

# NITESH INDIRANAGAR RETAIL PRIVATE LIMITED

CIN: U45201KA2007PTC042660

REGD. OFFICE: 7<sup>TH</sup> FLOOR, NITESH TIMESQUARE, # 8, M.G. ROAD, BANGALORE – 560 001

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## DIRECTORS' REPORT

Dear Members,

The Board of Directors of Nitesh Indiranagar Retail Private Limited present the Seventh Annual Report for the financial year ended March 31, 2014 along with the Audited Statement of Accounts.

### FINANCIAL RESULTS:

The Company has not yet commenced its commercial activity and the other income earned out of interest was Rs.3794/- and after considering the expenses the net loss stood at Rs.2,18,78,445/- for the financial year ended March 31, 2014.

### PROJECTS:

The Retail Mall project of the Company at Indiranagar, Bangalore has a built up area of 700,000 Sq. Ft. housing a hypermarket, 130 shops, food courts, multiplex with 11 screens and restaurants.

During the year, the Company and Nitesh Estates Limited, the holding company have executed the Supplementary Agreement to Joint Development Agreement Dt.11<sup>th</sup> February 2011 with the land owner on February 11, 2014 to give effect to certain modifications in terms and conditions of Joint Development Agreement agreeing for extended period of time and time line for the project.

During the year the Company had approached the Banks for Term loan facilities of Rs. 300 Crores for financing the said Retail Mall project. Accordingly, the loan application is under consideration of the Consortium Bankers comprising of Bank of Baroda, Punjab National Bank and Corporation Bank.

### AUDITORS:

The Statutory Auditors, M/s. B K Ramadhyani & Co., Chartered Accountants, (Firm Registration No. 002878S) hold office up to the conclusion of this Annual General Meeting and are eligible for re-appointment.

### DIRECTORS:

Ms. Pushpalatha V. Shetty (DIN: 00304418), Director resigned from the Board with effect from 2<sup>nd</sup> August, 2013 and the same was noted by the Board at their meeting held on 3<sup>rd</sup> August, 2013.

Mr. Nitesh Shetty (DIN: 00304555), Director will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

# **NITESH INDIRANAGAR RETAIL PRIVATE LIMITED**

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## **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the accounts for the financial year ended March 31, 2014, on a going concern basis.

## **FIXED DEPOSITS:**

The Company has not accepted any deposits during the year. There are no deposits repaid during the year or any unclaimed deposits with the Company.

## **PARTICULARS OF EMPLOYEES:**

No employees was in receipt of remunerations in excess of the limits prescribed and required to be reported under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

As the Company has yet to commence its commercial operations there is nothing to report under this section.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review the Company has neither earned nor spent any foreign exchange.

# NITESH INDIRANAGAR RETAIL PRIVATE LIMITED

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## ACKNOWLEDGMENT:

Your Directors are pleased to place on record their sincere appreciation for the valuable assistance and co-operation extended to the Company by its Bankers, Financial Institutions, State and Central Government authorities.

For and on behalf of the Board of Directors  
of Nitesh Indiranagar Retail Private Limited

  
Nitesh Shetty  
Director

  
L.S. Vaidyanathan  
Director

Place : Bangalore  
Date : May 27, 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NITESH INDIRANAGAR RETAIL PRIVATE LIMITED, BANGALORE**

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

We have audited the accompanying financial statements of Nitesh Indiranagar Retail Private Limited ("the Company") which comprise of Balance Sheet as at March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, 2014;
- (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.

*(Signature)*



**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:
  - a. 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.
  - b. 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.
  - c. 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.
  - d. 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.
  - e. On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the board of directors, we report that none of the directors are disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - f. 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. Ramadhyan & Co.,  
Chartered Accountants  
Firm Registration No. 002878S

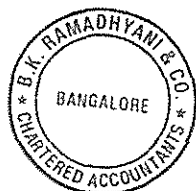
*C. R. Deepak*

(C R Deepak)  
Partner

Membership No.215398

Place: Bangalore

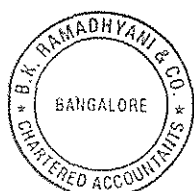
Date: May 27, 2014



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 INDIRANAGAR RETAIL PRIVATE LIMITED, BANGALORE

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. These assets have been physically verified by the management as per programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- c. In our opinion, there are no substantial disposal of fixed assets during the year and hence clause 4(i)(c) 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. According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301. Accordingly, clause 4 (v) of the Order is not applicable.
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 except for the following:

*CA*



Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 2011-12	Service Tax	394,966	March 2008	

10. The Company has accumulated losses at the end of the financial year. However, it has incurred cash loss in the financial year covered by our audit and also in the immediately preceding financial year.
11. The Company doesn't have borrowings from banks or financial institutions. Accordingly, clause 4 (xi) of the Order is not applicable.
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, term loans have been applied for the purpose for which they were borrowed.
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.

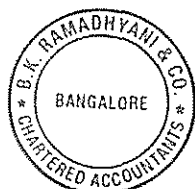
For B. K. Ramadhyani & Co.,  
Chartered Accountants  
Firm Registration No. 002878S

*C. R. Deepak*

(C R Deepak)  
Partner

Membership No. 215398

Place: Bangalore  
Date: May 27, 2014



NITESH INDIRANAGAR RETAIL PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2014

		Amount in Rupees	
	Note	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	132,480,000	132,480,000
Reserves and surplus	4	1,118,587,660	1,140,466,105
		1,251,067,660	1,272,946,105
<b>Non-current Liabilities</b>			
Long term borrowings	5	1,253,321	1,680,163
Other Long term liabilities	6	2,043,500	2,587,000
Provisions	7	2,473,908	1,865,382
		5,770,729	6,132,545
<b>Current Liabilities</b>			
Trade Payables	8	3,643,156	1,273,738
Other Current Liabilities	9	390,558,844	368,954,360
Provisions	7	2,860,591	4,178,590
		397,062,591	374,406,688
<b>TOTAL</b>		1,653,900,980	1,653,485,338
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets:</b>			
Tangible assets	10	1,883,334	2,541,268
Capital work in progress	11	504,822,104	506,242,103
Long term loans & advances	12	1,121,590,000	1,127,140,000
		1,628,295,438	1,635,923,371
<b>Current Assets</b>			
Cash and cash equivalents	13	18,525,434	2,481,859
Loans & advances	14	7,080,108	15,080,108
		25,605,542	17,561,967
<b>TOTAL</b>		1,653,900,980	1,653,485,338

Significant Accounting Policies and Notes forming part of the financial statements 1 to 29

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

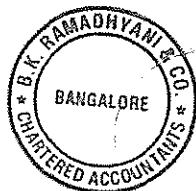
For and on Behalf of Board of Directors of  
Nitesh Indiranagar Retail Private Limited

*N. Shetty*  
Nitesh Shetty  
Director

*L.S. Vaidyanathan*

L.S. Vaidyanathan  
Director

Bangalore  
Date : May 27, 2014





**NITESH INDIRANAGAR RETAIL PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note	Amount in Rupees	
		Current Year	Previous Year
<b>Income</b>			
Other Income	15	3,794	4,482
<b>Total</b>		<b>3,794</b>	<b>4,482</b>
<b>Expenses</b>			
Employee benefits expense	16	15,834,127	15,930,685
Interest Expenses	17	211,169	121,883
Depreciation & Amortisation expense	18	657,934	376,695
Other expenses	19	5,179,009	5,254,635
<b>Total Expenses</b>		<b>21,882,239</b>	<b>21,683,898</b>
<b>Loss before tax</b>		<b>21,878,445</b>	<b>21,679,416</b>
Less: Tax Expense			
Current Tax		-	1,500
Prior year		-	-
Deferred Tax Credit		-	8,099,000
<b>Loss after tax</b>		<b>21,878,445</b>	<b>29,779,916</b>

**Loss Per Equity Share**

Equity Shares of par value of Rs 10 each

Basic & Diluted	1.65	2.25
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Weighted average number of shares used in computing loss per share

Basic & Diluted (number of shares)	13,248,000	13,248,000
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**Significant Accounting Policies and Notes forming part of 1 to 25 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

For and on Behalf of Board of Directors of  
Nitesh Indiranagar Retail Private Limited

