

INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
NITESH ESTATES LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NITESH ESTATES LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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



made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

1. We did not audit the financial statements three subsidiaries and one joint ventures, whose financial statements reflect total assets (net) of Rs. 17,941.29 Lakhs as at 31st March, 2015, total revenues of Rs. 659.70 Lacs and net cash flows amounting to Rs. (104.78 Lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net Loss of Rs. 36 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.
2. The consolidated financial statements also include the Group's share of net loss of Rs. 2,858 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate (Previous year ended 31st March, 2014: Rs. (1,847 Lakhs)), based on their unaudited financial statements as certified by the management. These statements reflect total assets (net) of Rs. 55,621 Lakhs as at 31st March, 2015 (As at 31st March, 2014: Rs. 54,008 Lakhs), total revenue of Rs. 8,113 Lakhs (Previous year ended



31st March, 2014: Rs. 3,206 Lakhs) and net cash flows amounting to Rs. 1,231.61 Lakhs
(Previous year ended 31st March, 2014: Rs.873.59 Lakhs) for the year ended on that date.

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

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

Mrinal Kanti Bandyopadhyay
Mrinal Kanti Bandyopadhyay

Partner

Membership No.: 051572

Bangalore, May 28, 2015



Part I Statement of audited consolidated financial results for the year ended on March 31, 2015

(Rs. in Lakhs)

No	Particulars	Quarter Ended			Year Ended	Year Ended
		31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from operations					
	(a) Net Sales/Income from operations	9,881	5,020	4,887	28,760	29,757
	Total Income from operations	9,881	5,020	4,887	28,760	29,757
2	Expenditure					
	(a) Land and construction cost	5,759	3,039	2,861	17,163	18,812
	(b) Employee benefit expense	675	502	504	2,218	1,765
	(c) Depreciation and amortization expense	65	27	42	133	171
	(d) Advertising and sales promotion expense	102	167	462	1,011	2,009
	(e) Other Expenditure	556	460	343	1,795	1,430
	Total Expenditure	7,157	4,195	4,212	22,320	24,187
3	Profit/(Loss) from operations before Other Income, Finance Costs and Exceptional Items (1-2)	2,724	825	675	6,440	5,570
4	Other Income	26	79	125	298	339
5	Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	2,750	904	800	6,738	5,909
6	Finance costs (net of inventorisation)	794	694	779	2,842	2,972
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	1,956	210	21	3,896	2,937
8	Exceptional Items	-	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before tax	1,956	210	21	3,896	2,937
10	Tax expense/(credit)	332	66	19	803	581
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	1,624	144	2	3,093	2,356
12	Extraordinary Items	-	-	-	-	-
13	(a) Profit/(Loss) transferred to minority interest	-	-	-	-	-
	(b) Share in loss of associate company	697	663	772	2,857	1,830
14	Net Profit/ (Loss) for the period (11-12-13)	927	(519)	(770)	236	526
15	Paid-up equity share capital (Face value per equity share Rs.10)	14,583	14,583	14,583	14,583	14,583
16	Reserves excluding Revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	18,034
17	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.)					
	(a) Basic EPS	0.64	(0.36)	(0.53)	0.16	0.36
	(b) Diluted EPS	0.64	(0.36)	(0.53)	0.16	0.36



Part II Select information for the year ended March 31, 2015

No	Particulars	Quarter Ended			Year Ended	Year Ended
		31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
A	Particulars of Shareholding					
1	Public shareholding					
	- Number of shares	77,998,835	78,230,035	78,446,245	77,998,835	78,446,245
	- Percentage of shareholding	53.49%	53.65%	53.79%	53.49%	53.79%
2	Promoters and Promoter group shareholding					
	(a) Pledged/Encumbered					
	- Number of shares	6,802,460	6,802,460	10,437,459	6,802,460	10,437,459
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	10.03%	10.07%	15.49%	10.03%	15.49%
	- Percentage of shares (as a % of the total share capital of the company)	4.66%	4.67%	7.16%	4.66%	7.16%
	(b) Non-encumbered					
	- Number of shares	61,030,805	60,779,605	56,948,396	61,030,805	56,948,396
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	89.97%	89.93%	84.51%	89.97%	84.51%
	- Percentage of shares (as a % of the total share capital of the company)	41.85%	41.68%	39.05%	41.85%	39.05%

Part III Statement of assets and liabilities for year ended on March 31, 2015

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
	Audited	Audited
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	14,583	14,583
Reserves and surplus	18,199	18,034
	32,782	32,617
Minority interest	-	-
Non-current liabilities		
Long-term borrowings	1,480	389
Long-term provisions	3,508	3,516
Other long-term liabilities	299	152
	5,287	4,058
Current liabilities		
Short-term borrowings	38,248	30,093
Trade payables	15,829	13,740
Other current liabilities	27,718	42,770
Short-term provisions	1,189	949
	82,984	87,552
	121,052	124,227
ASSETS		
Non-current assets		
Fixed assets		
Capital work-in-progress	5,810	5,048
- Tangible assets	198	287
- Intangible assets	141	195
Intangible assets under development	-	-
	6,149	5,530
Goodwill on consolidation	1,511	812
Non-current investments	11,215	12,523
Deferred tax assets, net	97	3
Long-term loans and advances	33,456	36,469
Other non-current assets	369	163
	46,648	49,970
Current assets		
Current investments	-	-
Inventories	24,456	34,416
Trade receivables	5,359	5,313
Cash and bank balances	2,797	3,639
Short-term loans and advances	26,826	21,879
Other current assets	8,816	3,480
	68,254	68,727
	121,052	124,227



