

# NITESH PROPERTY MANAGEMENT PRIVATE LIMITED

CIN: U70102KA2010PTC056128

REGD. OFFICE: NITESH TIMESQUARE, 7TH FLOOR, 8, M.G. ROAD, BANGALORE – 560 001

## DIRECTORS' REPORT

Dear Members,

The Board of Directors present their report for the financial year ended March 31, 2014 along with the Audited Statement of Accounts.

### FINANCIAL RESULTS:

The performance of the Company for the financial year ended March 31, 2014 is given hereunder:

	In Rs.
Paid up capital	1,00,000
Reserves and Surplus	(1,77,840)
Current Liabilities	2,32,57,327
Income from Operations	4,91,17,379
Other income	81,60,100
PBT	57,63,837
PAT	56,65,141

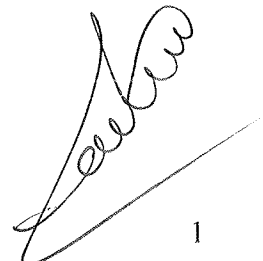
The Board has proposed to increase the authorised capital of the Company to Rs.10 Lakhs to comply with the requirements of Section 2 (71) and any other applicable provisions of the Companies Act, 2013; and thus, to fund the long term capital requirements of the Company.

### AUDITORS:

The Statutory Auditors, M/s. B K Ramadhyani & Co., Chartered Accountants, (Firm Registration No. 002878F) hold office up to the conclusion of this Annual General Meeting. The Company has received the consent and requisite certificate from them pursuant to the applicable provisions of Companies Act, 2013, confirming their eligibility for appointment in the forthcoming Annual General Meeting.

### DIRECTORS:

Mr. P. C. Ashok, Director will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



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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.

## **PARTICULARS OF EMPLOYEES:**

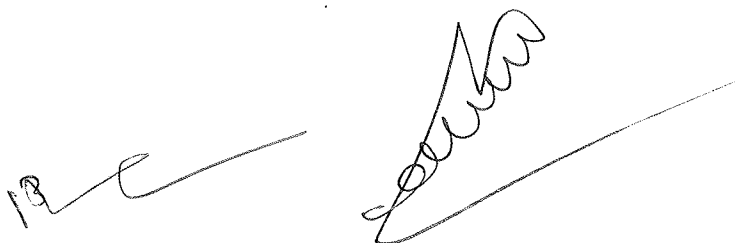
There are no employees in the Company drawing remuneration in excess of the limits prescribed and required to be reported under the Companies (Particulars of Employees) Rules, 1975.

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

The Company is not covered by the schedule which requires it to furnish details as per the provision of Sections 217 (1) (e) of the Companies Act, 1956.

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

The Company has not earned / spent any foreign exchange in the financial year 2013-14.



# NITESH PROPERTY MANAGEMENT PRIVATE LIMITED

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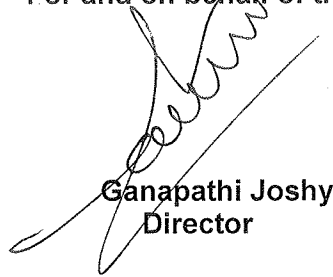
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## ACKNOWLEDGMENTS:

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 and State and Central Government authorities.

For and on behalf of the Board of Directors



Ganapathi Joshy  
Director



P C Ashok  
Director

Place: Bangalore  
Date : May 16, 2014

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, 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.

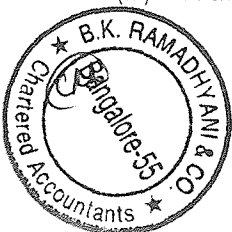
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 profit 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:
  - 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - 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. Ramadhyani & Co.,  
Chartered Accountants  
Firm Registration No. 0028785

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

Membership No. 215398

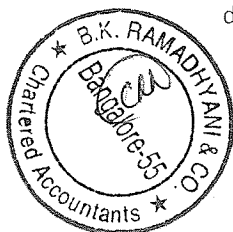
Place: Bangalore

Date: May 16, 2014

**B.K. RAMADHYANI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
# 4-B, Chitrapura Bhavan,  
No. 68, 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, 2014 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 16, 2014

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

NITESH PROPERTY MANAGEMENT PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2014