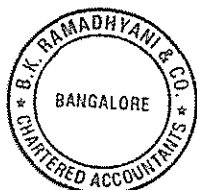
*Nitesh Shetty*

Nitesh Shetty  
Director

*L.S. Vaidyanathan*

L.S. Vaidyanathan  
Director

Bangalore  
Date : May 27, 2014



**NITESH INDIRANAGAR RETAIL PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

*in Rupees*

	Current Year	Previous Year
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(21,878,445)	(21,679,416)
Non-cash adjustment		
Interest paid	211,169	121,883
Depreciation	657,934	376,695
Interest received	(3,794)	(4,482)
Provision towards employee benefits	(709,473)	(224,253)
Preliminary & preoperative expenses written off	-	-
<b>Loss before working capital changes</b>	<b>(21,722,609)</b>	<b>(21,409,573)</b>
<i>Movements in working capital:</i>		
Increase / (decrease) in trade payables	2,369,418	(641,046)
Increase / (decrease) in other current liabilities	(32,600,904)	26,522,612
(Increase) / decrease in loans and advances	8,000,000	233,600
Increase / (decrease) in other long term liabilities	(543,500)	500,000
<b>Cash used in from operations</b>	<b>(44,497,595)</b>	<b>5,205,593</b>
Taxes paid	-	-
<b>Net cash used in from operating activities - (A)</b>	<b>(44,497,595)</b>	<b>5,205,593</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/(decrease) in Capital work in progress & capital advances	6,969,999	(334,638,812)
Purchase of fixed assets	-	(2,917,963)
Interest received	3,794	4,482
<b>Net cash used in investing activities - (B)</b>	<b>6,973,793</b>	<b>(337,552,293)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share application money pending allotment	385,270,000	331,110,000
Proceeds from Secured loans	-	2,300,000
Repayment of secured loans	(318,546)	(238,383)
Repayment of share application money pending allotment	(331,110,000)	-
Interest paid	(211,169)	(121,883)
<b>Net cash from financing activities - (C)</b>	<b>53,567,377</b>	<b>333,049,734</b>
<b>Net increase / (decrease) in cash and cash equivalents - (A+B+C)</b>	<b>16,043,575</b>	<b>703,034</b>
Cash and cash equivalents as at beginning of the year	2,481,859	1,778,825
<b>Cash and cash equivalents as at the end of the year</b>	<b>18,525,434</b>	<b>2,481,859</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	16,594,592	260,224
Balances with scheduled banks:		
In Deposit accounts with less than 3 months maturity	75,000	70,000
In Current accounts	1,855,842	2,151,635
<b>Cash and cash equivalents in cash flow statement</b>	<b>18,525,434</b>	<b>2,481,859</b>

**Significant accounting policies and Notes on Accounts - attached**

As per our report attached  
for B.K Ramadhyan & 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 Indiranagar Retail Private Limited

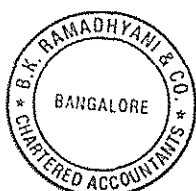
*N. Shetty*

Nitesh Shetty  
Director

*L.S. Vaidyanathan*

L.S Vaidyanathan  
Director

Bangalore  
Date : May 27, 2014



**NITESH INDIRANAGAR RETAIL PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>3. Share capital</b>		
Authorised shares 2,50,00,000 (As at March 31, 2012 - 1,50,00,000) Equity shares of Rs.10/- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and fully paid up shares 1,32,48,000 (As at March 31, 2012 - 1,32,48,000) Equity shares of Rs.10/- each	132,480,000	132,480,000
Total issued, subscribed and fully paid-up share capital	<u>132,480,000</u>	<u>132,480,000</u>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	As at March 31, 2014		As at March 31, 2013	
	No of shares	Amount Rs	No of shares	Amount Rs
At the beginning of the year	13,248,000	132,480,000	13,248,000	132,480,000
Outstanding at the end of the year	<u>13,248,000</u>	<u>132,480,000</u>	<u>13,248,000</u>	<u>132,480,000</u>

**(b) 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.

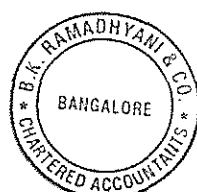
**(c) Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2014		As at March 31, 2013	
	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)	13,247,900	100	13,247,900	100

