

NITESH URBAN DEVELOPMENT PRIVATE LIMITED

CIN: U45201KA2007PTCO44561

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

Email: ashwini.kumar@niteshestates.com

DIRECTORS' REPORT

The Board of Directors present their report for the financial year ended March 31, 2015:

1. SUMMARISED FINANCIAL HIGHLIGHTS:

The performance of the Company for the financial year ended March 31, 2015 is given hereunder:

(Amount in INR)

| Particulars | 2014-15 | 2013-14 |
|---------------------------------------|---------------------|---------------------|
| Revenue from Operations | 249,316,545 | 642,289,832 |
| Other Income | 19,567,214 | 3,953,010 |
| Total Income | 2,68,883,759 | 6,46,242,842 |
| Total Expenditure | 255,354,137 | 585,065,451 |
| Profit / (Loss) before Tax | 13,529,622 | 61,177,391 |
| Current Tax expense | 2,706,973 | 12,140,000 |
| Deferred Tax (expense) / income | (389328) | - |
| Profit / (Loss) after Tax | 11,211,977 | 49,037,391 |
| Earnings / (Loss) per Share – Basic | 1.70 | 7.45 |
| Earnings / (Loss) per Share – Diluted | 0.69 | 3.01 |

Currently the Company has only two projects i.e. Cape Cod and Palo Alto. In project Cape Cod out of total 417 units 216 units were sold as on 31st March, 2014 and during the year 12 units were sold. In Palo Alto plan approvals from the BDA is awaited.

In view of the foregoing, due to tough market conditions the sales was poor and as the Company has already sold more than 50% of the units in Project Cape Cod, it could achieve a revenue of only Rs. 2,689 Lakh during the year as against Rs. 6,462 Lakh last year. The Company has earned a net profit of Rs. 112 Lakh as against Rs. 490 Lakh last year.

The status report of the Projects is as follows:

CAPE COD:

| Sl. No | Particulars | 31-03-2015 | 31-03-2014 |
|--------|----------------------------------|------------|------------|
| 1 | Total no of units | 417 | 417 |
| 2 | Total saleable area – Sq. Mt. | 64,478 | 64,478 |
| 3 | Units sold | 228 | 216 |
| 4 | Units sold – Sq. Mt. | 35,036 | 33,072 |
| 5 | Sale value without taxes (Rs Cr) | 189.75 | 176.78 |

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2. DIVIDEND:

In order to augment the long term resources, the Board has not recommended any dividend.

3. BOARD OF DIRECTORS:

During the year under review, Mr. Raj Kamal Narayan (DIN: 00272565), Nominee Director of JM Financial (the Investor) resigned from the Board on 10th July, 2014 and Mr. Abhishek Mittal (DIN: 05315959), was appointed as Nominee Director on 4th August, 2014 on the Board. Nitesh Estates Limited, the 100% holding company, has nominated Mr. M. D. Mallya (DIN: 01804955) and he was appointed as an Independent Director of the Company on 4th August, 2014. These appointments were regularized at the Annual General Meeting held on 24th September, 2014.

Mr. L S Vaidyanathan (DIN: 00304652), Director will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Necessary resolutions will be placed for his re-appointment before the ensuing Annual General Meeting.

Company Secretary

During the year under review Mr. Chandrashekhar V. Koralur (ACS 31917) resigned as Company Secretary with effect from 24th May, 2014 and Ms. Prathima Mariya Tellis (ACS 30248) was appointed as the Company Secretary of the Company with effect from 14th January, 2015.

4. DECLARATION BY INDEPENDENT DIRECTOR:

Mr. M. D. Mallya (DIN: 01804955), an Independent Director of the Company has submitted his disclosures to the Board that he fulfils all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder so as to qualify himself to be appointed as Independent Director of the Company.

5. BOARD MEETING:

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

- | | | | |
|-------------------------------|-------------------------------|--------------------------------|-------------------------------|
| a. 23 rd Apr. 2014 | b. 27 th May 2014 | c. 4 th Aug. 2014 | d. 30 th Oct. 2014 |
| e. 10 th Nov. 2014 | f. 14 th Jan. 2015 | g. 10 th Feb. 2015. | |

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7. STATUTORY AUDITORS:

At the Annual General Meeting of the Company held on 24th September, 2014 M/s. Ray & Ray, Chartered Accountants (Firm Registration No. IS 301072E) were appointed as the Statutory Auditors of the Company for the first term of five consecutive years, i.e. upto the conclusion of Twelfth Annual General Meeting. Pursuant to Section 139 of the Companies Act, 2013 and rules made thereunder the continuance of their appointment is required to be ratified by the Shareholders every year during the term of their appointment and accordingly the necessary resolution will be placed at the ensuing Annual General Meeting for the said ratification.

9. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

The Company has maintained the necessary registers under Section 186 of Companies Act, 2013 and rules made thereunder. The Company has investments made under Section 186 of the Companies Act, 2013 and the details of the same are in the Notes to Accounts section of the Financial Statements.

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

In terms of Section 188 of the Companies Act, 2013, and the Rules made thereunder. The related party transactions undertaken during the financial year 2014-15 are detailed in the Financial Statements.

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

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

A. CONSERVATION OF ENERGY

a) Energy conservation measure taken:

The Company has taken energy savings measures, viz.,

- The buildings are ergonomically designed to consume less power, and to include more natural light and ventilation.
- Use of materials in construction which are certified by IGBC (Indian Green Building Council)

b) Additional investment and proposal:

The Company as a matter of policy has regular programme for investments in energy saving devices.

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.

