INDEPENDENT AUDITOR'S REPORT

To
The Members of
Nitesh Housing Developers Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Nitesh Housing Developers Private Limited**('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as " Ind AS financial statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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.

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We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of the affairs of the Company as at 31st March, 2018 and its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

1. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date of opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and on which we expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 27thMay, 2017and 27th May, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

2. We draw attention to Note 35 to the Ind AS financial statements, which indicates that the Company has accumulated losses and its net worth has been fully eroded as at 31st March, 2018, leading to a material uncertainty about the Company`s ability to continue as a "going concern". However, the financial

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statements of the Company have been prepared on a "going concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   We have sought and obtained all the information and explanations except information related to deferred tax assets/liabilities as stated in Note no 11(a), which to the best of our knowledge and belief were necessary for the purpose of our audit;

   a) 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;

   b) The Balance Sheet, the Statement of Profit and Loss , the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   c) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   d) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   e) 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

   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,as amended, 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 against the Company on its financial position in its Ind AS financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note 34.

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no 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

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Mrinal Kanti Banerjee
Partner
Membership No051472

Date: 30th May, 2018

ANNEXURE"A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our report to the members of **NITESH HOUSING DEVELOPERS PRIVATE LIMITED under the heading 'Report on other Legal and Regulatory Requirements'** of our report at even date.

We report that:

i. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.

b) According to the information and explanation given to us, some of the fixed assets have been physically verified by the Management during the year in a phased program and no material discrepancies were noticed 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) According to the information and explanation given to us no immovable properties are held in the name of the company.

ii. The Company is engaged in the business of real estate development and related services and holds inventories in the form of land, developed and under development of properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the procedures and frequency of the physical verification by way of title deeds, site visits by the management and certification of work completion are reasonable and adequate having regard to the size of the Company and the nature of its business.

iii. According to the information and explanation given to us, the Company has granted unsecured loans to companies, firms, or other parties as listed in the register maintained under section 189 of the Companies Act, 2013(Refer to Note 30 to the financial statements).In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.

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iv. According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to 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. The Central Government has prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company. Accordingly, the management has appointed a cost auditor whose report is still awaited and could not be produced to us.

vii. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Wealth Tax, Service Tax, Excise Duty, Cess, Custom Duty, Goods and Services Tax (GST) and other statutory dues applicable to it.

There are no undisputed amounts payables in respect of provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities except GST and Value Added Tax (VAT) of Rs. 3 Lakh and Rs.494 Lakh as at 31st March, 2018 respectively for a period more than six months from the date they became due.

(b) According to the information and explanations given to us, the following are the disputed statutory dues which have not been deposited by the company as on 31st March,2018.

Name of Statute	*Nature of Dues*	*Period to which the amount relates*	*Amount (Rs. in Lakh)*	*Forum where Disputes is Pending*
Income Tax Act, 1961	*Income tax*	*AY 2012-13*	584	*CIT- Appeal*

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KAVAT Act	VAT VAT	FY 2012-13 FY 2011-12	778 12	DCCT – Audit DCCT-Audit
Finance Act,1994	Service Tax	FY 2010-11 to FY 2017-18	70	ASSISTANT COMMISSIONER CENTRAL TAX ,AUDIT

viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. The Company has not taken any loans or borrowings from the government.

ix. The company has not raised money 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. According to the information and explanations given to us ,no fraud on or by the company has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the said order are not applicable.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of section 197 read with Schedule V to the Act is not applicable to the Company.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us by the management 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. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

RAY & RAY CAs BANGALORE

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

'Annexure B' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NITESH HOUSING DEVELOPERS PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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,

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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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations Of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company generally 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 2018, 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

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on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India .

For **RAY& RAY**
Chartered Accountants
Firm's Registration No.301072E

Mrinal Kanti Banerjee
Partner
Membership No 051472

Place: Bangalore
Date: 30th May, 2018

Nitesh Housing Developers Private Limited
Balance sheet as at March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Assets				
Non-current assets				
Property, Plant and Equipment	4	21	24	31
Intangible assets	5	1	2	3
Financial assets				
Loans	8	365	50	45
Deferred tax assets (net)	11	5,808	5,588	5,307
		6,195	5,664	5,386
Current assets				
Inventories	6	20,978	9,246	9,122
Financial assets				
Trade receivables	7	2,167	1,153	1,866
Cash and cash equivalents	12 (a)	65	48	173
Bank balance other than cash and cash equivalents	12 (b)	-	171	1,029
Loans	8	1,391	4,274	4,147
Other current financials assets	9	-	2	15
Other current assets	10	14,286	19,281	17,201
		38,887	34,175	33,553
Total assets		**45,082**	**39,839**	**38,939**
Equity and liabilities				
Equity				
Equity share capital	13	500	500	500
Other equity	14	(15,819)	(9,013)	(6,578)
Total equity		**(15,319)**	**(8,513)**	**(6,078)**
Liabilities				
Non current liabilities				
Financial liabilities	16	76	123	95
Provisions	18	53	100	94
		129	223	189
Current liabilities				
Financial liabilities				
Borrowings	15	31,597	36,776	28,763
Trade payables	19	9,099	9,134	8,134
Other current financial liabilities	16	-	-	-
Other current liabilities	20	19,309	1,606	7,251
Current tax liabilities (net)	17	256	581	642
Provisions	18	11	32	38
		60,272	48,129	44,828
Total liabilities		**60,401**	**48,352**	**45,017**
Total equity and liabilities		**45,082**	**39,839**	**38,939**

The accompanying notes 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 Banerjee
Partner
Membership No. 051472

