

Limited Review Report

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

We have reviewed the accompanying statement of consolidated unaudited financial results of **Nitesh Estates Limited** ("the Company") and its subsidiaries and joint ventures (together, 'the Group') for the quarter and nine months ended December 31, 2017 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial statements of one subsidiary Nitesh Pune Mall Private Limited having turnover of Rs. 994.01 Lakhs and Total Comprehensive Income amounting to Rs. (4,703.91) Lakhs for the period ending December 31, 2017. The unaudited financial results and other financial information for the subsidiary have been reviewed by the other auditor and whose report has been furnished to us. Our conclusion on the unaudited quarterly and nine months financial results, in so far as it relates to such subsidiary is based solely on the reports of the other auditor.

Based on our review conducted as above and consideration of reports of other auditor on the unaudited separate quarterly financial results, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Other matters

1. We have not audited or reviewed the Statement and other financial information for the quarter and nine months ended December 31, 2016 which have been presented solely based on the information compiled by the management. Management has adjusted those unaudited financial results for the differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS') and presented a reconciliation for the same, which has been approved by the Company's Board of Directors but have not been subject to review.
2. Gross accounting method is followed by considering the fair value of the land belonging to the land owners while computing the percentage of profit for revenue recognition. This method has been adopted as per prevailing accounting practice in real estate industry with reference to "Ind AS 18-Revenue", as the same has not been specifically mentioned in "Ind AS 11 Construction Contracts". We are unable to form an opinion in this matter.

Place: Bengaluru

Date: 12th February, 2018



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

Mrinal Kanti Banerjee
Partner
Membership No 051472

Statement of unaudited Consolidated financial results for quarter and nine months ended on December 31, 2017

(Rs in lakhs except EPS)

| No | Particulars | Quarter ended | | | Nine months ended | |
|----|--|---------------|--------------|--------------|-------------------|---------------|
| | | 31-Dec-17 | 30-Sep-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 1 | Income | | | | | |
| | (a) Revenue from operations | 1,212 | 2,934 | 695 | 8,225 | 28,960 |
| | (b) Finance income | 312 | - | 320 | 312 | 388 |
| | (c) Other Income | (14) | 249 | 76 | 364 | 178 |
| | Total Income | 1,510 | 3,183 | 1,091 | 8,901 | 29,526 |
| 2 | Expenses | | | | | |
| | (a) Land and construction cost | 1,680 | (56,131) | (48,047) | 10,133 | (38,681) |
| | (b) Changes in Inventories of Finished goods, work in progress & Stock in Trade | (906) | 58,537 | 49,001 | (3,098) | 62,406 |
| | (c) Employee benefit expense | 687 | 616 | 900 | 2,190 | 2,534 |
| | (d) Finance costs | 3,264 | 2,951 | 5,229 | 8,962 | 8,436 |
| | (e) Depreciation and amortization expense | 300 | 307 | 365 | 917 | 1,070 |
| | (f) Other Expenditure | 633 | 572 | 811 | 1,737 | 2,660 |
| | Total Expenses | 5,658 | 6,852 | 8,259 | 20,841 | 38,425 |
| 3 | Profit/(Loss) before tax (1-2) | (4,148) | (3,669) | (7,168) | (11,940) | (8,899) |
| 4 | Tax expenses | | | | | |
| | i) Current Tax | - | 3 | (110) | 5 | |
| | ii) Deferred tax | 96 | 48 | (110) | 114 | (31) |
| 5 | Profit/(Loss) for the period (3-4) | (4,244) | (3,720) | (6,948) | (12,059) | (8,868) |
| 6 | Share of Profit/(loss) of an Associate/ a Joint Venture (net of tax) | - | - | 931 | - | - |
| 7 | Profit/(Loss) after taxes and share of Profit/ (loss) of Associate/Joint Venture (5+6) | (4,244) | (3,720) | (6,017) | (12,059) | (8,868) |
| | Attributable to: | | | | | |
| | (i) owners of the parent company | (4,244) | (3,720) | (6,017) | (12,059) | (8,868) |
| | (ii) non-controlling interests | - | - | - | - | - |
| 8 | Other Comprehensive Income | | | | | |
| | (i) Items that will not be reclassified to profit & Loss | 6 | (20) | - | 33 | - |
| | (ii) Income tax on items that will not be reclassified to profit or loss | - | 19 | - | - | - |
| | Total Other Comprehensive Income | 6 | (1) | - | 33 | - |
| 9 | Total Comprehensive Income for the period (Comprising profit/(loss) and Other Comprehensive Income for the period (7+8)) | (4,238) | (3,721) | (6,017) | (12,026) | (8,868) |
| | Attributable to: | | | | | |
| | (i) owners of the parent company | (4,238) | (3,721) | (6,017) | (12,026) | (8,868) |
| | (ii) non-controlling interests | - | - | - | - | - |
| 10 | Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) | | | | | |
| | (a) Basic | (2.91) | (2.55) | (4.13) | (8.27) | (6.08) |
| | (b) Diluted | (2.91) | (2.55) | (4.13) | (8.27) | (6.08) |
| 11 | Paid up equity share capital (Face Value of 10/-each) | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 |