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B. TECHNOLOGY ABSORPTION

- a. Company works on a mechanized process to reduce cost and increase the efficiency of the operations.
- I. ERP system using SAP implemented successfully and the Company is benefitting from the same.
- II. By appointing overseas architects, consultants technology upgradation has been brought to the projects.
- III. Use of light weight blocks for construction of walls in the projects – The new technology available from Germany has been adopted in the projects. This has considerably saved the construction cost and time.
- IV. 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. Savings in construction cost and time
 - iii. The new technology in STP saves space and energy.
- c. No remarkable technology has been imported.
- d. Research and Development

Specific area in which Research & Development is carried out by the Company:

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

Benefits derived as a result of the above Research & Development

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

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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.

i. Expenditure on Research & Development

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Expenditure in foreign currency (on accrual basis)

(Amount in Rs.)

| Particulars | Year ended 31.03.15 | Year ended 31.03.14 |
|---------------------|------------------------|------------------------|
| Consultancy Charges | 95,894 | 36,02,673 |

14. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

15. EXTRACT OF THE ANNUAL RETURN:

The extracts of the Annual Return in the prescribed format MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in “Annexure 1” and is attached to this report.

16. PARTICULARS OF EMPLOYEES:

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

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

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

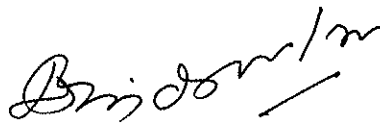
The Company has adopted the Risk Management Policy of its 100% holding Company. The main objective of the Board is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

18. ACKNOWLEDGEMENTS:

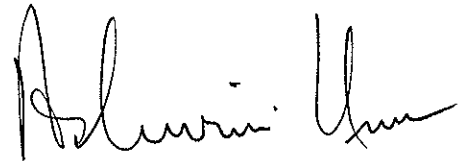
The Company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from the clients, employees, Central and State Governments, Bankers, financial institutions and others associated with the Company.

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

For and on behalf of the Board of Directors
of NITESH URBAN DEVELOPMENT PRIVATE LIMITED



L. S. Vaidyanathan
Director



Ashwini Kumar
Managing Director

Place: Bangalore
Date: 25.05.2015

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN U45201KA2007PTC044561
- ii. Registration Date 4th December, 2007
- iii. Name of the Company Nitesh Urban Development Private Limited
- iv. Category Company limited by shares
Sub-Category of the Company Indian Non-Government Company
- v. Address of the Registered office and contact details 7th Flo or, Nitesh Timesquare, No.8,
M.G. Road, Bangalore-560 001
Ph. No. : 080-4017 4000
Fax.: 080-25550825
Email: ashwini.kumar@niteshestates.com
- vi. Whether listed company No
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| I. | Nitesh Estates Limited 7 th Floor, Nitesh Timesquare, No.8, M.G. Road, Bangalore-560 001 | L07010KA2004PLC033412 | Holding | 100 | 2(46) |
| II. | Courtyard Constructions Private Limited, 94 Maker Chamber, Vinariman Point, Mumbai-400 021 | U70100MH1995PTC088020 | Associate | 50 | 2(6) |

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

i) Category-wise Share Holding

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014 | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015 | | | % CHANGE DURING THE YEAR | |
|---------------|--------------------------------|--|------------------|------------------|--|------------------|------------------|--------------------------|-------------|
| | | DEMAT | PHYSICAL | TOTAL | DEMAT | PHYSICAL | TOTAL | | |
| (I) | (II) | (III) | (IV) | (V) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (A) | PROMOTER AND PROMOTER GROUP | | | | | | | | |
| (1) | INDIAN | | | | | | | | |
| (a) | Individual/HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Central | | | | | | | | |
| (b) | Government/State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 0 | 6,582,000 | 6,582,000 | 0 | 6,582,000 | 6,582,000 | 100% | 0.00 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others -- | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total A(1) : | 0 | 6,582,000 | 6,582,000 | 0 | 6,582,000 | 6,582,000 | 100% | 0.00 |

| | | | | | | | | | | | | | | | |
|------------|--|----------|------------------|------------------|------------------|-------------|----------|------------------|----------|------------------|-------------|----------|------------------|-------------|-------------|
| (2) | FOREIGN | | | | | | | | | | | | | | |
| (a) | Individuals (NRIs)/Foreign Individuals | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (b) | Other - Individuals | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| | Sub-Total A(2) : | 0 | 6,582,000 | 6,582,000 | 6,582,000 | 100% | 0 | 6,582,000 | 0 | 6,582,000 | 100% | 0 | 6,582,000 | 100% | 0.00 |
| | Total A=A(1)+A(2) | 0 | 6,582,000 | 6,582,000 | 6,582,000 | 100% | 0 | 6,582,000 | 0 | 6,582,000 | 100% | 0 | 6,582,000 | 100% | 0.00 |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | | | | | | |
| (1) | INSTITUTIONS | | | | | | | | | | | | | | |
| (a) | Mutual Funds /UTI | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (b) | Financial Institutions /Banks | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (c) | Central Government / State Government(s) | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (e) | Insurance Companies | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (f) | Foreign Institutional Investors | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (i) | Others - | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| | Sub-Total B(1) : | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| (2) | NON-INSTITUTIONS | | | | | | | | | | | | | | |
| (a) | Bodies Corporate- Break up required | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| | i Indian | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |

| | | | | | | | | | | | | |
|-----|---|---|-----------|-----------|------|---|-----------|-----------|------|-----------|------|------|
| | ii Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| (b) | Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| | (i) Individuals holding nominal share capital upto Rs.1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| | (ii) Individuals holding nominal share capital in excess of Rs.1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| (c) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | Sub-Total B(2) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | Total B=B(1)+B(2) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| C. | Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| | Total (A+B) : | 0 | 6,582,000 | 6,582,000 | 100% | 0 | 6,582,000 | 6,582,000 | 100% | 6,582,000 | 100% | 0.00 |
| | GRAND TOTAL (A+B+C) : | 0 | 6,582,000 | 6,582,000 | 100% | 0 | 6,582,000 | 6,582,000 | 100% | 6,582,000 | 100% | 0.00 |

