

## NOTICE

NOTICE IS hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday, the 27<sup>th</sup> September, 2014 at 3.00 P.M. at Lakshdham High School Auditorium, Lakshdham High School, Gokuldham, Goregaon (East), Mumbai 400 063 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, Statement of Profit and Loss for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shahid Balwa, who retires by rotation and offers himself for re- appointment.
3. To appoint a Director in place of Mr. Jayvardhan Goenka, who retires by rotation and offers himself for re- appointment.
4. Appointment of Auditors:

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai ( Reg No. 103523W) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Tenth AGM of the Company, (subject to ratification of the appointment by the members at the next AGM) and that the Board of Directors be and is hereby authorised to fix such remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors

### **SPECIAL BUSINESS**

#### **5. Appointment of Mr. Mahesh Gandhi as an Independent Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Mahesh Gandhi (DIN 00165638), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2019.”

#### **6. Appointment of Mr. N.M. Rafique as an Independent Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. N.M. Rafique (DIN 01623598), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2019.”

#### **7. Appointment of Mr. Jagat Killawala as an Independent Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Jagat Killawala (DIN 00262857), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2019.”

#### **8. Appointment of Mr. Janak Desai as an Independent Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Janak Desai (DIN 03527571), a non-executive independent director of the Company, who has submitted a declaration that

he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 27<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2019."

**9. Introduction of "ESOP Scheme - 2014":**

To consider and if deemed fit, to pass, with or without modification(s), the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"), including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required from appropriate bodies and authorities, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any duly constituted Committee/s thereof including the Compensation and Benefits Committee of directors), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and grant at any time to or to the benefit of such Employees (as defined under the Explanatory Statement attached hereto and hereinafter referred to as the "Employees"), either directly or through an employee benefit trust formed for this purpose as determined by the Administrator (as defined under the Explanatory Statement attached hereto), such number of options not exceeding 1,21,00,000 (One Crore Twenty One Lakhs) as per terms and conditions of the Employees Stock Option Plan (hereinafter referred to as the "ESOP Scheme-2014"), which entitles the option-holders to subscribe to one equity share of Rs. 10/- each of the Company against each option granted to them, i.e. in total 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganization of the capital structure of the Company as may be applicable from time to time, at such price, in one or more tranches, and on such other terms and conditions as set out in the "ESOP Scheme-2014" and as amended from time to time.

**RESOLVED FURTHER THAT** subject to the terms as approved by the members, the Board be and is hereby authorised to formulate a detailed "ESOP Scheme-2014" in compliance with the guidelines issued by Securities and Exchange Board of India (SEBI) at such time or times as it may in its' absolute discretion decide.

**RESOLVED FURTHER THAT** the shares may be allotted to the employees in accordance with the "ESOP Scheme – 2014" either directly or through an employee benefit trust as determined in the sole discretion by the Board which may be set up by the Company or by a designee of the Company in its sole discretion and / or in any other permissible manner and that accordingly approval be and is hereby accorded for providing financial assistance to the trust to enable the said trust to acquire, purchase or subscribe to the equity shares of the Company for the purpose of issuance/transfer to the employees under the "ESOP Scheme – 2014".

**RESOLVED FURTHER THAT** the vesting of the options under the "ESOP Scheme - 2014" may be subject to such criteria as may be decided by the Administrator at its own discretion including but not limited to the date of joining of the Employee, performance evaluation, current compensation, criticality or any other criteria, as the Administrator determines.

