

April 16, 2014

**Nitesh<sup>®</sup>**  
**ESTATES**

**EXPECT MORE**

To

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

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,

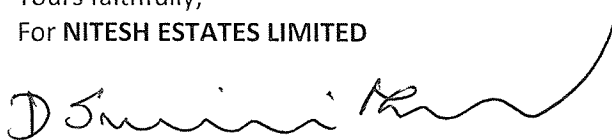
Sub: Dispatch of Postal Ballot notice

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 following business and the postal ballot notice along with postal ballot form has been dispatched to all the shareholders by registered post on April 16, 2014 i.e. today

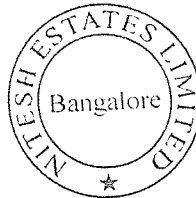
A copy of postal ballot notice is enclosed with this letter and the hard copies have been couriered to your good office separately.

Request you to take it 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, 7<sup>TH</sup> FLOOR NO.8 M.G. ROAD, BANGALORE 560 001

Ph: +91-80-4017 4000 Fax: +91-80-2555 0825 Web: [www.nithestates.com](http://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 by the Ministry of Corporate Affairs, Central Government ("Rules") that the Resolutions appended below are proposed to be passed by way of special/ordinary 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 a Postal Ballot Notice (the "Notice") seeking the Member's assent or dissent to the proposed resolutions.

#### Item No 1: To consider and approve for making further investment 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 reenactment 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. 40 Crore over and above Rs.160 Crore already approved, that is to say, up to Rs 200 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 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 2: To approve for re-appointment and the remuneration payable to Mr. L S Vaidyanathan, as Whole-time Director designated as Executive Director – Business Development 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"), read with Schedule V to the Act and subject to the previous approval of the Central Government, as may be required, approval be and is hereby accorded to the re-appointment of Mr. L S Vaidyanathan as a Whole-time Director of the Company for a period of three years, with effect from 1<sup>st</sup> April 2014.

RESOLVED FURTHER THAT subject to the provisions of Sections 196, 197 read with Schedule V of the Companies Act, 2013, Mr. L S Vaidyanathan 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. L S Vaidyanathan with the authority to the Board of Directors ("the Board" which shall be deemed to include any Committee of the Board) to alter or vary the terms and conditions of his re-appointment as may be agreed between the Board and Mr. L S Vaidyanathan 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. L S Vaidyanathan 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. L S Vaidyanathan 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 are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give full effect to this resolution and to accept any modification/conditions that may be prescribed by the Central Government while according its approval, if any"

#### Item No 3: To approve for making contribution to bona fide charitable and other funds in excess of the limit laid down in Section 181 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any under the Companies Act, 2013 read with the Rules made there under from time to time by the Central Government, consent of the Company be and is hereby accorded to the Board of directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, institutions, trust, organization, not directly relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, up to an amount not exceeding Rs. 25,00,000/- (Rupees Twenty Lakh Only) in a financial year notwithstanding the fact that said amount may exceed five per cent of the Company's average net profits as determined under the Companies Act, 1956 or/and the Companies Act, 2013 so far as applicable for the three immediately preceding financial years to the relevant financial Year

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 resolution."

#### Item No 4: To approve for providing Project Nitesh Key Biscayne as an additional security under Section 186 of the Companies Act, 2013 in favour of HDFC Limited for the loan facility sanctioned to Nitesh Housing Developers Private Ltd, Subsidiary Company

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 thereunder from time to time by the Ministry of Corporate Affairs and such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent is accorded to the Company to provide the project Nitesh Key Biscayne admeasuring 12 Acres of land situated at Sy. No. 49/1, 50/1, 50/3, Chikkasane Village, Kasaba Hobli, Devanahalli Taluk, Bangalore as an additional security in connection with loan made to M/s Nitesh Housing Developers Private Limited, Subsidiary Company for securing a loan facility up to and not exceeding Rs 60 Crore (Rupees Sixty Crore Only) sanctioned by HDFC Limited together with the interest, charges payable thereon, notwithstanding that the present limit of giving guarantee or security so approved in connection with the loan as aforesaid, may exceed the limits as 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."

