

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder(s) of Prime Property Development Corporation Limited, as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended. If you require any clarification about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback, Saffron Capital Advisors Private Limited or the Registrar to the Buyback, Link Intime India Private Limited.



PRIME

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Registered Office: 101, Soni House, Plot No. 34, Gulmohar Road No. 1, JVPD Scheme, Vile Parle (West), Mumbai- 400049.
Maharashtra, India.

Tel. No.: +91 22 26242144; Fax No.: +91 22 26235076; Email:compliance_officer@ppdcl.com; Website:www.ppdcl.com;
Contact Person: Ms. ZaranaJhaveri, Company Secretary and Compliance Officer

Cash offer to Buyback up to maximum of 38,00,000 fully paid-up Equity Shares of face value Rs. 5 each, at a price of Rs. 19.50 (Rupees Nineteen and Fifty Paise) per share for an aggregate maximum amount of upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs) which represents 9.96% of the aggregate of Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2014, through the Tender Offer process, on a proportionate basis. The Shares proposed to be bought back constitute 19% of issued, subscribed and paid up Equity Capital of the Company. The Letter of Offer will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Monday, May 26, 2014.

The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay order, or similar instruments payable at par at all the centers where the Company is accepting applications. The Buyback Offer is pursuant to Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time as well as in accordance with provisions of sections 68,69 and 70 and all other applicable provisions of the Companies Act, 2013, as amended (the "Act") and in accordance with the provisions contained in the Article 12A of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, etc.

A copy of the Public Announcement dated May 15, 2014 published on May 16, 2014 is available at the SEBI's website (www.sebi.gov.in), website of Manager to the Buyback at www.saffronadvisor.com and website of the Company at www.ppdcl.com. Further, the Letter of Offer (including the Tender Form) will also be available at the SEBI website, website of Manager to the Buyback and website of the Company. The Tender Form will be enclosed together with the Letter of Offer. Equity Shareholders are advised to refer to Clause 17 on Details of the Statutory Approvals and Clause 21 on Note on Taxation before tendering their Shares in the Buyback.

BUYBACK OPENS ON: MONDAY, JUNE 16, 2014; BUYBACK CLOSES ON: FRIDAY, JUNE 27, 2014

LAST DATE / TIME OF RECEIPT OF COMPLETED TENDER FORM: FRIDAY, JUNE 27, 2014; 4.30 P.M.

MANAGER TO THE BUYBACK

SAFFRON

••••• energising ideas

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059

Tel No.: +91 22 4082 0917/0906;

Fax No.: +91 22 4082 0999;

E-mail: buybacks@saffronadvisor.com;

Website:www.saffronadvisor.com;

Investor grievance Id:investorgrievance@saffronadvisor.com;

SEBI Registration Number: INM000011211;

Contact Person:Mr. Amit Wagle / Mr. Anup Varpe

REGISTRAR TO THE BUYBACK

LINK INTIME
INDIA PVT LTD



LINK INTIME INDIA PRIVATE LIMITED

C/13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078

Tel No.: +91 22 25967878;

Fax No.: +91 22 25960329;

Email:ppdcl.buyback@linkintime.co.in;

Website:www.linkintime.co.in;

Investor Grievance Id:ppdcl.buyback@linkintime.co.in;

SEBI Registration Number:*INR000004058;

Contact Person:Mr. PravinKasare

* The SEBI registration of Link Intime India Private Limited ("Registrar to the Issue") was valid up to May 05, 2014. The application for renewal of the certificate of registration in the prescribed manner has been made by the Registrar to the Issue on January 30, 2014, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A of the SEBI (Registrars to an Issue and Share Transfer Agents), Regulations, 1993, as amended. The approval from SEBI is currently awaited.

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1) SCHEDULE OF ACTIVITIES

Activity	Day	Date
Date of Board Meeting approving the Buyback	Wednesday	May 14, 2014
Date of Public Announcement for Buyback	Thursday	May 15, 2014
Date of publication of Public Announcement	Friday	May 16, 2014
Record Date for determining the Entitlement and the names of Eligible Shareholders	Monday	May 26, 2014
Date of Opening of Buyback	Monday	June 16, 2014
Date of Closing of Buyback	Friday	June 27, 2014
Last date of verification	Tuesday	July 08, 2014
Last date of intimation regarding acceptance / non- acceptance of tendered Shares	Tuesday	July 08, 2014
Last date of dispatch of consideration / share certificate(s) / demat instruction(s)	Tuesday	July 08, 2014
Last date of Extinguishment of Shares	Saturday	July 12, 2014

2) DEFINITION OF KEY TERMS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback process
Act	The Companies Act, 2013, as amended including rules therein
Articles	Articles of Association of the Company
Additional Shares / Additional Equity Shares	Additional eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such Shareholder. Eligible Equity Shares means the minimum of: - Total number of Shares tendered by an Eligible Person or - Total number of Shares held by such Shareholder as on the Record Date
Company / the Company	Prime Property Development Corporation Limited
Authorized/Buyback Committee	Buyback Committee comprising of Mr. Padamshi Soni, Mr. Manish Soni, Mr. Vishal Soni and Mr. Alok Chowdhury constituted on May 14, 2014, authorized for the purpose of the Buyback
ASE	Ahmedabad Stock Exchange Limited
Board	Board of Directors of the Company, or the Authorized Committee for the purpose of the Buyback
BSE	BSE Limited
Buyback Entitlement	The number of Equity Shares that a Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Shareholder, on the Record date and the Ratio of Buyback applicable in the category, in which such Shareholder belongs to
Buyback Offer / Buyback / Offer	Offer by Prime Property Development Corporation Limited to buyback up to maximum of 38,00,000 fully paid-up Equity Shares of face value Rs. 5 each at a price of Rs. 19.50 per Equity Share for cash aggregating upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs) from the Equity Shareholders of the Company through Tender Offer process, on a proportionate basis
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depositories	Collectively, National Securities Depository Limited and Central

	Depository Services (India) Limited.
Draft Letter of Offer	Draft letter of offer dated May 21, 2014 filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
Eligible Person (s)	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on Record Date i.e. May 26, 2014
Equity Shares / Shares	Fully paid up Equity Shares of face value Rs. 5 each of the Company
Equity Shareholder(s)/ Shareholder(s)	Holder(s) of the Equity Shares and includes beneficial owners thereof
Escrow Bank/Escrow Agent	Axis Bank Limited
Escrow Account	The Escrow Account opened with Axis Bank Limited
Form / Tender Form	Form of Acceptance–cum–Acknowledgement
JSEL	Jaipur Stock Exchange Limited
Letter of Offer / LOF / Offer Document	This letter of offer dated June 04, 2014 to be filed with SEBI, through the Manager to the Buy Back, containing disclosures in relation to the Buy Back as specified in Schedule III of the Buy Back Regulations, incorporating comments that were received from SEBI on the Draft Letter of Offer
MSE	Madras Stock Exchange
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and erstwhile Overseas Corporate Bodies (OCB)
NECS	National Electronic Clearing Services
NSDL	National Securities Depository Limited
Offer Period	Ten working days from the date of opening of the Buyback
Offer Price / Buyback Price	Price at which Equity Shares will be bought back from the Shareholders i.e Rs. 19.50 per fully paid up Equity Share, payable in cash
Offer Size / Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 38,00,000 Equity Shares of face value Rs. 5 each) multiplied by the Offer Price (i.e. Rs. 19.50 per Equity Share) aggregating to Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs)
PA / Public Announcement	Public Announcement regarding the Buyback dated May 15, 2014 issued in Business Standard (English newspaper), Business Standard (Hindi newspaper) and Mumbai Lakshadeep (Marathi newspaper) published on May 16, 2014
Persons in Control	Promoters, Promoter Group and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (“ SEBI Takeover Regulations ”)
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the proposed Buyback offer in accordance with Buyback Regulations. This date shall be May 26, 2014
Registrar to the Offer / Registrar to the Buyback	Link Intime India Private Limited

Regulations / SEBI Regulations / SEBI Buyback Regulations / Buyback Regulations	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, for the time being in force including any statutory modifications and amendments from time to time
Saffron / Manager to the Buyback	Saffron Capital Advisors Private Limited
SEBI	The Securities and Exchange Board of India
Small Shareholder	A Shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of Shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date, i.e. May 26, 2014 is not more than Rs. Two Lacs.
Stock Exchanges	BSE, ASE, JSEL and MSE
Takeover Code 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulation, 1997
Tender Offer	Method of buy back as defined in Regulation 2(1)(o) of the Buy Back Regulations

3) DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback, Saffron Capital Advisors Private Limited, has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act, 2013 and SEBI Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Saffron Capital Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated May 21, 2014 in accordance with SEBI Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;*
- *All the legal requirements connected with the said offer including SEBI Regulations have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback*

offer.

