

# Sunteck Realty Limited

5<sup>th</sup> Floor Sunteck Centre, Subhash Road, Vile Parle East, Mumbai 400057

## POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

Notice is hereby given that pursuant to Section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the Company is seeking consent of its Shareholders for the proposed Special Resolutions by way of Postal Ballot:

### **1. APPROVAL OF EMPLOYEE STOCK OPTION SCHEME 2013:**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

- (A) **“RESOLVED THAT** in supercession of the all earlier resolution passed by the Company with respect to announcement of Employee Stock Option Scheme (ESOP) and pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 as amended (the “Companies Act”) including any amendments or re-enactment thereof for the time being in force, the provisions of Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase under prevailing and applicable Laws Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI ESOP Guidelines”) including any amendment(s) of the Guidelines for the time being in force, the provisions of Foreign Exchange Management Act, 1999 as amended and guidelines, rules and regulations framed thereunder, the provisions of the Listing Agreement entered into with the Stock Exchanges where the equity shares of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions of the Government of India, Reserver Bank Of India (“RBI”) , Securities Exchange Board of India (“SEBI”), the Foreign Investment Promotion Board (“FIPB”) and any other appropriate Authority(ies), Bank(s), Institution(s) or Body(ies) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to introduce and implement an Employees Stock Option Plan 2013 (hereinafter referred to as “ESOP 2013”), the salient features of which are detailed in the Explanatory Statement to this Notice, to create, offer, issue and allot at any time to or for the benefit of such person(s) who are the present and future permanent employees of the Company, whether working in India or abroad, including any Director of the Company, whether whole-time or otherwise, (hereinafter referred to as “Employee” or “Employees”), except employees who are Promoters or belong to the Promoter Group of the Company under ESOP 2013 and to such other person as may be from time to time be allowed to enjoy the benefits of the ESOP scheme under prevailing and applicable laws and regulations, such number of equity shares and/or options which could give rise to equity shares (hereinafter collectively referred to as “Securities”) not exceeding 6,00,000 (Six Lacs Only) Options, under one or more Employee Stock Option Schemes, in one or more tranches and at such price and on such terms and conditions as may be determined by the Board in accordance with the terms of ESOP 2013, the guidelines or other applicable provisions of any law issued by the relevant Authority as may be prevailing at the relevant date;

**RESOLVED FURTHER THAT** the Securities may be allotted in accordance with ESOP 2013 directly to such Employees or through any appropriate mechanism including through an existing trust or a trust or any other entity which may be setup in any permissible manner and that ESOP 2013 may also contain provisions for providing any financial assistance to the Employees / the trust / entity to acquire, purchase or subscribe to the Securities.

**RESOLVED FURTHER THAT** the number of Securities specified above to be issued/allotted pursuant to this resolution and the price of acquisition payable by the Securities grantees shall be proportionately adjusted in the event of corporate actions such as stock splits / consolidations, rights issues, bonus issues, merger, amalgamation, demerger, sale of division(s) and all such other actions which may call for proportionate adjustment in the number of Securities, without affecting any other rights or obligations of the Securities grantees;

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**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company including dividend to be declared if any, for the concerned financial year;

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of securities allotted under the said schemes on the stock exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned stock exchanges and other guidelines, rules and regulations as may be applicable.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

- (B) **"RESOLVED THAT** in supercession of all earlier resolution passed by the Company with respect to announcement of Employee Stock Option Scheme (ESOP) and pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956 as amended (the "Companies Act") including any amendments or re-enactment thereof for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI ESOP Guidelines") including any amendment(s) of the Guidelines for the time being in force; the provisions of Foreign Exchange Management Act, 1999 as amended and guidelines, rules and regulations framed thereunder, the provisions of the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefits of one or more Employee Stock Option Schemes of the Company as proposed in the aforesaid resolution to such person(s) who are present and future permanent employees of the subsidiaries (present and future subsidiaries), whether working in India or abroad, including any Director of the Company, whether whole-time or otherwise, on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority."