(ii) *Shareholding of Promoters*

| SHARE HOLDING OF PROMOTERS - COMPARISON REPORT BETWEEN 31/03/2014 AND 31/03/2015 | | | | | | | | | | | |
|--|--------------------------|------------------------------------|----------------------------------|-------------------------------|------------------------------------|----------------------------------|--------------------------------|------------------------|--|--|--|
| Sl. no | Name of the Share Holder | No of Shares held as on 01/04/2014 | % of total Shares of the company | Pledge Shares as on 1/04/2014 | No of Shares held as on 31/03/2015 | % of total Shares of the company | Pledge Shares as on 31/03/2015 | Change in Shareholding | % Change in Shareholding During the Year | | |
| 1 | Nitesh Estates Limited * | 6,582,000 | 100% | 0 | 6,582,000 | 100% | 0 | 0 | 0 | | |
| | Total | 6,582,000 | 100% | 0 | 6,582,000 | 100% | 0 | 0 | 0 | | |

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

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

There is no change in shareholding of the promoters.

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

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No | Name of the Shareholders | Shareholding at the beginning of the year | | Date wise Increase / Decrease in the shareholding due to Market Action | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|--------|--------------------------|---|----------------------------------|--|--------|------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Bought | Sold | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | Mr. L. S. Vaidyanathan * | 1 | 0.00 | - | - | - | 1 | 0.00 | 1 | 0.00 |

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

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 566,000,000 | - | - | 566,000,000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 566,000,000 | - | - | 566,000,000 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | 216,000,000 | - | - | 216,000,000 |
| Net Change | (216,000,000) | - | - | (216,000,000) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 350,000,000 | - | - | 350,000,000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 350,000,000 | - | - | 350,000,000 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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


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

| Sl. no. | Particulars of Remuneration | Ms. Prathima Mariya Tellis – Company Secretary | Total |
|---------|--|--|------------------------|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 5,40,640 40,719 | 5,40,640 40,719 |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - |
| 5. | Others, please specify (i) Variable pay | 50,000 | 50,000 |

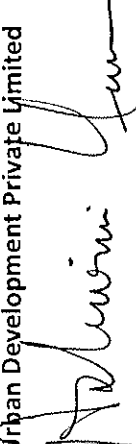
III. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |

Date: 25th May, 2015
Place: Bangalore

For Nitesh Urban Development Private Limited.

Director

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


Ashwini Kumar
Managing Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Nitesh Urban Development Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Nitesh Urban Development Private Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, 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 on a going concern basis 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 generally 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 consistent application of appropriate accounting policies and making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that operate effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under provisions of 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 by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company did not have any pending litigation which as per their representation will have material impact on its financial statements.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAY & RAY**

Chartered Accountants

(Firm's Registration No.301072E)

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay

Partner

Membership No.: 051572

Bangalore, May 25, 2015



Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (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) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities
- There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (b) The company did not have any dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise or value added tax or cess which have not been deposited as on 31 March, 2015 on account of disputes.
- (c) In our opinion and according to the information and explanations given to us, there are no amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under .
- (viii) The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.



- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **RAY & RAY**

Chartered Accountants

(Firm's Registration No.301072E)

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay

Partner

Membership No.: 051572

Bangalore, May 25, 2015



Nitesh Urban Development Private Limited
Balance Sheet as at March 31, 2015

| | Note no. | As at 31 March 2015 Rs | As at 31 March 2014 Rs |
|--|----------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 65,820,000 | 65,820,000 |
| Reserves and surplus | 4 | 109,095,226 | 97,883,249 |
| | | <u>174,915,226</u> | <u>163,703,249</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 350,000,000 | 350,000,000 |
| Long-term provisions | 6 | 4,501,051 | 4,041,539 |
| | | <u>354,501,051</u> | <u>354,041,539</u> |
| Current liabilities | | | |
| Short-term borrowings | 7 | - | 216,000,000 |
| Trade payables | 8 | 154,250,306 | 163,670,708 |
| Other current liabilities | 9 | 625,018,542 | 741,986,952 |
| Short-term provisions | 10 | 1,079,469 | 3,899,314 |
| | | <u>780,348,317</u> | <u>1,125,556,974</u> |
| | | <u>1,309,764,594</u> | <u>1,643,301,762</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 11 | | |
| - Tangible assets | | 2,354,161 | 1,225,732 |
| - Intangible assets | | 382,323 | 165,176 |
| | | <u>2,736,484</u> | <u>1,390,908</u> |
| Non-current investments | 12 | 80,200,000 | 80,200,000 |
| Deferred tax assets, net | 12 | 389,328 | - |
| Long-term loans and advances | 14 | 2,299,123 | 206,643,620 |
| | | <u>82,888,451</u> | <u>286,843,620</u> |
| Current assets | | | |
| Inventories | 15 | 283,635,122 | 501,529,939 |
| Trade receivables | 16 | 16,248,480 | 16,908,450 |
| Cash and bank balances | 17 | 235,080,376 | 235,602,453 |
| Short-term loans and advances | 18 | 689,175,681 | 601,026,392 |
| | | <u>1,224,139,659</u> | <u>1,355,067,234</u> |
| | | <u>1,309,764,594</u> | <u>1,643,301,762</u> |
| Significant accounting policies | 1 | | |
| Notes to financial statements | 2 to 35 | | |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Ray & Ray

