

NITESH ESTATES LIMITED
(CIN: L07010KA2004PLC033412)
Regd. Office: NITESH TIMESQUARE, 7th FLOOR, NO.8, M.G. ROAD, BENGALURU-560 001
Ph: +91-80-4017 4000, Email ID: investor@niteshestates.com; Web: www.niteshestates.com

POSTAL BALLOT NOTICE

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

TO,
THE MEMBERS OF NITESH ESTATES LIMITED

NOTICE IS HEREBY given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 to seek member's approval by way of postal ballot/electronic voting (e-voting) in respect of the resolutions contained as Special Businesses given here under:

Members' consent is requested for the proposals contained in the resolutions appended herein 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 approve the re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any statutory modification or re-enactment thereof, read with Schedule V to the Act and subject to the approval of the Central Government, if so required, approval be and is hereby accorded to the re-appointment of Mr. Nitesh Shetty (DIN:00304555) as Managing Director of the Company **for a period of three years, with effect from 15th December, 2017.**

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

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

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

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

Item No. 2: To approve the re-appointment and the remuneration payable to Mr. Ashwini Kumar (DIN:02034498), as Whole time Director designated as Executive Director & Chief Operating Officer of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof ("the Act"), read with Schedule V to the Act and subject to the approval of the Central Government, if so required, approval be and is hereby accorded to the re-appointment of Mr. Ashwini Kumar (DIN:02034498) as Whole time Director of the Company designated as Executive Director & Chief Operating Officer **for a period of three years, with effect from 19th April, 2018.**

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, if so required.

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

RESOLVED FURTHER THAT subject to the provisions of Section 152 of the Companies Act, 2013, and Article 139 of the Articles of Association of the Company Mr. 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 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 ratify the remuneration payable to the Cost Auditors for the financial years 2016-17 & 2017-18

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 2016-17 and 2017-18 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 the rules made thereunder, be and is hereby ratified."

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

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

22nd September 2017
Bengaluru

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 till the last date fixed for receipt of the postal ballots from the members.
- 3 The Company has appointed Mr. Sudhindra K. S, Practicing Company Secretary (FCS No: 7909, CPNo. 8190), Bengaluru 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 names 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 Friday, the 22nd September, 2017.
- 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, the 26th October, 2017** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member (s).
- 6 Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Managing Director or any other Executive Director as authorised by the Board 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, the **30th October 2017** at the Registered Office of the Company.
- 7 The Results of the Postal Ballot will be posted on the Company's website www.nithestates.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.
- 8 ***The procedure and instructions for the voting through electronic means is, as follows:***

Open your web browser during the voting period and log on to the e-voting website <https://evoting.karvy.com>

Now, fill up the following details in the appropriate boxes:

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

- a) After entering the details appropriately, click on **LOGIN**.
- b) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget

it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- c) You need to login again with the new credentials.
- d) On successful login, the system will prompt you to select the EVENT i.e., NITESH ESTATES
- e) On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner.
- f) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- g) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- h) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to 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: sudhindraksfcs@gmail.com
- i) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- j) **The Portal will remain open for electronic voting from:**
 - Opening : 9.00 A.M. on Wednesday, the 27th September, 2017**
 - Closing : 5.00 p.m. Thursday, the 26th October, 2017 (both days inclusive)**
- k) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Rajendra Prasad, Karvy Computershare Pvt. Ltd. at 040-67161500 or at 1800-345-4001 (toll free).
- l) The results of e-voting will be announced by the Company on its website www.niteshestates.com and the same shall also be informed to the stock exchanges.
- m) **Kindly note that once you have cast your vote you cannot modify.**

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

Item No 1:

Mr. Nitesh Shetty, Chairman & Managing Director was appointed for a period of three years from December 15, 2014 to December 14, 2017 with the remuneration as approved by the Shareholders in the Annual General Meeting held on 26th September, 2014.

The Central Government accorded their approval for the appointment of Mr. Nitesh Shetty for three years from December 15, 2014 to December 14, 2017 and for payment of total Remuneration as mentioned in the below table vide their letter No SRN. C31574452/3/2014 - CL-VII dated 19th May, 2015.

