RAY & RAY
CHARTERED ACCOUNTANTS
Website : www.raynray.net
Email : ray_ray@vsnl.net

No. 824, 2nd Cross, 11th Main,
HAL 2nd Stage, Indiranagar,
Bangalore - 560 008.
Telefax : +91-80-4122 1758.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Nitesh Urban Development Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Nitesh Urban Development 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.

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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 there under.

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 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 financial position of the Company as at 31st March, 2018 and its financial performance 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

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we expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 27th May, 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 in 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 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:

   a) We have sought and obtained all the information and explanations except information related to deferred tax assets/liabilities as stated in Note no 12(a), which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   d) 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;

   e) 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;

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f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

   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

RAY & RAY CAs BANGALORE

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore
Date: 30th May, 2018

ANNEXURE"A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our report to the members of **NITESH URBAN DEVELOPMENT 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 Ind AS 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. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company. Accordingly, the provisions of clause 3(vi) of the said order are not applicable.

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, Sales Tax, 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, value added tax, cess and any other statutory dues to the appropriate authorities except GST and Value Added Tax (VAT) of Rs. 0.73 Lakhs and Rs.156 Lakhs 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 Lakhs)*	*Forum where Disputes is Pending*
KAVAT Act	*VAT*	*FY 2012-13*	*107*	*DCCT-Audit*

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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 Ind AS 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.

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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

Mrinal Kanti Banerjee
Partner
Membership No. 051472

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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 URBAN DEVELOPMENT 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, assessing the risk that a material weakness exists, and testing and evaluating the

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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

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considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India .

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

Mrinal Kanti Banerjee
Partner
Membership No. 051472

RAY & RAY CAs BANGALORE

Place: Bangalore
Date: 30th May, 2018

Nitesh Urban Development 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 01-Apr-16
Assets				
(1) Non- current assets				
a) Property, Plant and Equipment	4	9	12	17
b) Intangible assets	5	1	2	3
c) Financial Assets				
(i) Investments	7	802	802	802
(ii) Loans	9	113	2	2
d) Deferred tax assets (net)	12	1,913	1,920	1,900
e) Other non-current assets	11	-	3	3
		2,838	**2,741**	**2,727**
(2) Current assets				
a) Inventories	6	27,683	24,835	25,684
b) Financial assets				
(i) Trade receivables	8	322	62	813
(ii) Cash and cash equivalents	14 a	27	52	305
(iii) Bank balance other than cash and cash equivalents	14 b	-	23	220
(iv) Loans	9	1,824	3,679	4,390
(v) Other current financials assets	10	-	3	0
c) Current tax assets (net)	13	7	28	25
d) Other current assets	11	9,463	8,696	4,920
		39,326	**37,378**	**36,357**
Total assets		**42,164**	**40,119**	**39,084**
Equity and liabilities				
Equity				
Equity share capital	15	658	658	658
Other equity	16	(5,506)	(3,618)	(2,640)
Total equity		**(4,848)**	**(2,960)**	**(1,982)**
Liabilities				
(1) Non-current liabilities				
a) Provisions	19	23	49	53
		23	**49**	**53**
(2) Current liabilities				
a) Financial liabilities				
(i) Borrowings	17	17,299	15,004	12,923
(ii) Trade payables	20	4,611	3,679	3,391
(iii) Other current financial liabilities	18	1,126	139	16
b) Other current liabilities	21	23,947	24,194	24,673
c) Provisions	19	6	14	10
		46,989	**43,030**	**41,013**
Total liabilities		**47,012**	**43,079**	**41,066**
Total equity and liabilities		**42,164**	**40,119**	**39,084**

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

RAY & RAY CA's Bangalore

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

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Managing Director
DIN: 02034498

S Karthikeyan
Chief Financial Officer

Bangalore

Nitesh Urban Development 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	for the year ended 31-Mar-18	for the year ended 31-Mar-17
(1) Income			
a) Revenue from operations	23	749	3,610
b) Other income	24	43	48
Total income		**792**	**3,658**
(2) Expenses			
a) Land & Construction Cost	25	3,917	2,181
b) (Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	25a	(2,849)	849
c) Employee benefits expense	26	319	610
d) Finance cost	29	1,097	766
e) Depreciation and amortization	27	4	6
f) Other expenses	28	192	250
Total expenses		**2,680**	**4,662**
(3) Profit/ (Loss) before tax (1-2)		**(1,888)**	**(1,004)**
(4) Tax expenses	22		
(i) Current tax		-	-
(ii) Deferred tax charge/ (credit)		9	(22)
Total tax expense		**9**	**(22)**
(5) Profit/ (Loss) for the year (3-4)		**(1,897)**	**(982)**
(6) Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains/ (losses) on defined benefit plan	32	9	6
(ii) Tax relating to these items	22	-	(2)
Other comprehensive income for the year, net of tax		**9**	**4**
(7) Total comprehensive income for the year		**(1,888)**	**(978)**
(8) Earnings/(Loss) per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]	33		
(i) Basic EPS		-28.83	-14.93
(ii) Diluted EPS		-28.83	-14.93