**RESOLVED FURTHER THAT** the equity shares issued and allotted on exercise of the Stock Option(s) granted under the "ESOP Scheme - 2014" shall rank *pari passu* in all respects, including rights in relation to dividend, with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted pursuant to conversion of the Stock Option(s) granted under the "ESOP Scheme – 2014", on the Stock Exchanges where the shares of the Company are listed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to all or any of the foregoing Resolutions, the Board be and is hereby authorized in its absolute discretion to make and give effect in compliance with Applicable Laws (as defined under the Explanatory Statement attached hereto), to any modification(s), change(s) or revision(s) in the "ESOP Scheme – 2014" or the terms and conditions of the trust deed made for setting up of the employee benefit trust from time to time or to suspend, withdraw or revive the same from time to time, settlement of the trust and execution of the trust deed for the purposes of implementing the "ESOP Scheme – 2014", and to do all such acts, things and deeds whatsoever, including settling any question, doubt or difficulty that may arise in relation to the setting up of the employee benefit trust or the said "ESOP Scheme - 2014" or with regard to or in connection with the offer, subscription, issue, allotment or payment of any equity shares arising out of conversion of Stock Options granted under the "ESOP Scheme - 2014" or setting up of the said employee benefit trust as the Board may consider necessary, expedient or proper without being required to seek further consent or approval of members or otherwise, to the end and intent that the members shall be deemed to have given the approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them in accordance with the ESOS Guidelines for the aforesaid purpose."

**10. To extend the benefits of “ESOP Scheme - 2014” to the Employees of the Company’s Subsidiaries or holding company**

To consider and if deemed fit, to pass, with or without modification(s), the following as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“ESOS Guidelines”), including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required from appropriate bodies and authorities and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as “the Board” which term shall include any duly constituted Committee/s thereof including Compensation and Benefits Committee of directors), consent of the Company be and is hereby accorded to the Board to extend the benefits of the “ESOP Scheme - 2014” proposed in the Resolution under Item No.9 of this Notice to or for the benefit of the Employees of the Company’s Subsidiaries (as defined under the Explanatory Statement attached hereto) or a holding company, whether in India or outside India and whether they are shareholders of the Company or not, as may from time to time be allowed under prevailing laws, rules and regulations and/or amendments thereto from time to time, either directly or through an employee benefit trust formed for this purpose as determined by the Administrator under “ESOP Scheme - 2014” on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to all or any of the foregoing Resolutions, the Board be and is hereby authorized in its absolute discretion to make and give effect to any modification(s), change(s) or revision(s) in the terms and conditions of the trust deed made for setting up of the employee benefit trust or the “ESOP Scheme - 2014” from time to time or to suspend, withdraw or revive the same from time to time, and to do all such acts, things and deeds whatsoever, including settling any question, doubt or difficulty that may arise in relation to the said “ESOP Scheme - 2014” or setting up of the employee benefit trust or with regard to or in connection with the offer, subscription, issue, allotment or payment of any equity shares arising out of conversion of Stock Options granted under the “ESOP Scheme - 2014” or setting up of the said employee benefit trust as the Board may consider necessary, expedient or proper without being required to seek further consent or approval of members or otherwise, to the end and intent that the members shall be deemed to have given the approval thereto expressly by the authority of the above resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred to any Committee of Directors as may be formed by them in accordance with the ESOS Guidelines for the aforesaid purpose.”

**11. Appointment of Joshi, Apte & Associates, Cost Accountants as Cost Auditor**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Joshi, Apte & Associates, Cost Accountants (Firm Registration Number 00240) being the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 and the Board of Directors be and is hereby authorised to fix such remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors”.

By Order of the Board  
For **DB Realty Limited**

**(S.A.K Narayanan)**  
Company Secretary

August 9, 2014

Registered Office:  
DB House  
Gen A.K.Vaidya Marg  
Goregaon (E), Mumbai- 400063  
CIN: L70200MH2007PLC166818  
Tel No: 91-22-40778600  
FAX No: 91-22-2841 5550/ 28421687  
E Mail: [info@dbg.co.in](mailto:info@dbg.co.in)  
Web Site: [www.dbrealty.co.in](http://www.dbrealty.co.in)

## DB REALTY LIMITED

(ANNUAL REPORT 2013 - 14)