From 15/12/2014 to 14/12/2015	Rs. 1,41,40,000/-
From 15/12/2015 to 31/03/2017	Rs. 1,56,00,000/-
From 01/04/2017 to 14/12/2017	Rs. 1,09,87,097/-

In view of the aforesaid approval expiring on 14th December, 2017, it is proposed to re-appoint Mr. Nitesh Shetty as Managing Director designated as Chairman and Managing Director for a period of three years with effective 15th December, 2017. The re-appointment and the remuneration payable to Mr. Nitesh Shetty as Managing Director has been approved by the Board and the Nomination and Remuneration Committee at their meetings held on 14th September, 2017.

The re-appointment of Mr. Nitesh Shetty and the remuneration payable to him are subject to the consent of the shareholders and of the Central Government, if so required, in view of the inadequacy of profits.

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

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

IX. He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and

X. Two club membership, the annual fee will be payable by the Company.

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

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

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

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

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

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

The Company has outstanding borrowings from Banks and Financial Institutions and has amount outstanding on this account. As per the requirement specified under Section II (ii) Part II of Schedule V of the Companies Act, 2013, the Company has received prior no objections from the secured creditors for the appointment and for the aforesaid remuneration payable to Mr. Nitesh Shetty and no further approval is required on the aforesaid item.

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

Mr. Nitesh Shetty holds 43,029,295 equity shares amounting to 29.56% of total equity share capital of the Company. Mr. Nitesh Shetty is also on the Board of Nitesh Residency Hotels Private Limited for a period 3 years valid till January 2018, on a remuneration of Rs.6,00,000 p.a.

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

I. General Information

1.Nature of industry	Construction, Development of Projects including Real Estate, Housing, Commercial premises, hospitality etc.			
2.Date or expected date of commencement of commercial production	2004 (Date of Incorporation : 20 th February 2004)			
3.In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4.Financial performance based on given indicators	Rs. Cr			
	Details	2014-15	2015-16	2016-17
	Paid Up Capital	145.83	145.83	145.83
	Reserves & Surplus	308.37	286.83	242.18
	Turnover	125.01	87.12	74.31
	Profit/(Loss) Before Tax	24.98	(21.71)	(44.84)
	Profit/(Loss) After Tax	20.23	(21.37)	(44.65)
5.Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export			
6.Foreign Investment or Collaboration (Amount in Rs Cr.)	FDI 2006-07 : 32.85 Cr. 2007-08 : <u>3.65 Cr.</u> Total <u>36.50 Cr.</u> During the IPO in April 2010 total amount in foreign currency collected from FII /QIB Rs. 208.86 Cr., towards Equity and Share Premium.			

II. Information about the appointee

(1) Background details	Mr. Nitesh Shetty is a Promoter Director of the Company. On graduation he ventured into business in Advertising and promoted Nitesh Estates Private Limited in 2004.
(2) Past 3 (Three) Financial years remuneration	For F.Yr 2014-15 – Rs 1,30,87,369– as approved by the Central Government For F.Yr 2015-16 – Rs 1,50,00,000 – as approved by the Central Government. For F.Yr 2016-17 - Rs 1,50,00,000 – as approved by the Central Government
(3) Recognition or awards	NA

(4) Job profile and his suitability	Chairman & Managing Director
(5) Remuneration proposed	<p>Proposal:</p> <p>(i) Basic salary of 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum.</p> <p>(ii) Use of telephone(s) in Mr. Nitesh Shetty's residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company;</p> <p>(iii) A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company;</p> <p>(iv) Reimbursement of medical expenses reasonably incurred by Mr. Nitesh Shetty and his family and approved by the Board;</p> <p>(v) Reimbursement of entertainment expenses reasonably incurred by Mr. Nitesh Shetty wholly and exclusively for the purpose of the business of the Company and approved by the Board;</p> <p>(vi) Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.</p> <p>(vii) Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Nitesh Shetty's salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time;</p> <p>(viii) Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;</p> <p>(ix) He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and</p> <p>(x) Two club membership, the annual fee will be payable by the Company.</p> <p>The expression "family" used in above shall mean Mr. Nitesh Shetty'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. Nitesh Shetty.</p> <p>Save as aforesaid, Mr. Nitesh Shetty shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a Managing Director.</p>

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Name of the employee and Employer	Position, Qualification, Exp	Remuneration as disclosed in Annual Report for F.Y. 2016-17 (Rs.)
	Mr. Ravi PNC Menon Shobha Developers Limited	Chairman & Wholetime Director B.S.C.E 13 years of experience	8,39,64,307
	Mr. M. R Jaishankar Brigade Enterprises	Chairman & Managing Director MBA, 40 years of experience	9,22,19,729
	Mr. Ashish Purvankara Purvankara Limited	Managing Director, MBA, 17 years of experience	2,00,00,000
(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. Nitesh Shetty is not related to any Director of the Company.		