#### Registered Office:

Nitesh Timesquare, 7<sup>th</sup> Floor  
No 8 M.G. Road, Bangalore 560001  
Dated : April 4, 2014

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

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](http://www.nithestates.com) which will remain till the last date of receipt of the postal ballots from the members.
3. The Company has appointed Mr. S Kedarnath, Practicing Company Secretary (C.P. No. 4422), 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 the all the members whose names appear in the Register of Members / list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on April 4, 2014.
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 **Thursday, May 15, 2014** 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 Managing Director or any other Executive Director as authorised by the Board on **Monday, May 19, 2014 at 5.00 p.m.** at the Registered Office of the Company.
7. The Result of the Postal Ballot will be posted on the Company's website [www.niteshestates.com](http://www.niteshestates.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:**

Nitish 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 I Limited (Investor). As per the Shareholder Agreement, the Investor and the Company hold 74:26 in the equity of NRHPL.

The Company has so far invested around Rs.160 Crore in NRHPL. In view of additional works allocated in respect of Roof-Top bar, Patisseries, SPA etc. in the Hotel, there is requirement of additional Rs 40 Crore investment in the equity.

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 Nitish Shetty**

Particulars	Nitish Estates Ltd	Nitish Residency Hotels Pvt. Ltd.
Designation	Chairman & Managing Director	Managing Director
No. of shares held	4,29,33,685	1,61,93,209
Paid-Up Shares	14,58,32,100	48,38,93,483
% Equity	29.44%	3.35%

Except Mr Nitish Shetty, Chairman and Managing Director of the Company interested as stated above, none of the Directors is concerned/ interested directly or indirectly in the Item No 1 of the Notice.

Documents in respect of the proposed investment 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.

**Item No 2:**

Mr. L S Vaidyanathan, Whole-time Director designated as Executive Director-Business Development was appointed for a period of three years from April 1, 2011 to March 31, 2014 with the remuneration of - Basic salary of Rs 75 Lakhs per annum & Performance linked pay not exceeding Rs 42 Lakhs per annum was approved by the shareholders at their Annual general meeting held on September 28, 2011

The Central Government accorded their approval for the appointment of Mr. L S Vaidyanathan for three years from April 1, 2011 to March 31, 2014 and for payment of total Remuneration of Rs. 1,17,09,360/- vide their letter SRNo. B16845240/ 2 / 2011- CL-VII dated December 13, 2011.

In view of the aforesaid approval expiring on March 31, 2014, it is proposed to consider appointment of Mr. L S Vaidyanathan as Whole-time Director for a period of three years with effective April 1<sup>st</sup>, 2014. The remuneration for Mr. L S Vaidyanathan as Whole-time Director has been approved by the Board and the Nomination and Remuneration Committee at their meetings held on February 12, 2014.

The re-appointment of Mr. L S Vaidyanathan and the remuneration payable to him are subject to the consent of the shareholders in general meeting 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. L S Vaidyanathan are set out below:-

- Basic salary of Rs. 95,85,000 (Rupees Ninety Five Lakh Eighty Five Thousand Only) per annum.
- Performance linked pay not exceeding Rs 32,85,000 (Rupees Thirty Two Lakh Eighty Five Thousand Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year
- Use of telephone(s) in Mr. Vaidyanathan'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;
- 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;
- Reimbursement of medical expenses reasonably incurred by Mr. Vaidyanathan and his family and approved by the Chairman and/or the Board;
- Reimbursement of entertainment expenses reasonably incurred by Mr. Vaidyanathan wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board;
- Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.
- 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. Vaidyanathan's salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time;
- Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;
- He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and
- Two club membership, the annual fee will be payable by the Company.

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

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

In the event of any loss or inadequacy of profit in any of the financial year during the revised tenure of Mr. L S Vaidyanathan as Whole-time Director, the remuneration (including perquisites) as set out in the aforesaid draft Agreement be paid to him as minimum remuneration.

The approval of the Members is being sought for Mr. L S Vaidyanathan 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 consent under the Postal Ballot rules.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. L S Vaidyanathan are commensurate with his duties and responsibilities as a Whole-time Director designated as Executive Director – Business Development. Therefore it is recommended to consider the resolution set out at Item No. 2 of the Notice for your approval.

Mr L S Vaidyanathan hold 1,39,501 equity shares representing 0.09% of total equity share capital of the Company. He is also serving as Managing Director of Nitish Housing Developers Private Limited ('NHDPL'), a 89.90% Subsidiary of the Company w.e.f August 20, 2013 without any remuneration payable to him. By virtue of shareholding, directorship of and remuneration to Mr L S Vaidyanathan, he is interested in the Item No 2 of the Notice. Except him, none of the Director is concerned/ interested directly or indirectly.

The statement as per Section II (iv) of Part II of Schedule V to the Companies Act, 2013 for appointment of Mr. L S Vaidyanathan 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.