Notes to the financial results:

- (1) The above consolidated results has been reviewed by the Audit committee and on their recommendation have been approved by the Board of Directors at their meeting held on May 28, 2015. These results include the results of the following subsidiaries, joint ventures and associate companies:
- Subsidiaries - Nitesh Housing Developers Private Limited, Nitesh Urban Development Private Limited, Nitesh Indiranagar Retail Private Limited, Kakanad Enterprises Private Limited, Nitesh Property Management Private Limited.
 - Joint ventures - Nitesh Estates- Whitefield, Courtyard Constructions Private Limited.
 - Associate - Nitesh Residency Hotels Private Limited (Unaudited).
- (2) The Company primarily operates in three business segments - 'Residential', 'Retail' and 'Hospitality'. All operations are in India and hence there is no geographical segment.
- (3) Details of number of investor complaints for the quarter ended March 31, 2015:
Beginning - Nil; Received - Nil; Responded - Nil; Pending - Nil.
- (4) In respect of debentures outstanding of Rs. 125 Crore as on March 31, 2015, the transfer to Debenture Redemption Reserve to the tune of Rs. 31.25 Crore could not be made due to absence of adequate profit.
- (5) The company has made an application to the Central Government, Ministry of Corporate affairs, for payment of remuneration under Sections 198 of the Companies Act 2013 to a managerial person and it is pending for approval with the Central Government.
- (6) During the year under Audit, the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013. Carrying amount less residual value of the assets whose remaining useful life has become nil at the beginning of the period amounted to Rs 6,150,072/- has been adjusted in Reserves & Surplus for the year ended March 31, 2015.

(7) Figures for standalone financial results

(Rs. in Lakhs)

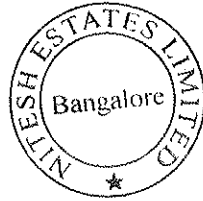
No	Particulars	Quarter Ended			Year Ended	
		31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from operations					
	(a) Net Sales/Income from operations	5,203	2,136	2,750	12,501	11,205
	(b) Share in profit/(loss) of association of persons (Joint Venture)	(34)	(40)	53	-	86
	Total Income from operations	5,169	2,096	2,803	12,501	11,291
2	Profit/(Loss) before tax	1,729	113	204	2,496	882
3	Profit/(Loss) after tax	1,410	83	173	2,021	770

- (8) The figures of the previous year/period have been regrouped/ reclassified, wherever necessary.

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

Nitish Shetty
Chairman and Managing Director

Place: Bangalore, India
Date: May 28, 2015



Consolidated Segment wise revenue, results and capital employed

(Rs in lakhs)

No	Particulars	Quarter Ended			Year Ended	Year Ended
		31-Mar-15	31-Dec-14	31-Mar-14	31-Mar-15	31-Mar-14
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Segment revenue					
	(a) Residential	9,881	5,020	4,887	28,760	29,757
	(b) Retail	-	-	-	-	-
	(c) Hospitality	-	-	-	-	-
	Total	9,881	5,020	4,887	28,760	29,757
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	9,881	5,020	4,887	28,760	29,757
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Residential	3,691	963	753	6,748	5,789
	(b) Retail	(308)	(138)	(78)	(308)	(219)
	(c) Hospitality	(659)	-	-	(2,857)	-
	Total	2,724	825	675	3,583	5,570
	Add: Other income	26	79	125	298	339
	Less: Interest	(794)	(694)	(779)	(2,842)	(2,972)
	Total profit/(loss) before tax	1,956	210	21	1,039	2,937
3	Capital employed					
	(a) Residential	39,361	35,056	34,356	39,361	34,356
	(b) Retail	18,568	17,982	16,363	18,568	16,363
	(c) Hospitality	16,274	16,286	15,037	16,274	15,037
	(d) Unallocated	340	414	482	340	482
	Total	74,543	69,738	66,238	74,543	66,238

Note :

The Group holds a 22.22% stake in Nitesh Residency Hotels Private Limited which is primarily in the hospitality segment. Accordingly, results of Nitesh Residency Hotels Private Limited is reflected as Share in profit/(loss) of associate company in item 13(b) in the financial results. Share in profit/(loss) of associate company is Rs.(3036 lakhs), Rs (2964 lakhs), Rs (8030 lakhs) and Rs. (12859 lakhs) for the quarter ended 31 December 2014, 31 December 2015 and the year ended 31 March 2014 and 31 March 2015 respectively.