III. Other information:

(1) Reasons of loss or inadequate profits	<p>a. The Company has achieved a lower Turnover during the last Financial Year 2017 compared to the preceding Fiscal Year 2016, on a standalone basis, mainly due to reduction in Contractual Receipts and also slight reduction in the Income from Property Development. And due to changes in legislation and implementation of RERA has slow downed the business of the Company. The Contractual Income has declined, as the projects fetching the same got completed 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>b. 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 FY17 was lower compared to FY16.</p> <p>The Operating Margin was significantly lower consequent upon decline in the</p>
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	Total Income, however the fixed costs were fully charged off as per the Accounting norms, resulting in net Loss during the Financial Year 2016-17.																												
(2) Steps taken or proposed to be taken for improvement:	<p>The Company's Ongoing projects (on a consolidated basis)</p> <p>16 ongoing projects at various stages of construction, with total development area of 7.26 mnsq.ft 6 ongoing/upcoming commercial properties in Bangalore Central Business District (CBD) covering an area of over 2.5 mnsq.ft.</p> <p>The total revenue potential of 16 ongoing/upcoming residential projects estimated to be Rs. 2314.9 Cr. As on Sept 2017</p> <p>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.</p> <p>The Company has implemented SAP system for efficient planning of material and business activities, which will reduce the cost.</p> <p>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. The Company is looking at development of Commercial projects which will yield fast return compared to residential projects.</p>																												
(3) Expected increase in productivity and profits in measurable terms	<p>Projected financials for next three years: (Amount in Rs. Cr)</p> <table border="1"> <tr> <td colspan="4">Expected increase in productivity and profits in measurable terms</td> </tr> <tr> <td colspan="4">Projected financials for next three years:</td> </tr> <tr> <td></td> <td colspan="3" style="text-align: right;">(Amount in Rs. Cr)</td> </tr> <tr> <td>Financial Year</td> <td>Mar-18</td> <td>Mar-19</td> <td>Mar-20</td> </tr> <tr> <td>Turn over</td> <td>180.00</td> <td>240.00</td> <td>270.00</td> </tr> <tr> <td>PBT</td> <td>6.00</td> <td>20.00</td> <td>50.00</td> </tr> <tr> <td>PAT</td> <td>4.20</td> <td>14.00</td> <td>35.00</td> </tr> </table>	Expected increase in productivity and profits in measurable terms				Projected financials for next three years:					(Amount in Rs. Cr)			Financial Year	Mar-18	Mar-19	Mar-20	Turn over	180.00	240.00	270.00	PBT	6.00	20.00	50.00	PAT	4.20	14.00	35.00
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PAT	4.20	14.00	35.00																										

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

All documents pertaining to the appointment will be available for inspection at the Registered Office of the Company on any working day during the Company's business hours between 10.00 a.m. to 12 noon.

Item No 2:

Mr. Ashwini Kumar, Whole time Director designated as Executive Director & Chief Operating Officer was appointed for a period of three years from April 19, 2015 to April 18, 2018 with the remuneration as approved by the Shareholders through postal ballot the results of which was disclosed on August 3, 2015.

The Central Government in their letter No. SRN C61138020/3/2015-CL-VII dated 4th January 2016 had confirmed that the remuneration payable to Mr. Ashwini Kumar as approved by shareholders was within the prescribed limit.

In view of the aforesaid approval expiring on 18th April, 2018, it is proposed to re-appoint Mr. Ashwini Kumar as Whole time Director designated as Executive Director & Chief Operating Officer for a period of three years with **effective 19th April, 2018**. The remuneration for Mr. Ashwini Kumar as Whole time Director designated as

Executive Director and Chief Operating Officer has been approved by the Board and the Nomination and Remuneration Committee at their meetings held on September 14, 2017.

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

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

- I. Basic salary of Rs.90,00,000/- (Rupees Ninety Lakhs Only) per annum.
- II. Performance linked pay not exceeding Rs. 20,00,000/- (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;
- 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;
- V. Reimbursement of medical expenses reasonably incurred by Mr. Ashwini Kumar and his family as approved by 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 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 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.

In the event of any loss or inadequacy of profit in any of the financial year during the revised 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.