The Memorandum of Abstract of notice under Section 302 of the Companies Act 1956 was circulated to all the members on March 1, 2014

**ANNEXURE I**

**STATEMENT OF INFORMATION PROVIDED IN TERMS OF THE SECTION II (IV) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

**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 : 20 <sup>th</sup> 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>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14*</b>
	Paid Up Capital	145.83	145.83	145.83	145.83
	Reserves & Surplus	318.15	313.36	280.98	290.00
	Turnover	108.39	79.15	49.43	139.53
	Profit/(Loss) Before Tax	2.89	(7.13)	(32.38)	17.98
	Profit/(Loss) After Tax	3.76	(4.56)	(32.38)	12.43
	<b>* Current year figures subject to audit</b>				
Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export				



Foreign Investment or Collaboration Amount in Rs Cr.	FDI 2006-07 : 32.85 Cr. 2007-08 : 3.65 Cr. Total 36.50 Cr. During the IPO in April 2010 total amount in foreign currency collected from FII /QIB Rs. 208.86 Cr., towards Equity and Share Premium.
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## II. Information about the appointee:

(1) Background details	<p>Mr. L S Vaidyanathan holds a Bachelor of science degree from Madras University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. Before joining the Company in the year 2005 Mr. Vaidyanathan was a Practising Chartered Accountant. Mr. Vaidyanathan has over 28 years of experience in auditing, consulting, and in real estate industry. He was also a partner in Janardhan &amp; Associates, K S Sanghavi &amp; Company, Chartered Accountants, Bangalore.</p> <p>Mr Vaidyanathan has been associated with the real estate industry for the last 25 years. As a Director of the Company, Mr Vaidyanathan is responsible for all strategic matters relating to business including business development, transaction strategy, Resources mobilisation and Direct Taxation.</p>												
(2) Past 3 (Three) Financial years remuneration	<p>For Financial Year 2010-11 - Rs 72,00,000 – as approved by the Central Government</p> <p>For Financial Year 2011-12 – Rs. 1,17,09,360 - as approved by Central Government vide SRN No. B16845240/ 2 / 2011- CL-VII dated Dec 13, 2011</p> <p>For Financial Year 2012- 13 – Rs. 1,10,00,000 - was paid to him within the Central Govt. approved limit of Rs 1,17,09,360.</p>												
(3) Recognition or awards	NA												
(4) Job profile and his suitability	<p>Mr. L.S. Vaidyanathan is holding the position of Whole-time Director designated as Executive Director – Business Development. He is responsible for Business Development, identification of new projects and acquisition of land / land rights through Joint Development / JV as the case may be.</p> <p>As a qualified Chartered Accountant Mr. L. S. Vaidyanathan is adept in financial dealings and is capable of evaluating the potential opportunities and assessing the risk in the business. His 24 years of previous experience as Practicing Chartered Accountant his exposure to various Real Estate firms / business is an asset to the Company. He is an acknowledged leader in the Real Estate market.</p>												
(5) Remuneration proposed	<p><b>Proposal:</b></p> <p>(i) Basic salary of Rs. 95,85,000 (Rupees Ninety Five Lakh Eighty Five Thousand Only) per annum.</p> <p>(ii) Performance linked pay not exceeding Rs 32,85,000 (Rupees Thirty Two Lakh Eighty Five Thousand 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. Vaidyanathan’s residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company;</p> <p>(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;</p> <p>(v) Reimbursement of medical expenses reasonably incurred by Mr. Vaidyanathan and his family and approved by the Chairman and/or the Board;</p> <p>(vi) Reimbursement of entertainment expenses reasonably incurred by Mr. Vaidyanathan 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. Vaidyanathan’s salary as laid down in the Income-tax Rules, 1962 in force for the time being and 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. Vaidyanathan’s spouse and dependent children.</p> <p>Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Vaidyanathan.</p> <p>Save as aforesaid, Mr. Vaidyanathan shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect of his employment with the Company as a whole-time Director designated as Executive Director – Business Development.</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. L.S. Vaidyanathan, being a Chartered Accountant with experience over 28 years will receive a higher remuneration in any sector. With his 24 years of experience in this Real Estate Business the proposed remuneration is much lower compared to other in similar Board level position.</p> <table><tr><th>Name of the employee and Employer</th><th>Position, Qualification, Exp</th><th>Remuneration as disclosed in Sec 217 (2A) for F.Yr 2012-13</th></tr><tr><td>Mr.Ashish Puravankara Puravankara Projects Ltd</td><td>Whole time Director, MBA, 13 yrs</td><td>Rs. 1,25,20,000</td></tr><tr><td>Mr. Irfan Razack Prestige Estates Projects Limited</td><td>Managing Director B.Com 39 Yrs</td><td>Rs. 7,40,00,000</td></tr><tr><td>Mr. J.C. Sharma Sobha Developers Ltd</td><td>Managing Director, B.Com,ACA,ACS, 29 Yrs</td><td>Rs. 4,83,17,221</td></tr></table>	Name of the employee and Employer	Position, Qualification, Exp	Remuneration as disclosed in Sec 217 (2A) for F.Yr 2012-13	Mr.Ashish Puravankara Puravankara Projects Ltd	Whole time Director, MBA, 13 yrs	Rs. 1,25,20,000	Mr. Irfan Razack Prestige Estates Projects Limited	Managing Director B.Com 39 Yrs	Rs. 7,40,00,000	Mr. J.C. Sharma Sobha Developers Ltd	Managing Director, B.Com,ACA,ACS, 29 Yrs	Rs. 4,83,17,221
Name of the employee and Employer	Position, Qualification, Exp	Remuneration as disclosed in Sec 217 (2A) for F.Yr 2012-13											
Mr.Ashish Puravankara Puravankara Projects Ltd	Whole time Director, MBA, 13 yrs	Rs. 1,25,20,000											
Mr. Irfan Razack Prestige Estates Projects Limited	Managing Director B.Com 39 Yrs	Rs. 7,40,00,000											
Mr. J.C. Sharma Sobha Developers Ltd	Managing Director, B.Com,ACA,ACS, 29 Yrs	Rs. 4,83,17,221											
(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship direct or indirect with the Company and Mr. L.S. Vaidyanathan is not related to any Director of the Company.												