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 Urban Development Private Limited

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Managing Director
DIN: 02034498

S Karthikeyan
Chief Financial Officer

Bangalore

RAY & RAY CA's Bangalore

Nitesh Urban Development 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	65,82,000	658
At March 31, 2017	65,82,000	658
At March 31, 2018	**65,82,000**	**658**

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

	Reserves and Surplus		Total
	Security Premium	Retained Earnings	
As at April 1, 2016	1,709	-4,349	-2,640
Profit/(Loss) for the period	0	-982	-982
Other comprehensive income*	0	4	4
Total comprehensive income	**1,709**	**-5,327**	**-3,618**
Less : Transferred during the year			0
At March 31, 2017	**1,709**	**-5,327**	**-3,618**
As at April 1, 2017	1,709	-5,327	-3,618
Profit/(Loss) for the period		-1,897	-1,897
Other comprehensive income*		9	9
Total comprehensive income	**1,709**	**-7,215**	**-5,506**
Less : Transferred during the year			0
At March 31, 2018	**1,709**	**-7,215**	**-5,506**

* As required under Ind AS complaint Schedule III, the Company has recognized 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

RAY & RAY CA's Bangalore

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

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Managing Director
DIN: 02034498

S Karthikeyan
Chief Financial Officer

Bangalore

Nitesh Urban Development 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		**-1,888**	**-1,004**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		4	6
Finance income (including fair value change in financial instruments)		-2	-30
Finance costs (including fair value change in financial instruments)		1,097	766
Working capital adjustments:			
(Increase)/ decrease in trade receivables		-260	751
(Increase)/ decrease in other financial and non-financial assets		-1,846	-2,222
Increase/ (decrease) in trade payables and other financial liabilities		1,919	410
Increase/ (decrease) in provisions		-25	6
Increase/ (decrease) in other non-financial liabilities		-247	-478
		-1,248	-1,795
Income tax paid (net of refund)			
Net cash flows from/ (used in) operating activities (A)		**-1,248**	**-1,795**
Investing activities			
Interest received		2	30
Net cash flows from/ (used in) investing activities (B)		**2**	**30**
Financing activities			
Repayment of short-term borrowings		2,295	2,081
Interest paid (gross)		-1,097	-766
Net cash flows from/ (used in) financing activities (C)		**1,198**	**1,315**
Net increase/ (decrease) in cash and cash equivalents		-48	-450
Cash and cash equivalents at the beginning of the year	14 a	75	525
Cash and cash equivalents at the end of the year	**14 a**	**27**	**75**
Components of cash and cash equivalents			
Cash on hand		0	1
Balance with banks			
- on current account		27	51
- on deposit account		0	23
Total cash and cash equivalents		**27**	**75**

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

RAY & RAY CA's Bangalore

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

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Managing Director
DIN: 02034498

S Karthikeyan
Chief Financial Officer

Bangalore

1 Corporate Information

Nitesh Urban Development Private Limited ('the Company' or 'NUDPL') was incorporated on December 4, 2007. The Company is a subsidiary of Nitesh Estates Limited ('NEL', the holding company).
The Company is a real estate developer engaged in the business development, sale, management and operation of residential buildings, retail and hotel projects, commercial premises and other related activities. The registered office of the Company is located at : Level 7 , Nitesh Timesquare, #8, M.G. Road, Bangalore- 560 001.
The Ind AS financials statements were authorized for issue in accordance with a resolution of the directors on 30th May 2018.

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 financial statements for the year ended March 31, 2018 are the first financial statements of the Company which are 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.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 sales tax/ value added tax (VAT)/ Goods and service Tax (GST) as the same is not received by the Company on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

i. Recognition of revenue from real estate development

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized.

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

a) all critical approval necessary for the commencement of the project has been obtained
b) the stage of completion of the project has reached a reasonable level of development, i.e., 25% or more of the construction and development cost related to project has been incurred,
c) at least 25% of the saleable project area is secured by sales contracts/ agreements with buyers,
d) at least 10% of the contract value as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts. In such cases any revenues attributable to such contracts previously recognized are reversed.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognized as an expense immediately when such probability is determined.

