

June 29, 2015

**Nitesh**<sup>®</sup>  
E S T A T E S

**EXPECT MORE**

To

The Bombay Stock Exchange Limited  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai-400 001.

The National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Plot No. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E)  
Mumbai – 400 051

Dear Sir / Madam,

Sub: Dispatch of Postal Ballot notice

We wish to inform you that the Company has proposed to conduct a postal ballot process (physical ballot) pursuant to the provisions of the Companies Act, 2013 read with the Rules made there under for seeking approval of the shareholders for the businesses as stated in the Postal Ballot Notice enclosed herein. The postal ballot notices have been dispatched to all the shareholders by registered post and also to the registered email IDs (wherever the email IDs have been registered) and the postal ballot forms along with the self addressed Business Reply Envelope (postage pre paid, if posted in India) have also been dispatched to all the shareholders by the registered post on June 29, 2015 i.e today.

The time lines for postal ballot is as follows,

- a. Date of completion of dispatch of notice – June 29, 2015
- b. Date of commencement of voting – June 29, 2015
- c. Last date for receipt of ballot papers by the Scrutinizer – July 28, 2015
- d. Last date to request for duplicate postal ballot form – July 14, 2015
- e. Date of declaration of postal ballot results- August 3, 2015

The Company has taken June 12, 2015 as the cut-off date for determining the eligible members to participate in the postal ballot.

Request you to take these on record.

Yours faithfully,  
For NITESH ESTATES LIMITED

  
D Srinivasan  
Company Secretary & Chief Compliance Officer



Encl.: Postal Ballot Notice

**Nitesh Estates 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: niteshestates.com



## NITESH ESTATES LIMITED

(CIN: L07010KA2004PLC033412)

Regd. Office: NITESH TIMESQUARE, 7TH FLOOR, NO.8 M.G. ROAD, BANGALORE 560 001

Ph: +91-80-4017 4000 Fax: +91-80-2555 0825 Web: www.nithestates.com

### POSTAL BALLOT NOTICE

Pursuant to Section 110 of the Companies Act, 2013 read with the Rules made there under by the Ministry of Corporate Affairs, Central Government

#### TO THE MEMBERS OF THE COMPANY

**NOTICE IS HEREBY** given that pursuant to Section 110 of the Companies Act, 2013 read with the Rules made there under including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed through the Postal Ballot.

Members' consent is requested for the proposals contained in the Resolutions appended below.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 pertaining to the said resolutions setting out the material facts and the reasons thereof is annexed hereto along with this Postal Ballot Notice (the "Notice") seeking the Member's assent or dissent to the proposed resolutions.

#### **Item No 1: To approve the re-appointment and the remuneration payable to Mr. Ashwini Kumar, as Whole-time Director designated as Executive Director – Chief Operating Officer of the Company**

To consider and if thought fit, 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 including any statutory modification or re-enactment thereof ("the Act") and Rules made there under, read with Schedule V to the Act and subject to the previous approval of the Central Government, as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashwini Kumar (DIN: 02034498) as a Whole-time Director of the Company for a period of three years, with effect from 19th April 2015.

**RESOLVED FURTHER THAT** subject to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013, Mr. Ashwini Kumar as a Whole-time 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. Ashwini Kumar 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. Ashwini Kumar subject to the limits specified in Schedule V to the Act or such other limits as may be approved by the Central Government.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year or during the tenure of Mr. Ashwini Kumar as Whole-time 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, Mr. Ashwini Kumar shall not be liable to retire by rotation during his tenure as a Whole-time Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is 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."

#### **Item No 2: To approve the investment to be made in Nitesh Residency Hotels Private Limited**

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

**"RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Rules made there under from time to time by the Central Government and subject to such approvals, consents, sanctions and permissions of appropriate authorities if so necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make investment and/or acquire by way of subscription, purchase or otherwise the equity shares of Nitesh Residency Hotels Private Limited, an Associate of the Company up to and not exceeding Rs. 25 Crore over and above Rs.200 Crore already approved, that is to say, up to Rs 225 Crore notwithstanding that the aggregate of the loans provided, guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in all other bodies corporate may exceed the limits prescribed under the said section.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Special Resolution."

