

HB ESTATE DEVELOPERS LIMITED

Registered Office: Plot No. 31, Echelon Institutional Area, Sector - 32, Gurgaon - 122 001 (Haryana)
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CIN: L99999HR1994PLC034146

POSTAL BALLOT/ E-VOTING NOTICE

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

To

The Member(s),

Sub: Passing of Resolution by Postal Ballot / E-voting

NOTICE is hereby given that the following resolution(s) are circulated herewith for approval of the members of HB Estate Developers Limited ("the Company") to be accorded by Postal Ballot (Physical Ballot / e-voting) in accordance with the provisions of Section 110 of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Management and Administration) Rules, 2014 ("Rules"):

1. Increase of the Authorized Share Capital of the Company and amendment to the Memorandum of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 61, 13 and other applicable provisions, if any of the Companies Act, 2013 read with the all applicable rules made there-under (including any amendment / modifications thereto or re-enactment thereof for the time being in force), the present Authorized Share Capital of the Company be increased from Rs. 60,00,00,000/- (Rupees Sixty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each and 30,00,000 (Thirty Lakhs) Redeemable Preference Shares of Rs.100/- each to Rs. 115,00,00,000/- (Rupees One Hundred Fifteen Crores only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 80,00,000 (Eighty Lakhs) Redeemable Preference Shares of Rs.100/- each and consequently the Clause VA of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause.

VA. The Share Capital of the Company is Rs.115,00,00,000/- (Rupees One Hundred Fifteen Crores only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 80,00,000 (Eighty Lakhs) Redeemable Preference Shares of Rs.100/- each.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval there to 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 herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

2. Issue of Redeemable Non-Cumulative Non-Convertible Preference Shares - Series II

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

"RESOLVED THAT pursuant to the provisions of Sections 55, 42 and other applicable provisions, if any of the Companies Act, 2013 read with the all applicable rules made there-under (including any amendment / modifications thereto or re-enactment thereof for the time being in force) and in accordance with the enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, sanctions



and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board) consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible Preference Shares - Series II of face value of Rs.100/- each ("Preference Shares") to various entities/persons including Promoters / Promoter Group & Associates whether or not they are member(s) of the Company on private placement basis with such rights and terms and conditions contained hereinbelow and / or in the Explanatory Statement annexed to the Notice:

- a) The Preference Shareholder(s) shall have priority with respect to payment of dividend or repayment of capital vis-à-vis Equity shares.
- b) The participation of Preference Shareholders in the surplus fund shall be pari-passu with the existing Equity and Preference Shareholders as may be permissible at the relevant point of time.
- c) The said Preference Shares shall in winding up be entitled to rank, as regards repayment of Capital, whether declared or not, upto the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets.
- d) The Preference Shareholder(s) shall carry a fixed non-cumulative preference dividend of 9% (Nine Percent) on the Capital paid-up thereon.
- e) The Preference Shares are not convertible into Equity Shares.
- f) The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force).
- g) The Preference Shares shall be redeemable not later than the date and in the manner / mode as may be determined by the Board of Director(s) at the time of allotment or such other date as may be determined by the Board but not later than a period exceeding twenty (20) years.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their 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 herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

3. Raising of additional long-term funds through further Issuance of Securities

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

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Share Capital and Debentures) Rules, 2014 and all applicable rules made thereunder (including any amendments / modifications thereto or re-enactment thereof for the time being in force) (the "Companies Act") and pursuant to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "SEBI ICDR Regulations"), as amended from time to time and the provisions of Securities and Exchange Board of India Act, 1992, and subject to all the other rules, regulations, guidelines, notifications and circulars prescribed by the Securities and Exchange Board of India ("SEBI"), the applicable provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA") and regulations made thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchange(s) where the