- *Funds used for buyback shall be as per the provisions of the Companies Act”.*

The filing of Offer Document with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Directors of the Company declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement/ mis-representation, the Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and the SEBI Regulations as amended.

Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4) **TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING**

The Buyback through a tender offer has been duly authorised by the resolution passed by the Board of Directors of the Company at their meeting held on May 14, 2014. The Extracts of the same are as follows:

“RESOLVED THAT pursuant to the provisions of Article 12A of the Articles of Association of the Company and in accordance with the provisions of sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998 (the “**SEBI Buyback Regulations**”) (including the amendments made through the SEBI (Buy-back of Securities) (Amendment) Regulations, 2012, and any statutory modification(s) or re-enactment of the Act or Rules framed there under from time to time or Buy-back Regulations, for the time being in force) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“**SEBI**”) and / or other authorities, institutions or bodies (the “**appropriate authorities**”), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which expression shall be deemed to include the “**Buyback Committee**” which the Board has authorized to exercise its powers, including the powers conferred by this resolution), the consent be and is hereby accorded to purchase by way of buyback offer up to **38,00,000** fully paid-up Equity Shares of face value Rs. 5/- each of the Company constituting approximately **19%** of the fully paid-up Equity Share capital of the Company at a price of **Rs. 19.50/- (Rupees Nineteen & Fifty Paise only)** per equity share payable in cash for an aggregate amount of upto **Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs only)** being **9.96%** of the fully paid-up Equity Share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2014 through the **Tender Offer** mechanism (hereinafter referred to as the “**Buyback**”);

RESOLVED FURTHER THAT the Company may implement the Buyback of upto 10% of its paid-up Equity Capital and free reserves of the Company as per the approval granted by way of this resolution under proviso to section 68 of the Companies Act, 2013, and in accordance with the SEBI Buyback Regulations.

RESOLVED FURTHER THAT as required by Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing shareholders on a proportionate basis, provided fifteen percent of the number of shares which the Company proposes to buyback or number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as defined in the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders other than those who are Promoters, Promoters Group and Persons Acting in concert (such shareholders herein after collectively as “**Persons in Control**”) and that persons in control will be such persons as have been disclosed as such under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”)/ shareholding patterns filed with the stock exchanges from time to time, as the Board may consider appropriate, from its free reserves and/or Share Premium Account and/or cash balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback Offer.

RESOLVED FURTHER THAT Company has complied and shall continue to comply with section 70 of the Companies Act, 2013, “the Act” wherein:-

- It shall not directly or indirectly purchase its own shares:
 - (a) through any subsidiary company including its own subsidiary companies;
- Or
- (b) through any investment company or group of investment companies
- There are no defaults subsisting in the repayment of deposits or interest, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institutions or banks.
- It has not defaulted in payment of dividend to its equity shareholders as per sections 205, 205A and 207 of the Companies Act, 1956
- It has filed annual returns and complied with section 159 of the Companies Act, 1956
- It will continue to comply with sections 92, 123, 127 and 129 of the Companies Act, 2013.

RESOLVED FURTHER THAT Saffron Capital Advisors Private Limited, a SEBI registered, Category I Merchant Banker who has been appointed to act as a ‘Manager’ to the Buyback *vide* letter dated April 24, 2014, and the approval of Board be and is hereby accorded for the aforesaid appointment.

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) all Equity Shares of the Company are fully paid up;
- b) that the aggregate amount of the Buyback i.e. **Rs. 7,41,00,000/- (Rupees Seven Crores Forty One Lacs only)**, does not exceed 10% of the total paid- up capital and free reserves as per the audited balance sheet as on March 31, 2014;

- c) that the number of Shares proposed to be purchased under the Buyback i.e. **38,00,000** Equity Shares, does not exceed 25% of the total number of Shares in the paid-up Equity Capital as per the audited balance sheet as on March 31, 2014;
- d) That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks;
- e) that the debt equity ratio of the Company after the buyback will be well within the limit of 2:1 as prescribed under the Act.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5 and 8(1) of the SEBI Buyback Regulations, the Board hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- a) Immediately following the date of the Board meeting held on 14.05.2014, there are no grounds on which the Company can be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of the Board meeting held on **May 14, 2014**, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- c) In forming an opinion as aforesaid, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities)

RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company's desire to enhance overall shareholders' value and the buyback would lead to reduction in total number of Equity Shares.

RESOLVED FURTHER THAT the powers of the Board in respect of buyback be and is hereby delegated to the Buyback Committee ('**BBC**') comprising of Padamshi Soni, Manish Soni, Vishal Soni and Alok Chowdhury ("**Members of the Committee**"). **Zarana Jhaveri**, Company Secretary, shall act as a Secretary to BBC. The BBC be and is hereby authorized to take all necessary actions for executing the actions relating to the Buyback as above.

RESOLVED FURTHER THAT the BBC be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, **including but not limited** to finalizing the terms of buyback like the aggregate amount to be utilized for the buyback including the price and the number of shares to be bought back within the statutory limits, the mechanism for the buyback, the timeframe for completion of the buyback, escrow arrangements, opening bank accounts for this purpose and authorizing persons to operate the said account, appointment of brokers, escrow agents, printers, registrars, solicitors, depository participants, scrutinizer and such other intermediaries/agencies for the implementation of the Buyback and carry out incidental documentation and to prepare applications and submit to the Appropriate Authorities for their requisite approvals as also to initiate all necessary actions for the preparation and issue of various documents including public announcement, draft and final letter of offer, declaration

of solvency, extinguishment of Shares and certificate of extinguishment required to be filed in connection with the proposed Buyback on behalf of the Board.

RESOLVED FURTHER THAT the BBC be and is hereby authorized to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of Article **125 and 126** of the Articles of Association of the Company.

RESOLVED FURTHER THAT the BBC be and is hereby authorized to delegate all or any of the authorities conferred on it to any Officer(s) / Authorized Signatory(ies) of the Company.

RESOLVED FURTHER THAT Ms. Zarana Jhaveri, Company Secretary, be and is hereby appointed as the Compliance Officer for the proposed Buyback.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the BBC is hereby authorized to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.

RESOLVED FURTHER THAT the buyback is subject to:

- a) the buyback is not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause-40A of the Listing Agreement entered into between the Company and the Stock Exchanges, where the shares of the company are listed i.e. maintaining the minimum public shareholding at 25%;
- b) the Equity Shares that may be bought back do not exceed the maximum number of shares permissible;
- c) the aggregate consideration payable pursuant to the proposed buyback is not exceeding the offer size ; and
- d) complying with the statutory and regulatory timelines in respect of the buyback, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act and / or the Regulations and any other applicable Laws.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in Equity Shares, if any and non-transferable Equity Shares, if any, till the pendency of the lock-in or till the Equity Shares become transferable.

RESOLVED FURTHER THAT Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the Rules and Regulations framed there under.

RESOLVED FURTHER THAT pursuant to section 68(6) and any other applicable sections of the Companies Act, 2013 the Company be and is hereby authorized to file with Registrar of Companies(ROC) and Securities and Exchange Board of India(SEBI), a Declaration of Solvency signed by at least two directors, verified by an affidavit to the effect that full inquiry into the affairs of the Company has been made as a result of which the Board has formed an opinion it is capable of meeting its liabilities and will not be rendered insolvent within a period of one year from the date of declaration of Buy-back.