#### **Item No. 3: To approve the pledge of 100% shareholding of the Company in Nitesh Urban Development Private Limited.**

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

**"RESOLVED THAT** pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee thereof ("the Board"), to charge the whole or part of the undertaking(s) of the Company by way of pledge of entire 100% of securities held by the Company in Nitesh Urban Development Private Limited as the case may be or otherwise encumber the same, in addition to the charge(s) already created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms, as the Board may determine from time to time to secure the sum of moneys borrowed or to be borrowed by Nitesh Urban Development Private Limited not exceeding Rs.160 Cr in aggregate from Banks, financial institutions, debenture trustees/ debenture holders and other lenders including by way of issuing of securities.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Special Resolution."

#### **Item No. 4: To ratify the remuneration payable to the Cost Auditors for the Financial years 2014-15 & 2015-16**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. G. S. & Associates, Practising Cost Accountants, having Firm Registration No.000301, allotted by The Institute of Cost Accountants of India, who have been appointed as Cost Auditors of the Company on a remuneration of Rs.1 Lakh per annum excluding the reimbursement of out of pocket expenses for the Financial years 2014-15 and 2015-16 as recommended by the audit committee and approved by the board of directors of the Company, in terms of Section 148 of the Companies Act, 2013, and rules made thereunder, be and is hereby ratified."

By Order of the Board of Directors,  
For NITESH ESTATES LIMITED

#### Registered Office:

Nitesh Timesquare, 7th Floor  
No 8, M.G. Road, Bangalore 560001  
Date : 15 June 2015

D. Srinivasan  
Company Secretary & Chief Compliance Officer

#### NOTES

1. The explanatory statement and reasons for the proposed Resolution pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The notice of the Postal Ballot will also be placed at the Company's website www.nithestates.com which will remain on the website till the last date of receipt of the postal ballots from the members.
3. The Company has appointed M/s. S Kedarnath & Associates, Practising Company Secretaries, Bangalore as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. The Postal Ballot Form and the self addressed Business Reply Envelope (postage pre paid, if posted in India) are enclosed for all the members whose name appear in the Register of Members / list of Beneficial Owners, received from the National Securities Depository Limited (NSDL)/Central

Depository Services (India) Limited (CDSL) as on 12th June, 2015.

5. The members are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer not later than the close of working hours on 28th July 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
6. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman & Managing Director of the Company. Subsequently, the result of the Postal Ballot will be announced by the Chairman & Managing Director or any other Executive Director or the Company Secretary & Chief Compliance Officer as authorised by the Board on Monday, the 3rd August, 2015 at 17.00 hrs at the Registered Office of the Company.
7. The Results of the Postal Ballot will be posted on the Company's website [www.nitshestates.com](http://www.nitshestates.com) along with Scrutinizers Report besides being communicated to the Stock Exchanges where the Equity Shares of the Company are listed and will be published in English and Kannada Newspapers.

## EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTIONS PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013

### Item No 1:

Mr. Ashwini Kumar, Whole-time Director designated as Executive Director-Chief Operating Officer was appointed for a period of three years from April 19, 2012 to April 18, 2015 at a remuneration of Rs. 90 Lakhs per annum was approved by the shareholders by passing special resolution by Postal Ballot held on September 21, 2012.

The Central Government accorded their approval for the appointment of Mr. Ashwini Kumar for three years from April 19, 2012 to April 18, 2015 and for payment of total Remuneration of Rs. 90,00,000/- vide their letter S.R.No. B43503507/ 2012- CL-VII, dated September 5, 2013.

In view of the aforesaid approval expiring on April 18, 2015, the Board proposed to consider the re-appointment of Mr. Ashwini Kumar, as Whole-time Director - Chief Operating Officer for a period of three years with effective from April 19, 2015. The remuneration for Mr. Ashwini Kumar has been approved by the Board and the Nomination and Remuneration Committee at their meetings held on February 11, 2015.

The re-appointment of Mr. Ashwini Kumar and the remuneration payable to him are subject to the consent of the shareholders and also of the Central Government in view of the inadequacy of profits.