## III. Other information:

(1) Reasons of loss or inadequate profits	<p>The Company has achieved a lower Turnover during the last Financial Year 2013 compared to the preceding Fiscal Year 2012, on a standalone basis, mainly due to reduction in Contractual Receipts coupled with stagnation in the Income from Property Development, which remained at same level during the year. The Contractual Income has declined, as the Hotel Project has reached a completion stage during the Year, resulting in lower billing compared to the preceding year. Similarly the Properties which are under Development in the preceding year have reached a completion stage during the year, impacting the billing in comparison to the previous year.</p> <p>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 a result the Total Income for the year FY13 was lower compared to FY12.</p> <p>The Operating Margin was significantly lower consequent upon decline in the Total Income, however the fixed costs were fully charged off as per the Accounting norms, resulting in net Loss during the Financial Year 2012-13.</p> <p>The Company, however, achieved a positive Cash Flow, due to improved Cash Inflows from the Projects on account of higher Sales from the new Projects and thereby increase in Collections from the Customers.</p> <p>The Revenue and Profitability has significantly gone up during the current Fiscal Year 2013-14. The Turnover achieved in the first six months ending 30th September 2013 amounting to Rs. 69.37 Crore has exceeded the full year Turnover of Rs. 49.43 Crore in the previous year FY2012-13. The Company has also achieved Profit for the half year amounting to Rs. 9.30 Crore compared to net Loss of Rs. 32.38 Crore in the previous year</p>
(2) Steps taken or proposed to be taken for improvement:	<p><b>The Company's Ongoing projects</b></p> <p>13 residential projects at various stages of construction, with a developable area of 9.66 mn sq. ft</p> <p><b>Upcoming Projects</b></p>



