

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NITESH PROPERTY MANAGEMENT  
PRIVATE LIMITED, BANGALORE**

***Report on the Financial Statements:***

We have audited the accompanying financial statements of Nitesh Property Management Private Limited ("the Company") which comprise of Balance Sheet as at March 31, 2013, Statement of Profit and Loss and the cash flow statement for the year ended on that date and a summary of accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements:***

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility:***

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

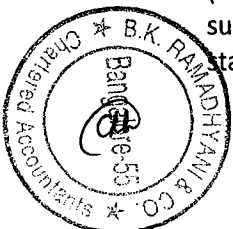
***Opinion:***

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) In the case of the cash flow statement for the year ended on that date.

***Report on Other Legal and Regulatory Requirements:***

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Company Law Board, in terms of subsection 4A of section 227 of the Act ("the Order"), we enclose in the annexure a statement on matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227 (3) of the Act, we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account.
  - In our opinion, the Balance Sheet, Statement of Profit & Loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - On the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the board of directors, we report that none of the directors are disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. Ramadhyani & Co.,  
Chartered Accountants  
Firm Registration No. 002878S

*C.R. Deepak*

(C R Deepak)

Partner

Membership No.215398

Place: Bangalore

Date: *May 6, 2013.*

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhravan,  
No. 58, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055.

**ANNEXURE REFERRED TO IN PARA 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF NITESH PROPERTY MANAGEMENT PRIVATE LIMITED, BANGALORE**

1. The Company did not have any fixed assets. Accordingly, clause 4 (i) of the Order is not applicable.
2. The Company doesn't have any inventory during the year. We understand that housekeeping materials are generally purchased as and when necessary and are expensed out. Accordingly, clause 4 (ii) of the Order is not applicable.
3. The Company has not granted/ taken any loans from parties covered in the register maintained under section 301 of the Act. Accordingly, clause 4 (iii) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
  - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs.5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year as referred to in sections 58A & 58AA of the Act. Accordingly, clause 4 (vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of the business.
8. The Central Government has not prescribed the maintenance of Cost Records under clause (d) of sub section (1) of 209 of the Act.
9.
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education protection fund, income tax, cess and other internal statutory dues applicable except for certain delays in remittance of income tax dues.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.
  - c. According to the information and explanations given to us, there are no dues of income tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company neither has accumulated losses at the end of the financial year nor has it incurred cash loss in the financial year covered by our audit and the immediately preceding financial year.



11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly the provisions of clause 4 (xii) of the Order are not applicable to the company.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. In our opinion, the Company has not given guarantees for loans taken by others. Accordingly, the provisions of the clause 4 (xv) of the Order is not applicable.
16. In our opinion, the Company has not taken any term loan during the year. Accordingly, the provisions of clause 4 (xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and hence provisions of clause 4 (xviii) of order are not applicable.
19. According to the information and explanations given to us, there are no debentures issued by the Company and accordingly, the provisions of clause 4(xix) of Order regarding creation of securities are not applicable.
20. The Company has not made any public issue during the year and accordingly, the provisions of paragraph 4(xx) of the order regarding end use of money are not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company during the year has been noticed or reported during the course of our audit.

For B. K. Ramadhyani & Co.,  
Chartered Accountants  
Firm Registration No. 002878S

*C. R. Deepak*  
(C R Deepak)  
Partner

Membership No.215398

Place: Bangalore

Date: *May 6, 2013*

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhavan,  
No. 63, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055.

**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2013**

*in Rupees*

	Note	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	- 5,842,981	593,666
		<b>5,742,981</b>	<b>693,666</b>
<b>Non-current liabilities</b>			
Other liabilities	5	9,763,523	<b>9,537,512</b>
Provisions	6	858,634	<b>511,328</b>
		<b>10,622,157</b>	<b>10,048,840</b>
<b>Current Liabilities</b>			
Short term borrowings	7	5,000,000	-
Trade Payables	8	8,841,522	6,967,471
Other liabilities	9	5,153,304	2,349,946
Provisions	10	296,765	170,751
		<b>19,291,591</b>	<b>9,488,168</b>
<b>TOTAL</b>		<b>24,170,767</b>	<b>20,230,674</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Deferred Tax asset	11	321,838	8,886
<b>Current Assets</b>			
Trade Receivables	12	8,810,832	12,894,430
Cash and bank balances	13	8,493,587	7,033,506
Loans and advances	14	6,544,510	293,852
		<b>23,848,929</b>	<b>20,221,788</b>
<b>TOTAL</b>		<b>24,170,767</b>	<b>20,230,674</b>