Company's equity shares are listed ("Listing Agreements"), and in accordance with the regulations and / or guidelines issued by any other competent authorities and / or clarifications issued thereon, from time to time and subject to all such approvals, permissions, consents and / or sanctions as may be necessary from the Government of India ("GOI"), the Reserve Bank of India ("RBI"), SEBI, the Stock Exchange(s), the Ministry of Finance (Department of Economic Affairs) and Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and / or all other ministries, departments or other statutory or local authorities of the GOI and / or any other competent governmental or regulatory authorities as may be required, whether in India or outside India (hereinafter collectively referred to as ("Appropriate Authority") and subject to such conditions and / or modifications as may be prescribed by any of them while granting such approvals, permissions, consents and / or sanctions (hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any duly authorised Committee constituted or may hereinafter be constituted and / or any Director(s) of the Company, delegated with the powers necessary for the purpose, including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated In Foreign currency, in the course of International and / or domestic offering(s) in one or more foreign markets and / or domestic market, for a value of upto **Rs. 250 Crores (Rupees Two Hundred Fifty Crores Only)**, such number of Equity Shares and / or Convertible Preference Shares whether fully or partly convertible and / or Fully Convertible Debentures ("FCDs") and / or Non Convertible Debentures ("NCDs") with warrants, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), and / or Equity Shares through Depository Receipt Mechanism and / or any other financial instruments convertible into or linked to Equity Shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form including without limitation, the Securities as defined under the Securities Contract Regulation Act, 1956 and the rules made thereunder as amended from time to time (hereinafter collectively referred to as the "Securities") whether, secured or unsecured, listed on any Stock Exchange(s) in India or any International Stock Exchange(s) abroad, through an offer document and / or prospectus and/or offer letter and / or offering circular and / or placement document, and / or listing particulars, to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), foreign institutional investors, venture capital funds, foreign venture capital investors, qualified foreign investors, alternative investment funds, multilateral and bilateral financial institutions, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds, non-resident Indians, promoters, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities, authorities, and / or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") including allotment in exercise of a green shoe option, if any, by the Company, through public issue(s), rights issue(s), private placement(s), and / or qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices, including discounts as permitted under applicable law, in such manner and on such terms and conditions including security, rate of interest and conversion terms, as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, or other advisor(s) for such issuers, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a qualified institutional placement in terms of Chapter VII of the SEBI ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be made as per the applicable provisions of SEBI ICDR Regulations and shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations.



RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event that warrants which are convertible into Equity Shares of the Company are issued simultaneously with non-convertible debentures and / or other convertible securities are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and / or warrants simultaneously with non-convertible debentures and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, ADRs or CDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interests, additional premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the term of the Securities and the Board be and is hereby authorised in its absolute discretion to dispose off such of the Securities that are not subscribed in such manner as it may deem fit.

RESOLVED FURTHER THAT the issue of Securities which are convertible into Equity Shares shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced only to that extent;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, co-managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors, stabilizing agent and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s) / to seek consent, if required from lenders of the Company and parties with whom the Company has entered into various commercial and other agreements in connection with the issue and allotment of Securities and also to open one or more bank accounts in the name of the Company within or outside India, as may be required, subject to receipt of requisite approvals wherever required from the RBI or any overseas regulatory authority, as applicable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares including issue and allotment of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares that may be issued and allotted by the Company, including issue and allotment of



Equity Shares upon conversion of any Securities referred above, shall be issued and allotted in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu inter se with the existing Equity Shares of the Company in all respects except as provided otherwise under the terms of issue / offering and in accordance with the offer document and / or prospectus and / or offer letter and / or offering circular and / or listing particulars.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s), including the Class of Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, discount(s) permitted under applicable law (now or hereafter), premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more Stock Exchange(s) in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution(s), the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents in respect of any Securities as may be required either on pari-passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions"

**BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED**

**Sd/-
ANIL GOYAL
(Director)
DIN: 00001938**

**Place : Gurgaon
Date : 12th December, 2014**

NOTES:

1. Pursuant to provisions of Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Clause 35B of the Listing Agreement, assent / dissent of the members in respect of the resolution(s) contained in the Notice dated 12th December, 2014 is being taken through Postal Ballot.
2. The relevant Explanatory Statement and reasons for the proposed resolution(s) stated hereinabove, pursuant to Section 102 of the Act read with the Companies (Management and Administration) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 are annexed hereto.
3. The Company has appointed Mr. Arun Kumar Gupta, Practicing Company Secretary as a Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.
4. **The Notice is being sent to all the Members / Beneficiaries, whose names appear in the Register of Members / list of beneficial owners as on Friday, 12th December, 2014.** Postal Ballot Notice and Postal Ballot Form are being sent electronically to all the members whose email ids are registered with the Company / Depository Participants. In respect of others, these documents are being sent by permitted mode, along with a postage-prepaid self addressed business reply envelope. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link, <https://evoting.karvy.com> or from the 'Investor Center' page on the website of the Company, www.hbestate.com. The Shareholders can also seek duplicate Postal Ballot Form from our Registrar and Share Transfer Agent by e-mail at shares@rcmcdelhi.com or to the Company Secretary at corporate@hbestate.com.



5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternative, to all the Shareholders of the Company. For this purpose, the Company has engaged the services of Karvy Computershare Private Limited ("Karvy") for providing e-voting facility to enable Shareholders to cast their vote electronically instead of dispatching Postal Ballot Form. e-voting is optional facility given to the Shareholders. **The e-voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Friday, 12th December, 2014.**

(a) Instructions for availing e-voting facility are as follows:

➤ **In case a Member receives notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. User ID and password provided in e-mail / Postal Ballot Form). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event Number for HB Estate Developers Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) 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, Members can login any number of times till they have voted on the Resolution(s).
- (xii) **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI. etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: aruncs.gupta@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No. 1542."



- **In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**

(i) User ID and initial password as mentioned in the Postal Ballot Form in the following format.

EVEN (E Voting Event Number)	USER ID	PASSWORD
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(ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

(b) The e-voting facility will be available during the following voting period:

Commencement of e-voting : **Friday, 02nd January, 2015 from 09.00 A.M. (IST)**
End of e-voting : **Saturday, 31st January, 2015 up to 05.30 P.M. (IST)**

The e-voting module shall be disabled by Karvy for voting thereafter.

- (c) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- (d) In case of any query or issues pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their toll free No. 1-800-34-54-001 for any further clarification.
6. The dispatch of Postal Ballot Notice shall be announced through an advertisement in one (1) English newspaper and one (1) Hindi newspaper, each with wide circulation in Gurgaon, where the registered office of the Company is situated and shall also be displayed on the Website of the Company, www.hbestate.com and on Karvy's website, <https://evoting.karvy.com>.
 7. Kindly note that the Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted through Postal Ballot, then he / she should not vote through e-voting and vice versa. However, in case members cast their vote through Postal Ballot as well as e-voting, then vote cast through e-voting shall prevail and vote cast through Postal Ballot shall be considered as invalid.
 8. The Members are requested to carefully read the Instructions printed on the enclosed Postal Ballot Form. The Postal Ballot Form duly completed and signed, should be returned in the enclosed self-addressed and postage prepaid business reply envelope to the Scrutinizer. No postage is required, however, envelopes containing Postal Ballot, if sent by Courier or by Registered Post at the expense of or deposited at the address given therein by the registered member will also be accepted. **The envelopes containing the Postal Ballot should reach the Scrutinizer not later than the close of the working hours i.e. 05.30 P.M on Saturday, 31st January, 2015.**
 9. The Postal Ballot Form must be duly completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his / her absence, by the next named Member.
 10. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot forms shall be rejected.
 11. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark [✓] in the appropriate column in the Postal Ballot Form. Postal Ballot Form bearing [✓] in both the columns will render the form invalid. The assent or dissent received in any other form shall not be considered valid.
 12. The vote in this Postal Ballot cannot be exercised through proxy.
 13. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot / e-voting shall be final.
 14. The Scrutinizer shall submit his report to the Chairman after completion of scrutiny of Postal Ballot Forms (including e-voting).
 15. **The Results of the Postal Ballot on all resolution(s) shall be announced by the Chairman, or in his absence, by any other Director / Company Secretary duly authorized by the Chairman on Wednesday, 04th February, 2015 at 12.00 Noon at the registered office of the Company at Plot No. 31, Echelon**



Institutional Area, Sector-32, Gurgaon - 122 001, Haryana. All the resolution(s) will be taken as passed at the General Meeting effectively on the date of announcement of the result(s), if the result of the Postal Ballot (including e-voting) indicates that the requisite majority of the Shareholder(s) had assented to the resolution(s).

16. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, www.hbestate.com and on Karvy's website, <https://evoting.karvy.com> within two (2) days of declaration of results and communication of the same to BSE Limited (BSE). The results shall also be published in newspapers.
17. All the documents referred to in accompanying notice and explanatory statement shall be open for inspection at the Registered office of the Company during the office hours on all working days from the date of dispatch of notice upto the date of declaration of results of Postal Ballot.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES SET OUT IN THE NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 1

The Present Authorised Share Capital of the Company is Rs. 60,00,00,000/- (Rupees Sixty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each and 30,00,000 (Thirty Lakhs) Redeemable Preference Shares of Rs.100/- each. The proposed issue of Preference Shares as decided by the Board of Directors at its meeting held on 12th December, 2014 necessitates that the Share Capital be increased to facilitate the issue of said Preference Shares.

Your Directors are of the view that it is prudent to increase the existing Capital to Rs. 115,00,00,000/- (Rupees One Hundred Fifteen Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs. 10/- each and 80,00,000 (Eighty Lakhs) Redeemable Preference Shares of Rs.100/- each by way of creation of an additional 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- each and 50,00,000 (Fifty Lakhs) Redeemable Preference Shares of Rs. 100/- each.

The provisions of the Companies Act, 2013 read with rules made thereunder, require the Company to seek the approval of the Members for increase of the Authorized Share Capital and for the alteration of Capital clause of the Memorandum of Association of the Company.

Hence, the Directors recommend the Ordinary Resolution under Item No. 1 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested either financially or otherwise in the Resolution, except to the extent of their Shareholding, if any, in the Company.

ITEM NO. 2

The proposed Special Resolution set out at Item No. 2 is for approval of the issue and allotment of 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible 9% Preference Shares - Series II of face value of Rs.100/- each to raise resources for general corporate purposes including improvement in the financial condition, restructure the operations and strengthening the long-term resource base of the Company. The said Preference Shares would not be listed.

The Preference Shares may be issued in one or more tranches to various entities / persons which may include the promoters / promoters group and associates, whether or not they are member(s) of the Company, on private placement basis. The said enabling resolution empowers the Board to create, offer, issue and allot 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible Preference Shares - Series II of face value of Rs.100/- each and on such terms and conditions, including but not limited as to the rate of dividend, amount of premium, if any, as the Board in its absolute discretion may determine. The Board shall also be authorised to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers / holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 2013 or any modification / re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company.



The material facts in connection with the aforesaid issue of Preference Shares are as follows:

- a) The size of the issue is Rs. 50,00,00,000/- (Rupees Fifty Crore only). The Company proposes to create, offer, issue and allot 50,00,000 (Fifty Lakhs) Preference Shares of the face value of Rs. 100/- each aggregating to a nominal value of Rs. 50,00,00,000/- (Rupees Fifty Crore only).
- b) The Preference Shares are Redeemable Non-Cumulative, Non-Participating and Non- Convertible.
- c) The Objective of the issue is to raise resources for general corporate purposes including improvement in the financial condition which has been substantially affected adversely mainly due to weak economic conditions, restructure the operations and strengthening the long-term resource base of the Company.
- d) The Preference Shares are proposed to be offered through issue of a Private Placement offer letter in accordance with the provisions of Section 42 of the Companies Act, 2013 read with the Rules made thereunder.
- e) The proposed Preference Shares are to be issued & allotted at par, i.e. Rs. 100/- each.
- f) The Board has decided to issue and allot proposed Preference Shares at par value of Rs. 100/- each since it is fixed return based Redeemable Preference Shares.
- g) The Preference Shares shall rank in priority with respect to payment of dividend or repayment of capital vis-a-vis Equity shares. The Preference Shares shall carry a fixed Non-Cumulative preference dividend of 9% (Nine Percent) on the Capital paid-up thereon. The Preference Shares are not convertible into Equity Shares.
- h) The tenure of redemption shall be for a period as the Board may decide. However the tenure shall not exceed twenty (20) years from the date of allotment and would be based on cash flow forecasts of the Company which in turn would be linked to ongoing performance and the growth opportunities.
- i) The Shares shall be redeemed at par out of profit and / or out of fresh issue of capital or otherwise as may be permitted by the extant applicable laws and decided by the Board.
- j) No dilution in the Equity Share Capital is applicable as the Preference Shares proposed to be issued are redeemable and Non-Convertible and Non-Cumulative preference shares.
- k) The current shareholding pattern of the Company is given below:

Sr. No.	Category	No. of Equity Shares held	% of Shareholding	No. of Preference Shares held	% of Shareholding
A. Promoters' Holding					
1.	Indian:				
	Individual	8087281	50.11	-	-
	Bodies Corporate	3947347	24.46	3000000	100.00
2.	Foreign:	0	0.00	-	-
	Sub Total (A)	12034628	74.57	3000000	100.00
B. Non-Promoters' Holding					
1.	Institutional Investors	1320	0.01	-	-
2.	Non-Institutions				
	Bodies Corporate	506015	3.14	-	-
	Individuals	3482684	21.58	-	-
	Clearing Members	5341	0.03	-	-
	Non-Residents	108299	0.67	-	-
	Sub Total (B)	4103659	25.43	-	-
	GRAND TOTAL (A) + (B)	16138287	100.00	3000000	100.00



The provisions of the Companies Act, 2013 read with rules made thereunder, require the Company to seek the approval of the Members for issue and allotment of subject Preference Shares.

Hence, the Directors recommend the Special Resolution under Item No. 2 of the Notice for approval of the Members, in the best interest of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution except to the extent of Preference Shares issued / allotted to them or to the companies in which they are director or members.

ITEM NO. 3

Given the Company's future growth plans, the Board considers it necessary to augment the long term resources of the Company by way of issuing Securities to eligible investors, subject to an aggregate maximum limit of up to an amount of Rs. 250 Crores (Rupees Two Hundred Fifty Crores only) or equivalent amount in any other currency and further subject to the prevailing market conditions and other relevant considerations. The Board intends to deploy the net proceeds from the issue, post payment of all offering related fees and expenses of the above mentioned securities for funding any one or more of the following: (i) augmenting long term finance for funding growth and capital expenditure (ii) pre-payment / repayment of debt (iii) working capital requirements and (iv) general corporate purpose.

Accordingly, the Company proposes to create, offer, issue and allot such number of Equity Shares and / or Convertible Preference Shares whether fully or partly convertible and / or Fully Convertible Debentures ("FCDs") and / or Non-Convertible Debentures ("NCDs") with warrants, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), and / or Equity Shares through Depository Receipt Mechanism and / or any other financial instruments convertible into or linked to Equity Shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form or any combination of Securities through public issue(s), private placement(s) or a combination thereof, including issuance of Securities through a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations.

The Board may in their discretion adopt anyone or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutional placement shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee of the Board thereof decides to open the qualified institutional placement for subscription.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s) / offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The offer / issue / allotment / conversion / redemption would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchange(s) as may be required under the provisions of the Listing Agreement. Section 62(1)(c) of the Companies Act, 2013 provides,



inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such Company in the manner laid down in Section 62 of the Companies Act, 2013 unless the Members in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than Members of the Company, consent of the Members is being sought pursuant to the provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 as well as applicable Rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchange(s) where the Equity Shares of the Company are listed.

The Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Securities to the Investors, who may or may not be the existing Members of the Company.

The Board of Directors of the Company recommends the Special Resolution under Item No. 3 for the approval of the Members.

None of the Directors and Key Managerial Personnel (KMP) and any of their relatives are deemed to be concerned or interested in the passing of resolution, except to the extent of Securities issued / allotted to them or to the companies in which they are director or members.

**BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED**

**Sd/-
ANIL GOYAL
(Director)
DIN: 00001938**

**Place : Gurgaon
Date : 12th December, 2014**