	Over 90 acres of land available for future projects (9.12 mn sq. ft. of developable area)		
	Projects to be spread across various asset classes and geographies		
	The upcoming projects will also have higher realization of revenue and also continued rental income.		
	As per below table, 22 mn sq.ft. area brought under development:		
	<b>Developable Area (mn. sq. ft.)</b>	<b>Completed Projects</b>	<b>Ongoing Projects</b>
	Residential	1.49	9.66
	Commercial	0.24	-
	Retail	-	1.11
	Hospitality	0.50	-
	<b>Sub Total</b>	<b>2.23</b>	<b>10.77</b>
	Upcoming projects	-	-
	<b>Total</b>		<b>22.12</b>
	<b>The table below shows the ongoing and future projects:</b>		
	<b>Ongoing projects</b>	<b>Numbers</b>	<b>Developable area (million sqft)</b>
	Residential	13	9.66
	Shopping Mall	1	1.11
	<b>Total</b>	<b>14</b>	<b>10.77</b>
	<b>Forthcoming Projects</b>	<b>Numbers</b>	<b>Developable area (million sqft)</b>
	Residential	8	6.09
	Commercial/Hospitality	3	3.03
	<b>Total</b>	<b>11</b>	<b>9.12</b>
(3) Expected increase in productivity and profits in measurable terms	The total revenue potential of 13 ongoing residential projects estimated to be Rs. 3305 Cr. As on Sept 2013, the income recognised from ongoing projects stood at Rs. 352.9 Cr and total income unrecognised is Rs 499.2 Cr. The remaining sales potential from ongoing projects by FY 2014 estimated up to Rs. 2377 Cr		
	The Company has strategized to have more of Joint Development in the project, thereby reducing the upfront payout of money. This reduces the borrowings of the Company.		
	The Company has implemented SAP system for efficient planning of material and business activities, which will reduce the cost.		
	There is significant improvement in revenue for FY 2014 as compared to FY 2013 i.e. estimated revenue for FY 2014 is Rs. 184.4 Cr against Rs 88.2 Cr in FY 2013.		
	The Company selectivity looking at opportunities into new geographies such as Goa, Chennai and Kochi to build a balanced project portfolio for a sustainable growth		
	<b>Reduction in interest burden</b> - The Company to reduce the overall consolidated interest cost, has been continuously monitoring the borrowings and effectively swapping the same with lower interest loans, so that the interest cost could be reduced.		
	<b>Land Parcels and Plotted development</b> - The Company has augmented the land parcels procurement under JD model thereby reducing the capital fund deployment.		
	The Company has launched a plotted development in Bangalore, which was well received by the customers. This directly improves the turnover and profitability of the company on stand-alone basis.		
	<b>Projected financials for next three years:</b>		
	<b>(Amount in Rs. Cr)</b>		
	<b>Fin Year</b>	<b>March 2014</b>	<b>March 2015</b>
	<b>Turn over</b>	139.53	1 86.67
	<b>PBT</b>	17.98	27.56
	<b>PAT</b>	12.43	19.04

**Item No 3:**

In the normal course of business, the Company will be making contributions to the funds of certain bonafide and charitable trusts. Pursuant to provisions of Section 181 of the Companies Act, 2013, the company may contribute to bona fide charitable trusts however shall obtain prior permission of the shareholders for such contribution in case the aggregate of such contributions in any financial year exceed 5% per cent of average net profits of the Company for 3 immediately preceding financial years.

Board at their meeting held on February 12, 2014 has approved the proposal of making contributions subject to approval of shareholders by way of ordinary resolution permitting to contribute to bonafide and charitable funds for an amount not exceeding Rs 25 Lakh in a financial year.

None of the Directors of the Company is concerned/ interested directly or indirectly in this item.

**Item No 4:**

Nitesh Housing Developers Private Limited (NHDPL), a subsidiary has been sanctioned a loan facility of Rs 60 Crs from HDFC Limited for funding it projects.

As security for the loan facility, in addition to mortgage of projects of NHDPL, HDFC Ltd has requested for mortgage of NEL’s share in JDA signed for the Project Nitesh Key Biscayne as an additional security

Pursuant to Section 186 of the Companies Act, 2013 and the rules made there under, providing security by the holding company for the loans availed by its subsidiary require unanimous approval of the Board and prior approval of the shareholders of the Company by way of special resolution. .

Nitesh Estates Limited holds 44,94,900 equity shares of Rs. 10 each representing 89.9% of equity share capital and 41,50,000, 9% Non-Cumulative Redeemable Preference shares of Rs. 10 each representing 100% preference shareholding in Nitesh Housing Developers Private Limited

**Disclosure of Interested Persons:**

Particulars	Mr Nitesh Shetty	Mr L S Vaidyanathan	Mr Ashwini Kumar
<b>DESIGNATION</b>			
Nitesh Estates Limited	Chairman & Managing Director	Whole-time Director	Whole-time Director
Nitesh Housing Developers Private Limited	Director	Managing Director	Director
<b>SHAREHOLDING (Number of shares &amp; in %)</b>			
Nitesh Estates Limited	4,29,13,685 – 29.43%	1,39,501 – 0.09%	1,38,818 – 0.09%
Nitesh Housing Developers Private Limited	100 – Nil	NIL	NIL

None of the Directors is concerned/ interested directly or indirectly in this item except as stated above

Documents in respect of the proposed investment 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, 7<sup>th</sup> Floor  
No 8 M.G. Road, Bangalore 560001  
Dated : April 4, 2014

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

D. Srinivasan  
Company Secretary & Chief Compliance Officer