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	100,000	100,000
Reserves and surplus	4	(177,840)	(5,842,981)
		<u>(77,840)</u>	<u>(5,742,981)</u>
<b>Non-current liabilities</b>			
Other liabilities	5	17,976,704	9,763,523
Provisions	6	717,399	858,634
		<u>18,694,103</u>	<u>10,622,157</u>
<b>Current Liabilities</b>			
Short term borrowings	7	5,000,000	5,000,000
Trade Payables	8	10,913,567	8,519,520
Other liabilities	9	7,159,219	5,475,306
Provisions	10	184,541	296,765
		<u>23,257,327</u>	<u>19,291,591</u>
<b>TOTAL</b>		<u><u>41,873,590</u></u>	<u><u>24,170,767</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Deferred Tax asset	11	283,142	321,838
Long term Loans & advances	12	445,744	-
		<u>728,886</u>	<u>321,838</u>
<b>Current Assets</b>			
Trade Receivables	12	15,859,653	8,810,832
Cash and bank balances	13	15,252,091	8,493,587
Loans and advances	14	10,052,960	6,544,510
		<u>41,144,704</u>	<u>23,848,929</u>
<b>TOTAL</b>		<u><u>41,873,590</u></u>	<u><u>24,170,767</u></u>

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 16, 2014

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
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For and on Behalf of Board of Directors of  
Nitesh Property Management Private Limited

*Ashok P C*  
Ashok P C  
Director

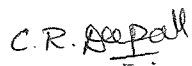
*Ganapathi Joshy*  
Ganapathi Joshy  
Director



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

		<i>in Rupees</i>	
	Note	Current Year	Previous Year
<b>Revenue</b>			
Income from Operations	15	49,117,379	37,147,297
Other Income	16	8,160,100	678,297
<b>Total Revenue</b>		<b>57,277,479</b>	<b>37,825,594</b>
<b>Expenses</b>			
Sub-Contracting Expenses	17	36,319,714	22,707,613
Employee related expenses	18	7,721,032	7,458,605
Finance Cost	19	629,367	322,002
Other Expenses	20	6,843,529	13,361,584
<b>Total Expenses</b>		<b>51,513,642</b>	<b>43,849,804</b>
<b>Profit before tax</b>		<b>5,763,837</b>	<b>(6,024,210)</b>
Less: Current tax		-	560,000
Prior year tax		60,000	165,389
Deferred tax		38,696	(312,952)
<b>Profit after tax for the year</b>		<b>5,665,141</b>	<b>(6,436,647)</b>
<b>Earnings Per Equity Share</b>			
Equity Shares of par value of Rs.10 each			
Basic & Diluted		566.51	(643.66)
Number of shares used in computing earnings per share			
Basic & Diluted		10,000	10,000
Summary of significant accounting policies and other explanatory notes forming part of the financial statements	1 to 24		

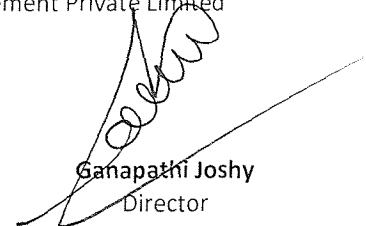
As per our report attached  
for B.K Ramadhyani & Co.  
Chartered Accountants  
Firm's Registration No.:002878S