1 to 24

**Summary of significant accounting policies and other explanatory notes forming part of the financial statements**

As per our report attached  
for B.K Ramadhyani & Co.  
Chartered Accountants  
Firm's Registration No.:002878S

*C. R. Deepak*  
(C R Deepak)  
Partner  
Membership No.: 215398

Bangalore  
Date: May 6, 2013

For and on Behalf of Board of Directors of  
Nitesh Property Management Private Limited

*[Signature]*

P C Ashok  
Director

*[Signature]*  
Sanapathi Joshy  
Director

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhuvan,  
No. 68, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055

**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013**

		<i>in Rupees</i>	
	Note	Current Year	Previous Year
<b>Revenue</b>			
Income from Operations	15	37,147,297	32,000,428
Other Income	16	678,297	<b>262,922</b>
<b>Total Revenue</b>		<b>37,825,594</b>	<b>32,263,350</b>
<b>Expenses</b>			
Sub-Contracting Expenses	17	22,707,613	21,007,017
Employee related expenses	18	7,458,605	7,321,050
Finance Cost	19	322,002	
Other Expenses	20	13,361,584	3,050,503
<b>Total Expenses</b>		<b>43,849,804</b>	<b>31,378,570</b>
<b>Profit before tax</b>		(6,024,210)	884,780
Less: Current tax		560,000	300,000
Prior year tax		165,389	-
Deferred tax		(312,952)	(8,886)
<b>Profit after tax for the year</b>		<b>(6,436,647)</b>	<b>593,666</b>
<b>Earnings Per Equity Share</b>			
Equity Shares of par value of Rs 10 each			
Basic & Diluted		(643.66)	59.37
Number of shares used in computing earnings per share			
Basic & Diluted		10,000	10,000
<b>Summary of significant accounting policies and other explanatory notes forming part of the financial statements</b>	1 to 24		

As per our report attached  
for B.K Ramadhyani & Co.  
Chartered Accountants  
Firm's Registration No.:002878S

*C. R. Deepak*  
(C R Deepak)  
Partner  
Membership No.: 215398

Bangalore  
Date: May 6, 2013

For and on Behalf of Board of Directors of  
Nitesh Property Management Private Limited

*P C Ashok*  
P C Ashok  
Director

*Ganapathi Joshy*  
Ganapathi Joshy  
Director

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
#4-B, Chitrapura Bhavan,  
No. 88, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055:

**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

	Current Year	Previous Year
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) before tax</b>	<b>(6,024,210)</b>	<b>884,780</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for employee benefits	439,708	580,272
Pre-Operative Expenses w/o	-	35,945
Provision for doubtful debts	7,400,200	
Interest on borrowings	322,002	
Interest on fixed deposits	(628,907)	(262,922)
<b>Operating profit before working capital changes</b>	<b>1,508,793</b>	<b>1,238,075</b>
<i>Movements in working capital:</i>		
Increase / (decrease) in trade payables	1,874,051	6,967,471
Increase / (decrease) in other liabilities	2,803,358	2,337,391
(Increase) / decrease in trade receivables	(3,316,602)	(12,894,430)
(Increase) / decrease in short term loans and advances	(6,080,562)	(293,852)
<b>Cash (used in) / generated from operations</b>	<b>(3,210,962)</b>	<b>(2,645,345)</b>
Income Tax Paid	691,777	198,193
<b>Net cash (used in)/ generated from operating activities - (A)</b>	<b>(3,902,739)</b>	<b>(2,843,538)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Investment in Fixed Deposit	(500,000)	(6,000,000)
Proceeds from sinking fund collected from customers	226,011	9,537,512
Income from fixed deposits	458,811	262,922
<b>Net cash (used in) investing activities - (B)</b>	<b>184,822</b>	<b>3,800,434</b>
<b>B. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	5,000,000	
Interest paid	(322,002)	
<b>Net cash from/ (used in) financing activities - (C)</b>	<b>4,677,998</b>	
<b>Net increase in cash and cash equivalents - (A+B+C)</b>	<b>960,081</b>	<b>956,896</b>
Cash and cash equivalents as at beginning of the year	1,033,506	76,610
<b>Cash and cash equivalents as at the end of the year</b>	<b>1,993,587</b>	<b>1,033,506</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	132,292	11,455
Balances with scheduled banks:		1,022,051
In Current accounts	1,861,295	
<b>Cash and cash equivalents in cash flow statement</b>	<b>1,993,587</b>	<b>1,033,506</b>



