

# BSR & Co.

(Registered)

Chartered Accountants

Maruthi Info-Tech Centre  
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## **Review report to the Board of Directors of Nitesh Estates Limited**

### **Introduction**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Nitesh Estates Limited ("the Company") for the quarter ended 30 June 2013 "except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. 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 the Statement based on our review.

### **Scope of Review**

2. 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 procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### **Conclusion**

3. Based on our review conducted as explained in paragraphs 1 and 2 nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter ended 30 June 2013, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



*Emphasis of Matter*

4. In accordance with the circular number 04/2013 dated 11 February 2013 issued by Ministry of Corporate Affairs, the Company was required to deposit or invest as the case may be, a sum not less than fifteen percent of the debentures which mature during the year in deposits/securities/bonds by 30 April 2013. Based on the information provided to us by the management, debentures amounting to Rs 400 lakhs mature in the current year. The Company had not deposited/ invested the required minimum sum of Rs 60 lakhs by 30 April 2013. However, subsequent to the balance sheet date, the Company has deposited the required sum in a fixed deposit account and accordingly Management believes that the non compliance of not depositing the required sum before 30 April 2013 will not to have a significant impact to the Statement.

for **BSR & Co.**  
*Chartered Accountants*  
Firm Registration Number: 101248W



**Zubin Shekari**  
*Partner*  
Membership Number: 048814

Place: Bangalore  
Date: 5 August 2013

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Chartered Accountants

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## Review report to the Board of Directors of Nitesh Estates Limited

### Introduction

1. We have reviewed the accompanying statement of consolidated unaudited financial results ("the Statement") of Nitesh Estates Limited ("the Company") and its subsidiaries, joint ventures and an associate company as detailed in note 1 of the Statement (collectively referred to as 'Nitesh Group') for the quarter ended 30 June 2013, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed by us. 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 the statement based on our review.

### Scope of Review

2. We conducted our review in accordance with the Standard on Review Engagements ('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 an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the unaudited quarterly financial results of three subsidiaries and two joint ventures included in the Statement. The unaudited quarterly financial results of these subsidiaries and joint ventures reflect total revenue of Rs.283 lakhs for the quarter ended 30 June 2013, respectively and total assets of Rs 18,000 lakhs as at 30 June 2013. The financial information for these subsidiaries and joint ventures have been reviewed by the other auditors whose review reports have been furnished to us, and our opinion on the Statement is based solely on the review reports of the other auditors.

### Conclusion

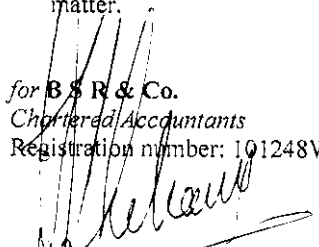
4. Based on our review conducted as explained in paragraphs 1 and 2 and on consideration of reports of other auditors explained in the paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



*Emphasis of Matter*

5. In accordance with the circular number 04/2013 dated 11 February 2013 issued by Ministry of Corporate Affairs, the Company and one of its subsidiary was required to deposit or invest as the case may be, a sum not less than fifteen percent of the debentures maturing during the year ending 31 March 2014 in deposits/securities/bonds as prescribed in the aforementioned circular before 30 April 2013. Based on the information provided to us by the management, debentures amounting to Rs 2,496 lakhs mature in the current year. The Company and one of its subsidiary had not deposited/ invested the required minimum sum of Rs 374 lakhs by 30 April 2013. However, subsequent to the balance sheet date, the Company has deposited the required sum in a fixed deposit account and accordingly Management believes that the non compliance of not depositing the required sum before 30 April 2013 will not to have a significant impact to the Statement.
6. Further, we draw attention to note 5 of the Statement wherein it is stated that Nitesh Indiranagar Retail Private Limited (NIRPL), a subsidiary of the Company has entered into a joint development agreement with a landowner to construct a mall in Bangalore for an estimated cost of approximately Rs 4,820 million. The said agreement stipulates timelines within which NIRPL is required to complete the construction and also stipulates penal financial consequences of Rs 75 per square feet for each month of delay to NIRPL in the event of a delay. At 30 June 2013, Management believes that the construction will not be completed within the stipulated time and accordingly is in discussion with the landowners to renegotiate the said terms. We are informed by Management that there are ongoing discussions with the land owner and NIRPL has received draft offers for variations in the terms of contract, including penal financial consequences. The Company expects to successfully negotiate variation terms which will result in significantly mitigating the penal financial compensation. Based on the current optimism of the management and the current impracticality in determination of the financial implications arising from the variations, no adjustments have been made to the financial statements at 30 June 2013. NIRPL is audited by another firm of Chartered Accountants, B.K Ramadhyani & Co. The statutory auditors, in their review report for the quarter have drawn attention to the said matter.

for B S R & Co.  
Chartered Accountants  
Registration number: 191248W

  
Zubin Shelkary  
Partner  
Membership Number: 048814

Place: Bangalore  
Date: 5 August 2013