RESOLVED FURTHER THAT as per the provisions of section 68(8) of the Companies Act, 2013 the Company will not issue fresh Equity Shares within a period of six months after the completion of the buyback except by way of bonus shares or shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

RESOLVED FURTHER THAT as per the provisions of regulation 19(f) of SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback Offer, except in discharge of its subsisting obligations

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and / or any obligation on the Company or the Board or the BBC to proposed buyback any shares and / or impair any power of the Company or the Board or the BBC to terminate any process in relation to such proposed buyback, if so permissible by Law.

RESOLVED FURTHER THAT the Company does maintain a Register of Securities in Form Sh-10 pursuant to sub-section (9) of section 68 of the companies act, 2013 and rule 17 (12) of the companies (share capital and debentures) Rules, 2014 wherein details of equity shares bought back, mode of buy back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any Director and the Company Secretary, be and are hereby severally authorized to send the necessary intimations to the Stock Exchanges in regard to this resolution, as may be required under the listing agreement.

RESOLVED FURTHER THAT any of the Directors of the Company &/or the Company Secretary for the time being, be and are hereby severally authorized to furnish a copy of this resolution certified as true to the relevant Authority(ies).”

5) **DETAILS OF THE PUBLIC ANNOUNCEMENT**

As per Regulation 8(1) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated May 15, 2014 for the Buyback of Equity Shares in Business Standard (English newspaper), Business Standard (Hindi newspaper) and Mumbai Lakshadeep (Marathi newspaper) on May 16, 2014, within two working days from the date of resolution of the Board meeting approving the Buyback, on May 14, 2014.

6) **DETAILS OF THE BUYBACK**

Prime Property Development Corporation Limited has announced the Buyback of up to maximum of 38,00,000 fully paid up Equity Shares of Rs. 5 each of the Company, from the Existing Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company through the Tender Offer process in accordance with Sections 68, 69, 70 and other applicable provisions of the Act and the SEBI Buyback Regulations at a price of Rs. 19.50 per share (Rupees Nineteen and Fifty Paise) payable in cash for an aggregate maximum amount of upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs). The Buyback Size represents 9.96% of the aggregate of the Company's paid-up Equity Share Capital and free reserves as on March 31, 2014 which stands at Rs. 74,36,60,761. At the Buyback Price of Rs. 19.50 per fully paid-up Equity Share, the Company shall buyback upto 38,00,000 fully paid-up Equity Shares of

face value Rs. 5 each representing 19% of the total paid up Equity Capital.

The Company will adopt the Tender Offer route for the purpose of Buyback. The Persons in Control of the Company vide their letter dated May 14, 2014 have confirmed that they do not intend to tender their Shares in the Buyback and will not transact in the Shares of the Company during the period of the Buyback. The particulars of the Equity Shares of the Company held by the Persons in Control of the Company, as on the date of the Public Announcement is given below:

Promoter and Promoter Group	No. of Shares
Padamshi Soni	97,51,925
Prabhavati Soni	17,77,422
Dimple Soni	2,00,000
Manish Soni	2,00,000
Vishal Soni	2,00,000
Total Shareholding of Persons in Control	1,21,29,347
Total Outstanding Shares of Company	2,00,00,000
% Shareholding of Persons in Control of Company (%)	60.65

Source: Shareholding Pattern provided by Registrar to the Buyback Offer

- The Promoter and Promoter Group members who are in control of the Company have vide their letter dated May 14, 2014 confirmed that they have not purchased or sold Shares of the Company during 6 months preceding May 14, 2014, being the date of Board Meeting approving the Buyback. Further, the Promoter and Promoter Group members of the Company have vide their letter dated June 04, 2014 confirmed that they have not purchased any Equity Shares of the Company from the date of Board Meeting till the date of this Letter of Offer.
- Assuming response to the Buyback is to the extent of 100% (*Full Acceptance*), the aggregate shareholding of the Persons in Control, post Buyback will increase to 74.87% of the post Buyback Equity Share Capital of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company. Further, the Promoter and Promoter Group have not voted in favour of the Board Resolution authorizing the Buyback under sections 68, 69 and 70 of the Act. Therefore, in terms of regulation 10(4) (c) of the SEBI Takeover Regulations, despite the increase in voting rights of the Promoter and Promoter Group from **60.65%** to **74.87%**, the Promoter and Promoter Group are exempted from an obligation to make an open offer under the SEBI Takeover Regulations.
- Further, the Promoters who are Directors of the Company, in their capacity as Directors, had abstained from voting on the resolution at the Board of Directors meeting held on May 14, 2014, where the proposal for Buyback was passed. Moreover, such increase in Promoter and Promoter Group shareholding will be **consequential and indirect in nature** and the resultant shareholding of the Promoter and Promoter Group after the Buyback Offer shall be within the limit of permissible maximum non-public shareholding in the Company as prescribed under clause 40A of the Listing Agreement entered into with the Stock Exchanges read with the Securities Contracts (Regulations) Rules, 1957.
- The Company hereby undertakes and confirms that post Buyback, the non-promoter shareholding of the Company will not fall below the minimum level required as per the listing conditions / agreement.

7) AUTHORITY FOR THE BUYBACK

Pursuant to sections 68, 69 and 70 and other applicable provisions of the Act, the SEBI Buyback Regulations and in terms of Article 12A of the Articles of Association of the Company, the Buyback through a tender offer route has been duly authorized by the resolution passed by the Board of Directors of the Company at their meeting held on May 14, 2014.

8) NECESSITY OF THE BUYBACK

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company to achieve the following objectives:

(a) Optimize returns to shareholders; and (b) Enhance overall shareholders value.

The above objectives will be achieved by returning part of surplus cash back to Shareholders through the Buyback process. This may lead to reduction in outstanding Shares, improvement in Earnings Per Share and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

9) MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

1. The Buyback is not likely to cause any material impact on the profitability / earnings of the Company. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs).
2. The Buyback is expected to result in overall enhancement of the shareholders' value and will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
3. The Persons in Control of the Company have vide their letters dated May 14, 2014 confirmed that they will not offer Shares held by them under the Buyback. The Buyback of Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
4. Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the aggregate shareholding of the Persons in Control, post Buyback will increase to 74.87% from 60.65% pre Buyback, and the aggregate shareholding of the Public in the Company shall reduce to 25.13% post Buyback from 39.35% pre Buyback.
5. Consequent to the Buyback and based on the number of Shares bought back from the non-resident shareholders, foreign institutional investors, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change.
6. As on March 31, 2014, there are no debts in the Company. In case, the Company avails any debt in the normal course of business during the Buyback Offer, the Company confirms that the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Act, even if the response to the Buyback is to the extent of 100% (Full Acceptance).

7. The Persons in Control of the Company have *vide* their letter dated May 14, 2014 confirmed that they will not deal in the Shares of the Company during the period of the Buyback.
8. The Company shall not issue any shares or other specified securities including by way of bonus Shares till date of closure of the offer made under the Regulation
9. Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2014 are as under:

(In Rupees)

Parameters	Pre-Buyback*	Post-Buyback*
Networth (excluding revaluation reserves and capital reserves)	743,660,761	669,560,761
Return on Networth (excluding revaluation reserves and capital reserves)	5.26%	5.84%
Earnings per Share	1.96	2.41
Book Value per Share	37.18	41.33
P / E as per the latest audited financial results**	8.94	7.24
Total Debt / Equity Ratio \$	-	-

* Pre and Post Buyback calculations are based on audited financial numbers as on March 31, 2014

** P/E Ratio based on the closing market price as on May 16, 2014 i.e. Rs. 17.47 (BSE)

\$ Company does not have any debt outstanding as on March 31, 2014. In case, the Company avails any debt in the normal course of business during the Buyback Offer, the Company confirms that the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Act, even if the response to the Buyback is to the extent of 100% (Full Acceptance)

The post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact on the profit & loss account

10) BASIS OF CALCULATING THE BUYBACK PRICE

The Buyback price of Rs. 19.50 per Equity Share has been arrived at after considering prevailing stock market conditions, stock performance over the last few months preceding the date on which notice to Stock Exchanges for considering the board meeting for buyback was given, i.e. May 02, 2014, and the possible impact of the Buyback on the Earnings Per Share (“EPS”) and financial ratios of the Company and other relevant considerations.