Place: Bangalore
May 30, 2018

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

L.S. Vaidyanathan
Managing Director
DIN: 00304652

Ashwini Kumar
Director
DIN: 02034498

Venkateshan .M.A.
Chief Financial Officer

NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore

D. Srinivasan
Company Secretary

Nitesh Housing Developers Private Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	31-Mar-18	31-Mar-17
Income			
Revenue from operations	21	(1,389)	6,001
Other income	22	76	90
Total income		**(1,313)**	**6,091**
Expenses			
Land and construction cost	23	12,654	3,853
(Increase)/ decrease in inventories of stock in flats, land stock and work-in-progress	24	(11,732)	(124)
Employee benefits expense	25	407	881
Finance costs	26	3,512	3,103
Depreciation and amortization expense	27	11	17
Other expenses	28	714	928
Total expenses		5,566	8,658
Profit / (loss) before tax		**(6,879)**	**(2,567)**
Tax expenses			
Current tax			
Deferred tax charge/ (credit)	29	(37)	(132)
Total tax expense		**(37)**	**(132)**
Profit/ (loss) for the year		**(6,842)**	**(2,435)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plan		36	0
Tax relating to these items			(0)
Other comprehensive income for the year, net of tax		36	0
Total comprehensive income for the year		(6,806)	(2,435)
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)			
Basic		-136.83	-48.70
Diluted		-136.83	-48.70

The accompanying notes 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 Banerjee
Partner
Membership No 051472

Place Bangalore
May 30, 2018

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

L.S. Vaidyanathan
Managing Director
DIN 00304652

Ashwini Kumar
Director
DIN 02034498

Venkateshan .M.A.
Chief Financial Officer

D. Srinivasan
Company Secretary

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NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore

Nitesh Housing Developers Private Limited
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount in
Equity shares of 10 each issued, subscribed and fully paid		
At April 1, 2016	50,00,000	500
At March 31, 2017	50,00,000	500
At March 31, 2018	50,00,000	500

b. Other equity
For the year ended March 31, 2018

Particulars	Reserves and Surplus		
	Equity component of compound financial instruments (Preference Shares)	Retained Earnings	Total
As at April 1, 2016	7,703	(14,281)	(6,578)
Profit/(Loss) for the period		(2,435)	(2,435)
Other comprehensive income*	-	0	0
Total comprehensive income	**7,703**	**(16,716)**	**(9,013)**
Less Transferred during the year	-	-	-
At March 31, 2017	**7,703**	**(16,716)**	**(9,013)**
As at April 1, 2017	7,703	(16,716)	(9,013)
Profit/(Loss) for the period		(6,842)	(6,842)
Other comprehensive income	-	36	36
Total comprehensive income	**7,703**	**(23,522)**	(15,879)
		-	-
At March 31, 2018	**7,703**	**(23,522)**	**(15,819)**

* As required under Ind AS complaint Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings

The accompanying notes 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 Banerjee
Partner
Membership No 051472

Place Bangalore
May 30, 2018

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

L.S. Vaidyanathan
Managing Director
DIN 00304652

Ashwini Kumar
Director
DIN 02034498

Venkateshan .M.A.
Chief Financial Officer

D. Srinivasan
Company Secretary

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NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore

Nitesh Housing Developers Private Limited
Statement of Cash Flows for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	31-Mar-18	31-Mar-17
Operating activities			
Profit/ (Loss) before tax		(6,879)	(2,567)
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment		11	17
Finance income			(49)
Finance costs		3,512	3,103
Working capital adjustments:			
(Increase)/ decrease in trade receivables		(1,014)	713
(Increase)/ decrease in other financial and non-financial assets		(4,278)	(2,471)
Increase/ (decrease) in trade payables and other financial liabilities		(83)	1,028
Increase/ (decrease) in provisions		(429)	(60)
Increase/ (decrease) in other non-financial liabilities		11,705	355
		2,545	69
Income tax paid (net of refund)		-	-
Net cash flows from/ (used in) operating activities (A)		**2,545**	**69**
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		-8	-9
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net		342	1,886
Interest received		-	45
Net cash flows from/ (used in) investing activities (B)		**334**	**1,926**
Financing activities			
Proceeds from current borrowings		821	2,012
Interest paid (gross)		(3,683)	(4,132)
Net cash flows from/ (used in) financing activities (C)		**(2,862)**	**(2,120)**
Net increase/ (decrease) in cash and cash equivalents		17	(125)
Cash and cash equivalents at the beginning of the year		48	173
Cash and cash equivalents at the end of the year		**65**	**48**
Components of cash and cash equivalents			
Cash on hand		1	6
Balance with banks		0	0
- on current account		64	42
Total cash and cash equivalents		**65**	**48**

Note:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow"

(b) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes

NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore

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Reconciliation of liabilities arising from financing activities

Particulars	As at 31st March, 2017	Changes as per statement of cash flows	As at 31st March, 2018
Current borrowings	30,776	820.81	31,596
Non-Current borrowings	-		
Total Liabilities from Financing Activity	**30,776**	**820.81**	**31,596**

The accompanying notes 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 Banerjee
Partner
Membership No. 051472

Place: Bangalore
May 30, 2018

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

L.S. Vaidyanathan
Managing Director
DIN: 00304652

Ashwini Kumar
Director
DIN: 02034498

Venkateshan .M.A.
Chief Financial Officer

D. Srinivasan
Company Secretary

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NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore

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1 Corporate information

Nitesh Housing Developers Private Limited ('the Company') was incorporated on December 6, 2007. Registered office of the Company is located at [illegible], Bangalore [illegible] 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

2.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These first financial statements of the company for the year ended March 31, 2018 has been prepared in accordance with Ind AS. Refer to note 45 for information on how the Company adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value
► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.2 Summary of significant accounting policies

a) 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 is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue does not include Goods and Service Tax (GST) as the same is not received by the Company on its own account, rather, it is tax collected on value added to the commodity by the seller on behalf of the government, accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Income from lease of commercial properties

Rental income receivable under operating leases is recognized in the income statement as and when due over the lease period.

ii. Recognition of revenue joint development arrangements

In the case of joint development arrangements, land owner provides land and company develops the property on the said land and in lieu of consideration, a fixed portion of constructed property (i.e. often fixed numbers of flats, shops and other constructed property) is being given to landowners. In such a situation, revenue is recognised on gross basis. Since the goods exchanged under joint development arrangement i.e. land with flats are in dissimilar in nature, as per para 12 of Ind AS 18, the exchange is regarded as a transaction which generates revenue.
Revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. Since, fair value of the goods or services received cannot be measured reliably, revenue is measured in relation to transfer of constructed property to land owners on the basis of fair value of services provided to the landlord.

iii. 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.

iv. 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.

v. 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.

vi. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest.