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

4. Reserves and Surplus	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>Securities premium account</b>		
Balance as at the beginning fo the year	1,191,420,000	1,191,420,000
Balance as at the end of the year	<u>1,191,420,000</u>	<u>1,191,420,000</u>
<b>Profit and Loss account</b>		
Balance as at the beginning of the year	(50,953,895)	(21,173,979)
Add: Loss for the year transferred from Statement of Profit and Loss	(21,878,445)	(29,779,916)
Balance as at the end of the year	<u>(72,832,340)</u>	<u>(50,953,895)</u>
<b>Total Reserves and Surplus</b>	<u>1,118,587,660</u>	<u>1,140,466,105</u>

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5. Long term borrowings	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>Secured Loan:</b>		
Term loan from a company	1,680,163	2,061,617
Less:		
Current Maturities	426,842	381,454
	<u>1,253,321</u>	<u>1,680,163</u>

- a) Term loan from a company is secured against motor car  
b) Loan is repayable in 60 equated monthly instalments of Rs.49,588/- per month

6. Other Long Liabilities	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
Security Deposit from Customer	2,043,500	2,587,000
	<u>2,043,500</u>	<u>2,587,000</u>

7. Provisions	Amount in Rupees			
	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Provision for employee benefits</b>				
Provision for gratuity	1,865,382	1,865,382	659,132	678,842
Provision for leave benefits	608,526	988,903	1,707,128	2,016,514
	<u>2,473,908</u>	<u>2,854,285</u>	<u>2,366,260</u>	<u>2,695,356</u>
<b>Other Provisions</b>				
Provision for income tax (net of Advance Tax and TDS Receivable)			494,331	494,331
<b>Total</b>	<u>2,473,908</u>	<u>2,854,285</u>	<u>2,860,591</u>	<u>3,189,687</u>

8. Trade Payables	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
Trade Payables	3,643,156	1,273,738
<b>Total Trade payables</b>	<u>3,643,156</u>	<u>1,273,738</u>

**Note:**

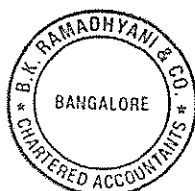
The Company doesnot have the status of its creditors regarding their registration under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, amount due to such creditors are not determinable.

9. Other Current Liabilities	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
Share Application money-pending allotment	385,270,000	331,110,000.00
Due to Holding Company	101,427	-
Current maturities of long term debt	426,842	381,454
Capital Creditors	-	-
Interest accrued and not due	10,717	29,840,548
Accrued expenses	2,814,669	6,785,754
<b>Others</b>		
Withholding Taxes Payable	1,622,680	773,258
Other statutory liabilities	312,509	63,346
<b>Total Other Current Liabilities</b>	<u>390,558,844</u>	<u>368,954,360</u>

The Company had received the Share application money from its holding Company i.e.Nitesh Estates Limited. The Company has not formulated any terms & conditions for issue of shares.

11. Capital Work in progress	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
Expenditure incurred towards construction	504,822,104	506,242,103
	<u>504,822,104</u>	<u>506,242,103</u>

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	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>12. Loans &amp; advances</b>		
(Unsecured & considered good)		
Non refundable deposit to land owner	1,055,000,000	1,045,450,000
Other Capital Advances	1,000,000	1,000,000
Security deposits	1,840,000	1,590,000
Advances for purchase of property and transferable development rights	63,750,000	79,100,000
	<b>1,121,590,000</b>	<b>1,127,140,000</b>

	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>13. Cash and bank balances</b>		
Cash and Cash equivalents		
Balances with Banks:		
- On current accounts	1,855,842	2,151,635
- On deposit accounts with less than 3 months maturity	75,000	70,000
Cash on Hand	16,594,592	260,224
<b>Total Cash and cash equivalents</b>	<b>18,525,434</b>	<b>2,481,859</b>

	Amount in Rupees	
	As at March 31, 2014	As at March 31, 2013
<b>14. Loans and advances</b>		
(Unsecured & Considered good)		
Vendor advances	350,513	350,513
Other loans & advances	-	8,000,000
Balances with statutory/government authorities	6,729,595	6,729,595
<b>Total Short-term loans and advances</b>	<b>7,080,108</b>	<b>15,080,108</b>

	Amount in Rupees	
	Current Year	Previous Year
<b>15. Other Income</b>		
Interest Received-FD	3,794	4,482
	<b>3,794</b>	<b>4,482</b>

