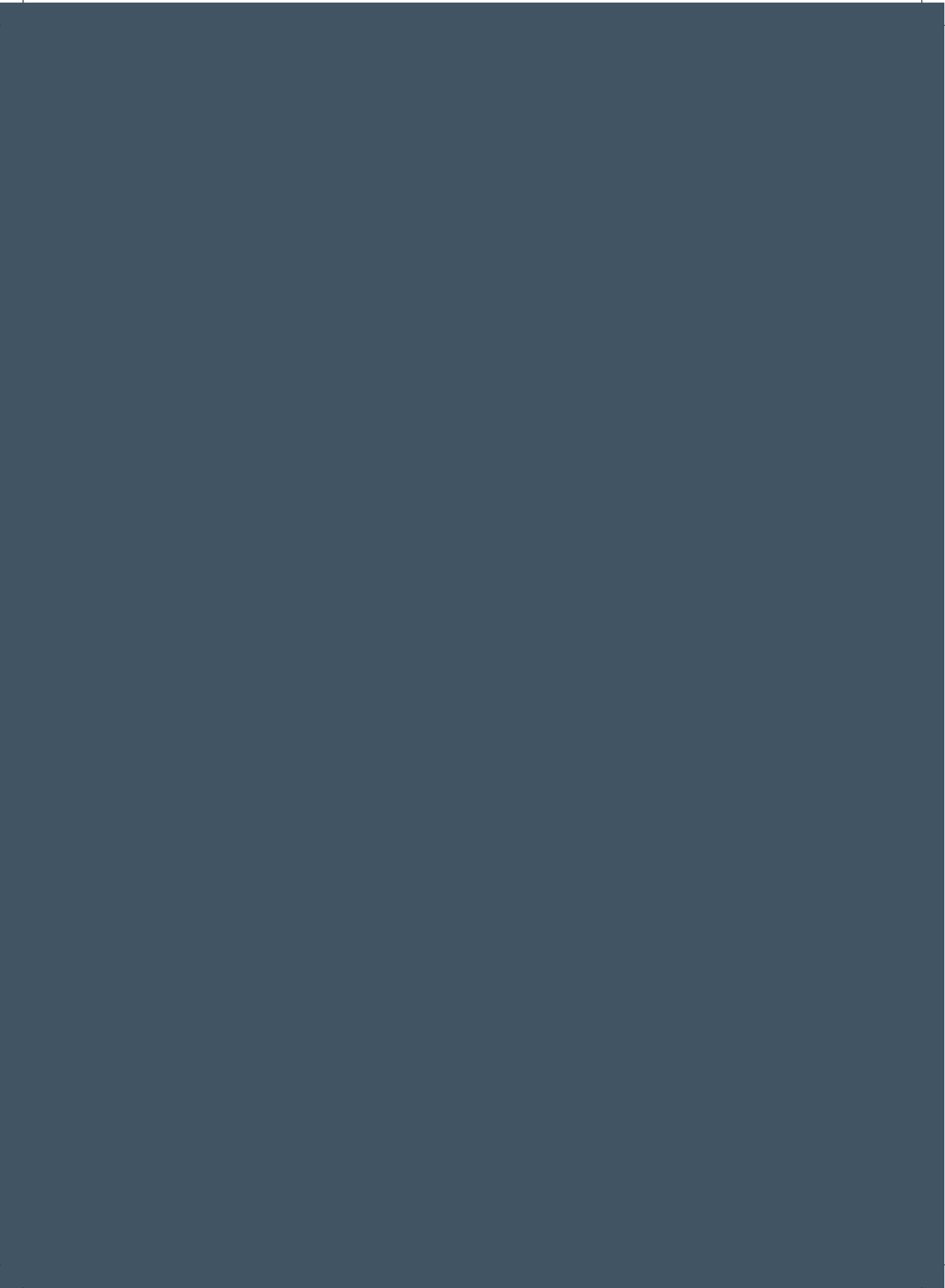
Signed this _____ day of _____, 2016

Signature of Shareholder(s)

Signature of Proxy Holder (s)

Note:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) For detailed resolutions and statements pursuant to Section 102 of the Companies Act, 2013 please refer 12th Annual General Meeting Notice.
- (3) It is optional to indicate your preference, if you leave the 'For / Assent', 'Against / Descent' or 'Abstain' column blank against any or all resolutions, your Proxy will be at the option to vote in the manner as he/she may deem appropriate.





Expect More

Nitesh Estates Limited

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CAUTIONARY STATEMENT: Statements in this Annual Report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the real estate sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

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