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

Bangalore  
Date: May 16, 2014

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

  
**Ashok P C**  
Director

  
**Ganapathi Joshy**  
Director

**B.K. RAMADHYANI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
# 4-B, Chitrapura Bhavan,  
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**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	Current Year	Previous Year
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax	5,763,837	6,024,210
Non-cash adjustment to reconcile profit before tax to net cash flows		
Provision for employee benefits	(118,040)	439,708
Provision/(withdrawal) of doubtful debts	(6,650,200)	7,400,200
Interest on borrowings	629,367	322,002
Interest on fixed deposits	(838,882)	(628,907)
<b>Operating profit before working capital changes</b>	<b>(1,213,918)</b>	<b>1,508,793</b>
<i>Movements in working capital:</i>		
Increase / (decrease) in trade payables	2,394,047	1,874,051
Increase / (decrease) in other liabilities	1,054,547	2,481,356
(Increase) / decrease in trade receivables	(378,621)	(3,316,602)
(Increase) / decrease in short term loans and advances	(3,239,907)	(6,080,562)
<b>Cash (used in) / generated from operations</b>	<b>(1,383,852)</b>	<b>(3,532,964)</b>
Income Tax Paid	641,164	691,777
<b>Net cash (used in)/ generated from operating activities - (A)</b>	<b>(2,025,016)</b>	<b>(4,224,741)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Investment in Fixed Deposit	(5,500,000)	(500,000)
Proceeds from sinking fund collected from customers	8,213,181	226,011
Income from fixed deposits	570,339	458,811
<b>Net cash (used in) investing activities - (B)</b>	<b>3,283,520</b>	<b>184,822</b>
<b>B. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	-	5,000,000
Interest paid	-	-
<b>Net cash from/ (used in) financing activities - (C)</b>	<b>-</b>	<b>5,000,000</b>
<b>Net increase in cash and cash equivalents - (A+B+C)</b>	<b>1,258,504</b>	<b>960,081</b>
Cash and cash equivalents as at beginning of the year	1,993,587	1,033,506
<b>Cash and cash equivalents as at the end of the year</b>	<b>3,252,091</b>	<b>1,993,587</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	11,498	132,292
Balances with scheduled banks:		
In Current accounts	3,240,593	1,861,295
<b>Cash and cash equivalents in cash flow statement</b>	<b>3,252,091</b>	<b>1,993,587</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

Bangalore  
Date: May 16, 2014

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

*Ashok P C*  
Ashok P C  
Director

*Ganapathi Joshy*  
Ganapathi Joshy  
Director

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhavan,  
No. 68, 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, 2014	As at March 31, 2013
<b>3. Share capital</b>		
Authorised		
10,000 (As at March 31, 2012 - 10,000) Equity Shares Rs. 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up		
10,000 (As at March 31, 2012 - 10,000) Equity Shares Rs. 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**(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, 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)	9,999	99.99	9,999	99.99

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, 2014		As at March 31, 2013	
	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**

**Surplus i.e. Statement of Profit & Loss**

At the beginning of the year

Add. transferred from Statement of Profit and Loss

At the end of the year

	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
At the beginning of the year	(5,842,981)	593,666
Add. transferred from Statement of Profit and Loss	5,665,141	(6,436,647)
At the end of the year	<u>(177,840)</u>	<u>(5,842,981)</u>

**5. Other Non Current Liabilities**

Sinking fund

	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
Sinking fund	17,976,704	9,763,523
	<u>17,976,704</u>	<u>9,763,523</u>

**6. Provisions**

**Provision for employee benefits:**

Provision for gratuity

Provision for compensated absences

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Provision for gratuity	342,086	399,028	7,999	77,394
Provision for compensated absences	375,313	459,606	176,542	83,952
	<u>717,399</u>	<u>858,634</u>	<u>184,541</u>	<u>161,346</u>



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

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>7. Short term borrowings:</b>		
Secured Loans:		
Loan against term deposits	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

Additional Information:

The above loan is secured against the term deposits held by the Company and carry a interest @ 11.50%

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>8. Current Liabilities</b>		
Trade Payables	10,913,567	8,519,520
	<u>10,913,567</u>	<u>8,519,520</u>

Note:

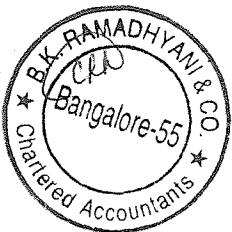
The Company doesnot have the status of its creditors regarding their registration under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, amount to such creditors is not determinable.

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>9. Other Current Liabilities</b>		
Advance from customers	3,622,436	4,863,466
Security Deposit	10,000	70,000
Interest accrued and not due	951,369	322,002
Other Liabilities	2,137,202	68,862
Service tax payable	-	-
Withholding taxes payable	349,261	122,959
Other Liabilities	88,951	28,017
	<u>7,159,219</u>	<u>5,475,306</u>

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>10. Short term provisions</b>		
Provision for employee benefits	184,541	161,346
Provision for income tax (net of Advance Tax and TDS Receivable)	-	135,419
	<u>184,541</u>	<u>296,765</u>

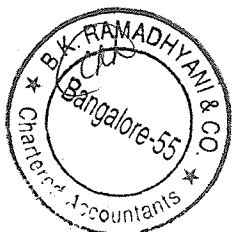
Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>11. Deferred Tax Assets</b>		
On account of timing differences in recognition of expenses	283,142	321,838
	<u>283,142</u>	<u>321,838</u>