The Board including the committee thereof is authorised to alter or amend the terms of appointment and the

benefits within the overall remuneration as approved supra.

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

The Company has outstanding borrowings from Banks and Financial Institutions and has amount outstanding on this account. As per the requirement specified under Section II (ii) Part II of Schedule V of the Companies Act, 2013, the Company has received prior no objections from the secured creditors for the appointment and for the aforesaid remuneration payable to Mr. Ashwini Kumar and no further approval by them is required on the aforesaid item.

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 Executive Director and Chief Operating Officer. Therefore it is recommended to consider the resolution set out at Item No. 2 of the Notice for your approval.

Mr. Ashwini Kumar hold 1,38,818 equity shares representing 0.10% of total equity share capital of the Company. He is also serving as Managing Director of Nitesh Urban Developers Private Limited ('NUDPL'), w.e.f. 20th August, 2016 without any remuneration payable to him.

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

I. General Information

1. Nature of industry	Construction, Development of Projects including Real Estate, Housing, Commercial premises, hospitality etc.			
2. Date or expected date of commencement of commercial production	2004 (Date of Incorporation : 20 th February 2004)			
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4. Financial performance based on given indicators				Rs. Cr.
	Details	2014-15	2015-16	2016-17
	Paid Up Capital	145.83	145.83	145.83
	Reserves & Surplus	308.37	286.83	242.18
	Turnover	125.01	87.12	74.31
	Profit/(Loss) Before Tax	24.98	(21.71)	(44.84)
Profit/(Loss) After Tax	20.23	(21.37)	(44.65)	

5. Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export
6. Foreign Investment or Collaboration Amount in Rs Cr.	FDI 2006-07 : 32.85 Cr. 2007-08 : <u>3.65 Cr.</u> Total <u>36.50 Cr.</u> During the IPO in April 2010 total amount in foreign currency collected from FII /QIB Rs. 208.86 Cr., towards Equity and Share Premium.

II. Information about the appointee:

(1) Background details	Mr. Ashwini Kumar, 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 33 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).
(2) Past 3 (Three) Financial years remuneration	For F.Yr 2014-15 – Rs. 91,74,850 For F.Yr 2015-16 – Rs. 80,90,640 For F.Yr 2016-17 - Rs. 93,97,757
(3) Recognition or awards	NA
(4) Job profile and his suitability	Executive Director & Chief Operating Officer
(5) Remuneration proposed	Proposal: (i) Basic salary of 90,00,000/- (Rupees Ninety Lakhs Only) per annum. (ii) Performance linked pay not exceeding Rs 20,00,000/- (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; (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; (v) Reimbursement of medical expenses reasonably incurred by Mr. Ashwini Kumar and his family and approved by 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 Board; (vii) Eligible for Employee Group medical insurance and benefit of personal

	<p>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 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.</p> <p>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 or by virtue of his employment with the Company as a Whole time Director.</p>												
<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>	<table border="1" data-bbox="571 999 1442 1480"> <thead> <tr> <th data-bbox="571 999 831 1126">Name of the employee and Employer</th> <th data-bbox="831 999 1098 1126">Position, Qualification, Exp</th> <th data-bbox="1098 999 1442 1126">Remuneration as disclosed in Annual Report for F.Y. 2016-17 (Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1126 831 1227">Ms. Githa Shankar Brigade Enterprises</td> <td data-bbox="831 1126 1098 1227">Wholetime Director MBA, 30 years of experience</td> <td data-bbox="1098 1126 1442 1227">2,31,51,000/-</td> </tr> <tr> <td data-bbox="571 1227 831 1355">Mr. Nani R Choksey Purvankara Limited</td> <td data-bbox="831 1227 1098 1355">Joint Managing Director B.Com, 40 years of experience</td> <td data-bbox="1098 1227 1442 1355">2,12,00,000/-</td> </tr> <tr> <td data-bbox="571 1355 831 1480">Mr. Noaman Razack, Prestige Estates Projects Limited</td> <td data-bbox="831 1355 1098 1480">Wholetime Director B.Com, 32 years of experience</td> <td data-bbox="1098 1355 1442 1480">30,00,000/-</td> </tr> </tbody> </table>	Name of the employee and Employer	Position, Qualification, Exp	Remuneration as disclosed in Annual Report for F.Y. 2016-17 (Rs.)	Ms. Githa Shankar Brigade Enterprises	Wholetime Director MBA, 30 years of experience	2,31,51,000/-	Mr. Nani R Choksey Purvankara Limited	Joint Managing Director B.Com, 40 years of experience	2,12,00,000/-	Mr. Noaman Razack, Prestige Estates Projects Limited	Wholetime Director B.Com, 32 years of experience	30,00,000/-
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Mr. Noaman Razack, Prestige Estates Projects Limited	Wholetime Director B.Com, 32 years of experience	30,00,000/-											
<p>(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</p>	<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>												