1. The average closing market price of the Equity Shares of the Company two weeks prior to the date of notice to Stock Exchanges for considering the Board Meeting on May 02, 2014 was Rs. 10.85 on BSE. The Buyback Price of Rs. 19.50 amounts to a premium of 79.70% to the average closing market price two weeks prior to the date of the Board Meeting on BSE.
2. The average closing market price of the Equity Shares of the Company six months prior to the date of notice to Stock Exchanges for considering the Board Meeting on May 02, 2014 was Rs. 10.50 on BSE. The Buyback Price of Rs. 19.50 amounts to a premium of 85.73% to the average closing market price six months prior to the date of the Board Meeting on BSE.
3. The closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting for considering the Buyback to the stock exchanges, i.e. May 02, 2014 was Rs. 11.50 on BSE. The Buyback Price of Rs. 19.50 amounts to a premium of 69.57% to the closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting.

4. The Buyback price is being offered at a discount of 47.56% over the Company's Book Value per share of Rs. 37.18 as at March 31, 2014.
5. The EPS of the Company pre-Buyback as on March 31, 2014 is Rs. 1.96 which will increase to Rs. 2.41 post Buyback assuming full acceptance of the Buyback. (please refer clause 9.9)
6. The Return of Networth of the Company pre Buyback as on March 31, 2014 is 5.26% which will increase to 5.84% post Buyback assuming full acceptance of the Buyback (please refer clause 9.9)

11) **SOURCES OF FUNDS FOR THE BUYBACK**

1. Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback would be upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs).
2. The Buyback Size of upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs) represents 9.96% of the aggregate of the paid up Equity Share Capital and free reserves of the Company as at March 31, 2014.
3. The maximum number of Shares to be bought back in the Buyback is 38,00,000 Equity Shares. The number of Shares to be bought back would constitute approximately 19% of Equity capital of the Company, as on March 31, 2014.
4. The Shares shall be bought back at a price of Rs. 19.50 per Equity Share.
5. The Company vide its letter dated May 14, 2014 has confirmed that the funds for the Buyback will be made available from the current surplus and / or cash balances and / or internal accruals of the Company.
6. The Company does not propose raising debt for buying back Shares. However, the Company may continue to borrow funds in the ordinary course of its business.

12) **DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN**

1. In accordance with Regulation 10 of the SEBI Buyback Regulations, an Escrow agreement has been entered into among the Company, Saffron Capital Advisors Private Limited and Axis Bank Limited (the "**Escrow Agent**") on May 15, 2014 and in accordance with the same the Company has opened an escrow account in the name and style "**Prime Property Development Corporation Limited Buyback Escrow Cash A/c**" bearing account number **914020017009706** in the form of cash deposit of a sum of Rs. **1,85,25,000** (Rupees One Crore Eighty Five Lacs Twenty Five Thousand) ("**Escrow Amount**") which has been confirmed by the Escrow Agent vide its letter dated May 20, 2014. Saffron Capital Advisors Private Limited (Manager to the Buyback) has been empowered to operate the Escrow Account in accordance with the Regulations.
2. Mr. Mayur Vora, Partner of M/s Vora & Associates, located at 101-103, Rewa Chambers, 31, New Marine Lines, Mumbai- 400020; Tel. + 91 22 2200 5933/34; Email:cavoras@gmail.com; having Membership Number: 30097, has certified, vide letter dated May 15, 2014 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback. The Manager to the Buyback having regard to the above confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

13) CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- The present capital structure is as follows:

(Rupees in Lacs)

Parameters	Pre-Buyback
Authorised Share Capital- 4,00,00,000 Equity Shares of Rs.5 each	2,000

- Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the paid-up Equity Share Capital of the Company pre-Buyback and post-Buyback would be as follows:

(Rupees in Lacs)

Particulars	Pre-Buyback	Post-Buyback
Paid-Up Equity Share Capital	1,000 <i>(comprising of 2,00,00,000 fully paid-up Equity Shares of face value Rs. 5 each)</i>	810 <i>(comprising of 1,62,00,000 fully paid-up Equity Shares of face value Rs. 5 each)</i>

- There are no partly paid up Shares or outstanding convertible instruments or preference shares as on the date of the Public Announcement.
- The shareholding pattern of the Company pre-Buyback, taken as on May 15, 2014 (the date of Public Announcement), as well as the post Buyback Shareholding, are as shown below:

Category of Shareholder	No. of Shares Pre – Buyback	% to the existing Equity Share capital	No. of Shares - Post Buyback*	% to the existing Equity Share capital
Shareholding of Promoter / Promoter Group (“Persons in Control of the Company”)	1,21,29,347	60.65	1,21,29,347	74.87
Shareholding of the Non Promoter(s):			4,070,653	25.13
Foreign Investors (including Non Resident Indians / FIIs/ Foreign Nationals/ Foreign Corporate Bodies)	91505	0.46	}	
Financial Institutions /Banks & Mutual Funds/ Insurance Co.	675	0.003		
Others (Individuals, Bodies Corporate, Employees, etc.)	7778473	38.89		
Total	2,00,00,000	100		100

Source: Shareholding pattern received from the Registrar to the Buyback Offer

* Assuming full acceptance of Equity Shares in the Buyback Offer

- The Buyback will be implemented from the existing shareholders, other than Persons in Control of the Company. None of the Persons in Control of the Company intends to tender their Shares in the proposed Buyback and will not transact in the Shares of the Company during the period of the Buyback.

- There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- During the last 3 years from the date of this Letter of Offer, the Company has not bought back any Shares under buyback programme.

14) BRIEF INFORMATION OF THE COMPANY

a) History of the Company

- The Company was incorporated as Akhil Holdings Private Limited vide Certificate of Incorporation dated December 23, 1992 issued by Additional Registrar of Companies, Maharashtra. The name of the Company was changed to “Akhil Holdings Limited” consequent on conversion to public limited company vide fresh Certificate of Incorporation dated October 05, 1994 issued by Registrar of Companies, Maharashtra. The name of the Company was again changed to “Shrenik Securities Limited” vide fresh Certificate of Incorporation consequent on change of name dated October 14, 1996 issued by Registrar of Companies, Maharashtra. The name of the Company was again changed to “Soni Softech Limited” vide fresh Certificate of Incorporation consequent on change of name dated September 13, 2000 issued by Deputy Registrar of Companies, Maharashtra. The name of the Company was again changed to “Prime Property Development Corporation Limited” vide fresh Certificate of Incorporation consequent on change of name dated November 16, 2001 issued by Deputy Registrar of Companies, Maharashtra. Company Identification Number of the Company is L67120MH1992PLC070121.
- Company made its maiden public issue of 2727000 (*including over subscription of 18500 equity shares*) equity shares of face value Rs. 10/- each for cash at par aggregating to Rs. 272.70 Lakhs (*including over subscription*) in the year 1995. (*Source: Prospectus dated March 13, 1995 and copy of board resolution dated June 02, 1995*)
- Company is currently listed on BSE, ASE, MSE and JSEL. Company has vide board resolution dated May 14, 2014 resolved to voluntary delist from ASE, MSE and JSEL.
- Company has a wholly owned subsidiary Sea-King Club Private Limited which was incorporated vide Certificate of Incorporation dated November 07, 1974, issued by Registrar of Companies, Mumbai, Maharashtra. It was taken over by our Company in the year 2010 and was made as wholly owned subsidiary of the Company.

b) Business Overview

- Originally the Company was registered as Non-Banking Financial Company (“NBFC”) with RBI. Pursuant to the change in the ‘Main Objects’ of the Company, it surrendered the NBFC Registration Certificate with RBI.
- Company is currently engaged in to construction of real estate projects and has successfully completed various projects in past like Prime Avenue, Prime Centre, Prime Plaza, Prime Beach, Prime Tech Park, Prime Square and Prime Mall Pune. (*Source: website of Company- www.ppdcl.com*)