Further, for projects executed through joint development arrangements, wherein the land owner/ possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds. The project costs include fair value of land being offered for the project and revenue from the development and transfer of constructed area/ revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis.

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The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

ii. **Recognition of revenue from contractual projects**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable of recovery. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The stage of completion of a project is measured on the basis of proportion of the contract work/based upon the contracts/ agreements entered into by the Company with its customers.

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. **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.

v. **Interest income**

Interest income, including income arising from other financial instruments, is recognized using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established

vi. **Dividend income**

Revenue is recognized when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders 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 recognized 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 capitalized. Other borrowing costs are expensed as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. 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.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

c) Depreciation on property, plant and equipment

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

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

d) Intangibles
Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized 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 amortized 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 recognized 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) 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.

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g) **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.

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 at the date of the transaction.

ii) Conversion: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary 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 as income or as expense in the period in which they arise.

h) **Impairment 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 recognized 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.

i) **Impairment 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 recognizes 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.

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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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 realization in cash and cash equivalents. The real estate development projects undertaken by the Company run over a period ranging up to 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of up to 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 realized / 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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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 recognized 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 recognized 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 amortized 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 derecognized 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

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 recognized in the profit or loss.

n) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective Interest method amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

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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 capitalized 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/ capitalization 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 derecognized 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 recognized 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 short-term 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 recognized 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 short term benefits is recognized 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 a Company 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 recognized 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, unless the possibility of an outflow of resources embodying economic benefit is remote.

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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. 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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 utilized.
Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 recognized 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 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 recognized 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 recognized 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 certainty 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

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Where the Company is lessor

Leases in which the Company 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 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 accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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.

a) **Judgments**

In the process of applying the accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized 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.

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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 ('JDA')

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.

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 recognized 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 recognized in the financial statements. A contingent asset is neither recognized 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	Vehicles	Total
Deemed Cost *			
At 1 April 2016	2	15	17
Additions	-	-	-
Disposals	-	-	-
At 31 March 2017	**2**	**15**	**17**
Additions	-	-	-
Disposals	-	-	-
At 31 March 2018	**2**	**15**	**17**
Depreciation and impairment			
At 1 April 2016	-	-	-
Charge for the year	1	4	5
Disposals	-	-	-
At 31 March 2017	**1**	**4**	**5**
Charge for the year	0	3	3
Disposals	-	-	-
At 31 March 2018	**1**	**7**	**8**
Net Book value			
At 31 March 2018	**1**	**8**	**9**
At 31 March 2017	**1**	**11**	**12**
At 1 April 2016	**2**	**15**	**17**

Note:
* 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	3	3
Purchase	-	-
At 31 March 2017	3	3
Purchase	-	-
At 31 March 2018	3	3
Amortization and impairment		
At 1 April 2016	-	-
Charge for the year	1	1
At 31 March 2017	1	1
Charge for the year	1	1
At 31 March 2018	2	2
Net Book value		
At 31 March 2018	1	1
At 31 March 2017	2	2
At 1 April 2016	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	21,384	20,730	20,901
Properties under development	6,299	4,105	4,783
	27,683	24,835	25,684

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

7 Investments

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Investments [valued at cost unless stated otherwise]						
Unquoted						
Subsidiary Companies*						
5,490 (2017 & 2016- 5,490) equity shares of ₹ 10/- each fully paid up in Courtyard Construction Private Limited	-	-	-	802	802	802
	-	-	-	802	802	802

*The Company has elected to measure its investments in subsidiary using deemed cost at the Previous GAAP carrying amount at the date of transition to Ind AS. (Refer note 45)

8 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 others	322	62	813	-	-	-
	322	**62**	**813**	-	-	-

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

9 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
Security deposit						
Refundable deposit towards joint development agreement*	1,008	2,287	908	-	-	-
Security Deposits paid to related parties				110		
Security deposit paid to others	-	-	-	3	2	2
	1,008	2,287	908	113	2	2
Loans and advances to related parties (refer note 30)**						
Unsecured, considered good						
Other loans and advances	816	1,392	3,482	-	-	-
	816	1,392	3,482	-	-	-
	-	-	-	-	-	-
	1,824	**3,679**	**4,390**	**113**	**2**	**2**

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

10 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 accrued on deposits	-	3	0	-	-	-
	-	**3**	**0**	-	-	-
(b) Unsecured considered doubtful						
Advances paid towards Joint Development	5,513	5,513	4,171	-	-	-
Less: Provision for doubtful debts/advances*	5,513	5,513	4,171	-	-	-
	-	-	-	-	-	-
	-	**3**	**0**	-	-	-

*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 long term nature of these advances and as an abundant caution, provision has been made on the basis of lifetime expected credit loss.