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts relating to the business stated under Item Nos. 5 to 11 is annexed hereto
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Brief resume of Directors seeking appointment/ re- appointment, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and membership/chairmanship of Board committees, shareholdings and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report.
4. In case of joint holders attending the meeting, only joint holder who is higher in the order of names will be entitled to vote.
5. Corporate members intending to send authorized representatives to attend the Meeting are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
6. Members desirous of having any information regarding Accounts are requested to address their queries to the Company at least seven days before the date of the Meeting.
7. As per the provision of the Companies Act, 2013, facility for making nomination is available to the members in respect of the shares held by them. Nomination form can be obtained from the Company's Registrar and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination form from their respective Depository Participant.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2014 to 27<sup>th</sup> September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
9. All the Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Office at DB House ,Gen A.K. Vaidya Marg, Goregaon (E), Mumbai - 400063 on all working days of the Company between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
10. Members/Proxies are requested to bring the attendance slip duly filled in.
11. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
12. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialized format and whose E Mail IDs are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with the Company's Registrar and Transfer Agent
13. To support the 'Green Initiative', the Members who have not registered their E Mail addresses are requested to register the same with Depositories.
14. Trading in the Company's shares through stock exchanges is permitted only in dematerialized/electronic form. The equity shares of the Company have been inducted in both NSDL as well as CDSL to enable shareholders to hold and trade the shares in dematerialized/electronic form. In view of the numerous advantages offered by the depository system, Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.
15. Pursuant to the Initial Public offering of Equity shares, the Company had, in respect of certain shares allotted therein, in view of mismatch in particulars of those allottees, parked the same in a demat suspense account. The details of the unclaimed shares outstanding in the suspense account are as under:

Particulars	No of Shareholders	No of Shares
Outstanding Shares as on 1 <sup>st</sup> April, 2013	9	686
Investors who have approached the Company / Registrar and Share Transfer Agent for transfer of shares to their demat account	0	0
Investors to whom shares were transferred from the unclaimed account	0	0
Outstanding Shares in the unclaimed Suspense account as on 31 <sup>st</sup> March, 2014	9	686

#### 16. Details of unclaimed Refunds:

Post Initial Public Offer (IPO) in February, 2010, the Company transferred a sum of Rs.553.05 crores to the refund account, excluding the ASBA amounts unblocked. Refunds were made through ECS / direct credit /RTGS / issue of physical warrants. The Registrar and Transfer Agents had sent reminders to the shareholders / investors to furnish the correct bank account details to enable the refund of the unclaimed share application amount. The balance in the Refund account, as on 31<sup>st</sup> March, 2014 was Rs. 6,132/-, The details are as under:

Particulars	No of unrealized refund orders	Amount (Rs.)
Outstanding Physical Warrants as on 1 <sup>st</sup> April, 2013	10	6,132
Investors who have approached the Company / Registrar and Share Transfer Agent for refunds	-	-
Investors to whom refunds were made from the unclaimed account	-	-
Outstanding amount in the unclaimed Refund account as on 31 <sup>st</sup> March, 2014	10	6,132

#### 17. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote by electronic means and the business may be transacted through E-voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:

- Open email and open PDF file viz; "D B Realty Limited e- voting pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL in the address bar: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- Click on Shareholder – Login
- Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of e-voting opens. Click on "e-Voting" icon and select "Active Voting Cycles"
- Select "EVEN" of D B Realty Limited.
- Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed
- Once you have voted on the resolution, you will not be allowed to modify your vote

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 : [vickyscrutinizer@gmail.com](mailto:vickyscrutinizer@gmail.com). with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and investors @[dbg.co.in](mailto:dbg.co.in)

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.



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- II 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.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Telephone No:022-24994600
- III If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- IV 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).
- V The e-voting period commences on 22<sup>nd</sup> September, 2014 (9:30 am IST) and ends on 24<sup>th</sup> September, 2014 (5.30 p.m IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22<sup>nd</sup> August, 2014 and as per the Register of Members of the Company.
- VII Mr. Vicky Kundaliya, Practicing Company Secretary (Membership No. 20501) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dbg.co.in](http://www.dbg.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the Eighth AGM of the Company on 27<sup>th</sup> September, 2014 and communicated to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

### **EXPLANATORY STATEMENT**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013("Act"), sets out all material facts relating to the business mentioned under Item Nos. 5 to 11 of the accompanying Notice dated 09<sup>th</sup> August, 2014.

#### **Item No.5**

Mr. Mahesh Gandhi is a Non-Executive Independent Director under Clause 49 of the Listing Agreement of the Company. He joined the Board of Directors of the Company in April, 2007. He is the Chairman of the Audit Committee & Remuneration Committee and a member of Finance and Investment Committee of the Board of Directors of the Company.