For further details, kindly refer to the website of Company: www.ppdcl.com

c) Details of changes in Management

- In the year 1997, Mr. Minesh Doshi, Mr. Shashikant. A. Vora and their associates along with

Money Anchor Financial Services Private Limited, (collectively “**Acquirers**”) entered in to an agreement with Mr. Dinesh Joothawat, Mr. Hastimal Ostwal, Mr. Dinesh Joothawat, Karta of Dinesh C Joothawat (HUF), Mr. Hastimal Ostwal, Karta of Hastimal S. Ostwal (HUF), Mr. Premchand Jain, Mrs. Madhu H. Ostwal, Mrs. Arpita Joothawat and Amazon Securities Private Limited for acquisition of 12,50,000 equity shares of face value Rs. 10/- each for cash at a negotiated price of Rs. 2.50/- per equity share with an intention of acquiring control over the Company. Pursuant to the Takeover Code 1997, the Acquirers made an public announcement dated 28/01/1997 for acquiring 10,03,700 equity shares of face value Rs. 10/- for cash at an offer price of Rs. 2.50/- per equity share each representing 20% of the then total paid up capital of the Company (“**Offer**”). This Offer opened on March 20, 1997 and closed on April 21, 1997. (Source: Letter of Offer dated March 13, 1997)

- In the year 2000, Mr. Padamshi Soni, Mr. Manish Soni and Mr. Vishal Soni (collectively “**Acquirers**”) entered in to an agreement dated May 05, 2000 with Mr. Minesh Doshi, Mr. Shashikant A. Vora and Money Anchor Financial Services Private Limited for acquiring 20,00,000 fully paid up equity shares of face value Rs. 10/- each for cash at a negotiated price of Rs. 4/- per equity share with an intention of acquiring control over the Company. Pursuant to the Takeover Code 1997, the Acquirers made an public announcement dated May 10, 2000 for acquiring 10,03,700 equity shares of face value Rs. 10/- each for cash at an offer price of Rs. 4/- per equity share representing 20% of the then total paid up capital of the Company (“**Offer**”). This Offer opened on July 05, 2000 and closed on August 03, 2000. (Source: Letter of Offer dated June 14, 2000 and Share Purchase Agreement dated May 05, 2000)
- Mr. Padamshi Soni, Mr. Manish Soni and Mr. Vishal Soni are currently the Promoter-Directors of the Company.

d) **Consolidation and Restructuring**

- Face value of Rs. 100 per Equity Share was subdivided into 10 Equity Shares of face value Rs. 10 per Equity Share vide shareholders resolution dated September 02, 1994.
- In the year 2005, face value of Rs. 10 per Equity Share was subdivided into 2 Equity Shares of face value Rs. 5 per equity share vide shareholders resolution dated September 30, 2005.

e) **Capital Built-up of the Equity Share Capital**

Sr. No	Date of Allotment / (Extinguishment) of Shares	No. of Equity Shares Issued / (Extinguished)	Face Value per share (Rs.)	Reasons of Allotment / (Extinguishment)	Consideration (INR)	Cumulative Equity Shares	Cumulative Equity Share Capital (INR)	
1.	* 29/12/1992	2	100	Subscription to the Memorandum	200	2	200	
2.	* 13/03/1993	18	100	Further Allotment	1800	20	2000	
3.	01/03/1994	19140	100	Further Allotment	191400	19160	1916000	
4.	Face value of Rs. 100 per Equity Share was subdivided into 10 Equity Shares of face value Rs. 10 per Equity Share vide shareholders						191600	1916000

	resolution dated September 02, 1994						
5.	30/11/1994	529900	10	Further Allotment	529900 0	7,21,500	7215000
6.	09/12/1994	320000	10	Further Allotment	320000 0	10,41,500	10415000
7.	18/01/1995	305000	10	Further Allotment	305000 0	13,46,500	13465000
8.	* June 02, 1995	2727000	10	Public Issue	272700 00	4073500	40735000
9.	* June 02, 1995	945000	10	Allotment to the promoters in Public Issue	945000 0	5018500	50185000
10.	10/11/2000	4981500	10	Preferential allotment to the current promoters	498150 00	10000000	10,00,00,000
11.	Face value of Rs. 10 per Equity Share was subdivided into 2 Equity Shares of face value Rs. 5 per equity share vide shareholders resolution dated September 30, 2005					2,00,00,0 00	10,00,00,000

Notes:- 1. During the years 1997 and 2000, there has been change in the management of the Company. For details of changes in management in past, please refer to page 17 of this Letter of Offer.

2. Company has been made a party for a litigation by a unregistered shareholder for transfer of 200 equity shares of Akhil Holdings Limited (erstwhile name of the company) which post-split of face value from Rs. 10 each to two equity shares of Rs. 5 each in the year 2005, amounts to 400 equity shares of Prime Property Development Corporation Limited. The matter is currently pending before Sessions Judge, Patna

* Company does not have copy of Return of Allotments for these allotments. Certified true extract of board resolution for these allotments have been relied upon.

f) The Details of the Board of Directors of the Company are as follows:

Name, Age and DIN	Designation	Qualifications and Occupation	Date of Appointment/ Re-appointment	Other Directorships in Indian Companies on the date of Public Announcement
Padamshi Soni 65 years 00006463	Chairman	Undergraduate Business	06/05/2000	• Sea-King Club Private Limited
Manish Soni 41 years 00006485	Whole Time Director	Undergraduate Business	01/08/2011	• Sea-King Club Private Limited
Vishal Soni 36 years 00006497	Whole Time Director	Undergraduate Business	01/08/2011	• Sea-King Club Private Limited
Alok Chowdhury	Chief Executive	M.A, C.A.I.I.B	01/01/2014	NIL

70 years 02133472	Officer & Whole Time Director	Service		
Yadavrao Pawar 72 years 00068736	Independent Director	B. Sc (Hons) LL.B Retired I.P.S Officer	16/01/2006	NIL
Nalinakshan Kolangaradath 71 years 00006570	Independent Director	M.A (Economics) Retired I.A.S Officer	16/01/2006	<ul style="list-style-type: none"> • Shri Krishna Mines Pvt Ltd • Ganesh Benzoplast Limited
Satendrakumar Bhatnagar 68 years 02230233	Independent Director	M.A, LL.B and LL.M Advocate at High Court Mumbai & Goa	23/07/2008	NIL
Ishwarchand Shah 81 years 02512385	Independent Director	B.A, LL.B Sr. Counsel of Supreme Court of India	22/01/2009	NIL

Note:- Company confirms that there has been no change in the Board of Directors of the Company during the last three years.

Person in Control of the Company are not concerned or interested either directly or indirectly for participating in the Buyback. The Persons in Control have consented not to participate in the Buyback. Consequent to the Buyback and depending upon the response to the Buyback offer, the holding of promoters would increase from the pre-Buyback Shareholding of 60.65% to a maximum post-Buyback Shareholding of 74.87%, (assuming that all the 3800000 Shares are bought back in the proposed Buyback offer). The Buyback will not result in change in control or otherwise affect the existing management structure of the Company.