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

vii. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

b) Property, plant and equipment

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant & equipment 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.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item with the item will flow to the Company and the cost of the item can be measured realiably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

c) **Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is provided Written Down Value Method based on useful life as prescribed under Schedule II of Companies Act 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) **Intangible Fixed Assets**

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible 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.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz 1 April 2016.

e) **Investment Property**

Ind AS 101 permits a first-time adopter to measure an item investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) **Impairement of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) **Impairement of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

h) **Segment reporting**

Identification of segments - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

Segment accounting policies - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

i) **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

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Foreign currency transactions and balances

i) Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency [illegible]

ii) Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. [illegible] items which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange difference: The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items [illegible] in the period in which they arise.

j) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

k) **Fair value measurement**

The Company measures financial instruments, such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest

l) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

m) **Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

n) **Borrowings**
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest method amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

o) **Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.

p) **Trade and other payables**
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

q) **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 deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

r) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as current employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Expense in respect of other current benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

s) **Provisions**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

t) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

u) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v) **Taxes**

Tax expense comprises of current and deferred tax.

Current income tax
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period

w) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under Joint Development Arrangements (JDA) is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work in-progress. Further, the amount of refundable deposit paid by the Company under JDA is recognised as deposits under loans.

x) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss

A leased asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainly that the Company will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term

Where the Company is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

y) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i) Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value

ii) Finished goods - Stock of Flats: Valued at lower of cost and net realizable value

iii) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis

iv) Land stock: Valued at lower of cost and net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale

3 Significant accoutning judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) 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.

ii) Classification of property

The Company determines whether a property is classified as investment property or inventory as below:

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Revenue recognition, contract costs and valuation of unbilled revenue

The Company uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate projects. The percentage of completion is measured by reference to the stage of the projects determined based on the proportion contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

For revenue recognition for projects executed through joint development arrangements, refer clause (ii) below as regards estimates and assumptions involved.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4 Property, plant and equipment

	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
Deemed Cost *					
At 1 April 2016	21	2	2	6	31
Additions	0		4		4
Disposals	-	-		-	-
At 31 March 2017	21	2	6	6	35
Additions	9	-	-	-	9
Disposals	-	-	0	-	0
At 31 March 2018	30	2	6	6	44
Depreciation and impairment					
At 1 April 2016	-	-		-	-
Charge for the year	10	1	1	4	16
Disposals	-			-	-
Other adjustments	(1)	-	-	(4)	(5)
At 31 March 2017	9	1	1	(0)	11
Charge for the year	5	0	3	2	10
Disposals	-	-	-	-	
Other adjustments	2	-	-	(1)	1
At 31 March 2018	16	1	4	1	23
Net Book value					
At 31 March 2018	14	0	2	5	21
At 31 March 2017	12	1	5	6	24
At 1 April 2016	21	2	2	6	31

* For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

5 Intangible assets

	Computer - Software	Total
Deemed Cost*		
At 1 April 2016		
Purchase	[illegible]	3
Other adjustments	-	
At 31 March 2017	-	-
Purchase	3	3
Other adjustn.eras	-	-
At 31 March 2018	-	-
	3	3
Amortization and impairment		
At 1 April 2016		
Charge for the year		
At 31 March 2017	1	1
Charge for the year	1	1
Other adjustments	1	1
At 31 March 2018	-	-
	2	2
Net Buck value		
At 31 March 2018		
At 31 March 2017	1	1
At 1 April 2016	2	2
	3	3

* For intangible assets existing as on the date of transition to Ind AS i.e. April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs

6 Inventories (valued at lower of cost and net realizable value)

	31-Mar-18	31-Mar-17	01-Apr-16
Land held under joint development arrangements	13519	4041	3954
Properties under development	7,459	5,205	5,168
	20,978	9,246	9,122

7 Trade receivables

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good						
Trade receivables						
- from related parties	513		-			
- from others	1,654	1,152	1,866	-	-	-
Total Trade receivables	2,167	1,153	1,866	-	-	-

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8 Loans (Unsecured, considered good unless otherwise stated)

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
* Refundable deposit towards joint development agreement	1,391	1,306	1,125			
Security deposit - Others	-	-	-	-	-	-
Security deposit paid to related parties	-	-	-	50	50	45
Loans and advances to related parties (refer note 30)*	-	2968	3022	315	-	-
	1,391	4,274	4,147	365	50	45

* Advances paid by company to the land owners towards joint development of land is recognised as deposits since the advances is in the nature of refundable deposit.

9 Other financial assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
(a) Unsecured, considered good						
Others						
Interest Receivable	-	2	15	-	-	-
	-	2	15	-	-	-
(b) Unsecured, considered doubtful						
Advances paid towards Joint Development	14,939	14,939	14,889	-	-	-
Less: Provision for doubtful debts/advances *	14,939	14,939	14,889	-	-	-
	-	-	-	-	-	-
Total	-	2	15	-	-	-

*The Company has advanced, to various parties, for purchase/joint development of land/properties. Considering the timelines of these advances and the period for conversion of these advances into acquired land/joint development agreements ranging between seven to ten years of time for the recoverability/conversion, the management keeping in view the non-current nature of these advances and as an abundant caution, provision has been made on the basis of life time expected credit loss

10 Other assets

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Advance towards JDA including Non refundable deposits						
Unsecured						
considered good**	4,432	4,832	4,622			
Others						-
Unbilled revenue	6,270	10,080	7,746	-	-	
Vendor advances-Paid to related parties*	-	-	-			
Vendor advances						
Advances for supply of goods and rendering of services	3,343	4,188	4,824	-		-
Prepaid expenses	80	-	-	-	-	
Balances with government authorities	2	4	9	-	-	-
	159	177	-	-	-	
	14,286	**19,281**	**17,201**			

* The Company has granted unsecured loans and advances to related parties in the ordinary course of business towards furtherance of the business objectives of the Company. The interest charged on such loans and advances, wherever applicable, is not prejudicial to the interests of the Company

** Advances unsecured are considered good as the advances have been given based on the arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation

11 **Deferred tax asset (net)**

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Deferred tax asset (net)	-	-	-	5808	5588	5307
	-	-	-	**5,808**	**5,588**	**5,307**