The material terms of the aforesaid draft Agreement to be entered into between the Company and Mr. Ashwini Kumar, are set out below:-

- (i) Fixed pay of Rs. 90 Lakhs (Rupees Ninety Lakhs Only) per annum.
- (ii) Performance linked pay not exceeding Rs. 20 Lakhs (Rupees Twenty Lakhs Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year.
- (iii) Use of telephone(s) in Mr. Ashwini Kumar'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; All personal calls to be charged to Mr. Ashwini Kumar;
- (iv) 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; Any personal travel or use of car for his personal use the cost of which shall be borne by Mr. Ashwini Kumar;
- (v) Reimbursement of medical expenses reasonably incurred by Mr. Ashwini Kumar and his family and approved by the Chairman and/or the Board;
- (vi) Reimbursement of entertainment expenses reasonably incurred by Mr. Ashwini Kumar wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board;
- (vii) Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.
- (viii) 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. Ashwini Kumar's salary as laid down in the Income-tax Rules, 1962 in force for the time being and amended from time to time;
- (ix) Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;
- (x) He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and
- (xi) Two club membership, the annual fee will be payable by the Company.

The expression "family" used in above shall mean Mr. Ashwini Kumar'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. Ashwini Kumar.

Save as aforesaid, Mr. Ashwini Kumar shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect of or by virtue of his employment with the Company as a whole-time Director designated as Executive Director – Chief Operating Officer.

### Minimum remuneration:

In case of inadequacy of profit / loss in any financial year during the tenure of his appointment, Mr. Ashwini Kumar shall be paid the aforesaid remuneration, notwithstanding the remuneration may cross the limitations as prescribed under Schedule V of the Companies Act, 2013.

The approval of the Members is being sought for Mr. Ashwini Kumar's re-appointment as Whole-time Director and for the aforesaid remuneration proposed to be paid to him. Hence the Special resolution is submitted to the Members seeking their consent under the Postal Ballot rules.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. Ashwini Kumar are commensurate with his duties and responsibilities as a Whole-time Director designated as Executive Director – Chief Operating Officer. Therefore it is recommended to consider the special resolution set out at under Item No. 1 of the Notice for your approval.

Mr. Ashwini Kumar holds 1,38,818 equity shares representing 0.1% of total equity share capital of the Company. He is also serving as Managing Director of Nitesh Urban Development Private Limited ('NUDPL'), a wholly owned subsidiary of the Company without any remuneration payable to him.

None of the Directors, Key Managerial Personnel and their relatives are in any way interested or concerned, in the Special Resolution under Item No.1 except Mr. Ashwini Kumar, the appointee.

The statement as per Section II (iv) of Part II of Schedule V to the Companies Act, 2013 for appointment of Mr. Ashwini Kumar as Whole time Director is set out below as Annexure I to this Explanatory Statement.

The aforesaid draft Agreement will be available for inspection at the Registered Office of the Company on any working day during the Company's business hours between 10.00 a.m. to 12 noon.

## ANNEXURE I

### STATEMENT OF INFORMATION PROVIDED IN TERMS OF SECTION II (B) OF PART II OF SCHEDULE V

#### I. General Information

|   |   |                |                |                |
|---|---|----------------|----------------|----------------|
| Nature of industry  | Construction, Development of Projects including Real Estate, Housing, Commercial premises, hospitality etc. |                |                |                |
| Date or expected date of commencement of commercial production  | 2004 ( Date of Incorporation : 20th February 2004)  |                |                |                |
| In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable  |                |                |                |
| Financial performance based on given indicators (Rs. Cr.)   | <b>Details</b>  | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> |
|   | Paid Up Capital   | 145.83         | 145.83         | 145.83         |
|   | Reserves & Surplus  | 280.98         | 288.69         | 308.37         |
|   | Turnover  | 49.43          | 114.80         | 125.43         |
|   | Profit Before Tax   | (28.50)        | 8.81           | 24.97          |
|   | Profit After Tax  | (32.38)        | 7.70           | 20.23          |