He holds a Bachelors degree in Science from University of Gujarat, a Master degree in Financial Management from Jamnalal Bajaj Institute of Management Studies , Mumbai, Masters degree in Law in the area of International Law and Tax Practice from University of Gujarat and Diploma in Journalism.

His area of specialization includes 32 years of experience in asset management, investment banking and corporate finance. He was involved in the launching of Millenium Capital Management Private Limited in 1998, which provides consultancy and advisory services. He has also been the Chief Executive Officer of Jardine Fleming Asset Management Fund and Chief Executive Officer of Unit Trust of India's Investment Advisory Services from 1995 until 1996. He has also served General Insurance Corporation of India.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Mahesh Gandhi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Mahesh Gandhi fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Gandhi being eligible and is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26th September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Mahesh Gandhi as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gandhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gandhi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5, relating to his appointment. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No.6**

Mr. Nasir M Rafique is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17<sup>th</sup> May, 2011.

Mr. Rafique has completed Engineering from IIT, Kanpur / AMU and Hotel Management from IHM, PUSA, New Delhi. He has been a Freelance Consultant for the last 7 years and prior to that has worked as Advisor to Dadabhai Group, Baharin (1998-2005), and as Principal of IHMA (1974-1998).

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Nasir M Rafique has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Rafique fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Rafique being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26<sup>th</sup> September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Rafique as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rafique as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rafique as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rafique, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No.7**

Mr. Jagat Killawala is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17<sup>th</sup> May, 2011. He is the member of Finance and Investment Committee, Remuneration Committee and Share Transfer Committee and Shareholders/ Investors Grievances Committee of the Board of Directors of the Company.

He is an industrialist and has been engaged in the business of manufacture of electrical switches, step lights for theatre applications and LED Products for lighting applications. He has been a premium distributor for Vimar Spa of Italy, for modular switches and accessories, Ilti Luce, Italy and Advance Fibre Optics for Fiber Optic Lighting etc for Mundocolr Spain for Theatre Lighting. He has been a Government Contractor & Railway Contractor in Signal & Telecom Dept.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Killawala has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Killawala fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Killawala being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26<sup>th</sup> September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Killawala as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Killawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Killawala as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Killawala being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

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### **Item No.8**

Mr. Janak Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17<sup>th</sup> May, 2011. He is the chairman and member of Share Transfer Committee & Shareholders/ Investors Grievances Committee and member of Audit Committee & Remuneration Committee of the Board of Directors of the Company.

He holds Bachelor of Business Administration degree in Finance and Management and Master of Business Administration degree with Major in Capital Market from University of Houston, Texas, USA.

He has worked as Senior Associate in Bank of New York Mellon Corp and as Portfolio Manager in Cougar Investment Fund in USA and in India, with Infoline and Edelweiss Capital Ltd in Real Estate Vertical.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Desai has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In opinion of the Board, Mr. Desai fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. Mr. Desai being eligible, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 26<sup>th</sup> September, 2019.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In compliance with the provisions of Section 149 of the Act, the appointment of Mr. Desai as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Desai as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Desai as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

### **Item No. 9**

For attracting and retaining the best talent and thereby arrest the attrition, which is essential for the sustained growth of the Company, it is proposed by the Board of Directors of the Company to reward the contribution made by the Employees (as defined herein) by grant of stock options convertible into equity shares of the Company.

In order to grant such options to Employees, your Board of Directors has approved the institution of a new ESOP Scheme called "ESOP Scheme - 2014". A copy of the draft "ESOP Scheme – 2014" is available for inspection at the registered office of the Company during 11.00 a.m. to 3.00 p.m. on any working day of the Company upto the date Annual General Meeting.

The "ESOP Scheme - 2014" shall be subject to and in conformity with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"). The Compensation and Benefits Committee of Directors of the Company has been empowered to formulate details of the scheme, administer and supervise the "ESOP Scheme -2014" of the Company.