15) FINANCIAL INFORMATION ABOUT THE COMPANY

The salient financial information of the Company, as extracted from the audited results for the last three financial years is detailed below:

(Rs. in Lakhs)

Key Financials	For the year ended on March 31,		
	2014 (Audited)	2013 (Audited)	2012 (Audited)
Net Sales	501.00	10,350.00	-
Other Income	230.06	14.59	6.82
Total Income	731.06	10,364.59	6.82
Total Expense (excluding Interest, Depreciation, Tax and			

Exceptional Items)	396.38	8,581.60	181.58
Interest Expense / (Income)	51.92	275.31	198.09
Depreciation	27.31	33.89	43.10
Exceptional Items*	-	-	-
Profit Before Tax	255.45	1,473.79	-415.95
Provision for Tax	-135.59	504.08	-157.86
Profit After Tax	391.04	969.71	-258.09
Equity Dividend (including dividend tax)	-	232.44	116.22
Paid-up Equity Share Capital	1,000.00	1,000.00	1,000.00
Reserve & Surplus excluding revaluation reserves and capital reserves	6,436.61	6,045.57	5,308.29
Net worth excluding revaluation reserves	7,436.61	7,045.57	6,308.29
Loan Funds			
- Secured Loans	-	-	1,023.77
- Unsecured Loans	-	1,761.70	1,204.80

***Details of Exceptional Items:**

(Rs. in Lacs)

Particulars	For the year ended on March 31,		
	2014	2013	2012
	(Audited)	(Audited)	(Audited)
(a) Loss on sale/discard of assets	-	-	-
(b) Profit on sale of fixed assets	-	-	0.85
Net effect of loss/(profit) on sale/discard is included in Statement of Profit and Loss	-	-	0.85

Key Ratios	For the year ended on March 31,		
	2014	2013	2012
	(Audited)	(Audited)	(Audited)
No. of shares (as at end of the period) (in Lakhs)	200.00	200.00	200.00
Book value (Rs.)	37.18	35.23	31.54
Return on Net Worth excluding revaluation reserves (%)	5.26%	13.76%	-4.09%
Earnings Per Share (Rs.)	1.96	4.85	-1.29
Debt / Equity Ratio	* 0.00	0.25	0.35
The key ratios have been computed as below:			
Key Ratios	Basis		

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	(Paid up Equity Share Capital + Free Reserves) / No of Equity Shares at the end of the year
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / (Paid up Equity Share Capital + Free Reserves)
Debt-Equity Ratio	Total Debt / (Paid up Equity Share Capital + Free Reserves)

* Company does not have any debt outstanding as on March 31, 2014.

The Company shall comply with the SEBI Takeover Regulations wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013, as amended and will comply with Regulation 23 of the SEBI Buyback Regulations, as and when applicable.

16) STOCK MARKET DATA

The Company's Shares are currently listed on BSE, MSE, JSEL and ASE. Equity Shares of the Company are not traded on ASE, MSE and JSEL. Hence the Stock Market Data for these stock exchanges is not available. The high, low and average market prices in preceding three financial years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from November 2013 to April 2014 and the corresponding volumes on BSE are as follows:

BSE

Period	High (Rs.)	Date of High	No. of Shares traded on that date	Low (Rs.)	Date of Low	No. of Shares traded on that date	Average Price#	Total Volume traded in the period
FY 2014	14.64	04/06/2013	864	8.70	06/03/2014	930	11.07	316008
FY 2013	22	08/08/2012	15425	9.20	25/03/2013	1723	14.55	787260
FY 2012	33.75	18/04/2011	7414	11.31	05/12/2011	98803	19.46	2026354
May 01, 2014 to May 14, 2014	17.55	14/05/2014	4579	10.64	02/05/2014	241	14.23	49703
April 2014	11.57	28/04/2014	1193	9.65	04/04/2014	2582	10.58	79219
March 2014	11.55	24/03/2014	15302	8.70	06/03/2014	930	10.06	25415
February 2014	11.89	10/02/2014	750	8.81	24/02/2014	2593	10.38	192110
January 2014	11.40	29/01/2014	2	9.70	20/01/2014	6327	10.42	20441
December 2013	11.46	02/12/2013	30	9.30	09/12/2013	125	9.97	12559
November 2013	13.24	07/11/2013	964	9.95	26/11/2013	1001	11.82	5016

(Source: www.bseindia.com)

Arithmetic average of Closing prices of all trading days during the said period

THE CLOSING MARKET PRICE OF THE EQUITY SHARES OF THE COMPANY:

- As on May 13, 2014, i.e. the trading day before May 14, 2014, being the date of Board Meeting approving the Buyback was Rs. 16.95 per Equity Share on BSE.
- As on May 14, 2014, i.e. the date of Board Meeting approving the Buyback was Rs. 17.01 per Equity share on BSE.
- As on May 15, 2014, i.e. the trading day immediately after May 14, 2014 being the date of Board Meeting approving the Buyback was Rs. 16.64 per Equity Share on BSE.
- As on May 15, 2014, i.e. the date of Public Announcement was issued, was Rs. 16.64 per Equity Share on BSE.

17) DETAILS OF THE STATUTORY APPROVALS

- a) The Buyback is subject to the receipt of approval from the Reserve Bank of India (“**RBI**”), if any, for acquiring Shares validly tendered in the Buyback from Non-Resident Indians (“**NRI**”) and erstwhile Overseas Corporate Bodies (“**OCB**”). The Company, if required, will make necessary applications to RBI to obtain the requisite approvals on behalf of the shareholders in respect of whom such prior RBI approval may be required. The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required. It shall not accept Shares from the shareholders, in respect of whom prior RBI approval is required, in the event the aforesaid RBI approval is refused.
- b) The Company has the option to make payment to the shareholders in respect of whom no RBI approval is required who have validly tendered their Shares in the Buyback as per the basis of acceptance (if any). In case of delay in receipt of the RBI approval, after the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.
- c) As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of the statutory / regulatory approvals are delayed, changes to the proposed timetable, if any, shall be intimated to the Stock Exchanges, and hence made available for the benefit of Shareholders.

18) DETAILS OF REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

REGISTRAR TO THE BUYBACK



LINK INTIME INDIA PRIVATE LIMITED

Unit: Prime Property Development Corporation Limited- Buyback Offer

C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),

Mumbai - 400 078, Maharashtra, India

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Investor Grievance Id: ppdcl.buyback@linkintime.co.in

SEBI Registration Number: *INR000004058

Contact Person: Mr. Pravin Kasare

* The SEBI registration of Link Intime India Private Limited ("Registrar to the Issue") was valid up to May 05, 2014. The application for renewal of the certificate of registration in the prescribed manner has been made by the Registrar to the Issue on January 30, 2014, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A of the SEBI (Registrars to an Issue and Share Transfer Agents), Regulations, 1993, as amended. The approval from SEBI is currently awaited.

Shareholders residing at a location where there is no collection centre, should send the Tender Form and relevant documents to the Registrar to the Buyback at its Mumbai office by mode mentioned herein below.

Collection Centres

The Tender Form can be submitted on any working day during the period of the Offer i.e. **June 16, 2014 (Monday)** to **June 27, 2014 (Friday)**, (both the days inclusive), except Saturdays, Sundays & Public Holidays, at collection centres between 10.30 A.M. to 04.30 P.M.:

Sr. No.	Place	Address	Contact Person	Email Address of the Contact Person	Telephone No. and Fax No.	Mode of Delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg Bhandup (W), Mumbai - 400078.	Pravin Kasare	pravin.kasare@linkintime.co.in	Tel. No.: +91 22 2596 7878 Fax No.: +91 22 2596 0329	Hand Delivery & Registered Post
2	Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	Hitesh Patel	ahmedabad@linkintime.co.in	Tel. No.: +91 79 2646 5179 Telefax No.: +91 79 2646 5179	Hand Delivery
3	New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028	Swapan Naskar	delhi@linkintime.co.in	Tel. No.: +91 11 4141 0592 / 93 / 94 Fax No.: +91 11 4141 0591	Hand Delivery
4	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Mrs. Solly Soy	chennai@sasp.artners.com	Tel. No.: +91 44 2815 2672 / 4207 0906 Telefax No.: +91 44 2815 2672	Hand Delivery

Note: Shareholders can also send the Tender Form by courier/speed post/registered post so as to reach Registrar to Buyback, Mumbai, by superscribing the envelope as "Prime Property Development Corporation Limited- Buyback Offer". The Tender Form should reach Registrar to Buyback before 4.30 P.M. on **June 27, 2014 (Friday)**, failing which the same will be rejected.