|  |   |
|--|---|
| Foreign Investment or Collaboration Amount (in Rs Cr.) | FDI 2006-07 : 32.85 Cr.<br>2007-08 : 3.65 Cr.<br>Total : <u>36.50 Cr.</u><br>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   | <p>Mr. Ashwini Kumar, aged about 56 years joined the Company on 2nd November, 2009 as the Chief Operating Officer and was appointed as Whole time Director of the Company on 19th April, 2012. He is responsible for the business operations of the Company. Prior to joining Nitesh Estates Limited, he was the Managing Director of Lineage Power India Pvt. Ltd. a leading US based MNC in the area of Power Electronics and responsible for their business in India and South East Asia. Prior to this he worked as Director with Tyco Electronics and Lucent Technologies and was responsible for their telecom power electronics business in India. In all he has an experience of 31 years starting with functional roles, in sales, project management, manufacturing, performance improvement and culminating in business leadership roles. He is a Mechanical Engineer from NIT, Rourkela (1981) and post graduate in Business Management from XLRI, Jamshedpur (1983).</p>   |   |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
|--|---|---|--|-----------------------------------|------------------------------|---|--|-------------------------------------|------|---|------------------------------------|------|--------------------------------|--|------|
| (2) Past 3 (Three) Financial years remuneration  | <p>From 19th April, 2012 to 18th April, 2015 – Rs. 90,00,000/- per annum as approved by the Central Government vide their letter SRNo.B43503507/2012-CL-VII dated September 5, 2013</p>   |   |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| (3) Recognition or awards  | -   |   |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| (4) Job profile and his suitability  | <p>Executive Director &amp; Chief Operating Officer. Mr. Ashwini Kumar is a Mechanical Engineer from NIT, Rourkela (1981) and post graduate in Business Management from XLRI, Jamshedpur (1983).</p>  |   |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| (5) Remuneration proposed  | <p><b>Proposal:</b></p> <p>(i) Basic salary of Rs. 90,00,000/- (Rupees Ninety Lakh Only) per annum.</p> <p>(ii) Performance linked pay not exceeding Rs. 20,00,000/- (Rupees Twenty Lakh Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year</p> <p>(iii) Use of telephone(s) in Mr. Ashwini Kumar'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; All personal calls to be charged to Mr. Ashwini Kumar;</p> <p>(iv) 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; Any personal travel or use of car for his personal use the cost of which shall be borne by Mr. Ashwini Kumar;</p> <p>(v) Reimbursement of medical expenses reasonably incurred by Mr. Ashwini Kumar and his family and approved by the Chairman and/or the Board;</p> <p>(vi) Reimbursement of entertainment expenses reasonably incurred by Mr. Ashwini Kumar wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board;</p> <p>(vii) 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>(viii) 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. Ashwini Kumar's salary as laid down in the Income-tax Rules, 1962 in force for the time being and amended from time to time;</p> <p>(ix) 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>(x) He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and</p> <p>(xi) Two club membership, the annual fee will be payable by the Company.</p> <p>The expression "family" used in above shall mean Mr. Ashwini Kumar'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. Ashwini Kumar.</p> <p>Save as aforesaid, Mr. Ashwini Kumar shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect of or by virtue of his employment with the Company as a whole-time Director designated as Executive Director – Chief Operating Officer.</p> <p><b>Minimum remuneration:</b></p> <p>In case of inadequacy of profit / loss in any financial year during the tenure of his appointment, Mr. Ashwini Kumar shall be paid the aforesaid remuneration, notwithstanding the remuneration may cross the limitations as prescribed under Schedule V of the Companies Act, 2013</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>Mr. Ashwini Kumar, being a qualified Mechanical Engineer from NIT, Rourkela (1981) and post graduate in Business Management from XLRI, Jamshedpur (1983) with an experience of over 31 years will receive a higher remuneration in any sector. In comparison with his expertise the proposed remuneration is much lower compared to others in similar Board level position.</p> <table border="1"> <thead> <tr> <th>Name of the employee and Employer</th> <th>Position, Qualification, Exp</th> <th>Remuneration as disclosed in Annual Report for F.Y. 2013-14 (Rs. in Crs.)</th> </tr> </thead> <tbody> <tr> <td>Mr. Ashish Puravankara<br/>Puravankara Projects Ltd</td> <td>Whole time Director,<br/>MBA, 14 yrs</td> <td>1.32</td> </tr> <tr> <td>Mr. Irfan Razack<br/>Prestige Estates Projects Limited</td> <td>Managing Director<br/>B.Com, 40 Yrs</td> <td>2.40</td> </tr> <tr> <td>Mr. J.C. Sharma,<br/>Sobha Ltd.</td> <td>Vice Chairman &amp;<br/>Managing Director,<br/>B.Com, ACA, ACS, 30 Yrs</td> <td>5.04</td> </tr> </tbody> </table>   |   |  | Name of the employee and Employer | Position, Qualification, Exp | Remuneration as disclosed in Annual Report for F.Y. 2013-14 (Rs. in Crs.) | Mr. Ashish Puravankara<br>Puravankara Projects Ltd | Whole time Director,<br>MBA, 14 yrs | 1.32 | Mr. Irfan Razack<br>Prestige Estates Projects Limited | Managing Director<br>B.Com, 40 Yrs | 2.40 | Mr. J.C. Sharma,<br>Sobha Ltd. | Vice Chairman &<br>Managing Director,<br>B.Com, ACA, ACS, 30 Yrs | 5.04 |
| Name of the employee and Employer  | Position, Qualification, Exp  | Remuneration as disclosed in Annual Report for F.Y. 2013-14 (Rs. in Crs.) |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| Mr. Ashish Puravankara<br>Puravankara Projects Ltd   | Whole time Director,<br>MBA, 14 yrs   | 1.32  |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| Mr. Irfan Razack<br>Prestige Estates Projects Limited  | Managing Director<br>B.Com, 40 Yrs  | 2.40  |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| Mr. J.C. Sharma,<br>Sobha Ltd.   | Vice Chairman &<br>Managing Director,<br>B.Com, ACA, ACS, 30 Yrs  | 5.04  |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |
| (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.   | <p>There is no pecuniary relationship direct or indirect with the Company and Mr. Ashwini Kumar is not related to any Director of the Company.</p> <p>Mr. Ashwini Kumar, personally holds 1,38,818 (0.10%) equity shares of the Company.</p>  |   |  |                                   |                              |   |  |                                     |      |   |                                    |      |                                |  |      |

