

NEL

Holdings South Limited

November 20, 2020

Ref.: NEL/033/2020-21

To,

BSE Limited,
(Stock Code: 533202)
Floor 25, P J Towers
Dalal Street
Mumbai-400 001

Dear Sir/Madam,

Sub: Postal Ballot Notice – Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015

We hereby enclose a copy of Postal Ballot Notice dated November 19, 2020 together with the Explanatory Statement which will be sent to all the Members whose names appear on the Registrar of Members/ List of Beneficial Owner as on the cutoff date i.e., Friday, November 20, 2020.

The Company has engaged the services of KFin Technologies Private Limited for providing e-voting facility to the Members. The voting through postal Ballot and e-voting will commence at **9:00 AM (IST) on Monday, November 23, 2020** and shall end at **5:00 PM (IST) on Tuesday, December 22, 2020** (both days inclusive).

The results of the postal ballot will be declared on or before Wednesday, December 23, 2020.

Request you to take the same on record.

Thanking you,

Yours faithfully,

For NEL Holdings South Limited


Prasant Kumar
Company Secretary & Chief Compliance Officer



Encl.: a/a

NEL Holdings South Limited

(Formerly Known as NEL Holdings Limited)

CIN : L07010KA2004PLC033412

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: www.nelholdings.in



Holdings South Limited

NEL HOLDINGS SOUTH LIMITED

(Formerly NEL Holdings Limited)

(CIN: L07010KA2004PLC033412)

Regd. Office: Nitesh Timesquare, 7th Floor, No.8, M.G. Road, Bengaluru-560 001

Ph: +91-80-4017 4000, Email ID: cs@nelholdings.in;

Web: www.nelholdings.in

POSTAL BALLOT NOTICE

[Pursuant to Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014]

TO

THE MEMBERS

NEL HOLDINGS SOUTH LIMITED

(formerly NEL Holdings Limited)

Notice is hereby given pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and pursuant to other applicable Laws and Regulations that the Company seeks approval of Members, through e-voting for the following business through Special Resolution:

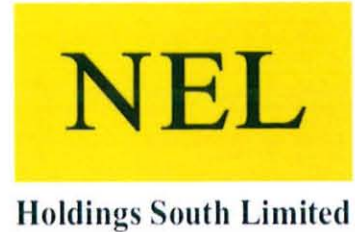
1. To approve the re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company

In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020, 22/2020, and further extension vide Circular no. 33/2020 dated 8th April, 2020, 13th April, 2020, 15th June, 2020 and September 28, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and in compliance with the provisions of the Act and the Listing Regulations, the decision for re-appointment of Mr. Nitesh Shetty (DIN:00304555), as Managing Director of the Company being an urgent business as his terms is expiring and need to be renewed as decided by the Board requiring shareholders' approval shall be conducted through e-voting mechanism in accordance with the provisions of the Act and the Rules made thereunder.

Members' consent is sought for the proposal contained in the resolution given in this Notice. A Statement pertaining to the said resolutions setting out the material facts and related particulars are annexed hereto. The Notice shall be sent to all the Members, whose name appeared in the Register of Members as on **Friday, November 20, 2020** by email only. The hardcopy of the Notice along with the postal ballot form and pre-paid self-addressed business reply envelope to the Members will not be sent to the Members in accordance with the MCA circulars.

The Notice will also be placed on the website of the Company www.nelholdings.in, on the website of BSE Limited at www.bseindia.com and on the website of KFin i.e. <https://evoting.kfintech.com>.





The Members who are holding share in Physical form or who have not registered their email addresses with the RTA, can register their e-mail address as per the instructions provided in the Notes section.

The Company has appointed Mr. Sudhindra K. S, Practicing Company Secretary (FCS No: 7909, CP No. 8190), Bengaluru as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The Members are requested to read the instructions in the Notes under the heading '*Procedure and instructions for the e-voting*'.

Item No 1: To approve the re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any statutory modification or re-enactment thereof, read with Schedule V to the Act and subject to the approval of the Central Government, if so required, approval be and is hereby accorded to the re-appointment of Mr. Nitesh Shetty (DIN:00304555) as Managing Director of the Company **for a period of two years, with effect from 15th December, 2020.**

RESOLVED FURTHER THAT subject to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013, Mr. Nitesh Shetty as a Managing Director of the Company, be paid such remuneration (including perquisites) and upon such terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. Nitesh Shetty with the authority to the Board of Directors ("the Board" which shall be deemed to include any Committee thereof) to alter or vary the terms and conditions of his re-appointment as may be agreed between the Board and Mr. Nitesh Shetty subject to the limits specified in Schedule V to the Act or such other limits as may be approved by the Central Government, if so required.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year or during the tenure of Mr. Nitesh Shetty as Managing Director, the remuneration (including perquisites) as set out in the aforesaid draft Agreement be paid to him as minimum remuneration.