**By Order of the Board of Directors  
For Sunteck Realty Limited**

Sd/-

**Company Secretary**

Place: Mumbai

Dated: 11<sup>th</sup> February, 2013

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## Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts is annexed hereto.
2. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 8<sup>th</sup> February, 2013.
3. The Company has appointed Mr. V. Raghavan N., a Practicing Company Secretary as the Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner.
4. In compliance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and Circular No. CIR/CFD/DIL/6/2012 dated July 13, 2012 of the Securities and Exchange Board of India (SEBI), vide which e-voting has been made mandatory for top 500 listed companies at NSE and BSE. Our Company being amongst top 500 listed Companies, is pleased to offer e-voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
5. The instructions for Shareholders for e-voting are as under:
  - (a) In case of Shareholders' receiving e-mail from NSDL
    - (i) Open e-mail and open PDF file viz; "postal ballot notice\_SRL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - (iii) Click on "Shareholder" – "Login"
    - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of "e-Voting" opens. Click on "e-Voting": Active Voting Cycles.
    - (vii) Select "EVEN" of Sunteck Realty Limited
    - (viii) Now you are ready for "e-Voting" as "Cast Vote" page opens
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send 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, to the Scrutinizer through e-mail [nvr54@gmail.com](mailto:nvr54@gmail.com) or [cosec@sunteckindia.com](mailto:cosec@sunteckindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - (b) In case of Shareholders' receiving Postal Ballot Form by Post:
    - (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.
 

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - (c) 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 "Downloads" section of [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
  - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
6. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form.

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7. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 8<sup>th</sup> February, 2013.
8. The voting period ends on the close of 14<sup>th</sup> March, 2013. The e-voting module shall be disabled by NSDL for voting thereafter.
9. The result of the Postal Ballot will be announced at the Registered Office of the Company situated at 5<sup>th</sup> Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai 400057 on Friday, 15<sup>th</sup> March, 2013 at 4.00 p.m. The result of the Postal Ballot shall also be announced through newspaper advertisement and communicated to the stock exchanges where the Company's shares are listed. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the last date of receiving the postal ballot forms/last date of e voting cycle shall be deemed to be the date of passing of the said resolution.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of Postal Ballot.

**Explanatory Statement as required under Section 173(2) and 192A (2) of the Companies Act, 1956 is annexed hereto.**

The Company recognizes and appreciates the critical role played by the employees of the Company and its subsidiaries in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, the Board of Directors of your Company at its meeting held on 11<sup>th</sup> February, 2013 recommended for the approval of members to introduce and implement a new Employee Stock Option Scheme under the nomenclature "Employee Stock Option Scheme 2013" (herein after referred to as "ESOP Scheme 2013") in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase under prevailing and applicable Laws Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI ESOP Guidelines") for the for the benefit of such person(s) who are the present and future permanent employees of the Company, whether working in India or abroad, including any Director of the Company, whether whole-time or otherwise, (hereinafter referred to as "Employee" or "Employees"), except employees who are Promoters or belong to the Promoter Group of the Company, under ESOP 2013, and to such other person as may be from time to time be allowed to enjoy the benefits of the ESOP scheme under prevailing and applicable laws and regulations.

The main features of the employee stock option schemes are as under:

**Employee Stock Option Scheme 2013:**

**1) Total number of options to be granted:**

The maximum number of options underlying equity shares under the ESOP Scheme 2013 shall be 6,00,000 (Six Lacs Only).

**2) Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

Employees entitled to participate in the ESOP are all permanent employees including the Directors of the Company and its subsidiaries, whether wholetime or otherwise and to such other person as may be from time to time be allowed to enjoy the benefits of the ESOP scheme under prevailing and applicable laws and regulations, but excluding the promoters of the Company, as may be decided by the Compensation Committee from time to time.

**3) Transferability of employee stock options:**

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

**4) Requirements of vesting and period of vesting:**

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The Options granted shall vest so long as the employee continues to be in the employment of the Company and its subsidiaries, as the case may be. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below.

### Growth Options:

The Vesting Schedule for employees who have been in employment with the Company for more than 1 year is as under:

Year	1	2	3	4
Vesting%	25%	25%	25%	25%

Vesting Schedule for employees who have been in employment with the Company for less than 1 year is as under:

Year	2	3	4	5
Vesting%	25%	25%	25%	25%

### **Vesting conditions**

Time – based	25%
Individual Performance - based	50%
Company Performance - based	25%

### Loyalty Options:

Loyalty options are granted for rewarding past association.

Only Loyalty Options will be granted to only those employees who have been employed with the Company for a minimum period of 4 years and who do not have grant of Growth Options nor Exceptional Performance Options. The grant of Loyalty Option shall be based on the Rating as shown below.