Chartered Accountants

Firm registration number: 301072E

Mrinal Kanti Bandyopadhyay

Mrinal Kanti Bandyopadhyay

Partner

Membership No. 051472

Bangalore, India

Date: 25 May 2015



for and on behalf of the Board of Directors of

Nitesh Urban Development Private Limited

L.S. Vaidyanathan

L.S. Vaidyanathan

Director

Bangalore, India

Date: 25 May 2015

Ashwini Kumar

Ashwini Kumar

Managing Director



Prathima M. Tellis

Prathima M. Tellis

Company Secretary

Nitesh Urban Development Private Limited
Statement of Profit and Loss for the Year ended March 31, 2015

| | Note no. | For the year ended 31 March 2015 Rs | For the year ended 31 March 2014 Rs |
|---|----------|---|---|
| Income | | | |
| Revenue from operations | 19 | 249,316,545 | 642,289,832 |
| Other income | 20 | 19,567,214 | 3,953,010 |
| | | <u>268,883,759</u> | <u>646,242,842</u> |
| Expenses | | | |
| Cost of inventories sold | | 168,969,915 | 502,788,341 |
| Employee benefits | 21 | 48,693,293 | 35,287,589 |
| Depreciation | | 533,058 | 335,082 |
| Other expenses | 22 | 37,157,871 | 46,654,439 |
| | | <u>255,354,137</u> | <u>585,065,451</u> |
| Profit/(Loss) before tax | | 13,529,622 | 61,177,391 |
| Tax expense: | | | |
| - current tax | | 2,706,973 | 12,140,000 |
| - deferred tax (credit)/ charge | 13 | (389,328) | - |
| Profit/(Loss) after tax | | <u>11,211,977</u> | <u>49,037,391</u> |
| Earnings/(Loss) per share (equity shares, par value of Rs 10 each) | | | |
| - Basic | | 1.70 | 7.45 |
| - diluted | | 0.69 | 3.01 |
| Significant accounting policies | 1 | | |
| Notes to financial statements | 2 to 35 | | |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Ray & Ray

Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Bangalore, India
Date: 25 May 2015



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

L.S. Vaidyanathan
L.S. Vaidyanathan
Director

Ashwini Kumar
Ashwini Kumar
Managing Director

Bangalore, India
Date: 25 May 2015

Prathima M. Tellis
Prathima M. Tellis
Company Secretary



Nitesh Urban Development Private Limited
Cash Flow Statement for the year ended March 31, 2015

| | For the Year ended 31 March 2015 | For the year ended 31 March 2014 |
|---|--|--|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 13,529,622 | 61,177,391 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation | 533,058 | 335,082 |
| Interest on borrowings | 303,528 | - |
| Interest income | (18,564,551) | (3,853,010) |
| Operating profit before working capital changes | (4,198,344) | 57,659,463 |
| <i>Movements in working capital:</i> | | |
| Increase / (decrease) in trade Payables | (9,420,402) | |
| Increase / (decrease) in other liabilities | (116,968,411) | (75,000,837) |
| Increase/(decrease) in provisions | 642,895 | 217,302 |
| (Increase) / decrease in inventories | 217,894,817 | 195,466,099 |
| (Increase) / decrease in trade receivables | 659,969 | 28,381,508 |
| (Increase) / decrease in loans and advances | 116,195,208 | (210,414,045) |
| Cash (used in) / generated from operations | 204,805,732 | (3,690,510) |
| Income Tax Paid | (5,710,202) | (9,136,770) |
| Net cash (used in)/generated from operating activities | 199,095,530 | (12,827,280) |
| B. CASH FLOWS FROM INVESTMENT ACTIVITIES | | |
| Purchase of fixed assets | (1,878,634) | (477,653) |
| Income from fixed deposits | 18,564,551 | 3,853,010 |
| Net cash (used in)/ generated from investing activities | 16,685,917 | 3,375,357 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | | |
| Proceeds from sale of fixed assets | | |
| Proceeds from borrowings | (216,000,000) | 120,000,000 |
| Interest paid | (303,528) | - |
| Net cash from financing activities | (216,303,528) | 120,000,000 |
| Net increase / (decrease) in cash and cash equivalents | (522,080) | 110,548,077 |
| Cash and cash equivalents as at beginning of the period | 235,602,453 | 125,054,378 |
| Cash and cash equivalents as at the end of the period | 235,080,376 | 235,602,453 |
| Components of cash and cash equivalents: | | |
| Cash on hand | 90,778 | 90,017 |
| Balances with scheduled banks: | | |
| In Current accounts | 5,489,598 | 10,514,290 |
| - deposits with original maturity for more than 3 months but less than 12 | 229,500,000 | 131,974,349 |
| Cash and cash equivalents in cash flow statement | 235,080,376 | 142,578,656 |

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

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Bangalore, India
Date: 25 May 2015



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

L.S. Vaidyanathan
L.S. Vaidyanathan
Director

Ashwini Kumar
Ashwini Kumar
Managing Director

Bangalore, India
Date: 25 May 2015

M. Tellu
Prathima M. Tellu
Company Secretary



Nitesh Urban Development Private Limited

Notes to Financial Statements

1 Company overview

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

The Company is primarily engaged in business of the real estate development.

2 Significant accounting policies

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

2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented on accrual basis of accounting and complied with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable.