As per our report attached  
for B.K Ramadhyani & Co.  
Chartered Accountants  
Firm's Registration No.:0028785

*C.R. Deepak*  
(C R Deepak)  
Partner  
Membership No.:215398

For and on Behalf of Board of Directors of  
Nitesh Property Management Private Limited

*[Signature]*

P C Ashok  
Director

*[Signature]*  
Ganapathi Joshy  
Director

Bangalore  
Date: May 6, 2013

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
#4-B, Chitrapura Bhevan,  
No. 88, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055.

**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	<i>in Rupees</i>	
	As at March 31, 2013	As at March 31, 2012
<b>3. Share capital</b>		
Authorised		
10,000 (As at March 31, 2012 - 10,000) Equity Shares Rs. 10/- each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
Issued, subscribed and paid up		
10,000 (As at March 31, 2012 - 10,000) Equity Shares Rs. 10/- each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

**(a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2013		As at March 31, 2012	
	No of shares	% of holding in the class	No of shares	% of holding in the class
Equity shares of Rs.10 each fully paid Nitesh Estates Limited (Holding Company) and its nominee	10,000	100.00	10,000	100.00

The above shareholding information is as per the records of the Company

**(c) Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

	As at March 31, 2013		As at March 31, 2012	
	No of Shares	Amount in Rupees	No of Shares	Amount in Rupees
At the beginning of the year	10,000	100,000	10,000	100,000
Outstanding at the end of the year	10,000	100,000	10,000	100,000

**4. Reserves and Surplus**

**Profit and Loss account**

At the beginning of the year

Add: Net profit after tax transferred from Statement of Profit and Loss

At the end of the year

	<i>in Rupees</i>	
	As at March 31, 2013	As at March 31, 2012
	593,666	-
	6,436,647	593,666
	<b>5,842,981</b>	<b>593,666</b>

**5. Other Non Current Liabilities**

Sinking fund

	<i>in Rupees</i>	
	As at March 31, 2013	As at March 31, 2012
	9,763,523	9,537,512
	<b>9,763,523</b>	<b>9,537,512</b>

**6. Provisions**

**Provision for employee benefits:**

Provision for gratuity

Provision for compensated absences

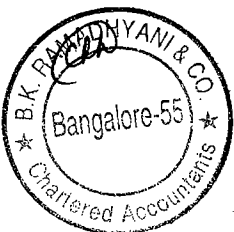
	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
	399,028	234,773	77,394	6,574
	459,606	276,555	83,952	62,370
	<b>858,634</b>	<b>511,328</b>	<b>161,346</b>	<b>68,944</b>





**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	<i>in Rupees</i>	
	As at March 31, 2013	As at March 31, 2012
<b>7. Short term borrowings:</b>		
<b>Secured Loans:</b>		
Loan against term deposits	5,000,000	
	<u>5,000,000</u>	<u>-</u>
Additional Information:		
The above loan is secured against the term deposits held by the Company and carry a interest @ 11.50%		
<b>8. Current Liabilities</b>	<i>in Rupees</i>	
	As at	As at
	March 31, 2013	March 31, 2012
Trade Payables	8,841,522	6,967,471
	<u>8,841,522</u>	<u>6,967,471</u>
<b>Note:</b>		
The Company doesnot have the status of its creditors regarding their registration under the Micro, Small and Medium Enterprises Development Act,		
<b>9. Other Current Liabilities</b>	<i>in Rupees</i>	
	As at	As at
	March 31, 2013	March 31, 2012
Advance from customers	4,863,466	2,150,827
Security Deposit	70,000	60,000
Interest accrued and not due	-	-
Other Liabilities	68,862	-
Service tax payable	-	18,166
Withholding taxes payable	122,959	88,525
Other Liabilities	28,017	32,428
	<u>5,153,304</u>	<u>2,349,946</u>
<b>10. Short term provisions</b>	<i>in Rupees</i>	
	As at	As at
	March 31, 2013	March 31, 2012
Provision for employee benefits	161,346	68,944
Provision for income tax (net of Advance Tax and TDS Receivable)	135,419	101,807
	<u>296,765</u>	<u>170,751</u>
<b>11. Deferred Tax Assets</b>	<i>in Rupees</i>	
	As at	As at
	March 31, 2013	March 31, 2012
On account of timing differences in recognition of expenses	321,838	8,886
	<u>321,838</u>	<u>8,886</u>
<b>12. Trade Receivables:</b>	<i>in Rupees</i>	
	As at	As at
	March 31, 2013	March 31, 2012
Outstanding for a period exceeding 6 months from the date they are due for payment	11,236,798	12,073
Other receivables	4,974,234	12,882,357
	<u>16,211,032</u>	<u>12,894,430</u>
Less: Provision for doubtful debts	7,400,200	-
	<u>8,810,832</u>	<u>12,894,430</u>
Additional Information:		
i) Unsecured considered good	8,810,832	12,894,430
ii) Doubtful	7,400,200	-
	<u>16,211,032</u>	<u>12,894,430</u>
Less: Provision for doubtful debts	7,400,200	-
	<u>8,810,832</u>	<u>12,894,430</u>