Notes :

1 The above unaudited consolidated results of Nitesh Estates Limited ('the company') its subsidiaries and joint venture (together referred as 'the Group') has been reviewed by the Audit committee and on their recommendation have been approved by the Board of Directors at their meeting held on February 12, 2018. The statutory auditors have carried out a limited review of the above Financial Results. These results are uploaded on the Company website i.e. www.niteshestates.com and on the Stock Exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com. These results include the result of the following subsidiaries, joint ventures and associates companies.

Subsidiaries: Nitesh Housing Developers Private Limited, Nitesh Urban Development Private Limited, Nitesh Indiranagar Retail Private Limited (subsidiary: Nitesh Pune Mall Private Limited formerly known as Anuttam Developers Private Limited), Nitesh Office Parks Private Limited formerly known as Kakanad Enterprises Private Limited, Nitesh Property Management Private Limited, Courtyard Constructions Private Limited.

Joint Ventures: Nitesh Estates-Whitefield

2 The Group primarily operates in two business segments - 'Residential' and 'Retail'. All operations are in India and hence there is no geographical segment.



- 3 The company has adopted Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (Ind AS) from April 1, 2017, the date of transition being April 1, 2016. All the periods presented in the financial results & other financial information has been prepared in accordance with recognition & measurement principles laid down in Ind AS & discloses information required to be disclosed under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016
- 4 Reconciliation of the Net Profit/(Loss) as previously reported on account of transition from previous GAAP to Ind AS for the quarter and nine months ended on December 31, 2016 is given below:

(Rs in Lakhs)

| Particulars | 3 months ended 31.12.2016 | 9 months ended 31.12.2016 |
|---|------------------------------|------------------------------|
| Net Profit/(Loss) as per previous GAAP (Indian GAAP) | (2,660) | (5,683) |
| Actuarial loss on employee defined benefit plan recognised in Other Comprehensive Income as per Ind AS 19 | - | - |
| Fair valuation of financial assets & liabilities as per Ind AS 109 | (3,418) | (3,155) |
| Deferred tax impact of above adjustments | 56 | (33) |
| Net Profit/(Loss) as per Ind AS | (6,022) | (8,871) |
| Other Comprehensive Income | 5 | 3 |
| Total Comprehensive Income for the period | (6,017) | (8,868) |