Definitions:

**"Administrator"** means the Board or the Compensation and Benefits Committee appointed by the Board or such other committee to whom the power may be delegated under Applicable Laws from time to time;

**"Applicable Laws"** means the legal requirements relating to stock options plans, including, without limitation, tax, corporate laws of India or of any stock exchange in which the shares are/may be listed or quoted;

**"Compensation and Benefits Committee"** means the Compensation and Benefits Committee appointed by the Board of Directors of the Company, the majority of which shall comprise of independent directors;

**"Director"** means a member of the Board of Directors of the Company and/or its Subsidiaries, whether whole time or not;

**"Employee"** means a permanent employee or a Director of the Company or Subsidiary or a holding company, working in India or out of India or such other persons as may be permitted to be granted options, from time to time as per Applicable Laws. An Employee shall continue to be an employee during the period of (i) any leave of absence approved by the Company (or its Subsidiary or holding company), or (ii) transfers between locations of the Company or between the Company, its holding company, any Subsidiary, or any successor;

**"Subsidiary"** means a subsidiary of the Company, whether now or hereafter existing as defined under Section 2(87) of the Companies Act, 2013.

Under the "ESOP Scheme - 2014", a maximum of 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, being approximately 4.97% of the present paid up Equity Share Capital, are proposed to be earmarked with respect to which the Stock Option(s) may be granted to the Employees. Such equity shares may be offered directly by the Company to the



Employees or may be offered through an employee benefit trust to be set up for such purpose on such terms and conditions as set out in the “ESOP Scheme 2014” and as determined by the Administrator in accordance with Applicable Laws .

The introduction of the “ESOP Scheme - 2014”, under the ESOS Guidelines requires the approval of the members at a General Meeting by way of a Special Resolution. Further, in terms of Section 62 of the Companies Act, 2013, the issue of further shares by a public limited company to persons other than the existing members requires the approval of the members by way of a Special Resolution at a General Meeting of the Company. Hence, the resolution is proposed for members’ approval as a Special Resolution.

Based on whether the stock options are granted directly or through an employee benefit trust, these guidelines may be suitably modified for implementation of the “ESOP Scheme - 2014”. The salient features of “ESOP Scheme - 2014”, and information required to be disclosed as per Clause 6.2 of the ESOS Guidelines are as follows:

- a. The maximum number of Stock Options to be granted are 1,21,00,000(One Crore Twenty One Lakhs), which on exercise would result into 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs. 10/- each of the Company, or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganization of the capital structure of the Company as may be applicable from time to time. The maximum number of options to be issued per Employee shall be as per the ESOS Guidelines.
- b. Employees will be entitled to participate in the “ESOP Scheme – 2014” as per the eligibility criteria determined by the Administrator. A person who is the promoter or belongs to the promoter group and a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and an Independent Director shall not be eligible to participate in the “ESOP Scheme-2014”.
- c. The vesting period of an Option may vary from 12 months to 60 months from the date of grant. The Options shall have to be exercised within a maximum period of 36 months from the vesting of the Options, provided the Employee is in continuous employment of the Company or its Subsidiary or its holding company, and not serving under notice of resignation/termination period of the Company on the date of vesting of the options. Subject to the minimum and maximum vesting period of an Option, the Administrator will decide upon the vesting period in respect of any optionee or a category of optionees.

The number of Options to be vested to the Employees is subject to such criteria as may be decided by the Administrator at its own discretion including but not limited to the date of joining of the Employee, performance evaluation, current compensation, criticality or any other criteria, as the Administrator determines.

It may, therefore, be possible that all the Options granted may not vest in the option-holder. The Compensation and Benefits Committee of Directors of the Company shall be empowered to decide the parameters and quantity of the vesting in respect of each Employee.

- d. The exercise price of Options shall be a price, as may be determined by the Administrator, which shall be lesser of (i) equivalent to or discounted upto 50% of the Average Market price or (ii) Rs. 80 per share. In the event that the shares to be allotted to the optionees on exercise of the Options as per the “ESOP Scheme-2014” are issued and allotted to the employee benefit trust so set up, then such shares will be issued and allotted to such employee benefit trust, in one or more tranches, taking in to consideration the vesting schedule of the Options so granted, either at par, or equivalent to or discounted upto 50% of the Average Market price or at Rs. 80/- per share, as may be determined between the Board and the Administrator.

