

B S R & Co. LLP

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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 and nine months period ended 31 December 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 'Promoter 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 at their meeting held on 12 February 2014. 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 and nine month period ended 31 December 2013, prepared in accordance with accounting standards notified by Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 which, as per a clarification issued by the Ministry of Corporate Affairs, continues to apply under Section 133 of the Companies Act 2013 (which has superseded Section 211(3C) of the Companies Act 1956 with effect from 12 September 2013) and other recognized accounting practices and policies, has not disclosed the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.



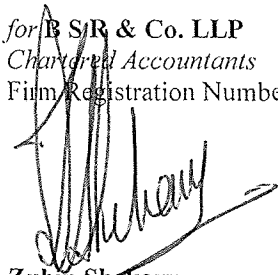
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1st Floor, Lodha Excelus
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N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Emphasis of Matter

4. Without qualifying our opinion, we further draw attention to note 4 of the Statement. The Company has advanced an amount aggregating Rs 6,689 lakhs as at 31 December 2013, to various parties for purchase/joint development of land/ properties. Of these, advances amounting to Rs 3,498 lakhs were expected to be settled, during the current period, either through repayment or land acquisition/development contracts. The age profile of such advances ranges from a year to over five years. The ongoing delay in settlement of these advances may be indicative of the gradually reducing probability of their recoverability. Management believes and has represented that they continue to remain entirely recoverable and expect to settle these advances before 31 March 2014.

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W



Zubin Shekary
Partner
Membership Number: 048814

Place: Bangalore
Date: 12 February 2014

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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 and nine months period ended 31 December 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 at their meeting held on 12 February 2014. 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 analytical procedures 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 quarter and nine month financial results of these subsidiaries and joint ventures reflect total income from operations of Rs. 313 lakhs and Rs 883 lakhs for the quarter and nine month period ended 31 December 2013, respectively and total assets of Rs 19,478 lakhs as at 31 December 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.

Basis for Qualified Conclusion

4. *The Company's investment in Nitesh Residency Hotels Private Limited (NRHPL), an associate entity accounted for by the equity method, is carried at Rs. 12,248 lakhs in the consolidated balance sheet as at 31 December 2013, and the Company's share of NRHPL's net loss after tax of Rs. 741 lakhs and Rs 1,058 lakhs is included in the Company's consolidated loss for the quarter and consolidated profit for nine month period ended 31 December 2013 respectively. We have not carried out a review of NRHPL and are accordingly unable to comment on the financial results of NRHPL included in the consolidated unaudited financial results.*



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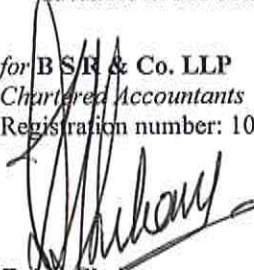
Qualified Conclusion

5. 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, *with the exception of the matter described in paragraph 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with accounting standards notified by Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 which, as per a clarification issued by the Ministry of Corporate Affairs, continues to apply under Section 133 of the Companies Act 2013 (which has superseded Section 211(3C) of the Companies Act 1956 with effect from 12 September 2013) 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

6. Without qualifying our opinion, we further draw attention to note 6 of the Statement. In accordance with the circular number 04/2013 dated 11 February 2013 issued by Ministry of Corporate Affairs, one of the subsidiary 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 and maintain such minimum deposit during the entire year. Based on the information provided to us by the Management, debentures amounting to Rs 1,240 lakhs outstanding as at 31 December 2013 are due for maturity on 5 March 2014. While the subsidiary company had deposited a sum of Rs 320 lakhs on 5 August 2013, it has withdrawn these deposits during the quarter ended 31 December 2013 and accordingly does not have the minimum required deposit of Rs 186 lakhs as at 31 December 2013 for debentures maturing before 31 March 2014. Subsequent to 31 December 2013, the subsidiary company has deposited the required sum in a fixed deposit account and accordingly believes that the matter has been regularized.
7. Without qualifying our opinion, we further draw attention to note 5 of the Statement. The group has advanced an amount aggregating Rs 26,108 lakhs as at 31 December 2013, to various parties for purchase/joint development of land/ properties. Of these, advances amounting to Rs 22,261 lakhs were expected to be settled, during the current period, either through repayment or land acquisition/development contracts. As at date, these advances continue to remain outstanding. The age profile of such advances ranges from two years to over five years. The ongoing delay in settlement of these advances may be indicative of the gradually reducing probability of their recoverability. Management believes and has represented that they continue to remain entirely recoverable and expect to settle these advances in due course.

for B S R & Co. LLP
Chartered Accountants
Registration number: 101248W


Zubin Shekary
Partner
Membership Number: 48814

Place: Bangalore
Date: 12 February 2014