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>12. Long Term Loans &amp; Advances:</b>		
Advance payment of Tax (Net of Provision for tax)	445,744	-
	<u>445,744</u>	<u>-</u>



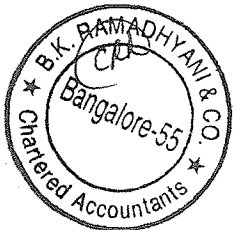
**NITESH PROPERTY MANAGEMENT PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	<i>in Rupees</i>	
	As at March 31, 2014	As at March 31, 2013
<b>12. Trade Receivables:</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		11,236,798
Other receivables	16,589,653	4,974,234
	<u>16,589,653</u>	<u>16,211,032</u>
Less: Provision for doubtful debts	750,000	7,400,200
	<u>15,839,653</u>	<u>8,810,832</u>
<i>Additional Information:</i>		
i) Unsecured considered good	15,839,653	8,810,832
ii) Doubtful	750,000	7,400,200
	<u>16,589,653</u>	<u>16,211,032</u>
Less: Provision for doubtful debts	750,000	7,400,200
	<u>15,839,653</u>	<u>8,810,832</u>
		<i>in Rupees</i>
	As at March 31, 2014	As at March 31, 2013
<b>13. Cash and Bank Balances</b>		
<i>i) Cash and cash equivalents:</i>		
Balances with Bank		
- On Current accounts	3,240,593	1,861,295
Cash on Hand	11,498	132,292
	<u>3,252,091</u>	<u>1,993,587</u>
<i>ii) Other Bank Balances:</i>		
Deposits with maturity of more than 3 months & not exceeding 12 months	12,000,000	6,500,000
	<u>12,000,000</u>	<u>6,500,000</u>
		<i>in Rupees</i>
	As at March 31, 2014	As at March 31, 2013
<b>14. Loans and advances</b>		
(unsecured and considered good)		
Vendor Advances	494,655	333,406
Service tax input credit receivable	1,049,478	1,041,008
Advances to related party	5,000,000	5,000,000
Interest accrued	438,639	170,096
Other receivables	3,070,188	-
	<u>10,052,960</u>	<u>6,544,510</u>
		<i>in Rupees</i>
	Current Year	Previous Year
<b>15. Revenue from operations:</b>		
Building Maintenance income	48,353,424	35,860,055
Other operating Income	763,955	1,287,242
	<u>49,117,379</u>	<u>37,147,297</u>
		<i>in Rupees</i>
	Current Year	Previous Year
<b>16. Other Income:</b>		
Interest on bank deposits	838,882	628,907
Provision no longer required withdrawn	7,250,200	-
Miscellaneous Income	71,018	49,390
	<u>8,160,100</u>	<u>678,297</u>
		<i>in Rupees</i>
	Current Year	Previous Year
<b>17. Subcontracting Charges:</b>		
Security Charges	11,845,900	9,722,196
Housekeeping expenses	3,961,080	3,596,126
Building maintenance expenses	8,494,320	4,090,464
Repairs & maintenance	12,018,414	5,298,827
	<u>36,319,714</u>	<u>22,707,613</u>



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

Particulars	<i>in Rupees</i>	
	Current Year	Previous Year
<b>18. Employee related expenses:</b>		
Salaries, wages and bonus	7,168,924	7,100,261
Contribution to provident and other funds	267,929	135,310
Staff welfare expenses	284,179	223,034
	<u>7,721,032</u>	<u>7,458,605</u>
<b>19. Finance Cost:</b>		
Interest on borrowings	629,367	322,002
	<u>629,367</u>	<u>322,002</u>
<b>20. Other expenses</b>		
Power and fuel	4,432,154	4,201,870
Repairs and maintenance	182,293	118,692
Insurance charges	256,258	673,950
Rates and taxes	6,509	28,240
Professional and consultancy charges	1,047,361	199,562
Payment to auditor (Refer details below)	212,500	213,272
Travelling and conveyance	266,312	146,412
Communication expenses	204,063	227,519
Printing and stationery	114,020	64,299
Provision for doubtful debts	-	7,400,200
Miscellaneous expenses	122,059	87,568
	<u>6,843,529</u>	<u>13,361,584</u>
<b>Payment to auditor</b>		
As auditor:		
- Audit fee	100,000	100,000
- Fees for limited reviews	112,500	113,272
	<u>212,500</u>	<u>213,272</u>



**NiteshProperty 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:**

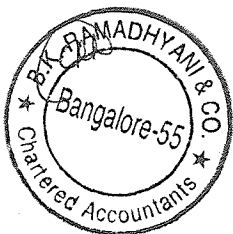
**(i) Short term Employee Benefits:**

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.