- 5 The Ind AS financial results for the quarter and nine months which ended December 31, 2017 have been compiled by the management after considering the necessary changes to give a true & fair value of the results in accordance with Ind AS. The Ind AS adjustments made in the financial results for the quarter and nine months which ended December 31, 2017 has not been subjected to any limited review or audit.
- 6 Disclosure of figures for previous year ended 31st March 2017 and quarter ended 31st March 2017 is not mandatory as per Circular issued by SEBI no - CIR/CFD/FAC/62/2016 Dated 5th July 2016.
- 7 The Land and construction cost includes Rs. 1903 Lakhs as finance cost towards interest for nine months ended on December 31, 2017.
- 8 Gross accounting method is followed by considering the fair value of the land belonging to the land owners while computing the percentage of profit for income recognition. This method has been adopted as per prevailing accounting practice in real estate industry with reference to "Ind AS 18-Revenue", as the same has not been specifically mentioned in "Ind AS 11 Construction Contracts".
- 9 Figures for standalone financial results

| No | Particulars | Quarter ended | | | Nine months ended | |
|----|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | 31-Dec-17 Unaudited | 30-Sep-17 Unaudited | 31-Dec-16 Unaudited | 31-Dec-17 Unaudited | 31-Dec-16 Unaudited |
| 1 | Revenue from Operations | | | | | |
| | (a) Revenue from Operations | 347 | 573 | 111 | 2,420 | 19,404 |
| | (b) Share in profit/(loss) of association of persons (Joint Venture) | - | - | - | - | - |
| | Total Income from operations | 489 | 613 | 143 | 2,645 | 19,501 |
| 2 | Profit/(Loss) before tax | (1,259) | (1,241) | (1,558) | (3,902) | (2,227) |
| 3 | Profit/(Loss) after tax | (1,271) | (1,253) | (1,557) | (3,854) | (2,375) |

- 10 The figures in respect of previous period have been regrouped/recast wherever necessary.

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

Ashwini Kumar

Ashwini Kumar
DIN: 02034498
Executive Director & Chief Operating Officer

Place: Bengaluru, India
Date: February 12, 2018



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Nitesh Estates Limited
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Consolidated Segment wise revenue, results

(Rs in lakhs except EPS)

| No | Particulars | Quarter ended | | | Nine months ended | |
|----------|---------------------------------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | | 31-Dec-17 | 30-Sep-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 1 | Segment revenue | | | | | |
| | (a) Residential | 908 | 2,632 | 811 | 7,231 | 28,682 |
| | (b) Retail | 304 | 302 | 204 | 994 | 665 |
| | Total | 1,212 | 2,934 | 1,015 | 8,225 | 29,348 |
| | Less: Inter-segment revenue | - | - | - | - | - |
| | Net income from operations | 1,212 | 2,934 | 1,015 | 8,225 | 29,348 |
| 2 | Segment results | | | | | |
| | Profit/(loss) before tax and interest | | | | | |
| | (a) Residential | (6,153) | (1,075) | (1,974) | (8,258) | (200) |
| | (b) Retail | 5,283 | 108 | (41) | 4,916 | (441) |
| | Total | (870) | (967) | (2,015) | (3,342) | (641) |
| | Add: Other income | (14) | 249 | 76 | 364 | 178 |
| | Less: Interest | 3,264 | 2,951 | 5,229 | 8,962 | 8,436 |
| | Total profit/(loss) before tax | (4,148) | (3,669) | (7,168) | (11,940) | (8,899) |
| 3 | Segment Assets | | | | | |
| | (a) Residential | 1,71,707 | 1,69,426 | 1,24,227 | 1,71,707 | 1,24,227 |
| | (b) Retail | 62,365 | 62,937 | 51,975 | 62,365 | 51,975 |
| | (c) Unallocated | 2,588 | 2,582 | 2,434 | 2,588 | 2,434 |
| | Total | 2,36,660 | 2,34,945 | 1,78,636 | 2,36,660 | 1,78,636 |
| 4 | Segment Liabilities | | | | | |
| | (a) Residential | 1,89,841 | 1,84,997 | 1,22,300 | 1,89,841 | 1,22,300 |
| | (b) Retail | 47,542 | 42,375 | 37,659 | 47,542 | 37,659 |
| | (c) Unallocated | 3,019 | 2,952 | 2,595 | 3,019 | 2,595 |
| | Total | 2,40,402 | 2,30,324 | 1,62,554 | 2,40,402 | 1,62,554 |



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