

February 12, 2014

To,

EXPECT MORE

The Bombay Stock Exchange Limited
Floor 25, P J Towers
Dalal Street
Mumbai 400001 India

The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra- Kurla Complex
Bandra (E)
Mumbai - 400051

Dear Sir/Madam,

The Board of Directors at their meeting held today have approved the unaudited financial results of the Company for the third quarter ended December 31, 2013.

The Company on a consolidated basis has achieved the following:

Turnover	Rs. 6,641 Lakhs
EBITA	Rs 378 Lakhs
Profit after tax (PAT)	Rs 273 Lakhs.

For the nine months ended December 31, 2013:

Turnover	Rs 25,084 Lakhs
EBITA	Rs 2,916 Lakhs,
Profit after tax (PAT)	Rs 2,354 Lakhs

As required under Clause 41 of the Listing Agreement, the Unaudited financial results on Standalone basis and on consolidated basis for the third quarter and nine months ended December 31, 2013 are attached with the limited review report of the Statutory Auditors.

We will also upload the results on the online portals of the Stock exchanges and on the Company's website.

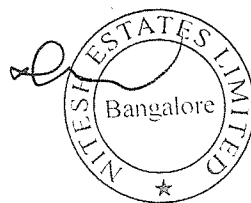
Request you to take the results on record.

Thanking you,

For **NITESH ESTATES LIMITED**



D SRINIVASAN
Company Secretary and
Chief Compliance Officer



Nitesh Estates Limited

Regd. Office: Level 7, Nitesh Timesquare, #8, M.G. Road, Bangalore - 560 001, India
P: +91-80-4017 4000 F: +91-80-2555 0825, W: niteshestates.com



Part I Statement of unaudited standalone financial results for the quarter and nine months ended on December 31, 2013

(Rs. in Lakhs)

No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net Sales/Income from operations	1,561	2,995	829	8,455	4,339	4,679
	(b) Share in profit/(loss) of association of person(joint venture)	23	8	(2)	33	36	9
	Total Income from operations	1,583	3,003	827	8,488	4,375	4,688
2	Expenditure						
	(a) Land and construction cost	1,289	1,309	773	5,360	3,745	4,800
	(b) Employee benefit expense	210	210	277	650	809	1,080
	(c) Depreciation and amortization expense	40	39	43	120	126	171
	(d) Advertising and sales promotion expense	163	241	195	708	467	575
	(e) Other Expenditure	140	193	256	513	700	798
	Total Expenditure	1,842	1,992	1,544	7,351	5,847	7,424
3	Profit/(Loss) from operations before Other Income, Finance Costs and Exceptional Items (1-2)	(259)	1,011	(717)	1,137	(1,472)	(2,736)
4	Other Income	68	23	15	99	26	255
5	Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	(191)	1,034	(702)	1,236	(1,446)	(2,481)
6	Finance costs (net of inventorisation)	211	174	62	558	130	369
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(402)	860	(764)	678	(1,576)	(2,850)
8	Exceptional Items	-	-	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before tax	(402)	860	(764)	678	(1,576)	(2,850)
10	Tax expense/(credit)	(68)	108		81	388	388
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(333)	751	(764)	597	(1,964)	(3,238)
12	Extraordinary Items	-	-	-	-	-	-
13	Net Profit/ (Loss) for the period (11-12)	(333)	751	(764)	597	(1,964)	(3,238)
14	Paid-up equity share capital (Face value per equity share Rs 10)	14,583	14,583	14,583	14,583	14,583	14,583
15	Reserves excluding Revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	-	28,099
16	Earnings/(Loss) Per Share (EPS) (of Rs. 10 each) - (Rs.)						
	(a) Basic EPS	(0.23)	0.51	(0.52)	0.41	(1.35)	(2.22)
	(b) Diluted EPS	(0.23)	0.51	(0.52)	0.41	(1.35)	(2.22)



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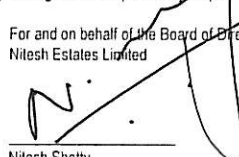
Part II Select Information for the quarter and nine months ended December 31, 2013