RESOLVED FURTHER THAT subject to the provisions of Section 152 of the Companies Act, 2013, and Article 139 of the Articles of Association of the Company Mr. Nitesh Shetty shall not be liable to retire by rotation during his tenure as a Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give full effect to this resolution and to accept any modification/conditions that may be prescribed by the Central Government while according its approval, if any."

November 19, 2020
Bengaluru

By the Order of the Board of Directors
For **NEL HOLDINGS SOUTH LIMITED**

Prasant Kumar
Company Secretary & Chief Compliance Officer

A circular blue ink stamp of NEL Holdings South Limited, Bengaluru, is positioned over the signature and name of Prasant Kumar. The stamp contains the text "NEL Holdings South Limited" around the top inner edge and "Bengaluru" at the bottom.

NOTES:

- 1 A statement explaining the reasons for the proposed Resolutions and setting out material facts pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- 2 The notice of the Postal Ballot will also be placed at the Company's website www.nelholdings.in on the website of BSE Limited at www.bseindia.com and also on the website of <https://evoting.kfintech.com>.
- 3 Pursuant to General Circular Nos.14/2020, 17/2020, 22/2020, and further extension vide Circular no. 33/2020 dated 8th April, 2020, 13th April, 2020, 15th June, 2020 and September 28, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") voting shall be conducted by conducted through e-voting mechanism only in accordance with the provisions of the Act and the Rules made thereunder and Postal Ballot Forms are no longer required to be sent to the shareholders of the Company for this business.
- 4 The Members who are holding share in Physical form or who have not registered their email addresses with the RTA, can register their e-mail address as per the following instructions:

Type	Process to be followed for Registration of e-mail address
Physical	Members may send an e-mail request to einward.ris@kfintech.com along with: <ul style="list-style-type: none"> • Scanned copy of the signed request letter mentioning the Folio No., name of the member, e-mail address, mobile number • Self-attested copy of PAN • Self-attested copy of any address proof including Aadhar, Passport etc. • Scanned copy of share certificate (front and back)
Demat	Please contact your Depository Participant and register your e-mail address in your DEMAT account, as per the process recommended by your DP.

- 5 Upon completion of the scrutiny of the e-voting process, the Scrutinizer will submit his report to the Managing Director or to the Executive Director and subsequently, the result of the Postal Ballot will be announced on **Wednesday, December 23, 2020** by the Managing Director or the Executive Director as authorized by the Board at the Registered Office of the Company.
- 6 The Results of the Postal Ballot will be posted on the Company's website www.nelholdings.in along with Scrutinizer's Report besides being communicated to BSE Limited, where the Equity Shares of the Company are listed.
- 7 **The procedure and instructions for the e-voting (through electronic means) is, as follows:**
Open your web browser during the voting period and log-on to the e-voting website <https://evoting.kfintech.com/>. Now, fill up the following details in the appropriate boxes:

User-ID	a) For NSDL:- 8 characters DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID
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Password : please refer to the cover email enclosing this Notice
PAN* Enter your 10 digit alpha-numeric PAN issued by Income Tax Department
* Members who have not updated their PAN with the Company are requested to use default number 'ABCDE12345' in the PAN field.

- a) After entering the details appropriately, click on **LOGIN**.
- b) If you are logged- in for the first time, you will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- c) You need to login again with the new credentials.
- d) On successful login, the system will prompt you to select the EVENT i.e., NEL HOLDINGS
- e) On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner.
- f) Shareholders holding multiple folios / DEMAT account shall choose the voting process separately for each folios / DEMAT account.
- g) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- h) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to upload the scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, on the e-voting portal.
- i) **Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.**
- j) The Portal will remain open for electronic voting from:

Opening	:	9.00 A.M. on Monday, November 23, 2020
Closing	:	5.00 P.M. on Tuesday, December 22, 2020 (both days inclusive)

- k) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com/> or contact Ms. Krishna Priya, KFin Technologies Private Limited at 040-6716 2222 or at 1800-345-4001 (toll free).