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

2.2 Use of estimates

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

2.3 Revenue recognition

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

Recognition of revenue from property development:

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

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

- all critical approval necessary for the commencement of the project has been obtained
- 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,
- at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,
- 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 recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).



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

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

2.4 Interest income

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

2.5 Investments

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

2.6 Fixed assets and depreciation

Tangible fixed assets

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

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

Depreciation

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

Pro-rata depreciation is provided on all fixed assets purchased or sold during the year.

Intangible Fixed Assets

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

2.7 Employee benefits

Defined benefit plan

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

Other long term benefit



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

Defined contribution plan

Contributions to the recognized provident fund and approved superannuation schemes, which are defined contribution schemes, are charged to the statement of Profit and Loss.

2.8 Leases

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

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

2.9 Earnings/ (loss) per share

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

2.10 Provisions and contingent liabilities

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

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



2.11 Earnings / (loss) per share

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

2.12 Impairment of assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit and Loss. If at the balance sheet date there is an indication that 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 recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

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

2.14 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

2.15 Recognition and measurement of advances paid and received

Advances paid towards jointly developable properties

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



Advance against property

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

2.16 Inventories

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

Land

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

Properties under development

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

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

2.17 Land held under joint development arrangements

In case of joint development with the land owner on space sharing arrangement, land is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction. Changes in the estimate/ actual cost of construction from the estimated cost are adjusted in the cost of land in the year of such change/ occurrence.

2.18 Foreign exchange transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange difference arising on foreign exchange transactions settled during the year are recognised in the statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date; the resultant exchange differences are recognised in the statement of Profit and Loss.



3 Share capital

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Authorised | | |
| 10,000,000 (previous year: 10,000,000) equity shares of Rs 10 each | 100,000,000 | 100,000,000 |
| | 100,000,000 | 100,000,000 |
| Issued, subscribed and fully paid up | | |
| 6,582,000 (Previous year: 6,582,000) equity shares of Rs 10 each | 65,820,000 | 65,820,000 |
| | 65,820,000 | 65,820,000 |

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

| Particulars | As at 31 March 2015 | | As at 31 March 2014 | |
|--|---------------------|--------------|---------------------|--------------|
| | No of shares | Amount in Rs | No of shares | Amount in Rs |
| Number of equity shares at the beginning of the year | 6,582,000 | 6,582,000 | 6,582,000 | 6,582,000 |
| Add: Equity shares issued during the year | - | - | - | - |
| Number of equity shares outstanding at the end of the year | 6,582,000 | 6,582,000 | 6,582,000 | 6,582,000 |

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

| Name of the share holder | As at 31 March 2015 | | As at 31 March 2014 | |
|--------------------------|---------------------|-----------|---------------------|-----------|
| | No of shares | % holding | No of shares | % holding |
| Nitesh Estates Limited | 6,581,999 | 100% | 6,581,999 | 100% |

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

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

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Shares reserved for issue under options and contracts/ commitment for sale of shares/disinvestment

| | As at 31 March 2015 | | As at 31 March 2014 | |
|--|---------------------|--------------|---------------------|--------------|
| | No of shares | Amount in Rs | No of shares | Amount in Rs |
| For Zero coupon compulsorily convertible debentures of Rs. 1,000,000 each (also refer to note 5) | 9,730,000 | 97,300,000 | 9,730,000 | 97,300,000 |

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



4 Reserves and surplus

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Securities premium | | |
| Opening balance | 170,872,000 | 170,872,000 |
| Add: addition during the period | - | - |
| Closing balance | 170,872,000 | 170,872,000 |
| (Deficit) in statement of profit and loss | | |
| Opening balance | (72,988,751) | (122,026,141) |
| Add: profit/(loss) for the period | 11,211,977 | 49,037,390 |
| <p>The useful life of an asset has been taken to be the useful life specified in Part C of Schedule II of the Companies Act, 2013 and the residual value of an asset is five per cent of the original cost of the asset. Resultant incremental depreciation aggregating to Rs Rs. 198,370.00 arising on the adoption of useful lives specified in Schedule II as compared to Schedule XIV rates under the 1956 Act in the previous year, has been recognised in retained earnings</p> | | |
| Closing balance | (61,776,774) | (72,988,751) |
| | 109,095,226 | 97,883,249 |

5 Long-term borrowings

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Unsecured: | | |
| 350 (Previous year: Nil) zero coupon compulsorily convertible debentures of Rs 1,000,000 each | 350,000,000 | 350,000,000 |
| | 350,000,000 | 350,000,000 |

a) Terms of Zero coupon compulsorily convertible debentures

The debentures shall be converted into equity shares on earlier of the following dates:

- Mandatory conversion date i.e. date falling 8 years after the issue of debentures;

- 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.

6 Long-term provisions

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Provision for employee benefits | | |
| Provision for gratuity (refer note no. 31) | 1,362,240 | 658,191 |
| Provision for compensated absences | 3,138,811 | 3,383,348 |
| | 4,501,051 | 4,041,539 |

7 Short-term borrowings

| Particulars | Rs | |
|------------------------------------|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Other short term borrowings | | |
| <i>Secured:</i> | | |
| - from banks | - | 216,000,000 |
| | - | 216,000,000 |



a) Bank term loan amounting to: Rs Nil (previous year: Rs 216,000,000)

- i. Equitable Mortgage of the Company's share of property situated at Varthur Hobli, Bangalore admeasuring 190,633 Sqft along with the proposed building thereon (The Company is entitled for a share of 62% on available floor area ratio of the normal built up area plus 92% of additional built up area, if any, in the form of undivided share, right, title and interest in the proposed building thereon)
- ii. Hypothecation of receivables of the project 'Nitesh Cape Cod'
- iii. Corporate guarantee of Nitesh Estates Limited
- iv. Personal guarantee of Mr. Nitesh Shetty.