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

11 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						
Advances paid towards Joint Development-*	1,075	1,080	910	-	-	-
Others						
a) Security deposit - Others	-			-	3	3
b) Unbilled Revenue	5,837	4,862	2,118	-	-	-
c) Vendor advances	1,142	2,560	1,874	-	-	-
d) Advances for supply of goods and rendering of services	1,172			-	-	-
e) Prepaid expenses	2			-	-	-
f) Staff advances	-		5			
Balances with government authorities	235	194	13	-	-	-
	9,463	8,696	4,920	-	3	3

* Advances for land though unsecured, are considered good as the advances have been given based on 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..

12 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
Net deferred tax asset	-	-	-	1,913	1,920	1,900
	-	-	-	1,913	1,920	1,900

12 (a) Deferred Tax Assets/ Liabilities outstanding 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.

13 Current tax assets (net)

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Advance Income Tax (Net of Provision, TDS Receivable)	7	28	25	-	-	-
	7	28	25	-	-	-

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

14 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:					-	
– On current accounts	27	51	304	-	-	-
Cash on hand	0	1	1	-	-	-
	27	52	305	-	-	-

14 b Bank balances other than 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
Other bank balances						
– Deposits with maturity for more than 12 months	-	23	220	-	-	-
	-	23	220	-	-	-

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

15 Share Capital

	31-Mar-18	31-Mar-17	01-Apr-16
Authorized shares			
10,000,000 (previous year: 2017- 10,000,000, 2016- 10,000,000) equity shares of ₹ 10 each	1,000	1,000	1,000
Issued, subscribed and fully paid-up shares			
6,582,000 (Previous year : 2017- 6,582,000, 2016- 6,582,000) equity shares of ₹ 10 each	658	658	658
Total issued, subscribed and fully paid-up share capital	658	658	658

(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	65,82,000	658	65,82,000	658	65,82,000	658
Issued during the year	-	-	-	-	-	-
Bought back during the year		-		-	-	-
Outstanding at the end of the year	65,82,000	658	65,82,000	658	65,82,000	658

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

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2018, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (Previous year : ₹ Nil).

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. 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:

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Nitesh Estates Limited			
Equity shares of ₹10 each fully paid up *	65,82,000	65,82,000	65,82,000

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	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹ 10 each fully paid up						
Nitesh Estates Limited	65,82,000	100%	65,82,000	100%	65,82,000	100%

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

*As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

16 Other equity

Retained earnings

	31-Mar-18	31-Mar-17	01-Apr-16
RESERVES AND SURPLUS			
Securities premium	1,709	1,709	1,709
Retained Earnings	(7,215)	(5,327)	(4,349)
	(5,506)	(3,618)	(2,640)

RESERVES AND SURPLUS

	31-Mar-18	31-Mar-17
(a) Securities premium		
Balance at the beginning of the year	1,709	1,709
Add: Adjustment during the year	-	-
Balance at the end of the year	1,709	1,709

Security premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act.

	31-Mar-18	31-Mar-17
(b) Retained Earnings		
Balance as per last financial statements	(5,327)	(4,349)
Profit/(loss) for the year	(1,897)	(982)
Other comprehensive income	9	4
Total	(7,215)	(5,327)
Total other equity	(5,506)	(3,618)

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Nitesh Urban Development Pvt. Ltd. Bangalore

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

17 Borrowings

	Effective interest rate	Maturity	31-Mar-18	31-Mar-17	01-Apr-16
	%				
Secured loans					
Current Borrowings	Refer note (i) below	Refer note (i) below			
Term loan from banks			17,299	15,004	5,223
38500 (Previous year: 350 Convertible debenture of ₹ 1,000,000 each) redeemable NCD of ₹ 20,000 each			-	-	7,700
			17,299	15,004	12,923
Current Borrowings					

(i) Secured loans

Particulars	Amount outstanding 31-Mar-18	31-Mar-17	01-Apr-16	Interest rate	Security details	Repayment terms
Term loans from banks (Yes Bank Limited)	17,299	15,004	5,223	Base rate plus 4.50%.	i. Registered mortgage on land, developments rights and structures built thereon (both present &future) of projects presently under development under NUDPL Viz Cape Cod, Palo Alto, Santa Clara and Melno Park. ii. Exclusive charge on all borrower's share of project receivables/cash flows (both sold and unsold stock, present &future) along with escrow of gross sale proceeds. (Sum of receivables from sold stock and value of unsold stock minus cost to be incurred on project will at any point in time provide min 1.5x cover. Value of unsold stock to be calculated basis prevailing market rate). iii. Exclusive charge on all current assets long term loans and advances and movable fixed assets (both present and future) of the borrower. iv. Corporate guarantee from Nitesh Estates Limited Mortgage will be created in favor of Security Trustee to be appointed for the facility v. Personal Guarantee of Mr. Nitesh Shetty	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months