**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**13. Cash and Bank Balances**

*i) Cash and cash equivalents:*

Balances with Bank  
- On Current accounts  
Cash on Hand

*ii) Other Bank Balances:*

Deposits with maturity of more than 3 months & not exceeding 12 months

<i>in Rupees</i>	
As at March 31, 2013	As at March 31, 2012
1,861,295	1,022,051
132,292	11,455
<b>1,993,587</b>	<b>1,033,506</b>
6,500,000	6,000,000
<b>6,500,000</b>	<b>6,000,000</b>

**14. Loans and advances**

(unsecured and considered good)

Vendor Advances  
Service tax input credit receivable  
Advances to related party  
Interest accrued  
Other receivables

<i>in Rupees</i>	
As at March 31, 2013	As at March 31, 2012
333,406	20,487
1,041,008	-
5,000,000	-
170,096	-
-	273,365
<b>6,544,510</b>	<b>293,852</b>

**15. Revenue from operations:**

Building Maintenance income  
Other operating Income

<i>in Rupees</i>	
Current Year	Previous Year
35,860,055	29,935,842
1,287,242	2,064,586
<b>37,147,297</b>	<b>32,000,428</b>

**16. Other Income:**

Interest on bank deposits  
Miscellaneous Income

<i>in Rupees</i>	
Current Year	Previous Year
628,907	262,922
49,390	-
<b>678,297</b>	<b>262,922</b>

**17. Subcontracting Charges:**

Security Charges  
Housekeeping expenses  
Building maintenance expenses  
Repairs & maintenance

<i>in Rupees</i>	
Current Year	Previous Year
9,722,196	7,820,109
3,596,126	3,625,194
4,090,464	3,235,916
5,298,827	6,325,798
<b>22,707,613</b>	<b>21,007,017</b>

**18. Employee related expenses:**

Salaries, wages and bonus  
Contribution to provident and other funds  
Staff welfare expenses

<i>in Rupees</i>	
Current Year	Previous Year
7,100,261	6,872,770
135,310	172,919
223,034	275,361
<b>7,458,605</b>	<b>7,321,050</b>

**19. Finance Cost:**

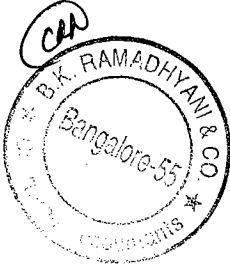
Interest on borrowings

<i>in Rupees</i>	
Current Year	Previous Year
322,002	-
<b>322,002</b>	<b>-</b>



**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<i>in Rupees</i>	
	<b>Current Year</b>	<b>Previous Year</b>
<b>20. Other expenses</b>		
Power and fuel	4,201,870	1,745,067
Repairs and maintenance	118,692	177,118
Project site expenses	-	-
Insurance charges	673,950	237,135
Rates and taxes	28,240	54,323
Professional and consultancy charges	199,562	75,500
Payment to auditor (Refer details below)	213,272	188,015
Travelling and conveyance	146,412	243,056
Communication expenses	227,519	199,305
Printing and stationery	64,299	68,369
Provision for doubtful debts	7,400,200	-
Preliminary / Pre-operative Expenses Written off	-	35,945
Miscellaneous expenses	87,568	26,670
	<b>13,361,584</b>	<b>3,050,503</b>
<b>Payment to auditor</b>		
As auditor:		
- Audit fee	100,000	100,000
- Fees for limited reviews	113,272	88,015
	<b>213,272</b>	<b>188,015</b>



**Nitesh Property Management Private Limited**  
**Notes forming part of the financial statements**

**1. Background**

The Nitesh Property Management Private Limited ("the Company") was incorporated on December 3, 2010, to carry on the business of the Property management. The Company has become a wholly owned subsidiary of Nitesh Estates Limited with effect from February 10, 2011.