11 (a) Deferred tax assets/liabilities outstanding figures as on 31st March 2018 are under reconciliation due to Ind AS applicability to the Company from the current year and will be provided after reconciliation

12 (a) **Cash and cash equivalent**

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks						
- In current accounts	64	42	171			
Cash on hand	1	6	2	-		
	65	**48**	**173**	-		-

12 (b) **Bank balances other than cash and cash equivalent**

	Current			Non-current		
Other bank balances						
Fixed Deposits with bank	-	171	1,029	-		-
	-	**171**	**1,029**	-	-	-

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Nitesh Housing Developers Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

13 Share Capital

	31-Mar-18	31-Mar-17	01-Apr-16
Authorised shares			
5,000,000 (2017: 5,000,000; 2016: 5,000,000) equity shares of Rs 10 each	500	500	500
5,000,000 (2017: 5,000,000; 2016: 5,000,000) 9% Non Cumulative Reedemable Preference Shares of Rs 10 each	500	500	500
	1,000	1,000	1,000
Issued, subscribed and fully paid-up shares			
5,000,000 (2017: 5,000,000; 2016: 5,000,000) equity shares of Rs 10 each	500	500	500
Total issued, subscribed and fully paid-up share capital	500	500	500

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares		No of Shares		No of Shares	
Equity shares						
At the beginning of the year	50,00,000	500	50,00,000	500	50,00,000	500
Add: Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,00,000	500	50,00,000	500	50,00,000	500

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

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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.

c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below

Particulars	As at 31 March 2018	As at 31 March 2017	01-Apr-16
Nitesh Estates Limited			
44,94,900 (2017: 44,94,900; 2016: 4,494,900) Equity shares of Rs.10 each	44,94,900	44,94,900	44,94,900

d) Details of shareholders holding more than 5% shares in the Company

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares	Holding percentage	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of `10 each fully paid up						
Nitesh Estates Limited	44,94,900	89.90%	44,94,900	89.90%	44,94,900	89.90%
Kakanad Enterprises Private Limited	5,05,100	10.10%	5,05,100	10.10%	5,05,100	10.10%

e) 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

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14 Other equity

RESERVES AND SURPLUS

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Equity component of compound financial instrument (Preference Shares)			
Balance at the beginning of the year	7,703	7,703	7,703
Less: Reversal of equity component of compound financial instruments on redemption	-	-	-
Balance at the end of the year	**7,703**	**7,703**	**7,703**
Retained earnings			
Balance as per last financial statements	(16,716)	(14,281)	
Profit/(Loss) for the period	(6,842)	(2,435)	
Other compehensive income	36	0	
Balance at the end of the year	**(23,522)**	**(16,716)**	**(14,281)**
Total other equity	**(15,819)**	**(9,013)**	**(6,578)**

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Nitesh Housing Developers Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

15 Borrowings

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Non-current Borrowings			
Current Borrowings -Secured loans			
Term loan from banks	30,385	29,717	27,841
Liability for 4,150,000 9% Non Cumulative Redeemable Preference Shares of Rs 10 each (Refer Note (iii) below)	1211	1058	921
	31,596	**30,775**	**28,762**
Unsecured loans			
Current loan from director	1	1	1
Total current Borrowings	**31,597**	**30,776**	**28,763**

Current Borrowings

(i) Secured loans

Particulars	31-Mar-18	31-Mar-17	01-Apr-16	Interest rate	Security details	Repayment terms
a)Term loans from banks (Yes Bank Limited)	30,336	29,513	27,515	Base rate plus 1.50%	i Exclusive charge by way of registered mortgage on all present & future assets of the borrower, entire land, development rights and structures built thereon (both present & future) Current ongoing projects are Hyde Park, Columbus Square, Napa Valley I, Napa Valley II, Fisher Island, Melbourne Park and Grand Canyon ii. Exclusive charge on all borrower's share of project receivables/cashflows (both sold and unsold stock, present & future) along with escrow of gross sales proceeds iii. Exclusive charge on the current assets, movable fixed assets and non current loan & advances of the borrower. YBL to have charge on all assets created out of loans and advances of the company iv. Corporate Guarantee of Nitesh Estates Limited v. Personal Guarantee of Mr Nitesh Shetty vi. DSRA of one quarter interest and one quarter principal. DSRA for principal amount to be created before 36th month from the date of first disbursement	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months
a)Term loans from banks (Housing Development Finance Corporation Limited)	[illegible]	204	326	[illegible]	Mortgage of Villa No. 82 A in the project "Napavalley" admeasuring about 3342 sq ft of BUA along with UDI situated at Vadeyarapura Village, Yelaanka Hobli Bangalore North Taluk ii. Personal Guarantee of Mr. Nitesh Shetty iii. Any other security of similar/ higher value acceptable to HDFC iv. NHDPL to give post dated cheques towards the repayment of principal You shall execute a Facility Agreement containing these terms, conditions and convenants in detail, Demand Promissory note and/or such other documents as may be required by us in the format laid down by HDFC	The loan will be repaid in 47 Equated Monthly installments of Rs. 13,66,062 and last installment of Rs. 13,60,037 (comprising of principal and interest) commencing from subsequent month of the disbursement or earlier at HDFC's option Strict monitoring of the project will be done either by HDFC itself or may be outsourced Interest on the outstanding principal will be paid monthly Or earlier at HDFC's option

ii) Unsecured loans

Particulars	31-Mar-18	31-Mar-17	01-Apr-16	Interest rate	Security details	Repayment terms
Loan from related party						
Loan from Nitesh Shetty	1	1	1		Unsecured	Repayable on demand

iii) Details of Preference shares

	31-Mar-18		31-Mar-17		01-Apr-16	
Authorised	**No. of shares**	**Amout (Rs)**	**No. of shares**	**Amout (Rs)**	**No. of shares**	**Amout (Rs)**
9% Non Cumulative Redeembale Preference shares of Rs 10 each	50,00,000	500	50,00,000	500	50,00,000	500
Issued, subscribed and paid up						
Shares outstanding as at the beginning of the year	41,50,000	415	41,50,000	415	41,50,000	415
Add- Shares issued during the year						
Less- Shares redcerned during the year						
Shares outstanding as at the end of the year	**41,50,000**	**415**	**41,50,000**	**415**	**41,50,000**	**415**

Details of 9% Non Cumulative Reedemable Preference shares('Preference') held by each shareholders holding more than 5% of total Preference shares

	31-Mar-18		31-Mar-17		01-Apr-16	
	No of Shares	Holding percentage	No of Shares	Holding percentage	No of Shares	Holding percentage
Preference shares of Rs. 10 each, fully paid up						
Nitesh Estates Limited	41,50,000	100%	41,50,000	100%	41,50,000	100%

The 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.