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

18 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 Payable	18	15	15			
Accrued salaries and benefits	-	31	1			
Payable to related parties (refer note 30)	1,108	93	-	-	-	-
	1,126	**139**	**16**	-	-	-

19 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)	4	6	0	10	18	20
Provision for leave benefits	2	8	10	13	31	33
	6	**14**	**10**	**23**	**49**	**53**

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20 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						
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)	-	-	-			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises						
- to related parties	21	9	-			
- to others	4,590	3,670	3,391	-	-	-
	4,611	**3,679**	**3,391**	-	-	-

21 Other liabilities

	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Liability Under joint development agreement*	20,317	20,839	21,208	-	-	-
	3,530	3,229	3,253	-	-	-
Advance received from customers for sale of properties						
Withholding taxes payable	100	126	212	-	-	-
	23,947	**24,194**	**24,673**	-	-	-

* The Company has entered into joint development agreements with the land owners whereby the Company, at its cost, will construct apartments/buildings on the land owned by the land owners, and the portion of building constructed will be exchanged for ownership in the land. Such portion of land to be acquired by the Company as per joint development agreement is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction.

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

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:
Profit or loss section

	31-Mar-18	31-Mar-17
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Decrease / (Increase) in deferred tax assets	9	(20)
(Decrease) / Increase in deferred tax liabilities		
Less: Recognized in OCI	-	(2)
Relating to origination and reversal of temporary differences	9	(22)
Income tax expense reported in the statement of profit or loss	**9**	**(22)**

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	**(1,888)**	**(1,004)**
At India's statutory income tax rate of 30.9% (March 31, 2017: 34%)		
Adjustments in respect of current income tax of previous years		
Utilization of previously unrecognized tax losses		
Non-deductible expenses for tax purposes:		
Fair value changes in the value of Security Deposits	-	-
Adjustment on account of depreciable assets	(2)	3
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts		
Adjustment in 43B	11	0
Other differences:		
Difference due to gross accounting	-	(30)
Interest	-	7
Other Adjustments		
Sale of investments		
Recognized in OCI		(2)
	9	**(22)**

Reconciliation of deferred tax assets (net)

Opening balance	(1,920)	(1,900)
Deferred tax charge/(credit) during the year recognized in profit and loss	9	(22)
Deferred tax charge/(credit) during the year recognized in OCI	-	2
Others	(2)	-
Closing balance	**(1,913)**	**(1,920)**

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

23 Revenue from operations

	31-Mar-18	31-Mar-17
Revenue from operations		
Income from property development	749	3,610
Total	**749**	**3,610**

24 Other income

	31-Mar-18	31-Mar-17
Interest income on		
- Bank deposits	-	29
- Others	2	1
Miscellaneous	41	18
Total	**43**	**48**

25 Land and construction cost

	31-Mar-18	31-Mar-17
Land and construction cost	3,917	2,181

25a (Increase)/decrease in inventories of stock of flats, land stock and work-in-progress

Opening Inventory	24,835	25,684
Less: Closing Inventory	27,684	24,835
Change in Inventory	(2,849)	849

26 Employee benefits expense

	31-Mar-18	31-Mar-17
Salaries, wages and bonus	311	589
Contribution to provident and other fund	7	9
Staff welfare expenses	1	12
Total	**319**	**610**

27 Depreciation and amortization expense

	31-Mar-18	31-Mar-17
Depreciation of property, plant and equipment	3	5
Amortization of intangible assets	1	1
Total	**4**	**6**

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Nitesh Urban Development Pvt Ltd Bangalore

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

28 Other expenses

		31-Mar-18	31-Mar-17
Payments to auditors - Refer (i) note below		2	3
Power and fuel		11	9
Rent	-Related Parties	42	38
	-Others	18	19
Rates and taxes		47	31
Insurance		0	1
Repairs and maintenance		-	-
Plant and machinery		0	11
Office maintenance		1	0
Advertising and sales promotion	-Related Parties	-	13
	-Others	2	3
Travelling and conveyance		5	12
Communication costs		2	4
Printing and stationery		1	2
Director's sitting fees		4	3
Legal and professional fees		30	60
House Keeping charges		-	0
Hire Charges		0	27
Sales office expense		-	0
Other expenses paid to related parties		1	5
Miscellaneous expenses		26	9
		-	-
Total		**192**	**250**