**2. Significant Accounting Policies:**

**a) Basis of Preparation:**

The financial accounts are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. All income and expenditure, having a material bearing on financial statements, are recognized on an accrual basis.

**b) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual could differ from these estimates.

**c) Revenue Recognition:**

- a. Property Management fees has been accounted on accrual basis based on the agreements entered with the tenants.
- b. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**d) Employee Benefits:**

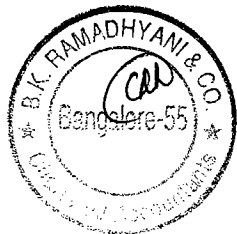
**(i) Short term Employee Benefits:**

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance etc. and the expected cost of bonus are recognized in the period in which the employee renders the related service.

**(ii) Long term Employee Benefits:**

**(a) Defined Contribution Plan:**

The Company has contributed to state governed provident fund scheme, employee's state insurance scheme and employee pension scheme which are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the year in which employee renders the related service.



**Nitesh Property Management Private Limited**  
**Notes forming part of the financial statements**

**(b) Defined Benefit Plan:**

Gratuity (unfunded) is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the balance sheet date.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation performed at the balance sheet date. The actuarial valuation is done as per the projected unit credit method.

Actuarial gains/ losses are immediately taken to profit and loss account.

**e) Income Taxes:**

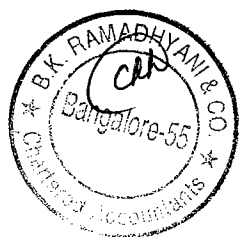
Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made on estimated basis on current year profit at the rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference, which arise during the year and reverse out in the subsequent periods. It is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**f) Provisions:**

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**g) Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. The assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.



**Nitesh Property Management Private Limited**  
**Notes forming part of the financial statements**

21. The Company has accounted the provision for gratuity based on the actuarial valuation computed on projected unit credit method.

**Disclosures as per Accounting Standard 15 "Employee Benefits":**

**(a) Defined Contribution Plan:**

Contribution to Defined Contribution, recognized as expense for the year are as under:

	Current Year (Rs.)	Previous Year (Rs.)
Employer's Contribution to Provident Fund & Pension Scheme	135,310	152,464

**(b) Defined Benefit Plan:**

Gratuity: The Present value of obligation is determined based on actuarial valuation using the projected unit credit method and provided for. The same is unfunded hence disclosure in respect of plan assets as per AS – 15 are not applicable to the Company.

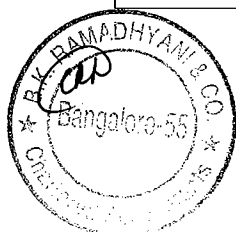
I. Reconciliation of opening and closing balances of Defined Benefit obligation:	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)
Defined Benefit obligation at beginning of the year	241,347	Nil
Taken over from the holding company	Nil	329,193
Current Service Cost	71,806	98,988
Interest Cost	26,494	35,620
Actuarial (gain)/ loss	136,775	(222,454)
Benefits Paid	-	-
Defined Benefit obligation at end of the year	476,422	241,347

**II. Reconciliation of fair value of assets and obligations:**

Fair value of plan assets	-	-
Present value of obligation	476,422	241,347
Amount recognised in Balance Sheet	476,422	241,347

**III. Expense recognised during the year: (under "Note 18" Employee Related Expenses in Statement of the Profit and Loss)**

Taken over from holding company	Nil	329,193
Current Service Cost	71,806	98,988
Interest Cost	26,494	35,620
Expected return on plan assets	-	-
Actuarial (gain)/ loss	136,775	(222,454)
<b>Net Cost</b>	<b>235,075</b>	<b>241,347</b>



**Nitesh Property Management Private Limited**  
**Notes forming part of the financial statements**

**IV. Actuarial assumptions:**

Mortality Table (Indian Assured Lives)	<b>2006 - 08 (Ultimate)</b>	1994 – 96 (Ultimate)
Discount rate (per annum)	<b>8.40%</b>	8.40%
Rate of escalation in salary (per annum)	<b>6.00%</b>	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

21. The Company is engaged in the business of property management in India. Since the Company's business activity primarily falls within single business and geographical segment, no further disclosures required other than those given in the financial statements.