Repayment and interest terms

| Repayment terms | Interest rate |
|--|--------------------|
| The loan is repayable in 12 equal monthly installments starting April 2014 | 4% above base rate |

8 Trade payables

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| -Dues to micro and small enterprises (refer note 34) | - | - |
| -Dues to other creditors | 154,250,306 | 163,670,708 |
| | 154,250,306 | 163,670,708 |

(i) Related party (Rs. 229,275/-) refer note no 28

9 Other current liabilities

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Consideration under joint development agreement towards purchase of land* | 99,821,663 | 332,519,724 |
| Advance received from related parties | 8,237,137 | 2,240,122 |
| Advance received from customers for sale of properties | 228,938,108 | 319,486,294 |
| Billing in excess of revenue | 283,172,154 | 78,945,290 |
| Interest Payable | 93,349 | - |
| Other payables | | |
| - accrued salaries and benefits | 246,806 | 4,894,969 |
| -withholding and other taxes and duties payable | 4,509,326 | 3,900,553 |
| | 625,018,542 | 741,986,952 |

*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.

*In case of joint development with the land owner on space sharing arrangement, on entering into the joint development agreement and obtaining necessary approvals for commencement of construction, 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

10 Short-term provisions

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Provision for employee benefits | | |
| Provision for compensated absences | 1,079,469 | 896,085 |
| Provision for income tax | - | 3,003,229 |
| | 1,079,469 | 3,899,314 |



11 Fixed Assets:

| Asset category | Gross block | | | Depreciation | | | Net block | | |
|--------------------------|--------------------|--|-----------------------------|---------------------|--------------------|---------------------|-----------------------------|---------------------|---------------------|
| | As at 1 April 2014 | Additions/ adjustments during the period | Deletions during the period | As at 31 March 2015 | As at 1 April 2014 | Charge for the year | Deletions during the period | As at 31 March 2015 | As at 31 March 2014 |
| Tangible assets | | | | | | | | | |
| Office equipments | 419,747 | 25,591 | - | 445,338 | 39,867 | 84,581 | - | 124,448 | 379,880 |
| Vehicles | 1,290,559 | 1,536,000 | - | 2,826,559 | 444,707 | 348,581 | - | 793,287 | 845,852 |
| | 1,710,306 | 1,561,591 | - | 3,271,897 | 484,574 | 433,162 | - | 917,736 | 1,225,732 |
| Intangible assets | | | | | | | | | |
| Computer software | 167,624 | 317,043 | - | 484,667 | 2,448 | 99,896 | - | 102,344 | 165,176 |
| | 167,624 | 317,043 | - | 484,667 | 2,448 | 99,896 | - | 102,344 | 165,176 |
| | 1,877,930 | 1,878,634 | - | 3,756,564 | 487,021 | 533,058 | - | 1,020,079 | 1,390,909 |
| <i>Previous year</i> | <i>1,400,277</i> | <i>1,777,653</i> | <i>-</i> | <i>1,877,930</i> | <i>151,939</i> | <i>333,003</i> | <i>-</i> | <i>487,022</i> | <i>1,390,908</i> |



12 Non-current investments

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| <i>(At cost less permanent diminution if any)</i> | | |
| Trade - unquoted | | |
| <i>Investment in joint venture</i> | | |
| -Courtyard Constructions Private Limited [5,490 equity shares (Previous year: 5,490) of Rs.10 each fully paid up] | 80,200,000 | 80,200,000 |
| | 80,200,000 | 80,200,000 |

13 Deferred tax assets (net)

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Deferred tax asset | | |
| Excess of depreciation provided in the books over depreciation allowable under income tax laws | - | 55837 |
| | - | - |
| | - | 55,837 |
| Deferred tax asset | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 389,328 | |
| Effect of tax losses | - | (55,837) |
| | 389,328 | - |

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

14 Long-term loans and advances

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| <i>Unsecured, considered good</i> | | |
| Security deposits | | 212,350 |
| Advance for purchase of transferable development rights | - | 205,891,402 |
| Advance tax, net of provision for tax | 2,299,123 | 539,868 |
| | 2,299,123 | 206,643,620 |



15 Inventories

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| <i>(Valued at lower of cost and net realisable value)</i> | | |
| Land held under joint development agreements | 121,964,647 | 355,367,534 |
| Properties under development* | 161,670,475 | 146,162,405 |
| | 283,635,122 | 501,529,939 |

* Properties under development includes interest cost of Rs 19,805,873 (Previous year: 24,010,179) inventorised.
Refer note 2.16 for accounting policy on disclosure of mode of valuation of inventories.