The Average Market Prices for this purpose would mean the average of the closing price of the equity shares of the Company on the Stock Exchange, where there was highest trading volume during two weeks period prior to the date of the Administrator at which the Plan Series under the Scheme is approved.

- e. The maximum exercise period would be 36 months from the vesting of Options. At the time of exercise, option-holder will communicate to the Company the number of Options to be exercised by him/her and also pay the exercise price of the Options so exercised. An option-holder may exercise in part or in full the vested options.
- f. The appraisal process for determining the vesting eligibility of Employees shall be in accordance with the guidelines framed by the Administrator from time to time.
- g. The Company hereby declares that it shall conform to the accounting policies specified in Clause 13.1 of the ESOS Guidelines from time to time.
- h. The Company shall use the ‘Intrinsic Value Method’ to value the options.
- i. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors’ Report, along with the impact of this difference on profits and on EPS of the Company.
- j. The Company reserves the right to re-issue any Options surrendered/forfeited on cessation of employment due to retirement or resignation or other cause, to other eligible Employees.
- k. The Employee will not sell, transfer, pledge or create any encumbrance on the shares issued to them under the terms of the “ESOP Scheme – 2014” upon exercise of the options granted for such period as may be determined by the Administrator or as may be prescribed under Applicable Laws, whichever is longer and will be subject to such other restrictions as may be

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contained in the "ESOP Scheme – 2014" or as prescribed by the Administrator from time to time.

- l. In the event of any bonus/rights issue of equity shares, the entitlement of equity shares will be suitably revised.
- m. In the event, there is dilution of equity pursuant to any corporate restructuring/merger/acquisition, the Compensation and Benefits Committee of Directors of the Company shall be empowered to make pro-rata adjustment in the entitlement of Options.
- n. The option-holder shall not be construed as a member of the Company and as such shall not be entitled to any rights and privileges applicable to the members of the Company, until conversion of Options into equity shares as provided herein and the option holder becomes a shareholder of the Company.
- o. The equity shares issued to the option-holder upon conversion of Options shall be subject to the Memorandum and Articles of Association of the Company.

The Board recommends the resolution to the members for their approval as a Special Resolution.

None of the Directors / KMPs of the Company is in any way concerned or interested in the resolution, except to the extent of the options / equity shares that may be offered to them under the "ESOP Scheme - 2014".

### **Item No. 10**

Clause 6.3 (a) of the ESOS Guidelines of SEBI requires a separate resolution to be passed for granting of Stock Options to the Employees of the Subsidiary/ies or holding company of the Company. To extend the benefits of "ESOP Scheme - 2014" to the Employees of the Company's Subsidiaries or holding company, this resolution is proposed.

The Board commends the resolution to the members for their approval as a Special Resolution.

None of the Directors/ KMPs of the Company is in any way concerned or interested in the resolution, except to the extent of the options / equity shares that may be offered to them under the "ESOP Scheme - 2014".

### **Item No.11**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, upon recommendation of Audit Committee, is required to appoint an individual who is a Cost Accountant in practice or a firm of cost accountants in practice as cost auditor. The remuneration of the cost auditor is required to be recommended by Audit Committee, approved by the Board of Directors and ratified by the members.

On recommendation of Audit Committee at its meeting held on 09<sup>th</sup> August, 2014, the Board has considered and approved appointment of M/s. Joshi, Apte and Associates (FRN 00240), for the conduct of the audit of the Company's cost records at a remuneration along with service tax, and out of pocket expenses as may be recommended / determined by the Audit Committee / Board of Directors in consultation with the Auditors.

The Resolution at item no. 11 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of section 148 of the Companies Act, 2013.

None of the Promoters, Directors, Key Managerial Personnel of the Company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

By Order of the Board  
For **D B Realty Limited**

(**S.A.K.Narayanan**)  
Company Secretary

August 9, 2014

Registered Office:  
DB House  
Gen A.K.Vaidya Marg  
Goregaon (E), Mumbai- 400063