Rating	4.0	3.5	3.0	2.5	2.0	1.5	1.0
CTC % p.a.	200%	175%	150%	125%	100%	75%	50%

### Exceptional Performance Options:

Exceptional performance options are granted for rewarding high potential performance by employees who are not covered under Growth options.

The Board shall decide on the top few employees awardees for Exceptional Performance who will be felicitated and granted with these options.

The Vesting Schedule for employees who have been in employment with the Company for more than 1 year is as under:

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Year	1	2	3	4
Vesting%	25%	25%	25%	25%

The Vesting Schedule for employees who have been in employment with the Company for less than 1 year is as under:

Year	2	3	4	5
Vesting%	25%	25%	25%	25%

The options would vest not earlier than one year and not later than Five Years from the date of grant of options.

**5) Maximum period within which the options shall be vested:**

The options would vest not later than Five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

**6) Exercise Price:**

The option would be granted at such price as the Board of Directors/Compensation Committee may determine in accordance with the Regulations and Guidelines prescribed by SEBI or other relevant authority from time to time.

**7) Exercise Period and the process of Exercise:**

Options can be exercised within a period of 6 months from Vesting Date, wherein the ESOP Committee would sit once each month on basis of Exercise Request. If Grantee does not exercise the Granted Options to be vested in 6 months from Vesting Date, the Grantee has a further period of 6 months starting from immediate next vesting date in the next year. This is a total of 2 years for vesting from the date of vesting. Thereafter, after 2 years from Vesting Date, the percentage of Options granted will lapse.

Options cannot be exercised for a period of 15 days preceding the Quarter Ending and 15 Days succeeding Quarter ending during the vesting period. Furthermore, Options cannot be exercised for a period of 15 days preceding the Board Meeting and 15 Days succeeding the Board Meeting during vesting period.

The options will be exercisable by the Employees by a written application to the Company, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

**8) Appraisal Process for determining the eligibility of the employees to ESOP:**

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

**9) Maximum number of options to be issued per employee /per Director(Non Executive including Independent Director)and in aggregate:**

The total number of options that may be granted to any specific employee or Director (Non Executive including Independent Director) under one or more Schemes during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) at the time of grant and in aggregate shall not exceed 5% of the Paid up Equity Share Capital of the Company at any point in time.

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**10) Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.

**11) Method of option valuation**

Since IFRS is applicable to the Company, to calculate the employee compensation cost, the Company shall use Black Scholes Method for valuation of the options granted.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

Clause 6 of the SEBI Guidelines any ESOP Scheme for offering stock options to employees of the Company must be approved by way of special resolution. Furthermore, as the scheme would entail further shares to be offered to the persons other than existing shareholders of the Company, consent of the shareholder is required by way of a special resolution pursuant to provisions of the section 81(1A) of the Companies Act, 1956.

Further, section 192A(4) of the Act provides that a resolution is assented to by a requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

In terms of guidelines, a separate resolution is required to be passed if the benefit of the scheme are also to be extended to the employees of subsidiary companies. A resolution is proposed accordingly under item no. 1, to cover the employees including managing Director/Whole Time Director of subsidiary companies of the Company. The aggregate no of options to be granted to employees of subsidiary under resolution No. 1(B) will also be within the overall limit of 6,00,000 options as above.

Further the option to be granted under the scheme shall not be treated as an offer or invitation made to public for subscription of securities in the Company.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the scheme.

The Board of Directors recommends both the resolution under Item No. 1 for your approval.

**By Order of the Board**

**For Sunteck Realty Limited**

Sd/-

**Company Secretary**

**Place: Mumbai**

**Dated: 11<sup>th</sup> February, 2013**

**SRL/BSE/92/12-13**

**Date: 19<sup>th</sup> February 2013**

To,  
BSE Limited  
Corporate Relation Department  
P. J. Tower, Dalal Street,  
Mumbai – 400 001

**Script Code: 512179**  
**Ref: Our letter no. SRL/BSE/86/12-13 dated 18<sup>th</sup> February 2013**

**Kind Attn: Mr. Amol Hosalkar**

**Dear Sir,**

This is with reference to our abovementioned letter and your subsequent email dated 18<sup>th</sup> February 2013. This is to inform you that the last date of submission of postal ballot forms to scrutinizer is 14<sup>th</sup> March 2013.

Kindly take the same on records.

Thanking You,

**For Sunteck Realty Limited**



**Authorised Signatory**