16 Trade receivables

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| <i>Unsecured</i> | | |
| Receivables outstanding for a period exceeding six months from the date they become due for payment | | |
| - considered good | 40,623 | 99,280 |
| Other debts | | |
| - considered good | 16,207,857 | 16,809,170 |
| - considered doubtful | - | - |
| | 16,248,480 | 16,908,450 |
| Less: provision for doubtful debts | - | - |
| | 16,248,480 | 16,908,450 |

17 Cash and bank balances

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Cash and cash equivalents | | |
| Cash on hand | 90,778 | 90,017 |
| Balances with banks | | |
| - in current accounts | 5,489,598 | 10,514,290 |
| - deposits with original maturity of less than 3 months | - | 60,493,359 |
| Other bank balances | | |
| -in escrow accounts | - | 32,530,438 |
| - deposits with original maturity for more than 3 months but less | 229,500,000 | 131,974,349 |
| | 235,080,376 | 235,602,453 |

18 Short-term loans and advances

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| <i>Unsecured, considered good</i> | | |
| Security deposits | 465,350 | 315,000 |
| Refundable deposits under joint development agreements | 130,000,000 | 130,000,000 |
| Advance paid to related parties | 25,000,000 | 25,000,000 |
| Vendor advances | 153,930,941 | 328,425,538 |
| Accrued Interest on Fixed Deposit | 8,919,454 | - |
| Balances with government authorities | 529,109 | 11,791,429 |
| Prepaid expenses | 3,128,425 | 5,753,425 |
| Advance against property | 367,202,402 | 99,741,000 |
| | 689,175,681 | 601,026,392 |



19 Revenue from operations

| Particulars | Rs | |
|----------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Income from property development | 249,316,545 | 642,289,832 |
| | 249,316,545 | 642,289,832 |

20 Other income

| Particulars | Rs | |
|-----------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Interest | | |
| Interest income from Banks | 18,478,907 | 3,853,010 |
| Interest income from others | 85,644 | - |
| Other income | 1,002,663 | 100,000 |
| | 19,567,214 | 3,953,010 |

21 Employee benefits

| Particulars | Rs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Salaries, wages and benefits | 46,937,398 | 32,881,995 |
| Contribution to provident and other funds | 822,078 | 1,445,137 |
| Staff welfare expenses | 933,817 | 960,457 |
| | 48,693,293 | 35,287,589 |

22 Other expenses

| Particulars | Rs | |
|----------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Advertising and sales promotion | 7,179,489 | 20,061,964 |
| Legal and professional expenses | 8,509,201 | 9,835,323 |
| Audit Fees | 309,148 | 468,873 |
| Travel and conveyance | 3,793,463 | 3,708,419 |
| Rent | 5,378,468 | 4,949,300 |
| Rates and taxes | 38,934 | 19,938 |
| Power and fuel | 1,366,279 | 1,394,783 |
| Printing, postage and stationery | 632,213 | 802,746 |
| Insurance charges | 25,193 | 334,162 |
| Lease rent-vehicles | 1,092,000 | 350,000 |
| Repairs and maintenance | 1,541,874 | 1,084,481 |
| Office maintenance expenses | 24,526 | 55,033 |
| Communication expenses | 452,195 | 405,440 |
| Housekeeping Charges | 972,071 | 989,883 |
| Hire Charges | 1,672,282 | 436,156 |
| Sales office expense | 1,336,396 | 161,395 |
| Security Charges | 990,504 | 962,960 |
| Bank charges | 865,329 | 408,197 |
| Interest and other charges | 303,528 | - |
| Miscellaneous expense | 674,778 | 225,386 |
| | 37,157,871 | 46,654,439 |



23 Commitments and contingent liabilities

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for | 366,449,506 | 985,254,794 |

The Company has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Company, the Company is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Company.

24 Details of Construction contracts in progress

| Particulars | Rs | |
|--|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Contract revenue recognized as revenue for the year | 249,316,545 | 642,289,832 |
| Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to year end | 745,909,449 | 574,177,083 |
| The amount of customer advances outstanding as at year end | 228,938,108 | 319,486,294 |
| The amount of retention due from customers for contracts in progress as at year end | | |

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

| Particulars | Rs | |
|------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| As statutory auditors | | |
| Statutory audit fees | 120,000 | 240,000 |
| Limited reviews | 140,000 | 180,000 |
| Out of pocket expenses | 49,148 | 48,873 |
| | 309,148.00 | 468,873 |

26 Expenditure in foreign currency (on accrual basis)

| Particulars | Rs | |
|---------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Consultancy charges | 95,894 | 3,602,673 |
| | 95,894.00 | 3,602,673 |

27 Earnings / (Loss) per share

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

| Particulars | (Figures in rupees except number of shares) | |
|--|---|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Earnings / (Loss) for the year attributable to equity shareholders | 11,211,977 | 49,037,390 |
| Number of weighted average shares considered for calculation of basic earnings per share | 6,582,000 | 6,582,000 |
| Add: Dilutive effect of zero coupon compulsorily convertible debenture* | 9,730,000 | 9,730,000 |
| Number of weighted average shares considered for calculation of diluted earnings per share | 16,312,000 | 16,312,000 |
| Earnings / (Loss) per share | | |
| - Basic | 1.70 | 7.45 |
| - Diluted | 0.69 | 3.01 |

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



Nitesh Urban Development Private Limited
Notes to financial statements

28 Related parties disclosures

Related parties where control exists

A. Holding company

- Nitesh Estates Limited

Related parties with whom transactions have taken place during the year

B. Joint venture company

- Courtyard Constructions Private Limited

C. Enterprises owned or significantly influenced by Key management personnel

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

D. Key management personnel

- Ashwini Kumar Managing Director
- Nitesh Shetty Director
- L S Vaidyanathan Director

F. The following is a summary of related party transactions

| Particulars | Rs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2015 | For the year ended 31 March 2014 |
| Trade advances paid/(received): | | |
| Nitesh Estates Limited (net) | (5,997,015) | (9,486,443) |
| Guarantees given on behalf of the Company: | | |
| Nitesh Estates Limited | - | 120,000,000 |
| Advertising and sales promotion expenses | | |
| Serve & Volley Outdoor Advertising Private Limited | 1,340,000 | 1,450,000 |
| Rent: | | |
| Nitesh Infrastructure and Construction | 2,592,984 | 2,474,650 |
| Other expenses: | | |
| Nitesh Infrastructure and Construction | 1,416,505 | 1,443,421 |
| Nitesh Property Management Private Limited | 467,997 | - |