**NiteshProperty 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:**

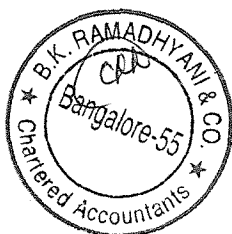
Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made on estimated basis on current year profit at the rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference, which arise 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.





**NiteshProperty 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	149,556	135,320

**(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.

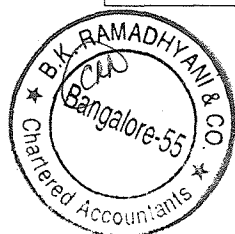
I. Reconciliation of opening and closing balances of Defined Benefit obligation:	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Defined Benefit obligation at beginning of the year	476,422	241,347
Current Service Cost	122,591	71,806
Interest Cost	45,105	26,494
Actuarial (gain)/ loss	(70,471)	136,775
Benefits Paid	-	-
Defined Benefit obligation at end of the year	573,647	476,422

**II. Reconciliation of opening and closing balance of fair value of plan assets:**

Fair value of plan assets at beginning of the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Employer Contribution	207,002	Nil
Benefits paid	Nil	Nil
Actuarial gain/(loss)	16,560	Nil
Fair value of plan assets at year end	223,562	Nil

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

Fair value of plan assets	223,562	-
Present value of obligation	573,647	476,422
Amount recognised in Balance Sheet	350,085	476,422



**NiteshProperty Management Private Limited**  
**Notes forming part of the financial statements**

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

Current Service Cost	122,591	71,806
Interest Cost	45,105	26,494
Expected return on plan assets	-	-
Actuarial (gain)/ loss	(87,031)	136,775
<b>Net Cost</b>	<b>80,665</b>	<b>235,075</b>

**IV. Actuarial assumptions:**

Mortality Table (Indian Assured Lives)	2006 - 08 (Ultimate)	2006 - 08 (Ultimate)
Discount rate (per annum)	9.10%	8.40%
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.

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.

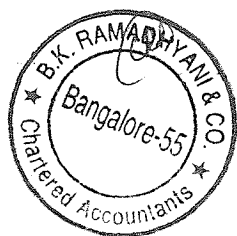
**22. Related Party Transactions:**

a) List of related Parties:

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

b) Transactions with related parties:(Amount in Rupees)

	Current Year	Previous Year
<b>Maintainance Charges Received from:</b>		
Nitesh Estates Limited (net)	1,015,858	849,326
Nitesh Shetty	1,005,909	979,483
Nitesh Infrastructure and Construction	879,958	1,145,621
Nitesh Residency Hotels Private Limited	325,408	413,296



**NiteshProperty Management Private Limited**  
**Notes forming part of the financial statements**

Nitesh Urban Development Private Limited	444,946	100,113
<b>Reimbursement of Expenses paid:</b>		
Nitesh Estates Limited	423,392	135,310
<b>Provision for doubtful debts provided/(Reversed) during the year:</b>		
Nitesh Shetty	(741,879)	741,879
Nitesh Infrastructure and Construction	(1,317,370)	1,317,370

c) Balances outstanding with Related parties:

Amount receivable from:	As at March 31, 2014	As at March 31, 2013
Nitesh Estates Limited	2,916,156	3,203,957
Nitesh Infrastructure and Construction	501,926	1,811,308
Nitesh Shetty	134,222	992,033
Nitesh Residency Hotels Private Limited	Nil	104,761
Nitesh Urban Development Private Limited	74,158	100,113
Nitesh Estates Whitefield	5,000,000	5,000,000
<b>Provision for doubtful debts as at the end of the year:</b>		
Nitesh Shetty	Nil	741,879
Nitesh Infrastructure and Construction	Nil	1,317,370

23. 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	543,558	338,925
ii)	Provision made during the year	52,126	204,633
iii)	Amount utilized during the year	43,799	Nil
iv)	Carrying amount as at the end of the year	551,885	543,558

24. Confirmation of balances from certain sundry debtors, deposit accounts, loans & advances, sundry creditors etc., are awaited.

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