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

16 Other financial liabilities

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Interest accrued but not due	46	40	39		-	
Salary payable	30	83	56		-	-
	76	123	95	-	-	-

17 Current tax liabilities (net)

Provision for income tax (net of Advance Tax and TDS Receivable)	256	581	642	-	-	-
	256	581	642	-	-	-

18 Provisions

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits						
Provision for gratuity (refer note 32)	7	18	20	24	44	37
Provision for leave benefits	4	13	18	29	56	57
	11	32	38	53	100	94

19 Trade payables

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)						
Trade payables to related parties	41	7	4			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,058	9,127	8,130		-	
	9,099	9,134	8,134	-	-	-

20 Other liabilities

	Current			Non Current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Non trade advances						
Liabilities under joint development arrangement*	11,619	2,884	3,539			
Advance received from Related parties for sale of properties	2,280	170	342			
Advance received from customers for sale of properties	5,050	4,150	3,165			
Billings in excess of revenue		0	0			
Other Statutory dues	360	402	205	-	-	
	19,309	7,606	7,251	-	-	-

* Includes amount payable to landowners where the company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the company has agreed to transfer certain percentage of constructed area/revenue proceeds, net of revenue recognised.

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Nitesh Housing Developers Private Limited

Notes to the financial statements for the year ended March 31, 2018

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

21 Revenue from operations

	31-Mar-18	31-Mar-17
Revenue from operations		
Income from property development	(1,389)	6,001
Total	(1,389)	6,001

22 Other income

	31-Mar-18	31-Mar-17
Interest income on		
Bank deposits	-	49
Miscellaneous Income	2	41
Provisions no longer required written back	74	-
	76	90

23 Land and construction cost

	31-Mar-18	31-Mar-17
Land and construction cost	12,654	3,853
	12,654	3,853

24 (Increase)/ decrease in inventories of stock in flats, land stock and work-in-progress

	31-Mar-18	31-Mar-17
Opening Inventory	9246	9122
Less Closing Inventory	20978	9246
Change in Inventory	(11,732)	(124)

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25 Employee benefits expense

	31-Mar-18	31-Mar-17
Salaries, wages and bonus	396	849
Contribution to provident and other fund	10	21
Staff welfare expenses	1	11
	407	**881**

26 Finance costs

	31-Mar-18	31-Mar-17
Interest and other charges		
Interest expenses	3,299	2,893
Processing fees and others	213	210
Total finance costs	**3,512**	**3,103**

27 Depreciation and amortization expense

	31-Mar-18	31-Mar-17
Depreciation of property plant and equipment	10	16
Amortisation of Intangible assets	1	1
	11	**17**

28 Other expenses

	31-Mar-18	31-Mar-17
Payments to auditors - **Refer note (i) below**	3	4
Rent	127	121
Lease rent-vehicles	2	4
Rates and taxes	331	105
Insurance	0	1
Repairs and maintenance		
Plant and machinery	2	24
Office maintenance	0	7
Advertising and sales promotion	152	482
Travelling and conveyance	5	38
Communication costs	3	8
Printing and stationery	2	6
Director's sitting fees	4	3
Legal and professional fees	81	40
Security Charges	-	2
Hire Charges	1	6
Bad debts / advances written off	0	-
Miscellaneous expenses	1	76
	714	**928**

Note (i) - Payments to auditors

	31-Mar-18	31-Mar-17
As auditor	-	
Statutory Audit Fees	2	2
Review Fees	1	2
Reimbursement of expenses	0	0
	3	4

(ii) Details of CSR expenditure:

The company has not provided for any Corporate Social Responsibility expenses, due to the absence of sufficient cash profits

29 **Income tax**

	31-Mar-18	31-Mar-17
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Decrease / (Increase) in deferred tax assets	-	-
(Decrease) / Increase in deferred tax liabilities	(37)	(10,223)
Less : Recognised in OCI	-	10,091
Relating to origination and reversal of temporary differences	(37)	(132)
Income tax expense reported in the statement of profit or loss	(37)	(132)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018:

	31-Mar-18	31-Mar-17
Accounting profit before income tax	(6,879)	(2,567)
At India's statutory income tax rate of 34% (March 31, 2017: 34%)		
Non-deductible expenses for tax purposes:		
Adjustment on account of depreciable assets	5	-2
Tax effect of amounts which are not taxable in calculating taxable income:	0	0
Adjustment in 43B	-21	0
Other differences:	0	0
Difference due to gross accounting	0	88
Difference due to Preference shares	53	46
Recognised in OCI	0	0
	37	132

Reconciliation of deferred tax liabilities/(assets) (net)

	31-Mar-18	31-Mar-17
Opening balance	(5,588)	(5,307)
Deferred tax (credit)/charge during the period recognised in Profit & Loss	(37)	(132)
Deferred tax (credit)/charge during the period recognised in OCI	-	-
Others	(183)	(150)
Closing balance	(5,808)	(5,588)

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Nitesh Housing Developers Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)
30 Related Party Disclosure

a List of related parties

In accordance with the requirements of Indian Accounting Standards (Ind AS)- 24 'Related Party Disclosure' the names of the related party where control exists / enable to exercise significant influence along with the aggregate transactions and year -end balance with them in the ordinary course of business and on arms' length basis are given below

Key Management Personnel of the company and close member of Key Management Personnel of the company

L S Vaidyanathan [Managing Director]
Ashwini Kumar [Director]
Dipali Khanna [Director]
S Ananthanarayan [Director]
Venkateshan M A [Chief Financial Officer]
D Srinivasan [Company Secretary]