**22. Related Party Transactions:**

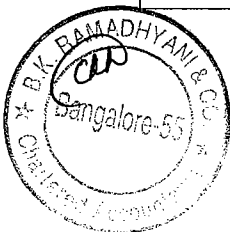
a) **List of related Parties:**

<b>Name of the Related Parties</b>	<b>Nature of relationship</b>
Mr. Nitesh Shetty	Key Managerial Personnel ("KMP")
Mr. Ashwini Kumar	
Mr. Ganapathy Joshy	
Nitesh Estates Limited	Holding Company
Nitesh Indiranagar Retail Private Limited	Fellow Subsidiaries
Nitesh Housing Developers Private Limited	
Nitesh Urban Development Private Limited	
Kakanad Enterprises Private Limited	
Nitesh Infrastructure and Construction	
Nitesh Estates White field	Enterprises owned and significantly influenced by KMP
Nitesh Residency Hotels Private Limited	

b) **Transactions with related parties:**

*(Amount in Rupees)*

	<b>Current Year</b>	<b>Previous Year</b>
<b>Maintainance Charges Received from:</b>		
Nitesh Estates Limited (net)	<b>849,326</b>	688,731
Nitesh Shetty	<b>979,483</b>	834,571
Nitesh Infrastructure and Construction	<b>1,145,621</b>	660,368
Nitesh Residency Hotels Private Limited	<b>413,296</b>	Nil
Nitesh Urban Development Private Limited	<b>100,113</b>	Nil
<b>Reimbursement of Expenses paid:</b>		
Nitesh Estates Limited	<b>135,310</b>	270,273
<b>Loans &amp; Advances Received:</b>		
Nitesh Estates Limited	<b>Nil</b>	6,525,876



**Nitesh Property Management Private Limited**  
**Notes forming part of the financial statements**

<b>Provision for doubtful debts provided during the year:</b>		
Nitesh Shetty	<b>741,879</b>	Nil
Nitesh Infrastructure and Construction	<b>1,317,370</b>	Nil

c) Balances outstanding with Related parties:

<b>Amount receivable from:</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Nitesh Estates Limited	<b>3,203,957</b>	3,258,243
Nitesh Infrastructure and Construction	<b>1,811,308</b>	660,368
Nitesh Shetty	<b>992,033</b>	877,992
Nitesh Residency Hotels Private Limited	<b>104,761</b>	Nil
Nitesh Urban Development Private Limited	<b>100,113</b>	Nil
Nitesh Estates Whitefield	<b>5,000,000</b>	Nil
<b>Provision for doubtful debts as at the end of the year:</b>		
Nitesh Shetty	<b>741,879</b>	Nil
Nitesh Infrastructure and Construction	<b>1,317,370</b>	Nil

23. During the year, the Company has made provision towards Compensated absences of the employees, the details are as under:

<b>Particulars</b>		<b>As at March 31, 2013 (Rs.)</b>	<b>As at March 31, 2012 (Rs.)</b>
i)	Carrying amount as at beginning of the year	<b>338,925</b>	Nil
ii)	Provision made during the year	<b>204,633</b>	338,925
iii)	Amount utilized during the year	<b>Nil</b>	Nil
iv)	Carrying amount as at the end of the year	<b>543,558</b>	338,925

24. Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation.

For B K Ramadhyani & Co.,  
Chartered Accountants

*C.R. Deepak*

(C R Deepak)

Partner

Membership No. 215398

Place: Bangalore

Date: May 6, 2013

For and on behalf of the Board of Directors of  
Nitesh Property Management Private Limited

*P C Ashok*  
P C Ashok  
Director

*M Ganapathy Joshy*  
M Ganapathy Joshy  
Director

**B.K. RAMADHYANI & COMPANY**

CHARTERED ACCOUNTANTS

# 4-B, Chitrapura Bhojan,

No. 63, 8th Main, 15th Cross,

Malleswaram, Bangalore-560 055.