19) PROCESS AND METHODOLOGY FOR THE BUYBACK

1. The Company proposes to buyback up to maximum of 38,00,000 fully paid up Equity Shares of face value Rs. 5 each, from the Existing Shareholder(s)/Beneficial owner(s) of Equity Shares of the Company through the Tender Offer Route in accordance with sections 68, 69 and 70 and other applicable provisions of the Companies Act, 2013 and the SEBI (Buyback of Securities) Regulations, 1998, as amended, at a price of Rs. 19.50 per Share payable in cash for an aggregate amount of Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs). The Buyback size represents 9.96% of the paid-up Equity Share Capital and free reserves of the Company as on March 31, 2014. The maximum number of Equity Shares proposed to be bought back is 38,00,000 Equity Shares of face value Rs. 5 each, being 19% of the total paid up Equity Capital of the Company.
2. The Promoters / Promoter Group / Persons in Control do not intend to offer any Equity Shares under the proposed Buyback. The aggregate shareholding of the Persons in Control is 1,21,29,347 Equity Shares of face value Rs. 5 each out of total 2,00,00,000 Equity Shares of face value Rs. 5 each i.e. 60.65% of the existing Equity Share capital of the Company. Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the aggregate shareholding of the Persons in Control post Buyback will increase to 74.87% of the post Buyback Equity Share capital of the Company.
3. **RECORD DATE AND RATIO OF BUYBACK AS PER THE ENTITLEMENT IN EACH CATEGORY**
 - Board of Directors in their meeting held on May 14, 2014 announced May 26, 2014 as Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback Offer.
 - The Shares to be bought back as a part of this offer is divided in to two categories
 - (a) Reserved category for Small Shareholders, and
 - (b) The General Category for other shareholders
 - As defined in the SEBI Buyback Regulations, Small Shareholder means a shareholder of a listed company, who holds Shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than rupees two lacs. As on Record Date, the closing price on BSE, was Rs. **18.60**.
 - Based on the above definition, there are **3366** Small Shareholders in the Company with aggregate shareholding of 19,55,475 Shares, as on Record Date, which constitutes **9.78%** of the outstanding number of Equity Shares of the Company and **51.46%** of the number of Equity Shares which the Company proposes to buyback as a part of this Offer.
 - The entitlement of Small Shareholders as on Record Date in proportion to the total paid up capital of the Company is **9,44,115** equity shares $[(19,55,475 / 78,70,653) * 38,00,000]$
 - The number of equity shares offered for Small Shareholders in the Buyback Offer is 570,000 being 15% of 3800000
 - In compliance with Regulation 6 of the SEBI Regulations, the reservation for the Small Shareholders, **WILL BE HIGHER OF:-**

- i) Fifteen percent of the number of securities which the company proposes to buy back i.e. 15% of 3800000 Equity Shares which works out to **5,70,000** Equity Shares or
- ii) The number of securities entitled as per their shareholding as on Record Date [i.e. (19,55,475 /78,70,653)*38,00,000] which works out to be **9,44,115** Equity Shares.
- All the outstanding Equity Shares **except** Equity Shares held by Promoter and Promoter Group have been used for computing the Buyback Entitlement of Small Shareholders as the Promoter and Promoter Group have vide their letter dated May 14, 2014 confirmed their intention to not to participate in the Buyback Offer.
- **Based on the above and in accordance with Regulation 6 of the Buyback Regulations 9,44,115, Equity Shares being higher of point # i) and ii) above, have been reserved for Small Shareholders (“Reserved Buyback Size for Small Shareholders”).**
- Accordingly, General Category for Other Shareholders shall consist of **28,55,885** Shares (“**Balance Buyback Size**”).
- Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	14 Equity shares out of every 29 fully paid up Equity shares held on the Record date
General category of other shareholders	1207 Equity shares out of every 2500 fully paid up Equity shares held on the Record date

- **FRACTIONAL ENTITLEMENTS**

- a. **Reserved category for Small Shareholders:**

For Equity Shares proposed to be bought back by the Company under this offer, if the number of Shares held by any of the Small Shareholders in the Reserved Category is less than **29** Equity Shares or is not in multiple of **29**, the fractional entitlement of such Small Shareholders shall be ignored for computation of their entitlement to tender Shares in Buyback Offer. On account of ignoring the fractional entitlement, those Small Shareholders who are entitled to tender zero Equity Shares in the Buyback Offer will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer. Such Small Shareholders will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares as part of the Buyback offer.

- b. **General Category of other Shareholders:**

For Equity Shares proposed to be bought back under this offer, if the shareholding of any of the Equity Shareholders in General category is not in multiple of **2500** the fractional entitlement of such Equity Shareholders shall be ignored for computation of entitlement in Buyback Offer.

- 4. **BASIS OF ACCEPTANCE OF SHARES**

Basis of Acceptance of Shares validly tendered in the Reserved Category for Small

Shareholders:

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

1. Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
2. Post the acceptance as described in Clause 19.4.1 above, in case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares as part of the Buyback offer, shall be given preference and one share each from the Additional Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
3. Post the acceptance as described in Clauses 19.4.1 and 19.4.2 above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with Clauses 19.4.2 above, shall be reduced by one.
4. Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.4.3 above:
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
5. **Basis of Acceptance of Shares validly tendered in the General Category for Other Shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Other Shareholders in the General Category in the following order of priority:

1. Full Acceptance of Equity Shares from Other Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
2. Post the acceptance as described in Clause 19.5.1 above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Other

Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in General Category.

3. Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.5.2 above:

a) For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

b) For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

6. **Basis of Acceptance of Shares between Categories:**

1. In case there are any Shares left to be bought back in one category (“Partially filled Category”) after acceptance in accordance with the above described methodology for both the Categories, and there are Additional unaccepted validly tendered Shares in the second Category, then the Additional Shares in the second Category shall be accepted proportionately i.e. valid acceptances per shareholder shall be equal to the Additional outstanding Shares validly tendered by a shareholder in the second Category divided by the total Additional outstanding Shares validly tendered in the second Category and multiplied by the total Pending number of Shares to be bought back in the Partially filled Category.

2. If the Partially filled Category is the General Category for Other Shareholders and the second Category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Shares tendered by such Small Shareholders, from whom one Share has been accepted in accordance with Clause 19.4.2, shall be reduced by one. If the Partially filled Category is the Reserved Category for Small Shareholders, then the methodology as provided and explained in point# 19.6.1 above, shall be followed.

3. Adjustment for fraction results in case of proportionate acceptance, as defined in Clause 19.6.1 above:

o For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

o For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

7. For avoidance of doubt, it is clarified that the Shares accepted under the Buyback from each Shareholder, in accordance with Clause 19.3, 19.4, 19.5 and 19.6 above, shall not exceed the number of Shares tendered by the respective Shareholder.

8. For the avoidance of doubt, it is clarified that the Equity Shares accepted under the Buyback

from each Shareholder, in accordance with Clause 19.3, 19.4, 19.5, 19.6 and 19.7 above, shall not exceed the number of Shares held by the respective Shareholder, as on the Record Date.

9. For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with Clause 19.3, 19.4, 19.5, 19.6, 19.7 and 19.8 above.

20) **PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

- The Buyback is open to all Eligible Person(s).
- The Company shall comply with Regulation 19(5) of the Regulations which states that the Company shall not buyback the locked-in Shares and non-transferrable Shares till the pendency of the lock-in or till the Shares become transferrable.
- The Company proposes to effect the Buyback through a tender offer, on a proportionate basis. A Letter of Offer (“LoF”) and Tender Form (“Form”), outlining the terms of the Buyback as well as the detailed disclosures as specified in the Regulations, will be mailed to the Eligible Persons. The LoF and Tender Form will be sent to the shareholders before the date of opening of the Buyback.
- The Buyback shall be open for the period as shown in the proposed timeline. Shareholders who propose to tender in the Buyback must ensure that their Form(s), along with the requisite documents, reach the collection centers before 4.30 p.m. on or before the date of closure of the Buyback. Shareholders must also ensure that the credit of dematerialized Shares in the Company Depository Account must take place before 4.30 pm on or before the date of closure of the Buyback.
- The Company will consider all the Shares validly tendered for the Buyback by shareholders, for acceptance under the Buyback.
- Shareholders may submit the Form duly signed (by all shareholders in case the Shares are in joint names) at the specified Collection Centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in the Letter of Offer. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
- Shareholders may offer for Buyback their full holding or any part of their holding of Shares of the Company, as they desire.
- Shareholders will have to transfer the Shares from the same demat account in which they were holding the Shares as on the Record Date and in case of multiple demat accounts, shareholders are required to tender the applications separately for each demat account.
- The Company will not accept any Equity Shares offered for buyback which are under lock-in or where there exists any restraint order of a Court for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Shares is under dispute and such matter is pending before any competent court in India or otherwise not clear or where any other restraint subsists.