Holding Company

Nitesh Estates Limited

Subsidiary and Fellow Subsidiaries

Nitesh Urban Development Private Limited
Nitesh Office Parks Private Limited (formerly Kakanad Enterprises Private Limited)
Nitesh Property Management Private Limited
Nitesh Indiranagar Retail Private Limited
Nitesh Pune Mall Private Limited
Courtyard Constructions Private Limited

Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or

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
Pushrock Environment Private Limited
Globo Sport In Private Limited

Associates & Joint Ventures

Associate of Holding Company
Associate of holding company
Nitesh Estates – Whitefield

Enterprises which are post employment benefit plan for the benefit of employees

Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust

b. **Transactions with related parties**

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Loans & advances paid/(received)			
Nitesh Estates Limited (net)	-4,939	142	1,006
Hoarding Expense:			
Serve & Volley Outdoor Advertising Private Limited	-11	-	58
Rent paid			
Nitesh Infrastructure and Constructions	-126	121	115
Gifts Staff:			
Nitesh Residency hotels Pvt Ltd	-	2	4
Advance received as customers.			
Pushrock Environment Pvt Ltd	-35	25	25

Loans & Advance			
Nitesh Indiranagar Retail Private Ltd	315		
Nitesh Urban Development Pvt Ltd	420		
Guarantees received			
Nitesh Estates Limited	31,500	31,500	31,500
Directors' Sitting Fees			
Dipali Khanna [Director]	2	2	
Subramanian A [Director]	2	-	
M D Mallya [Director]	-	2	0
Contribution to Gratuity Fund			
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	9	14	
Gratuity Refund			
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	8	12	

c. **Amount outstanding at the balance sheet date**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Loans and advances to subsidiaries and other related parties			
Nitesh Urban Developement Private Limited		87	
Serve & Volley Outdoor Advt. Pvt. Ltd		16	16
Nitesh Estates Limited	-	2,864	3,006
Trade Receivables			
Nitesh Urban Developement Private Limited	507	-	-
Serve & Volley Outdoor Advt. Pvt. Ltd.	5	-	
Security Deposit			
Nitesh Indiaranagar Retail Private Ltd	0		-
Vendor Advance			
Nitesh Property Management Private Limited	2		6
Nitesh Infrastructures & Contructions	47	47	47
Unsecured Loans received			
Nitesh shetty	0	0	0
Trade payables			
Nitesh Infrastructure and Constructions	35	1	
Serve & Volley Outdoor Advt. Pvt. Ltd		0	0
Nitesh Residency hotels Pvt Ltd	6	6	4
Advances received from customers			
Pushrock Environement Pvt Ltd - NNV	205	0	0
Nitesh Estates Limited	2,075	-	-
Guarantees received from the Holding Company			
Nitesh Estates Limited	31,500	31,500	31,500

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Nitesh Housing Developers Private Limited
Notes to the financial statements for the year ended March 31, 2018
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31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(Rs.)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying amount	Amortized Cost	Carrying amount	Amortized Cost	Carrying amount	Amortized Cost
Financial assets						
Measured at cost/amortised cost						
Trade Receivables	2,167	2,167	1,153	1,153	1,866	1,866
Cash and Cash equivalents	65	65	48	48	173	173
Bank balances other than cash and cash equivalents			171	171	1,029	1,029
Other Financial asset						
Security deposits		-	2	2	15	15
	365	365	50	50	45	45
Refundable deposit towards joint development agreement	1,391	1,391	4,274	4,274	4,147	4,147
	3,988	**3,988**	**5,698**	**5,698**	**7,275**	**7,275**
Financial liabilities						
Measured at amortised cost						
Non-Current borrowings		-		-	-	-
Current borrowings	31,597	31,597	30,776	30,776	28,763	28,763
Trade payables	9,099	9,099	9,134	9,134	8,134	8,134
Other financial liabilities	76	76	123	123	95	95
	40,772	**40,772**	**40,033**	**40,033**	**36,992**	**36,992**

Note:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 inputs are unobservable inputs for the asset or liability
There have been no transfers between the levels during the period
The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate

For financial assets & liabilities that are measured at fair value, the carrying amounts are equal to the fair values

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32 Gratuity and other post-employment benefit plans

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Defined Benefit Plan			
Non Current	24	44	37
Current	7	18	20
	31	62	57
Leave Encashment			
Non Current	29	57	57
Current	4	13	18
	33	70	75

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund

a) Gratuity-Funded
The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service

The scheme is funded with an insurance company in the form of qualifying insurance policy

b) As per the policy of the company Cost of long term benefits by way of accumulating compensated absence 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 non-current benefit is determined based on actual valuation carried on by an independent actuary using Projected Unit Credit Method as at the year end

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

i Changes in the defined benefit obligation and fair value of plan assets as at March 31,2018 :

Particulars	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-17	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-18
Defined benefit obligation	53	10	5	14	(8)	-	-	(0)	(36)	(36)		32
Fair Value of plan assets	1	-	0	0	(8)	0	-	-		[illegible]	9	[illegible]
Benefit liability	(62)	(10)	(5)	(14)	-	0	-	0	36	36	9	(31)

ii. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2017 :

Particulars	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-16	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-17
Defined benefit obligation	57	15	4	19	(12)	-	-	1	(2)	(1)	-	63
Fair Value of plan assets	0	-	(0)	(0)	(12)	(1)	-		-	(1)	14	1
Benefit liability	(57)	(15)	(4)	(19)	-	(1)	-	(1)	2	0	14	(62)

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iii. The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	March 31, 2017	March 31, 2018
Fund Managed by Insurer	100%	100%

iv. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	7.50%	7.35%	7.60%
Future salary increases	6.00%	6.00%	6.00%
Expected rate of return of assets			
Mortality	Indian assured lives mortality (2006-08) (modified ultimate	Indian assured lives mortality (2006-08) (modified ultimate	Indian assured lives mortality (2006-08) (modified ultimate
Withdrawal Rate	1.0%	[illegible]	1.0%

v. A quantitative sensitivity analysis for significant assumption as at March 31,2018 is as shown below:

Assumptions	31-03-2018				31-03-2017			
	Discount Rate		Salary Growth Rate		Discount Rate		Salary Growth Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	+50 basis point	-50 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-4.81%	5.26%	2.83%	-3.61%	-5.54%	6.10%	5.00%	5.49%

vi. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

vii. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-18	31-Mar-17
Year 1		
year 2	1	19
year 3	1	1
year 4	1	1
year 5	15	1
year 6 to 10	1	1
Total expected payments	6	16
Risk Exposure	24	10

The defined benefit obligations have the undermentioned risk exposures

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee

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33 **Earnings per share ['EPS']**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares

The following reflects the income and share data used in the basic and diluted EPS computations

Particulars	31-Mar-18	31-Mar-17
Profit after tax attributable to shareholders (Amount in `)	(6,842)	(2,435)
Weighted average number of Equity Shares outstanding during the year	50,00,000	50,00,000
Effect of dilution		
Weighted average number of Equity Shares	50,00,000	50,00,000

34 **Contingent Liabilities**

a. Contingent liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
i Claims against the company not acknowledged as debts in respect of			
- Income-tax	584	589	589
- Service tax	70	-	-
-VAT	790	-	-
	1,444	589	589

b Commitments

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	**35,398**	**22,692**	**12,561**
	35,398	**22,692**	**12,561**

Notes :

a. 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.

35 The Company has incurred losses in the current year and its net worth has been fully eroded by the accumulated losses of the past periods The Company is facing liquidity issues and is able to operate uninterruptedly with continuous support from its holding company, accordingly the management believes that the company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business and hence the accounts of the company have been continued to be prepared on the basis of going concern.

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16 Based on the information available with the Company there are no suppliers who are registered as micro, small or medium enterprises under "The Micro Small and Medium Enterprises Development Act, 2006" as at March 31 2018

Disclosure as required under Micro Small and Medium Enterprises Act , 2006

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
a Principal amount remaining unpaid to any supplier as at the end of the accounting year			
b Interest due thereon remaining unpaid to any supplier as at the end of the accounting year			
c The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day			
d The amount of interest due and payable for the year			
e The amount of interest accrued and remaining unpaid at the end of the accounting year			
f The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid			

Note The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th 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 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2018 has been made in the financial statements based on information received and available with the Company Further, in view of 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 date of balance sheet

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37 Financial instruments- accounting classification and fair value measurement

The carrying values of trade and other receivables, other assets, cash and current deposits trade and other payables, based on their notional amounts reasonably approximate their fair values because these are mostly current in nature or are re-priced frequently

Company's assets and liabilities which are measeured at amortised cost

INR

	31st March 2018		31st March 2017		1st April 2016	
	Carrying Value	Amortised cost	Carrying Value	Amortised cost	Carrying Value	Amortised cost
Financial assets at amortized cost:						
Trade Receivables	2,167	2,167	1,153	1,153	1,866	1,866
Cash and Cash equivalents	65	65	48	48	173	173
Bank balances other than cash and cashequivalents	-	-	171	171	1,029	1,029
Other Financial asset	-		2	2	15	15
Security deposits	365	365	50	50	45	45
Refundable deposit towards joint development agreement	1,391	1,391	4,274	4,274	4,147	4,147
	3,988	**3,988**	**5,698**	**5,698**	**7,275**	**7,275**
Financial liabilities carried at amortized cost:						
Non-current borrowings	-	-	-		-	
Current borrowings	31,597	31,597	30,776	30,776	28,763	28,763
Trade payables	9,099	9,099	9,134	9,134	8,134	8,134
Other payables	76	76	123	123	95	95
	40,772	**40,772**	**40,033**	**40,033**	**36,992**	**36,992**

38 Financial risk management objectives and policies

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's non-current debt obligations with floating interest rates
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows

	Increase/decrease in basis points	Effect of profit before tax
March 31 2018		
INR	+50	18
INR	50	-18

	Increase/decrease in basis points	Effect of profit before tax
March 31 2017		
INR	+50	16
INR	-50	-16

iii. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts

iv. Liquidity Risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	1 to 2 years	2 - 3 years	> 3 years	Total
Year ended 31/03/2018						
Borrowings		1,270			30,326	31,596
Trade and other payables		9,175				9,175
Loan and advances from related parties repayable on demand		1				1
Year ended 31/03/2017						
Borrowings		1,222	39		29,515	30,776
Trade and other payables		9,257				9,257
Loan and advances from related parties repayable on demand		1				1
As at 1 April 2016						
Borrowings		989	163	96	27,515	28,763
Trade and other payables		8,228	-			8,228
Loan and advances from related parties repayable on demand		1				1

39 **Non-cancellable operating leases**

The Company has various operating leases for office premises and other facilities (cancellable as well as non-cancellable leases) for a period between 3 and 10 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses

	31st March 2018	31st March 2017
Payments recognised as an expense	127	121

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows

Within one year

Later than one year but not later than five years

Later than five years

Lease payment under an operating lease have not been recognised as an expenses on a straight-line basis over the lease term, as the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases

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40 Construction Contracts

	31-Mar-18	31-Mar-17	01-Apr-16
(i) Amount of contract revenue recognised as revenue for the year	(11,389)	6,061	10,399
(ii) Amounts in respect of contracts in progress at the reporting date			
a Aggregate amount of costs incurred and recognised profits (losses)	48,441	36,555	26,364
b Amount of advances received (net)	5,050	2,150	3,165

41 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT OF THE LOANS, ADVANCES, ETC. TO SUBSIDIARIES, FELLOW SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER ENTITIES IN WHICH THE DIRECTORS ARE INTERESTED

Name of the Party	31-Mar-18		31-Mar-17		01-Apr-16	
	Closing balance	Maximum amount due	Closing balance	Maximum amount due	Closing balance	Maximum amount due
Nitesh Estates Limited	NIl	NIL	2,864	2,864	3,006	3,006
Nitesh Urban Developement Private Limited	NIl	NIl	87	87	NIL	NIL
Serve & Volley Outdoor Advt Pvt Ltd	NIL	NIL	16	16	16	16

42 **Disclosure for Specified Bank Notes**

Disclosure of details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 has been provided in the table below:

	SBNs	Other denomination notes *	Total
Closing cash in hand as on November 8, 2016			
(+) Cash withdrawal	0	3	3
(+) Permitted receipts	0	1	1
(-) Permitted payments	0	3	3
Closing cash in hand as on December 30, 2016	-	1	1

* Permitted receipts and payments of other denomination notes disclosed above should not be construed as permitted receipts and permitted payments as permitted by RBI from time to time pursuant to the introduction of the demonetisation scheme by the Government vide RBI circular - RBI/2016-17/112 dated November 8, 2016. These are general receipts and payments of other denomination notes

43 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and heathy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio minimal. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Company has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Company.