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A STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 1:

Mr. Nitesh Shetty, Chairman & Managing Director was appointed for a period of three years from December 15, 2014 to December 14, 2017 and further re-appointed for another term of three years from December 15, 2017 to December 14, 2020 with the remuneration as approved by the Shareholders in the Meeting held through Postal Ballot in October 2017.

In view of the aforesaid approval expiring on 14th December, 2020, it is proposed to re-appoint Mr. Nitesh Shetty as Managing Director designated as Chairman and Managing Director for a further period of two years with effective 15th December, 2020 till December 14, 2022. The re-appointment and the remuneration payable to Mr. Nitesh Shetty as Managing Director has been approved by the Board and the Nomination and Remuneration Committee at their meetings held on November 13, 2020.

The re-appointment of Mr. Nitesh Shetty and the remuneration payable to him are subject to the consent of the shareholders by way of special resolution in terms of Section II (A) of Part II of Schedule V of the Companies Act, 2013, in view of the inadequacy of profits.

The material terms of the draft Agreement to be entered into between the Company and Mr. Nitesh Shetty are set out herein below:

- I. Basic salary of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum.
- II. Use of telephone(s) in Mr. Nitesh Shetty's residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company;
- III. A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company;
- IV. Reimbursement of medical expenses reasonably incurred by Mr. Nitesh Shetty and his family as approved by the Board;
- V. Reimbursement of entertainment expenses reasonably incurred by Mr. Nitesh Shetty wholly and exclusively for the purpose of the business of the Company and approved by the Board;
- VI. Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.
- VII. Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Nitesh Shetty's salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time;





Holdings South Limited

- VIII. Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;
- IX. He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and
- X. Two club membership, the annual fee will be payable by the Company.

The expression "family" used in above shall mean Mr. Nitesh Shetty's spouse and dependent children.

Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Nitesh Shetty.

Save as aforesaid, Mr. Nitesh Shetty shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a Managing Director.

In the event of any loss or inadequacy of profit in any of the financial year during the revised tenure of Mr. Nitesh Shetty as Managing Director, the remuneration (including perquisites) as set out in the aforesaid draft Agreement be paid to him as minimum remuneration.

The Board including the committee thereof is authorised to alter or amend the terms of appointment and the benefits within the overall remuneration as approved supra.

The Company having inadequate profit, the approval of the Members is being sought by way of special resolution in terms of Section II (A) of Part II of Schedule V of the Companies Act, 2013 for Mr. Nitesh Shetty's, re-appointment as Managing Director and for the aforesaid remuneration proposed to be paid to him.

The Company has outstanding borrowings from Banks and Financial Institutions. As per the requirement specified under Section II (ii) Part II of Schedule V of the Companies Act, 2013, the Company shall obtain no objections from the secured creditors for the appointment and for the aforesaid remuneration payable to Mr. Nitesh Shetty and the remuneration payable to him shall be subject to the approval from the from Banks and Financial Institutions and the shareholders.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. Nitesh Shetty are commensurate with his duties and responsibilities as a Managing Director. Therefore it is recommended to consider the resolution set out at Item No.1 of the Notice for your approval.

Mr. Nitesh Shetty holds 6,53,40,228 equity shares amounting to 44.81 % of total equity share capital of the Company. Mr. Nitesh Shetty is also currently appointed as Managing Director of Nitesh Residency Hotels Private Limited.



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The statement as per Section II (iv) of Part II of Schedule V to the Companies Act, 2013 and Regulation 36(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re- appointment of Mr. Nitesh Shetty as Managing Director is set out below:

I. General Information

1.Nature of industry	Construction, Development of Projects including Real Estate, Housing, Commercial premises, hospitality etc.			
2.Date or expected date of commencement of commercial production	2004 (Date of Incorporation : 20 th February 2004)			
3.In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4.Financial performance based on given indicators	Rs. Cr			
	Details	2017-18	2018-19	2019-20
	Paid Up Capital	14,583	14,583	145.83
	Reserves & Surplus	34,146	1,852	-96,375
	Turnover	4,112	8617	2532
	Profit/(Loss) Before Tax	(10,739)	(14,463)	(1,02,355)
Profit/(Loss) After Tax	(9,562)	(14,550)	(1,00,521)	
5.Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export			
6.Foreign Investment or Collaboration (Amount in Rs Cr.)	FDI 2006-07 : 32.85 Cr. 2007-08 : <u>3.65 Cr.</u> Total <u>36.50 Cr.</u> During the IPO in April 2010 total amount in foreign currency collected from FII /QIB Rs. 208.86 Cr., towards Equity and Share Premium.			