No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	78,686,207	79,021,657	80,445,964	78,686,207	80,445,964	80,419,214
	- Percentage of shareholding	53.96%	54.19%	55.16%	53.96%	55.16%	55.15%
2	Promoters and Promoter group shareholding						
	(a) Pledged/Encumbered						
	- Number of shares	10,437,459	10,437,459	31,122,284	10,437,459	31,122,284	24,553,593
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	15.54%	15.62%	47.60%	15.54%	47.60%	37.54%
	- Percentage of shares (as a % of the total share capital of the company)	7.16%	7.16%	21.34%	7.16%	21.34%	16.84%
	(b) Non-encumbered						
	- Number of shares	56,708,434	56,372,984	34,263,852	56,708,434	34,263,852	40,859,293
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	84.46%	84.38%	52.40%	84.46%	52.40%	62.46%
	- Percentage of shares (as a % of the total share capital of the company)	38.89%	38.66%	23.50%	38.89%	23.50%	28.02%

Notes to the financial results

- (1) The above standalone results has been reviewed by the Audit committee and on their recommendation have been approved by the Board of Directors at their meeting held on 12 February 2014. The statutory auditors have conducted a Limited Review of the financial results for the quarter and nine month period ended 31 December 2013.
- (2) The Company primarily operates in three business segments - 'Residential', 'Retail' and 'Hospitality'. All operations are in India and hence there is no geographical segment.
- (3) Details of number of investor complaints for the quarter ended December 31, 2013
Beginning - Nil; Received - 1; Responded - 1; Pending - Nil.
- (4) The Company has advanced an amount aggregating Rs 6.689 lakhs as at 31 December 2013, to various parties for purchase/joint development of land/ properties. Of these, advances amounting to Rs 3.498 lakhs were expected to be settled, during the current period, either through repayment or land acquisition/development contracts. As at date, these advances continue to remain outstanding. Management believes that though the settlement of these advances is delayed, they continue to remain entirely recoverable. The auditors have drawn an emphasis to this matter in their review report for the quarter and nine month period ended 31 December 2013.
- (5) The figures of the previous year/period have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board of Directors of
Nilesh Estates Limited


Nilesh Shetty
Chairman and Managing Director

Place: Bangalore, India
Date: February 12, 2014



Standalone Segment wise revenue, results and capital employed

(Rs in lakhs)

No	Particulars	Quarter Ended				Nine months ended		Year Ended	
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue								
	(a) Residential	1,583	3,003	827	8,488	4,375	4,688		
	(b) Retail	-	-	-	-	-	-		
	(c) Hospitality	-	-	-	-	-	-		
	Total	1,583	3,003	827	8,488	4,375	4,688		
2	Less: Inter-segment revenue	-	-	-	-	-	-		
	Net income from operations	1,583	3,003	827	8,488	4,375	4,688		
	Segment results								
	Profit/(loss) before tax and interest								
	(a) Residential	(259)	1,011	(717)	1,137	(1,472)	(2,736)		
3	(b) Retail	-	-	-	-	-	-		
	(c) Hospitality	-	-	-	-	-	-		
	Total	(259)	1,011	(717)	1,137	(1,472)	(2,736)		
	Add: Other income	68	23	15	99	26	255		
	Less: Interest	(211)	(174)	(62)	(558)	(130)	(369)		
	Total profit/(loss) before tax	(402)	860	(763)	678	(1,576)	(2,850)		
	Capital employed								
	(a) Residential	24,911	25,773	32,407	24,911	32,407	27,096		
	(b) Retail	16,938	14,881	13,239	16,938	13,239	16,550		
	(c) Hospitality	13,989	13,108	6,058	13,989	6,058	9,333		
	(d) Unallocated	451	491	595	451	595	565		
	Total	56,289	54,253	52,299	56,289	52,299	53,544		



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B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

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Fax: + 91 80 3980 6999

Review report to the Board of Directors of Nitesh Estates Limited

Introduction

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Nitesh Estates Limited ("the Company") for the quarter and nine months period ended 31 December 2013 attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on 12 February 2014. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as explained in paragraphs 1 and 2 nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter and nine month period ended 31 December 2013, prepared in accordance with accounting standards notified by Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 which, as per a clarification issued by the Ministry of Corporate Affairs, continues to apply under Section 133 of the Companies Act 2013 (which has superseded Section 211(3C) of the Companies Act 1956 with effect from 12 September 2013) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



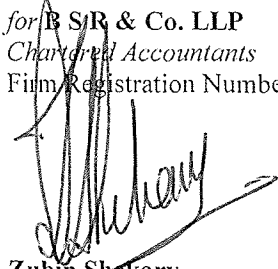
B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Emphasis of Matter