	31-Mar-18	31-Mar-17	01-Apr-16
Borrowings	31,597	30,776	28,763
Financial liabilities	76	123	95
Trade payab'es	9,099	9,134	8,134
Other Liabilities	19,309	7,606	7,251
	60,081	47,639	44,243
Less: Cash and cash equivalents	65	48	173
Net debt	60,016	47,591	44,070
Equity Share Capital	500	500	500
Other Equity	-15,819	-9,013	-6,578
Equity	-15,319	-8,513	-6,078
Capital and net debt	44,697	39,078	37,992
Gearing ratio	134%	122%	116%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. **There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017

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3.4 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers' which is effective from April 1, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company will adopt Ind AS 115 effective from April 01, 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company's operation primarily relate to operations in India. The directors of the Company do not anticipate that the application of the new standard in future will have significant impact on the financial statement.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

These amendments are effective for annual periods beginning on or after 1 April 2018.

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45 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.
The accounting policies set out in note have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies
(Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or India GAAP)

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

Ind AS optional exemption

a) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment s covered by Ind AS 16 Property, plant and equipment s as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost

Ind AS Manadatory Exemptions

a) Estimates

Ind AS 101 requires an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company's estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP

• Impairment of financial assets based on expected credit loss model

b) An entity estimates in accordance with Ind AS at the date of tranastion to Ind AS shall be consistant with estimate made for the same date in accordance with previouse GAAP unless there is objective evidence that those estimates were in error

c) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2016

15 a) Reconciliation of total equity between previous GAAP and Ind AS

	Notes	31-Mar-17	01-Apr-16
Equity under previous CAAP		1655	3833
		0	0
Adjustment:		0	0
Derecognition of Preference share including Securities Premium	a	-8300	-8300
Recognition of equity portion of compound financial instruments as other equity	a	7703	7703
Less: Reversal of equity component of compound financial instruments on redemption		0	0
Interest expenses recognised on financial liability portion of compound financial instruments	1	-461	325
Impact on accounting for real estate projects (including JDA accounting)	2	386	640
Lifetime ECL provided for doubtful advances	3	15039	-14889
Deferred tax adjustments	4	5441	5158
Other adjustments	5	102	102
Equity as per Ind AS		(8,513)	(6,078)

b) Total comprehensive income reconciliation for the year ended March 31, 2017

	Notes	Year ended 31-Mar-17
Profit for the year after tax as per previous GAAP		-2177
Impact on accounting for Real Estate and Contractual Projects (including JDA accounting) (net of tax)	2	-255
Interest expense recognised on liability component of compound financial instruments (net of tax)	1	-136
Effect of income tax	4	133
Total comprehensive income	-	(2,435)

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c) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	170	101	69
Net cash flow from investing activities	897	(1,029)	1,926
Net cash flow from financing activities	-1192	928	(2,120)
Net increase/(decrease) in cash and cash equivalents	**(125)**	**0**	**(125)**
Cash and cash equivalents as at April 1, 2016	173	0	173
Cash and cash equivalents as at March 31, 2017	**48**	**0**	**48**

Notes to reconciliations between previous GAAP and Ind AS

1 **Compound financial instruments**

The Company has issued non cumulative redeemable preference shares The preference shares carry discretionary dividend in accordance with the terms of issue Under Indian GAAP, the preference shares were classified as equity Under IND AS, the preference shares are separated into liability and equity components (since these instruments carry discretionary dividend) based on the terms of the contract Interest on liability component is recognised using the effective interest method

2 **Gross accounting for joint development arrangements**

Company has entered into certain joint development arrangements In such a situation, revenue is recognised on gross basis Since the goods exchanged under joint development arrangement i.e land with flats are dissimilar in nature, as per para 12 of Ind AS 18, the exchange is regarded as a transaction which generates revenue Company has measured revenue at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred Since, fair value of the goods or services received cannot be measured reliably, revenue is measured in relation to transfer of constructed property to land owners on the basis of fair value of services provided to the landlord Further Company has recognised land with corresponding credit to "land cost payable" to account for land received under Joint development arrangement

3 **Provision for Life time Expected Credit Loss**

Under Indian GAAP, company was not creating any provision against advances but under IND AS the company has created a provision for lifetime expected credit loss for doubtful advances Also excess provision made at the date of transition has been reversed accordingly

4 **Deferred tax**

Indian GAAP required deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focusses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP In addition, the various transitional adjustments lead to different temporary differences According to the accounting policies, the Company has to account for such differences Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity

5 **Financial Assets at amortized cost**

Under Indian GAAP, there are certain lease deposits and refundable deposits which are carried at nominal value Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost At inception date, company recognises difference between deposit fair value and nominal value as deferred lease expenses and same is being recognised as lease expenses on straight line basis over the lease period Further company recognises notional interest income on these deposit over the lease term

In case of refundable deposits for joint development arrangement, difference between nominal value and fair value of deposit is treated as land cost and interest income recognised over the period of deposit is reduced from construction cost Further as per IND As land has to be fair valued

6 **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

46 **Segment reporting**

There are no reportable segments other than 'Real Estate business' as per Ind AS 108, "Operating Segment"

The Company does not have transactions of more than 10% of total revenue with any single external customer

47 **Prior year comparatives**

The figures of the previous years have been regrouped/reclassified, where necessary, to conform with the current year's classification

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

L.S. Vaidyanathan
Managing Director
DIN 00304652

Ashwini Kumar
Director
DIN 02034498

Venkateshan .M.A.
Chief Financial Officer

D. Srinivasan
Company Secretary

May 30, 2018
Bangalore

RAY & RAY CAs BANGALORE

NITESH HOUSING DEVELOPERS PVT. LTD. Bangalore