III. Other information:

<p>(1) Reasons of loss or inadequate profits</p>	<p>a. The Company has achieved a lower Turnover during the last Financial Year 2017 compared to the preceding Fiscal Year 2016, on a standalone basis, mainly due to reduction in Contractual Receipts and also slight reduction in the Income from Property Development. And due to changes in legislation and implementation of RERA has slow down the business of the Company. The Contractual Income has declined, as the projects fetching the same got completed 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>b. 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 FY17 was lower compared to FY16.</p> <p>c. The Operating Margin was significantly lower consequent upon decline in the Total Income, however the fixed costs were fully charged off as per the Accounting norms, resulting in net Loss during the Financial Year 2016-17.</p>
<p>(2) Steps taken or proposed to be taken for improvement:</p>	<p>The Company's Ongoing projects (on a consolidated basis)</p> <p>16 ongoing projects at various stages of construction, with total development area of 7.26 mnsq.ft 6 ongoing/upcoming commercial properties in Bangalore Central Business District (CBD) covering an area of over 2.5 mnsq.ft.</p> <p>The total revenue potential of 16 ongoing/upcoming residential projects estimated to be Rs. 2314.9 Cr. As on Sept 2017</p> <p>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.</p> <p>The Company has implemented SAP system for efficient planning of material and business activities, which will reduce the cost.</p> <p>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. The Company is looking at development of Commercial projects which will yield fast return compared to residential projects.</p>
<p>(3) Expected increase in productivity and profits in measurable</p>	<p>Projected financials for next three years: (Amount in Rs. Cr)</p>

terms	Expected increase in productivity and profits in measurable terms			
	Projected financials for next three years:			
	(Amount in Rs. Cr)			
	Financial Year	Mar-18	Mar-19	Mar-20
	Turn over	180.00	240.00	270.00
PBT	6.00	20.00	50.00	
PAT	4.20	14.00	35.00	

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Special Resolution set out at item no. 2 of the accompanying notice

All documents pertaining to the appointment 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.

Item No 3:

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 2016-17 and 2017-18. 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. 3

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder the ordinary resolution, as set out in item no.3, is submitted for ratification by the shareholders of the Company.

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

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

22ndSeptember 2017
Bengaluru

D. Srinivasan
Company Secretary & Chief Compliance Officer

NITESH ESTATES LIMITED

(CIN: L07010KA2004PLC033412)

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

Ph: +91-80-4017 4000 E.mail:investor@niteshestates.com Web: www.niteshestates.com

Form MGT-12 POSTAL BALLOT FORM

Serial No. :

1. Name and Registered Address of the sole / first
named Shareholder :

2. Name(s) of the Joint Shareholder(s) if any :

3. DP ID No. / Client ID No./ Folio No. :

4. No. of shares held :

I / We hereby exercise my / our vote in respect of the Ordinary / Special Resolutions to be passed through postal ballot for the businesses stated in the Postal Ballot Notice by sending my / our assent (for) or dissent (against) the said Ordinary / Special resolutions by placing (✓) (tick mark) at the appropriate box below:

Sr. No.	Subject Matter	No. of shares held by me/us	I / we assent to the resolution (FOR)	I / we dissent to the resolution (AGAINST)
	Special Resolutions:			
1.	To approve the re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company			
2.	To approve the re-appointment and the remuneration payable to Mr. Ashwini Kumar (DIN:02034498), as Whole time Director designated as Executive Director & Chief Operating Officer of the Company			
	Ordinary Resolution:			
3.	To ratify the remuneration payable to the Cost Auditors for the financial years 2016-17 & 2017-18			

Place :

Date :

Signature of the Shareholder (s) / Authorized Representative

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

Note:

(i) PLEASE SEND YOUR POSTAL BALLOT FORM IN THE ENVELOPE ENCLOSED HERewith

(ii) PLEASE READ CAREFULLY THE INSTRUCTIONS PRINTED OVERLEAF BEFORE EXERCISING THE VOTE.