### III. Other information:

| (1) Reasons of loss or inadequate profits                             | The Company has achieved a turnover of Rs. 125.43 crores during the last Financial Year 2015 as compared to Rs. 114.79 crores in Financial Year 2014, on a standalone basis. The robust financial performance was achieved due to continued progress in ongoing projects leading to increased recognition in the financials.<br>The Company follows the percentage of completion method for recognition of revenue, as per which the projects have to reach a minimum threshold limit of Construction, Sales and Collection, due to which the revenue from the new projects undertaken by the Company could not be recognized. As more projects come into revenue recognition, the Company expects increasing topline and bottom-line performance going forward coupled with a higher momentum in sales due to additional launches. |                     |                     |                     |                     |              |        |        |        |     |       |       |       |
|---|---|---------------------|---------------------|---------------------|---------------------|--------------|--------|--------|--------|-----|-------|-------|-------|
| (2) Steps taken or proposed to be taken for improvement:              | The Company completed and handed over 2 projects.<br>The Company currently has a portfolio of 6 ongoing projects, coupled with an increasing pipeline of upcoming projects provides the foundation for significant growth of the Company in the coming years.   |                     |                     |                     |                     |              |        |        |        |     |       |       |       |
| (3) Expected increase in productivity and profits in measurable terms | With more project launches and projects achieving the revenue recognition there will be a significant revenue improvement and profitability. The remaining income potential is close to Rs. 1,134 crores from these residential projects.<br>Projected Profit & Loss (in Rs Crores)   |                     |                     |                     |                     |              |        |        |        |     |       |       |       |
|   | <table border="1"> <thead> <tr> <th>Particulars</th> <th>FY 2015 (Actual)</th> <th>FY 2016 (Estimated)</th> <th>FY 2017 (Estimated)</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>125.43</td> <td>192.78</td> <td>231.36</td> </tr> <tr> <td>PAT</td> <td>20.23</td> <td>31.07</td> <td>36.04</td> </tr> </tbody> </table>   | Particulars         | FY 2015 (Actual)    | FY 2016 (Estimated) | FY 2017 (Estimated) | Total Income | 125.43 | 192.78 | 231.36 | PAT | 20.23 | 31.07 | 36.04 |
| Particulars   | FY 2015 (Actual)  | FY 2016 (Estimated) | FY 2017 (Estimated) |                     |                     |              |        |        |        |     |       |       |       |
| Total Income  | 125.43  | 192.78              | 231.36              |                     |                     |              |        |        |        |     |       |       |       |
| PAT   | 20.23   | 31.07               | 36.04               |                     |                     |              |        |        |        |     |       |       |       |

#### Item No.2 :

Nitesh Residency Hotels Private Limited (NRHPL) is an Associate of the Company. The Company is jointly developing the Ritz- Carlton, a five star luxury hotel Project at Bangalore, with CPI India Limited (Investor). As per the Shareholders Agreement, the Investor and the Company should hold share in the equity of NRHPL in the ratio of 74:26.