Note (i) - Payment to auditor

	31-Mar-18	31-Mar-17
As auditor:		
Statutory audit fees	1	1
Limited review fees	1	2
Reimbursement of expenses	0	0
	2	**3**

(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 Finance costs

	31-Mar-18	31-Mar-17
Interest and other charges		
Interest expenses	1,045	714
Processing fees and other bank charges	52	52
Total	**1,097**	**766**

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Nitesh Urban Development Pvt Ltd Bangalore

Nitesh Urban Development Private Limited
Notes to the financial statements for the year ended March 31, 2018
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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

Ashwini Kumar [Managing Director]
L.S.Vaidyanathan [Director]
Dipali Khanna [Independent Director]
S. Ananthanarayanan [Independent Director]
Nitesh Shetty [up to August 6, 2016]
M D Mallya [up to February 8, 2017]
Karthikeyan S. (Chief Financial Officer)
Prathima Mariya Tellis[Company Secretary (up to February 3, 2018)]

Holding Company
Nitesh Estates Limited

Associate
Courtyard Constructions Pvt. Ltd.

Fellow Subsidiaries
Nitesh Indiranagar Retail Private Limited
Nitesh Housing Developers Private Limited
Nitesh Office Parks Private Limited (Formerly Kakanad Enterprises Private Limited)
Nitesh Property Management Private Limited
Nitesh Pune Mall Private Limited

Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant Influence with whom transactions have taken place during the year

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 of Holding Company
Nitesh Estates – Whitefield

Enterprises which are post employment benefit plan for the benefit of employees
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust

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b. Related party transactions

Particulars	31-Mar-18	31-Mar-17
Trade advances paid/(received)		
Nitesh Estates limited (net)	1,061	1,649
Nitesh Indiranagar Retail Private Limited	-	441
Guarantees received		
Nitesh Estates Limited	18,500	16,000
Advertising and sales promotion expenses		
Serve & Volley Outdoor Advertising Private Limited	-	13
Rent paid		
Nitesh Infrastructure and Constructions	42	38
Other expenses		
Nitesh Property Management Private Limited	1	5
Contribution to Gratuity Fund		
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	4	1
Gratuity Refund		
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	5	-
Directors' sitting fees		
Dipali Khanna	2	2
S. Ananthanarayanan	2	-
M D Mallya	-	1

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Security Deposit			
Nitesh Indiranagar Retail Pvt. Ltd.	110	-	-
Loans and advances to subsidiaries			
Nitesh Estates Limited	-	517	2,166
Nitesh Office Parks Pvt. Ltd.	566	566	566
Nitesh Indiranagar Retail Pvt. Ltd.	-	59	500
Courtyard Constructions Private Limited	250	250	250
Loans and advances from subsidiaries			0
Nitesh Estates Limited	544	-	
Nitesh Indiranagar Retail Pvt. Ltd.	51	-	
Nitesh Housing Developers Private Ltd	507	87	-
Nitesh Property Management Private Limited	6	6	-
Trade payables:			
Nitesh Infrastructure and Constructions	12	-	-
Nitesh Property Management Private Limited	7	6	-
Serve & Volley Outdoor Advertising Private Limited	2	3	-
Guarantees received from the Holding Company	-	-	
Nitesh Estates Limited	18,500	16,000	9,500

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

31 Fair value hierarchy

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Amortized Cost	Amortized Cost	Amortized Cost
Financial assets			
Measured at cost/ amortized cost			
Security deposits	113	2	2
Refundable deposit towards joint development agreement	1,824	3,679	4,390
Trade Receivables	322	62	813
Cash and Cash equivalents	27	52	305
Bank balances other than cash and cash equivalents	-	23	220
Other Financial Assets	-	3	0
	2,286	**3,820**	**5,730**
Financial liabilities			
Measured at amortized cost			
Short-term borrowings	17,299	15,004	12,923
Trade payables	4,611	3,679	3,391
Other payables	1,126	139	16
	23,037	**18,822**	**16,330**

Notes:

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.

Financial assets and liabilities measured at fair value
At each reporting date, the company does not have any financial asset/ liability which is measured at fair value.

Valuation Technique used to determine fair value.
Not Applicable

Fair Value of financial assets and liabilities measured at amortized cost
The carrying value of all assets and liabilities measured at amortized cost is representative of their respective fair values.