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

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



Zubin Shekary
Partner
Membership Number: 048814

Place: Bangalore
Date: 12 February 2014

Part I Statement of unaudited consolidated financial results for the quarter and nine months ended on December 31, 2013

(Rs. in Lakhs)

No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net Sales/Income from operations	6,560	8,406	1,523	24,870	7,586	8,287
	Total Income from operations	6,560	8,406	1,523	24,870	7,586	8,287
2	Expenditure						
	(a) Land and construction cost	4,111	4,627	1,217	15,951	5,892	7,803
	(b) Employee benefit expense	392	404	479	1,261	1,312	1,855
	(c) Depreciation and amortization expense	43	43	46	129	130	179
	(d) Advertising and sales promotion expense	646	428	444	1,547	1,428	2,107
	(e) Other Expenditure	308	434	366	1,087	1,042	1,321
	Total Expenditure	5,500	5,936	2,552	19,975	9,804	13,265
3	Profit/(Loss) from operations before Other Income, Finance Costs and Exceptional Items (1-2)	1,060	2,470	(1,029)	4,895	(2,218)	(4,978)
4	Other Income	81	35	63	214	277	530
5	Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	1,141	2,505	(966)	5,109	(1,941)	(4,448)
6	Finance costs (net of inventorisation)	763	723	6,742	2,193	6,812	7,736
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	378	1,782	(7,708)	2,916	(8,753)	(12,184)
8	Exceptional Items	-	-	-	-	-	1,504
9	Profit/(Loss) from Ordinary Activities before tax	378	1,782	(7,708)	2,916	(8,753)	(13,688)
10	Tax expense/(credit)	105	266	(44)	562	563	574
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	273	1,516	(7,664)	2,354	(9,316)	(14,262)
12	Extraordinary Items	-	-	-	-	-	-
13	(a) Profit/(Loss) transferred to minority interest	-	-	(264)	-	(254)	(256)
	(b) Share in loss of associate company	741	207	10	1,058	11	200
14	Net Profit/ (Loss) for the period (11-12)	(468)	1,309	(7,410)	1,296	(9,073)	(14,206)
15	Paid-up equity share capital (Face value per equity share Rs. 10)	14,583	14,583	14,583	14,583	14,583	14,583
16	Reserves excluding Revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	-	17,508
17	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.)						
	(a) Basic EPS	(0.32)	0.90	(5.08)	0.89	(6.22)	(9.74)
	(b) Diluted EPS	(0.32)	0.90	(5.08)	0.89	(6.22)	(9.74)



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Part II Select Information for the quarter and nine months ended December 31, 2013

No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	78,686,207	79,021,657	80,445,964	78,686,207	80,445,964	80,419,214
	- Percentage of shareholding	53.96%	54.19%	55.16%	53.96%	55.16%	55.15%
2	Promoters and Promoter group shareholding						
	(a) Pledged/Encumbered						
	- Number of shares	10,437,459	10,437,459	31,122,284	10,437,459	31,122,284	24,553,593
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	15.54%	15.62%	47.60%	15.54%	47.60%	37.54%
	- Percentage of shares (as a % of the total share capital of the company)	7.16%	7.16%	21.34%	7.16%	21.34%	16.84%
	(b) Non-encumbered						
	- Number of shares	56,708,434	56,372,984	34,263,852	56,708,434	34,263,852	40,859,293
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	84.46%	84.38%	52.40%	84.46%	52.40%	62.46%
	- Percentage of shares (as a % of the total share capital of the company)	38.89%	38.66%	23.50%	38.89%	23.50%	28.02%

Notes to the financial results:

- The above consolidated results has been reviewed by the Audit committee and on their recommendation have been approved by the Board of Directors at their meeting held on 12 February 2014. The statutory auditors have conducted a Limited Review of the financial results for the quarter ended December 31, 2013. These results include the results of the following subsidiaries, joint ventures and associate companies:
- Subsidiaries - Nitesh Housing Developers Private Limited, Nitesh Urban Development Private Limited, Nitesh Indiranagar Retail Private Limited, Kakanad Enterprises Private Limited, Nitesh Property Management Private Limited.
- Joint ventures - Nitesh Estates- Whitefield, Courtyard Constructions Private Limited.
- Associate - Nitesh Residency Hotels Private Limited
- The Company primarily operates in three business segments - 'Residential', 'Retail' and 'Hospitality'. All operations are in India and hence there is no geographical segment.
- Details of number of investor complaints for the quarter ended December 31, 2013:
Beginning - Nil; Received - 1; Responded - 1; Pending - Nil.
- The Company's investment in Nitesh Residency Hotels Private Limited (NRHPL), an associate entity accounted for by the equity method, is carried at Rs. 12,248 lakhs in the consolidated balance sheet as at 31 December 2013, and the Company's share of NRHPL's net loss after tax of Rs. 741 lakhs and Rs 1,058 lakhs is included in the Company's consolidated loss for the quarter and consolidated profit for nine month period ended 31 December 2013 respectively. These results for the quarter and nine months period ended 31 December 2013 have not been reviewed by the auditors and the auditors have qualified their review report for the quarter and nine months period ended 31 December 2013 for this matter.
- The group has advanced an amount aggregating Rs 26,108 lakhs as at 31 December 2013, to various parties for purchase/joint development of land / properties. Of these, advances amounting to Rs 22,261 lakhs were expected to be settled, during the current period, either through repayment or land acquisition/development contracts. As at date, these advances continue to remain outstanding. Management believes that though the settlement of these advances is delayed, they continue to remain entirely recoverable. The auditors have drawn an emphasis to this matter in their review report for the quarter and nine months period ended 31 December 2013.
- In accordance with the circular number 04/2013 dated 11 February 2013 issued by Ministry of Corporate Affairs, one of the subsidiary company was required to deposit or invest as the case may be, a sum not less than fifteen percent of the debentures which mature during the year in deposits/securities/bonds by 30 April 2013 and maintain such minimum deposit during the entire year. Debentures amounting to Rs 1,240 lakhs outstanding as at 31 December 2013 mature in the current year. While the subsidiary company had deposited a sum of Rs 320 lakhs on 5 August 2013, it has withdrawn these deposits during the quarter ended 31 December 2013 and accordingly does not have the minimum required deposit of Rs 186 lakhs as at 31 December 2013 for debentures maturing before 31 March 2014. Subsequent to 31 December 2013, the subsidiary company has deposited the required sum in a fixed deposit account and accordingly, believes that the matter has been regularized. The auditors have drawn an emphasis to this matter in their review report for the quarter and nine months period ended 31 December 2013.

(7) Figures for standalone financial results

No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net Sales/Income from operations	1,561	2,995	829	8,455	4,339	4,679
	(b) Share in profit/(loss) of association of persons (Joint Venture)	23	8	(2)	33	36	9
	Total Income from operations	1,583	3,003	827	8,488	4,375	4,688
2	Profit/(Loss) before tax	(402)	860	(764)	678	(1,576)	(2,850)
3	Profit/(Loss) after tax	(333)	751	(764)	597	(1,964)	(3,238)

- (8) The figures of the previous year/period have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board of Directors of
Nitesh Estates Limited

Nitesh Shetty
Chairman and Managing Director

Place: Bangalore, India
Date: February 12, 2014



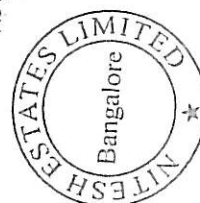
Consolidated Segment wise revenue, results and capital employed

(Rs in lakhs)

No	Particulars	Quarter Ended				Nine months ended		Year Ended	
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1	Segment revenue								
	(a) Residential	6,560	8,406	1,523	24,870	7,586	8,287		
	(b) Retail	-	-	-	-	-	-		
	(c) Hospitality	-	-	-	-	-	-		
	Total	6,560	8,406	1,523	24,870	7,586	8,287		
2	Less: Inter-segment revenue	-	-	-	-	-	-		
	Net income from operations	6,560	8,406	1,523	24,870	7,586	8,287		
	Segment results								
	Profit/(loss) before tax and interest								
	(a) Residential	1,105	2,514	(973)	5,036	(2,037)	(6,265)		
3	(b) Retail	(45)	(44)	(56)	(141)	(181)	(217)		
	(c) Hospitality	-	-	-	-	-	-		
	Total	1,060	2,470	(1,029)	4,895	(2,218)	(6,482)		
	Add: Other income	81	35	63	214	277	530		
	Less: Interest	(763)	(723)	(6,742)	(2,193)	(6,812)	(7,736)		
3	Total profit/(loss) before tax	378	1,782	(7,708)	2,916	(8,753)	(13,688)		
	Capital employed								
	(a) Residential	33,899	33,297	35,751	33,899	35,751	33,175		
	(b) Retail	16,287	14,881	13,625	16,287	13,625	16,057		
	(c) Hospitality	13,989	13,108	6,058	13,989	6,058	9,333		
	(d) Unallocated	502	539	643	502	643	618		
	Total	64,677	61,825	56,077	64,677	56,077	59,183		