INSTRUCTIONS :

1. Pursuant to the provisions of Section 102 of the Companies Act, 2013 read with the Rules made there under by the Ministry of Corporate Affairs, Central Government, the assent or dissent of the members in respect of the Ordinary/Special Resolutions contained in the Postal Ballot Notice dated **Friday, September 22, 2017** is being determined through postal ballot
2. This form should be completed and signed by the member. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company/Depository) by member and in his / her absence, by the next-named member
3. The votes of a member will be considered invalid on any of the following grounds:
 - i. if the member's signature does not tally;
 - ii. if the member has marked his / her / its vote both for 'Assent' and also for 'Dissent' to the 'Resolution' in such a manner that the aggregate shares voted for 'Assent' and 'Dissent' exceeds the total number of shares held;
 - iii. if the Postal Ballot Form is unsigned, incomplete or incorrectly filled;
 - iv. if the Postal Ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either the member, or the number of votes, or as to whether the votes are for 'Assent' or 'Dissent', or if the signature could not be verified or one or more of the above grounds.
4. The Board of Directors have appointed Mr. Sudhindra K S, Practicing Company Secretary in Practice, (FCS No:7909, CP No. 8190) Bengaluru as the Scrutinizer for conducting the postal ballot process.
5. The Board of Directors have appointed Mr. L S Vaidyanathan, Executive Director and Mr. D Srinivasan, Company Secretary & Chief Compliance Officer of the Company as persons responsible for the entire process of postal ballot.
6. A member may request for a duplicate Postal Ballot Form if so required, however the duly completed duplicate Postal Ballot Form should reach the scrutinizer not later than the date specified herein i.e., on or before the close of working hours of **Thursday, October 26, 2017** The postal ballots received after this date shall **NOT** be valid. Request for issue of duplicate ballot form shall not be entertained after **Wednesday, October 11, 2017**.
7. Corporate / Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) (necessary documents) to the Scrutinizer along with completed and signed Postal Ballot Form.
8. Voting rights shall be reckoned in proportion to the number of shares registered in the name of the shareholders as on **Friday, September 22, 2017**.
9. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for postal ballot.
10. The Chairman & Managing Director or the Executive Director will announce the result of the postal ballot at the Registered Office of the Company at Nitesh Timesquare, 7th Floor, No. 8, M G Road, Bengaluru -560 001 on **Monday, October 30, 2017**. The date of declaration of postal ballot result will be taken to be the date of passing of the Special/ Ordinary Resolution.
11. The results of the postal ballot will thereafter be informed to the Stock exchanges within 24 hours and published in the newspapers within 48 hours of the declaration of the results. The results also will be placed at the Company's website : www.niteshestates.com
12. Shareholders desiring to exercise voting right by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed pre-paid envelope. Postage will be borne and paid by the Company. However, envelope containing Postal Ballot Forms if sent by courier, at the expense of shareholder will also be accepted.
13. The Postal Ballot Form should be completed and signed by the Sole First named Shareholder. In the absence of the first named shareholder in a joint holding the Form may be completed and signed by the next named Shareholder. (However where the Form is sent separately by the first named Shareholder and the Joint holder's the vote of the first named Shareholder would be valid.)
14. In case of shares held by Companies, Trusts, Societies etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authority with the signature of Authorised Signatory (ies).
15. The exercise of vote by Postal Ballot is not permitted through proxy.
16. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of Joint Member(s).
17. Incomplete unsigned or incorrectly filled Postal Ballot Forms are subject to rejection by the Scrutinizer.
18. Improper, incomplete or incorrectly tick marked Postal ballot Forms will be rejected
19. Members are requested not to send any other matter along with the Postal Ballot Form in the enclosed pre-paid postage self-addressed envelope. If any extraneous papers are found the same will be destroyed by the scrutinizer. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
20. The relevant document in respect of the Special/Ordinary resolution are open for inspection at the Registered Office of the Company on all working days except on Saturdays and Sundays between 10.00 A.M and 12.00 P.M
21. Any query in relation to the resolutions proposed to be passed through Postal ballot may be addressed to - *Mr. D Srinivasan, Company Secretary & Chief Compliance officer, Nitesh Estates Limited, 'Nitesh Timesquare', 7th Floor, No. 8, M G Road, Bengaluru 560 001, Ph: +91-80-4017-4000, Email: srinivasan.d@niteshestates.com*