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

32 **Gratuity and other post-employment benefit plans**

Particulars	Current			Non-current		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Defined Benefit Plan						
Gratuity- Funded	4	6	0	10	18	20
Leave Encashment	2	8	10	13	31	33

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 long term benefit is determined based on actual valuation carried on by an independent actuary using Projected Unit Credit Method as at the year end. It is an unfunded plan.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized 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	01-Apr-17	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						31-Mar-18
		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	
Defined benefit obligation	27	2	2	4	-5	0	0	-1	-9	-10	0	16
Fair Value of plan assets	3	0	0	0	-5	0	0	0	0	0	4	2
Benefit liability	24	2	2	4	0	0	0	-1	-9	-10	-4	14

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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	23	9	2	11	0	0	0	1	-8	-7	0	27
Fair Value of plan assets	3	0	0	0	0	-1	0	0	0	-1	1	3
Benefit liability	**20**	**9**	**2**	**11**	**0**	**1**	**0**	**1**	**-8**	**-6**	**-1**	**24**

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%	7.45%	7.60%
Future salary increases	6.00%	6.00%	6.00%
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	1-2%	1-2%	1-2%

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

Assumptions	31-Mar-18				31-Mar-17			
	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	-4.49%	4.87%	3.67%	-3.41%	-5.01%	5.49%	5.54%	-5.10%

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.

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

Particulars	31-Mar-18	31-Mar-17
Year 1	0	9
year 2	0	0
year 3	0	0
year 4	0	1
year 5	7	1
year 6 to 10	6	11
Total expected payments	**14**	**22**

Risk Exposure

The defined benefit obligations have the under mentioned risk exposures-

Interest rate risk

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 `)	(1,897)	(982)
Weighted average number of Equity Shares outstanding during the year	65,82,000	65,82,000
Effect of dilution:		
Weighted average number of Equity Shares	65,82,000	65,82,000

34 **Commitments and contingencies**

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 -VAT	107	-	-
	-	-	-

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	3,380	5,937	6,878
	3,380	5,937	6,878

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

35 The Company has incurred losses in the current year and previous years 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 continued support from its holding company. Accordingly, the management believes that the Company will continue as a going concern and thereby realize 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.

36 **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	-	-	-
b. Interest due thereon remaining unpaid to any supplier as at the end of the	-	-	-
c. The amount of interest paid along with the amounts of the payment made to the	-	-	-
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	-	-	-
f. The amount of further interest due and payable even in the succeeding year, until	-	-	-

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 short term deposits, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Company's assets and liabilities which are measured at amortized cost

	31st March 2018		31st March 2017		1st April 2016	
	Carrying Value	Amortized cost	Carrying Value	Amortized cost	Carrying Value	Amortized cost
Financial assets at amortized cost:						
Security deposits	113	113	2	2	2	2
Refundable deposit towards joint development agreement	1,824	1,824	3,679	3,679	4,390	4,390
Trade Receivables	322	322	62	62	813	813
Cash and Cash equivalents	27	27	52	52	305	305
Bank balances other than cash and cash equivalents	-	-	23	23	220	220
Interest Accrued on Deposits	-	-	3	3	0	0
	2,286	2,286	3,820	3,820	5,730	5,730
Financial liabilities carried at amortized cost:						
Short-term borrowings	17,299	17,299	15,004	15,004	12,923	12,923
Trade payables	4,611	4,611	3,679	3,679	3,391	3,391
Other payables	1,126	1,126	139	139	16	16
	23,037	23,037	18,822	18,822	16,330	16,330

38 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Company's real estate operations. The Company's principal financial assets include cash and cash equivalents, loans that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

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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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

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 long-term 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.

	Increase/decrease in	Effect of profit
March 31, 2018		
INR	+50	5
INR	-50	-5

	Increase/decrease in	Effect of profit
March 31, 2017		
INR	+50	4
INR	-50	-4

d. 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.

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 minimize 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.

e. Liquidity risk

The table below summarizes 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	-	-	5,766	5,766	5,766	17,299
Trade and other payables	-	4,611	-	-	-	4,611
Year ended 31/03/2017						
Borrowings	-	-	-	5,001	10,003	15,004
Trade and other payables	-	3,678	-	-	-	3,678
As at 1 April 2016						
Borrowings	-	-	-	-	12,923	12,923
Trade and other payables	-	3,391	-	-	-	3,391

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39 **Construction Contracts**

	31-Mar-18	31-Mar-17	01-Apr-16
(i) Amount of contract revenue recognized as revenue for the year	749	3,610	5,156
(ii) Amounts in respect of contracts in progress at the reporting date:			
a. Aggregate amount of costs incurred and recognized profits/(losses)	20,782	13,895	10,689
b. Amount of advances received (net)	3,530	3,229	3,253

40 **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	0
(+) Receipts	-	-	-
(-) Permitted payments	0	1	1
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	2	2

* 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 demonetization 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.