Note :

The Group holds a 22.72% stake in Nitesh Residency Hotels Private Limited which is primarily in the hospitality segment. Accordingly, results of Nitesh Residency Hotels Private Limited is reflected as Share in profit/(loss) of associate company in item 13(b) in the financial results. Share in profit/(loss) of associate company is Rs.(741 lakhs), Rs (207 lakhs), Rs (10 lakh) and Rs (200 lakhs) for the quarter ended 31 December 2013, 30 September 2013, 31 December 2012 and the year ended 31 March 2013 respectively.



Nitesh

BSR & Co. LLP

Chartered Accountants

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Review report to the Board of Directors of Nitesh Estates Limited

Introduction

1. We have reviewed the accompanying statement of consolidated unaudited financial results ("the Statement") of Nitesh Estates Limited ('the Company') and its subsidiaries, joint ventures and an associate company as detailed in note 1 of the Statement (collectively referred to as 'Nitesh Group') for the quarter and nine months period ended 31 December 2013, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on 12 February 2014. Our responsibility is to issue a report on the statement based on our review.

Scope of Review

2. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the unaudited quarterly financial results of three subsidiaries and two joint ventures included in the Statement. The unaudited quarter and nine month financial results of these subsidiaries and joint ventures reflect total income from operations of Rs. 313 lakhs and Rs 883 lakhs for the quarter and nine month period ended 31 December 2013, respectively and total assets of Rs 19,478 lakhs as at 31 December 2013. The financial information for these subsidiaries and joint ventures have been reviewed by the other auditors whose review reports have been furnished to us, and our opinion on the Statement is based solely on the review reports of the other auditors.

Basis for Qualified Conclusion

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

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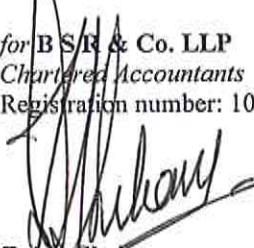
Qualified Conclusion

5. Based on our review, conducted as explained in paragraphs 1 and 2 and on consideration of reports of other auditors explained in the paragraph 3 above, *with the exception of the matter described in paragraph 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with accounting standards notified by Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 which, as per a clarification issued by the Ministry of Corporate Affairs, continues to apply under Section 133 of the Companies Act 2013 (which has superseded Section 211(3C) of the Companies Act 1956 with effect from 12 September 2013) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. Without qualifying our opinion, we further draw attention to note 6 of the Statement. In accordance with the circular number 04/2013 dated 11 February 2013 issued by Ministry of Corporate Affairs, one of the subsidiary Company was required to deposit or invest as the case may be, a sum not less than fifteen percent of the debentures which mature during the year in deposits/securities/bonds by 30 April 2013 and maintain such minimum deposit during the entire year. Based on the information provided to us by the Management, debentures amounting to Rs 1,240 lakhs outstanding as at 31 December 2013 are due for maturity on 5 March 2014. While the subsidiary company had deposited a sum of Rs 320 lakhs on 5 August 2013, it has withdrawn these deposits during the quarter ended 31 December 2013 and accordingly does not have the minimum required deposit of Rs 186 lakhs as at 31 December 2013 for debentures maturing before 31 March 2014. Subsequent to 31 December 2013, the subsidiary company has deposited the required sum in a fixed deposit account and accordingly believes that the matter has been regularized.
7. Without qualifying our opinion, we further draw attention to note 5 of the Statement. The group has advanced an amount aggregating Rs 26,108 lakhs as at 31 December 2013, to various parties for purchase/joint development of land/ properties. Of these, advances amounting to Rs 22,261 lakhs were expected to be settled, during the current period, either through repayment or land acquisition/development contracts. As at date, these advances continue to remain outstanding. The age profile of such advances ranges from two years to over five years. The ongoing delay in settlement of these advances may be indicative of the gradually reducing probability of their recoverability. Management believes and has represented that they continue to remain entirely recoverable and expect to settle these advances in due course.

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


Zubin Shekary
Partner
Membership Number: 48814

Place: Bangalore
Date: 12 February 2014