II. Information about the appointee

(1) Background details	Mr. Nitesh Shetty is a Promoter Director of the Company. On
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Holdings South Limited

	graduation he ventured into business in Advertising and promoted Nitesh Estates Private Limited (now known as NEL Holdings South Limited) in 2004.
(2) Past 3 (Three) Financial years remuneration	For F.Yr 2017-18 – Rs 1,50,00,000 – as approved by Shareholders For F.Yr 2018-19 – Rs 1,50,00,000 – as approved by Shareholders For F.Yr 2019-20 - Rs 1,50,00,000 – as approved by Shareholders
(3) Recognition or awards	NA
(4) Job profile and his suitability	Chairman & Managing Director
(5) Remuneration proposed	<p>Proposal:</p> <p>(i) Basic salary of 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum.</p> <p>(ii) Use of telephone(s) in Mr. Nitesh Shetty's residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company;</p> <p>(iii) A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company;</p> <p>(iv) Reimbursement of medical expenses reasonably incurred by Mr. Nitesh Shetty and his family and approved by the Board;</p> <p>(v) Reimbursement of entertainment expenses reasonably incurred by Mr. Nitesh Shetty wholly and exclusively for the purpose of the business of the Company and approved by the Board;</p> <p>(vi) Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.</p> <p>(vii) Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Nitesh Shetty's salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time;</p> <p>(viii) Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;</p> <p>(ix) He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and</p> <p>(x) Two club membership, the annual fee will be payable by the Company.</p> <p>The expression "family" used in above shall mean Mr. Nitesh</p>



	<p>Shetty's spouse and dependent children. Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Nitesh Shetty. Save as aforesaid, Mr. Nitesh Shetty shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a Managing Director.</p>		
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	<p>Name of the employee and Employer</p>	<p>Position, Qualification, Exp</p>	<p>Remuneration as disclosed in Annual Report for F.Y. 2019-20 (Rs. In Crores)</p>
	Mr. Ashish Ravi Puravankara Puravankara Limited	Whole time Director, MBA, 17+ yrs	1.31
	Mr. Irfan Razack Prestige Estates Projects Limited	Managing Director B.Com, 40+ Yrs	7.08
	Mr. J.C. Sharma, Sobha Limited	Vice Chairman & Managing Director, B.Com, ACA, ACS, 30+ Yrs	7.02
(7) Pecuniary relationship directly/ indirectly with the Company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship direct or indirect with the Company and Mr. Nitesh Shetty is not related to any Director of the Company.		

III. Other information:

(1) Reasons of loss or inadequate profits	a. The Company has achieved a lower Turnovers during the since Financial Year 2018-19, on a standalone basis, mainly due to reduction in Contractual Receipts and also due to reduction in the Income from Property Development. The Contractual Income has declined, as the projects fetching the same is still under construction phase, resulting in lower billing compared to the preceding year. Similarly the Properties which are under Development in the preceding year have still not reached a completion stage during the year, impacting the billing in comparison to the previous years.
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Holdings South Limited

	<p>b. The Company follows the new Revenue recognition method as prescribed under IND-AS and as such the Total Income for the year FY20 was lower compared to FY19.</p> <p>c. The Operating Margin was significantly lower consequent upon decline in the Total Income, however the fixed costs were fully charged off as per the Accounting norms, resulting in net Loss during the preceding Financial Years.</p> <p>d. The Company also had a Negative Cash Flow, which has further impacted the business.</p>
(2) Steps taken or proposed to be taken for improvement:	<p>The Company's Ongoing projects (on a consolidated basis)</p> <p>There are various residential projects which are still at different stages of construction. The Company has also planned to exit from its residential real estate business and enter into Commercial real estate business including facility management and warehousing businesses.</p> <p>The Company is currently planning to diversify its business and scouting for a partner for raising funds through its subsidiary as Special Purpose Vehicle.</p> <p>The Company has also implemented SAP system for efficient planning of material and business activities so as to bring down the cost.</p> <p>The Company is selectively looking at opportunities into new geographies and businesses for a sustainable growth</p>
(3) Expected increase in productivity and profits in measurable terms	NA

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Special Resolution set out at item no. 1 of the accompanying notice.

All documents pertaining to the appointment will be available for inspection at the Registered Office of the Company and any members who wish to inspect can send an email to cs@nelholdings.in.

**November 19, 2020
Bengaluru**

By the Order of the Board of Directors
For **NEL HOLDINGS SOUTH LIMITED**



Prasant Kumar

**Prasant Kumar
Company Secretary & Chief Compliance Officer**