41 **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. The leases are cancellable through notice period of 1 to 3 months.

	31st March 2018	31st March 2017
Payments recognized as an expense	60	57
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 recognized 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.

42 **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 healthy capital ratios in order to support its business and maximize 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.

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	31-Mar-18	31-Mar-17	01-Apr-16
Borrowings	17,299	15,004	12,923
Trade payables	4,611	3,679	3,391
Other Liabilities	25,073	24,333	24,689
	46,983	43,016	41,003
Less: Cash and cash equivalents	27	75	525
Net debt	46,956	42,941	40,478
Equity Share Capital	658	658	658
Other Equity	(5506)	(3618)	(2640)
Total capital	(4848)	(2960)	(1982)
Capital and net debt	**42,108**	**39,981**	**38,496**
Gearing ratio	112%	107%	105%

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.

43 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 recognized 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 Unrealized 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 recognized 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.

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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.

44 Segment Reporting

There are no reportable segments other than Real Estates Development as per Ind As 108, "Operating Segment".
The company does not have transactions of more than 10% of the total revenue with any single external customer.

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45 First-time adoption of Ind AS

Transition to 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 exemptions

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 recognized 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.

b) **Fair value as deemed cost**
Ind AS 101 permits a first-time adopter to measure an item investment properties 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.

c) Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost, which should be either:
(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
(ii) previous GAAP carrying amount at that date

The Company has elected to measure its investments in subsidiaries, associates and joint ventures using deemed cost at the Previous GAAP carrying amount at the date of transition to Ind AS.

Ind AS Mandatory 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:

- Investment carried at Fair Value through Profit & Loss (FVPL) or Fair Value through Other Comprehensive Income (FVOCI); and
- Impairment of financial assets based on expected credit loss model.

b) An entity estimates in accordance with Ind AS at the date of transaction to Ind AS shall be consistent with estimate made for the same date in accordance with previous 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.

46 Reconciliation between previous GAAP and Ind AS.

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

	Notes	31-Mar-17	01-Apr-16
Equity under previous GAAP		519	1,432
Adjustments (net of tax):			
Gross Accounting Impact of barter	1	135	223
Lifetime ECL provided for doubtful advance (ECL provided for somerset)	3	-5,513	-5,513
Deferred tax impact	4	1,899	1,876
Equity as per Ind AS		**(2,960)**	**(1,982)**

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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		-913
Impact on accounting for Real Estate and Contractual Projects (including JDA accounting) (net of tax)	1	-107
Fair valuation of financial assets (net of tax)	2	13
Effect of income tax	4	25
Total Adjustments		-69
Profit after tax as per Ind As		-982
Other comprehensive income (Net of Tax)		0
Remeasurnment of Post-employment benefit obligations	5	6
Effect of income tax on above	4	-2
Total comprehensive income as per Ind As		-978

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

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	-2,700	-905	-1,795
Net cash flow from investing activities	30	-0	30
Net cash flow from financing activities	2,220	905	1,315
Net increase/(decrease) in cash and cash equivalents	**-450**	**0**	**-450**
Cash and cash equivalents as at April 1, 2016	525	0	525
Cash and cash equivalents as at March 31, 2017	**75**	**0**	**75**

Notes to reconciliations between previous GAAP and Ind AS

1 **Gross accounting for joint development arrangements**

Company has entered into certain joint development arrangements. In such a situation, revenue is recognized 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 recognized land with corresponding credit to "land cost payable" to account for land received under Joint development arrangement.

2 **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 recognizes difference between deposits fair value and nominal value as deferred lease expenses and same is being recognized as lease expenses on straight line basis over the lease period. Further, company recognizes notional interest income on these deposits over the lease term.

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

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.

4 **Deferred tax**

Indian GAAP required deferred tax accounting using the income statement approach, which focuses 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 focuses 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 recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5 **Remeasurement of Post-employment benefit obligations (Net of Tax)**

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the year.

47 The company has opted not to prepare consolidated financial statements since it meets all the conditions specified in Para 4 (a) of IndAS 110.

48 **Prior year comparatives**

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

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

L.S. Vaidyanathan
Director
DIN: 00304652

Ashwini Kumar
Managing Director
DIN: 02034498

S Karthikeyan
Chief Financial Officer
Bangalore

Nitesh Urban Development Pvt Ltd Bangalore

Bangalore
May 30, 2018

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