	Amount in Rupees	
	Current Year	Previous Year
<b>16. Employee expenses</b>		
Salaries, wages and bonus	15,548,401	15,734,355
Contribution to provident and other funds	265,587	179,459
Staff welfare expenses	20,139	16,871
<b>Total Employee benefit expenses</b>	<b>15,834,127</b>	<b>15,930,685</b>

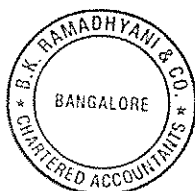
	Amount in Rupees	
	Current Year	Previous Year
<b>17. Interest expenses</b>		
Interest on term loan	211,169	121,883
	<b>211,169</b>	<b>121,883</b>

	Amount in Rupees	
	Current Year	Previous Year
<b>18. Depreciation &amp; Amortisation</b>		
Depreciation on tangible assets	657,934	376,695
	<b>657,934</b>	<b>376,695</b>

	in Rupees	
	Current Year	Previous Year
<b>19. Other expenses</b>		
Advertising and sales promotion	71,206	2,628,512
Payment to auditor	477,530	477,530
Legal & Professional charges	4,148,674	1,098,847
Rates & taxes	23,732	629,836
Bank charges	50,447	74,004
Communication expenses	53,525	88,690
Miscellaneous expenses	353,895	257,216
<b>Total other expenses</b>	<b>5,179,009</b>	<b>5,254,635</b>

Payment to auditor		
As auditor:		
- Audit fee	224,720	224,720
- Fees for limited reviews	252,810	252,810
	<b>477,530</b>	<b>477,530</b>

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NITESH INDIRANAGAR RETAIL PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10 Fixed Assets: Amount in Rupees

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at April 1, 2013	Additions for the year	Deductions during the year	As at March 31, 2014	As at April 1, 2013	For the year	Deductions	As at March 31, 2014	As at March 31, 2013
Tangible Assets									
Own assets									
Motor Vehicles	2,917,963	-	-	2,917,963	376,695	657,934		1,034,629	2,541,268
TOTAL	2,917,963	-	-	2,917,963	376,695	657,934	-	1,034,629	2,541,268

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**NITESH INDIRANAGAR RETAIL PRIVATE LIMITED**  
**GROUPINGS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Amount Rs.
<b><u>Capital work in progress</u></b>	
As per Trial Balance	1,531,864,705.95
Less:	
Non refundable deposit paid to George Thangaiah Stampduty & registration	1,055,000,000.00 -
	<u>476,864,705.95</u>
Add:	
Current year expenditure pending allocation	27,957,398.20
	<u><u>504,822,104.15</u></u>
<b><u>Advances for purchase of property and transferable development rights</u></b>	
Boulevard Developers Pvt. Ltd	57,750,000.18
K.Govindraj	1,000,000.00
Rental Ken Thanawala	5,000,000.00 -
	<u><u>63,750,000.18</u></u>
<b><u>Security Deposit</u></b>	
Deposit (Rental) - Indiranagar	480,000.00
Deposit (Rental) - Vivek Sharma	250,000.00
Deposit with Karnatak Pollution Control Board	1,100,000.00
Deposit with Sales Tax - VAT 20	10,000.00
	<u><u>1,840,000.00</u></u>
<b><u>Salaries &amp; Wages</u></b>	
As per Trial balance	33,414,936.62
Less:	
Contribution to provident & other funds	
Providend fund	75,816.00
Admin charges	9,287.00
Gratuity	180,484.00
	<u>33,149,349.62</u>
Less:	
Expenditure for the year	15,657,261.27
Transferred to CWIP	<u><u>17,492,088.35</u></u>

**Legal & Professional charges**

Professional & consultancy charges	8,592,786.02
Audit fees	814,610.00
Compensation paid	-
Legal expenses	-
	<hr/>
	9,407,396.02

Less:

Audit fees	477,530.00
	<hr/>
	8,929,866.02
Transferred to CWIP	4,781,192.00
To P & L	<hr/>
	<b>4,148,674.02</b>

**Rates & Taxes**

As per TB	660,878.00
Interest on service tax	1,951.00
Filing fees	16,781.00
	<hr/>
	679,610.00

Less:

Trasnferred to CWIP	655,878.00
	<hr/>
	<b>23,732.00</b>

**Miscellaneous expenses**

Other Expenses	3,458.00
Travelling expenses	116,922.00
Brokerage & commission	25,000.00
Conveyance expenses	33,370.50
Vehicle Repairs & Maintenance	100,059.00
Printing & Stationery	74,285.20
Miscellaneous expenses	800.00
	<hr/>
	353,894.70

**Other Expenses trasferred to CWIP**

Brokerage & Commission	
Land regn stamp duty	3,600,000.00
Rent - Indiranagar Office -RN	1,033,800.00
Electricity Charges	620.00
Water charges	25,618.00
Security Charges	242,700.00
Telephone reimbursement	125,501.85
	<hr/>
	<b>5,028,239.85</b>

**Communication expenses**

Data Card / Internet Charges	33,708.00
Courier charges	248.00
Telephone reimbursement	19,568.97
	<hr/>
	<b>53,524.97</b>



**Nitesh Indiranagar Retail Private Limited**  
**Notes to forming part of Financial Statements**

**1. Background**

The Company was incorporated on April 30, 2007, to carry on the business of the development of shopping / retail malls. It has become subsidiary Company of Nitesh Estates Limited as on August 26, 2008.

**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) Fixed Assets/ Capital Advances:**

Expenditure incurred during the construction period has been treated as Incidental Expenditure during Construction Period and shown in the Balance Sheet as capital advances.

**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.

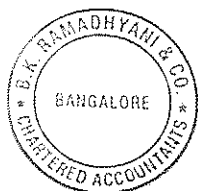
**(b) Defined Benefit Plan:**

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.

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**e) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**f) 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.

**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. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

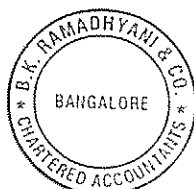
**l) Income Taxes:**

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.

**n) 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.

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**o) Earnings Per Share:**

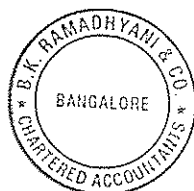
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Cash & cash equivalents:**

Cash and cash equivalents comprise cash at bank and in hand that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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21. Contingent Liabilities not provided for:

		As at March 31, 2014	As at March 31, 2013
i)	The Company has received an order from the Assistant Commissioner of Service tax levying penalty and interest for wrong availment of service tax input credit without proper documents. However, the Company is in the process of filing an appeal against the said order.	394,966	394,966

Commitments:

i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (to an extent ascertained)	2,090,000,000	135,544,000
ii)	The Company has entered into a Joint Development Agreement ("JDA") with the land owner for construction of a mall at Indiranagar, Bangalore. As at March 31, 2014, the Company has given Rs.1,624,572,104 (As at March 31, 2013: Rs.1,631,792,103) as advances/deposits for joint development/purchase of land and other expenditure incurred so far. Under the arrangements executed with the land owners/intermediary parties, the Company is required to make further payments under the arrangements based on the terms/ milestones stipulated there under. In terms of the JDA, the Company has severable commitments to honour including minimum area to be given to the owner, time with which construction is to be completed, assured minimum rentals to the land owner etc and compensation payable in the event of breach of each of them.	Not ascertainable	Not ascertainable

22. 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:

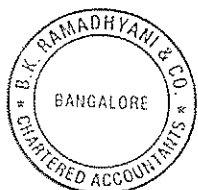
Contribution to Defined Contribution, recognized as expense for the year are as under:

	Current Year	Previous Year
Employer's Contribution to Provident Fund & Pension Scheme	169,485	176,754

(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.

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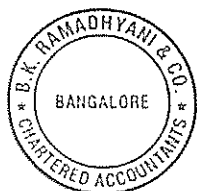


*Nitesh Indiranagar Retail Private Limited*  
*Notes to forming part of Financial Statements*