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

| Particulars | Rs | |
|---|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Other current liabilities: | | |
| Nitesh Estates Limited | 8,237,137 | 2,240,122 |
| Trade payables: | | |
| Nitesh Infrastructure and Construction | 229,275 | 455,561 |
| Nitesh Property Management Private Limited | 43,041 | - |
| Trade advances: | | |
| Serve & Volley Outdoor Advertising Private Limited | 1,092,812 | 1,530,612 |
| Courtyard Constructions Private Limited | 25,000,000 | 25,000,000 |
| Investment: | | |
| Courtyard Constructions Private Limited | 80,200,000 | 80,200,000 |
| Guarantees given on behalf of the Company and outstanding: | | |
| Nitesh Shetty / Nitesh Estates Limited | - | 216,000,000 |

29 Segment reporting

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

30 Leases

The Company has taken on lease office facilities, and other facilities under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total expense under operating leases amounted to Rs. 5,378,468(previous year: Rs. 4,949,300).



31 Gratuity plan

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

| Reconciliation of the projected benefit obligations | | | Rs |
|---|------------------|--|------------------|
| Particulars | As at | | As at |
| | 31 March 2015 | | 31 March 2014 |
| Obligations at beginning of the year | 1,550,167 | | 1,102,290 |
| Service cost | 810,478 | | 987,987 |
| Interest on defined benefit obligation | 213,582 | | 167,360 |
| Past service cost | - | | - |
| Benefits settled | (211,803) | | (197,879) |
| Liabilities assumed | - | | - |
| Actuarial (gain) / loss | (340,019) | | (509,591) |
| Obligations at year end | 2,022,405 | | 1,550,167 |

| Change in plan assets | | | Rs |
|--|----------------|--|----------------|
| Particulars | As at | | As at |
| | 31 March 2015 | | 31 March 2014 |
| Plans assets at the beginning of the year, at fair value | 891,976 | | - |
| Expected return on plan assets (estimated) | 110,271 | | - |
| Actuarial gain / (loss) | (130,679) | | 79,929 |
| Contributions | - | | 1,009,926 |
| Benefits settled | (211,803) | | (197,879) |
| Plan assets at year end, at fair value | 659,765 | | 891,976 |

| Reconciliation of present value of the obligation and the fair value of the plan assets: | | | Rs |
|--|--------------------|--|------------------|
| Particulars | As at | | As at |
| | 31 March 2015 | | 31 March 2014 |
| Closing obligations | (2,022,405) | | (1,550,167) |
| Closing fair value of plan assets | 659,765 | | 891,976 |
| Liability recognised in the balance sheet | (1,362,640) | | (658,191) |

| Gratuity cost for the year | | | Rs |
|----------------------------|--------------------|--------------------|----------------|
| Particulars | For the year ended | For the year ended | |
| | 31 March 2015 | 31 March 2014 | |
| Service cost | 810,478 | | 987,987 |
| Interest cost | 213,582 | | 167,360 |
| Liabilities assumed | - | | - |
| Actuarial (gain) / loss | (340,019) | | (589,520) |
| Net gratuity cost | 684,041 | | 565,827 |

Assumptions

| Particulars | For the year ended | For the year ended | |
|---|--------------------|--------------------|----------|
| | 31 March 2015 | 31 March 2014 | |
| Discount rate | 7.9% | | 9.1% |
| Estimated rate of return on plan assets | 8.0% | | 8.00 |
| Salary increase | 6.0% | | 6.0% |
| Attrition rate | 2% to 5% | | 2% to 5% |
| Retirement age | 60 | | 60 |

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

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

| Particulars | As at 31 March | | | | | Rs |
|--|----------------|------|-------------|-----------|-------------|----|
| | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Present value of the defined benefit obligations | - | - | 1,102,290 | 1,550,167 | 2,022,405 | |
| Fair value of plan assets | - | - | - | 891,976 | 659,765 | |
| Surplus / (Deficit) | - | - | (1,102,290) | (658,191) | (1,362,640) | |
| Experience adjustment on plan assets | - | - | - | 79,929 | (130,679) | |
| Experience adjustment on plan liabilities | - | - | 478,245 | (282,624) | (555,461) | |



32 Interest in joint venture

The company holds 50% interest in Courtyard Constructions Private Limited, a Company, formed in India. This is a jointly controlled entity which is involved in real estate development.

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity (as per the audited financial statements available with the company) are as follows:

| Particulars | Rs | |
|-------------------------|------------------------|------------------------|
| | As at 31 March 2015 | As at 31 March 2014 |
| Assets | | |
| Non current assets | 29,896,485 | 29,897,735 |
| Current assets | 1,279,098 | 1,357,050 |
| Liabilities | | |
| Non current liabilities | 31,425,000 | 31,425,000 |
| Current liabilities | 914,000 | 921,247 |
| Income | - | - |
| Expenses | 71,955 | 23,225 |

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'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

34 During the year under review, 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. Carrying amount less residual value of the assets whose remaining useful life has become nil at the beginning of the period amounting to Rs 198,370 has been adjusted in the opening balance of retained earnings.

35 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

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

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay
Partner
Membership No. 051472

Bangalore, India
Date: 25 May 2015



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

L.S. Vaidyanathan
L.S. Vaidyanathan
Director

Ashwini Kumar
Ashwini Kumar
Managing Director

Bangalore, India
Date: 25 May 2015



Prathima M. Tellis
Prathima M. Tellis
Company Secretary