The Shareholders have accorded their approval for investing upto Rs.200 Crores at their meeting by way of postal ballot held on 19th May, 2014. The Company has so far invested around Rs.173 Crores in NRHPL. In view of additional works allocated in respect of working capital requirements and operational enhancement etc. in the Hotel, there will be a requirement for infusion of additional capital upto Rs.25 Crore i.e. in addition to Rs. 200 Crore already approved i.e aggregating to the overall limit of Rs.225 Crore.

As per Section 186 of the Companies Act 2013, the aforesaid proposed additional investment requires the approval of the shareholders by way of Special Resolution.

#### Shareholding and Directorship of Mr. Nitesh Shetty

| Particulars        | Nitesh Estates Ltd.          | Nitesh Residency Hotels Pvt. Ltd. |
|--------------------|------------------------------|-----------------------------------|
| Designation        | Chairman & Managing Director | Managing Director                 |
| No. of shares held | 4,29,73,685                  | 1,62,83,209                       |
| Paid-Up Shares     | 14,58,32,100                 | 66,31,35,953                      |
| % Equity           | 29.46%                       | 2.46%                             |

None of the Directors, Key Managerial Personnel and their relatives are in any way interested or concerned, in the Item No. 2 of the Notice except Mr Nitesh Shetty, Chairman and Managing Director of the Company, who is interested as stated above,

#### Item No.3:

Nitesh Urban Development Private Limited (NUDPL) is a material unlisted wholly owned subsidiary of the Company, and has raised money by issue of Secured Redeemable Non-Convertible Debentures (NCD) aggregating to Rs.95 Cr. from Reliance Capital Asset Management Limited (RCAML) and from one or more of their affiliates to fund its project Cape Cod and Project Palo Alto and to retire the existing debentures.

Among the other terms and conditions of subscribing to the NCD, one of the terms and conditions is that the holding company (Nitesh Estates Limited) has to provide its Corporate Guarantee and also Pledge its entire 100% shareholding in NUDPL in favour of the IDBI Trusteeship Services Limited, the Debenture Trustee to part secure their debentures, and the shares of NUDPL should be in Demat form, with Power of Attorney in their favour. The pledge will be effective upon shareholders approval.

As per Sec 180 (1) (a) of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, such pledge of 100% of the holding in the material unlisted subsidiary in favour of the debenture trustee with power of attorney in their favour is treated as disposal of undertaking the consent of the shareholders of the Company is sought by way of Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way interested or concerned, in the Item No. 3 of the Notice except as stated hereunder,

| Name of the Common Directors                    | Mr. Nitesh Shetty            | Mr. L.S. Vaidyanathan | Mr. Ashwini Kumar  | Mr. M. D. Mallya     |
|---|------------------------------|-----------------------|--------------------|----------------------|
| <b>Nitesh Estates Limited</b>                   |                              |                       |                    |                      |
| Designation                                     | Chairman & Managing Director | Executive Director    | Executive Director | Independent Director |
| Shareholding                                    | 4,29,73,685 (29.46%)         | 1,39,501 (0.1%)       | 1,38,818 (0.1%)    | Nil                  |
| <b>Nitesh Urban Development Private Limited</b> |                              |                       |                    |                      |
| Designation                                     | Director                     | Director              | Managing Director  | Independent Director |
| Shareholding                                    | Nil                          | 1 equity share*       | Nil                | Nil                  |

\* as nominee shareholder on behalf of Nitesh Estates Limited.

#### Item No. 4:

The Board appointed M/s. G. S. & Associates, Practising Cost Accountants, holding Firm Registration no. 000301, allotted by The Institute of Cost Accountants of India, as Cost Auditors of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013) and fixed a sum of Rs. 1 Lakh per annum excluding reimbursement of out of pocket expenses as remuneration payable to them, for the financial years 2014-15 and 2015-16. The remuneration, as recommended by the audit committee and approved by the Board, is therefore required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148 of the Act 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item no. 4

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder the ordinary resolution, as set out in item no.4, is submitted for ratification by the shareholders of the Company.

#### Documents for inspection:

Material Documents in respect of the above resolutions are available for inspection at the Registered Office of the Company on any working day Monday to Friday during the Company's business hours between 10.00 a.m. to 12 noon.

#### Registered Office :

Nitesh Timesquare, 7th Floor  
No 8 M.G. Road, Bangalore 560001  
Date: 15th June, 2015

By Order of the Board of Directors,  
For **NITESH ESTATES LIMITED.**

D. Srinivasan  
Company Secretary & Chief Compliance Officer