<b>I. Reconciliation of opening and closing balances of Defined Benefit obligation:</b>	<b>As at March 31, 2014 (Rs.)</b>	<b>As at March 31, 2013 (Rs.)</b>
Defined Benefit obligation at beginning of the year	2,544,224	2,301,322
Taken over from the holding company	-	(52,681)
Current Service Cost	475,935	448,839
Interest Cost	215,799	211,207
Actuarial (gain)/ loss	(303,598)	(364,463)
Benefits Paid	Nil	Nil
Defined Benefit obligation at end of the year	2,932,360	2,544,224
<b>II. Reconciliation of opening and closing balance of fair value of plan assets:</b>		
Fair value of plan assets at beginning of the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Employer Contribution	400,000	Nil
Benefits paid	Nil	Nil
Actuarial gain/(loss)	7,846	Nil
Fair value of plan assets at year end	407,846	Nil
<b>III. Reconciliation of fair value of assets and obligations:</b>		
Fair value of plan assets	407,846	Nil
Present value of obligation	2,932,360	2,544,224
Amount recognised in Balance Sheet	2,524,514	2,544,224
<b>III. Expense recognised during the year: (under Employee Related Expenses in Statement of the Profit and Loss)</b>		
Current Service Cost	475,935	448,839
Interest Cost	215,799	211,207
Expected return on plan assets	Nil	Nil
Actuarial (gain)/ loss	(311,444)	(364,463)
<b>Net Cost</b>	<b>380,290</b>	<b>295,583</b>
<b>IV. Actuarial assumptions:</b>		
Mortality Table (Indian Assured Lives)	2006 - 08 (Ultimate)	2006 - 08 (Ultimate)
Discount rate (per annum)	9.10%	8.05%
Rate of escalation in salary (per annum)	6.00%	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.

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**23. Segment Reporting:**

The Company is engaged in the business of construction and letting out of mall in India. Since the Company's business activity primarily falls within a single business and geographical segment, no further disclosures are required.

**24. Related Party transactions (as certified by the management and relied upon by the auditors)**

**a) List of related Parties:**

Name of the Related Parties	Nature of relationship
Mr. Nitesh Shetty Mr. L S Vaidyanathan	Key Managerial Personnel ("KMP")
Nitesh Estates Limited	Holding Company
Nitesh Housing Developers Private Limited Nitesh Urban Development Private Limited Nitesh Property Management Private Limited Kakanad Enterprises Private Limited	Fellow Subsidiaries
Southern Hills Developers Private Limited Madison Developers Private Limited Richmond Trading Enterprises	Enterprises owned and significantly influenced by KMP

**b) Transactions with related parties:**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Expenses incurred on behalf of the Company:</b>		
Nitesh Estates Limited	45,831,177	39,874,350
<b>Share application money received/(refunded):</b>		
Nitesh Estates Limited	54,160,000	331,110,000

**c) Balances outstanding with Related parties:**

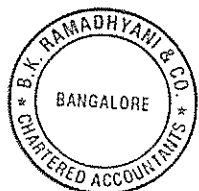
Sundry creditors:		
Nitesh Estates Limited	101,427	Nil

**25. (i) The Company has taken certain office facilities on operating leases on non-cancellable basis. The total minimum lease payments under the non-cancellable operating leases as under:**

	As at March 31, 2014	As at March 31, 2013
Not later than one year	1,070,700	996,000
Later than one year not later than 5 years	554,700	1,625,400

**(ii) The Company has operating lease with the landowner towards relocation expenses. Rental expenses for such operating leases recognized in the financial**

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statements for the year are Rs.1,033,350/- (previous year Rs. 6,134,900/-).

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

Particulars		As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
i)	Carrying amount as at beginning of the year	3,005,417	3,472,572
ii)	Provision made during the year	161,526	Nil
iii)	Amount utilized/ withdrawn during the year	851,289	467,155
iv)	Carrying amount as at the end of the year	2,315,654	3,005,417

27. Balances under Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation and reconciliation effect on such reconciliation not ascertained.

**28. Expenditure in Foreign Currency:**

Consultancy charges paid Rs. Nil/- (Previous year: Rs.2,795,876/-)

29. The Company entered into a Joint Development Agreement ("JDA") on February 11, 2011 with a landowner for the construction of a mall in Bangalore. The JDA inter alia sets out timelines for completion of the construction and the penal financial consequences for any delays. During the year the Company has entered into supplementary agreement with the land lord, as per the said agreement land lord has agreed for further extension of time for an additional compensation. In the opinion of the management, the Company will be in a position to fulfil its obligation and no adjustment need to be made for the carrying value of the capital work in progress and capital advances.

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

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