- Where the Form is signed under Power of Attorney or by Authorized Signatory(ies) on behalf of a company / body corporate, the Power of Attorney/Signing Authority along with the specimen signatures must have been previously registered with the Company. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.
- In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate / Letters of Administration / Succession Certificate and all other relevant documentation while tendering their Shares for the Buyback.
- Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.
- In case of any lacunae and / or defect, incomplete information, late receipt or modifications in the documents / Forms submitted, the Form(s) are liable to be rejected.
- All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):
 - No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.
 - Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.
 - In case of companies, the necessary certified corporate authorizations (including Board and/or general meeting resolutions).
- It is mandatory for the shareholders to indicate the bank account where consideration will be payable at the appropriate place in the Form.
- Non-receipt of the LOF by, or accidental omission to dispatch the LOF to any person who is eligible to receive the Offer, shall not invalidate the Offer in any way.
- **IN CASE OF NON-RECEIPT OF THE LOF / FORM:**
 - a. **In case the Shares are in dematerialized form:** A shareholder may send an application in writing on plain paper stating name, address, number of Shares held Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback, bank account particulars for the payment of Buyback consideration, mode of payment etc. enclosing a photocopy of the delivery instruction in “Off-market” duly acknowledged by the DP, in favour of the depository account (details given below) and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centres before 4.30 pm on or before the date of closure of the Buyback. Shareholders must also ensure that credit of dematerialized Shares in the Company Depository Account must take place before 4.30 pm on or before the date of closure of the Buyback.

- b. **In case the Shares are in physical form:** A registered shareholder may send an application in writing on a plain paper signed by all shareholders stating name, address, folio number, number of Equity Shares held, certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing the original share certificate(s), copy of shareholders PAN card duly attested and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 4.30 pm on or before the date of closure of the Buyback.

• **FOR SHARES HELD IN THE DEMATERIALISED FORM:**

- a. The Company has designated a Depository account named “**Prime Property Development Corporation Limited Buyback Demat A/c**” with Axis Bank Limited, in NSDL (‘Company Depository Account’). The beneficial owners are required to execute an off-market trade by submitting the Delivery Instructions for debiting his/her beneficiary account with their concerned Depository Participant (“DP”). The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and on or before the last date of submission of the Form to the collection centers or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than 4.30 p.m. on or before the date of closure of the Buyback. A photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions duly acknowledged by the DP shall be attached to the Form while submitting the same. The beneficial owner may note that the Delivery Instructions to be made to their Depository Participant should be in the “Off-market trade” mode, and as per the details provided below:

DP Name	Axis Bank Limited
DP ID Number	IN300484
Beneficiary Account Name	Prime Property Development Corporation Limited Buyback Demat Account
Beneficiary Account Number / Client ID Number	18269622
Market	Off-Market
Execution Date	On or before Friday, June 27, 2014

Please note that the aforementioned account shall be closed at 4.30 p.m. on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their Shares to the aforementioned account before the closure of the aforementioned account.

- b. Shareholders having their beneficiary account in CDSL will have to use inter-depository instructions slip for the purpose of crediting their Shares in favour of the Company Depository Account. The ISIN of the Company is **INE233C01023**.
- c. If the Registrar to the Buyback does not receive the documents listed in the LoF by 4.30 p.m. on the date of closure of the Buyback, then, notwithstanding the credit of the Shares in the Company Depository Account, the Buyback will be deemed to have been rejected by such shareholder and the Shares tendered by such shareholder will be returned to such shareholder not later than July 08, 2014 by way of a credit to the shareholder’s depository account. Conversely, if the Shares are not credited to the Company Depository Account by 4.30 p.m. on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Buyback by or before 4.30 p.m. on the date of closure of

the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.

- d. In the event, that any Shares have to be returned to the shareholders and if the returned Shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the said Shares will be rematerialized and kept in physical form with the Company in trust for the shareholders until the Company receives specific directions from the shareholders with regard to these Shares.
- e. The Company shall accept / return the tendered shares from the Eligible Persons in the following manner:
 - In case all the Shares tendered for the Buyback are accepted by the Company, then the delivery instruction given by the shareholders to their DPs will be acted upon and consideration will be paid to the concerned shareholder as specified earlier on.
 - In case all the Shares tendered for the Buyback are not accepted by the Company, then the Shares held in dematerialized form, to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with their respective DP as per details furnished by the beneficial owner in the Form / as per those received electronically from the shareholder's DP, under intimation to the first named beneficial owner by Registered Post. The Shares shall be transferred not later than July 08, 2014. In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.
 - **For Shares held in the Physical form, by Registered Shareholders**
 - a. Registered shareholders holding Shares in physical form are required to enclose a copy of the PAN card (*duly attested*) and the original share certificate(s) while submitting the Form(s).
 - b. Shares held in physical form to the extent not accepted for Buyback will be returned to the beneficial owner after suitable sub-division, if any, in order to facilitate acceptance of share certificates tendered by them, through Registered Post, at the shareholders' sole risk
 - c. If the Registrar to the Buyback does not receive the documents listed above by 4.30 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the share certificates, the Buyback offer will be deemed to have been rejected by such shareholder and the share certificates shall be returned to such shareholder not later than July 08, 2014. Conversely, if the share certificates are not received by the Registrar to the Buyback by 4.30 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Buyback by or before 4.30 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.
 - **For Shares held by Non-resident shareholders**
 - a. Non-resident shareholders (excluding FII) should also enclose a copy of the permission received by them from RBI if applicable, to acquire the Shares held by them in the Company.
 - b. In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring

the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Buyback.

- c. If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected.

- **Settlement Procedure**

Subject to Clause 17 of the LoF, the Company will pay the consideration to the shareholders in respect of the Shares bought back within seven working days of closing of the Buyback i.e July 08, 2014 in accordance with the Regulations.

- a. The payment of consideration for accepted applications shall be made by the Company to the sole / first shareholder, the details of which are recorded with the Company / DP as applicable. Payment shall be made electronically through NECS (subject to availability of all information for crediting the funds), Direct Credit, Real Time Gross Settlement, National Electronic Fund Transfer. For physical cases/all other cases other than above through Demand drafts / Pay Order/ similar instruments payable at par at all the centres where the Company is accepting applications and centres where the Company would have to open collection centres if it were carrying out a public issue of a size equal to the Buyback Size / at places where the address of the shareholder is registered and the same shall be drawn in the name of the first named person in case of joint shareholders. The instrument for such payment shall be sent by speed/registered post.
- b. In order to avail NECS, shareholders holding Shares in physical form are requested to submit the NECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents or there is a change in Bank details. Shareholders holding Shares in dematerialized form are requested to instruct their respective DP regarding bank accounts in which they wish to receive consideration before the close of the Buyback. The Company / Registrar & Share Transfer Agents will not act on any direct request received from shareholders holding Shares in dematerialized form for change / deletion of such bank details.
- c. The payment to the shareholders would be done through various electronic modes as mentioned below:
- d. National Electronic Clearing System ('NECS') - By NECS for Applicants having a bank account at the designated centers. This mode of payment of consideration amount would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. Payment would be done through NECS for Shareholders having an account at any of the designated centres. The payment through NECS is mandatory for Shareholders having a bank account at any of the designated centres, except where the Shareholder, being eligible, opts to receive payment through direct credit or RTGS.
- e. Direct Credit - Shareholders having bank accounts with the Escrow Agent, as mentioned in the Tender Form, shall be eligible to receive payments through direct credit. Charges, if any,

levied by the Escrow Agent for the same would be borne by the Company.

- f. Real Time Gross Settlement (RTGS) - Shareholders having a bank account at any of the RBI mandated centers and whose amount exceeds Rs. 2 Lacs, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through NECS/other modes. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.
- g. National Electronic Fund Transfer ('NEFT') - Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.
- h. All Shareholders are requested to determine the tax implications of Buyback and are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- i. The Shares lying to the credit of the Company Depository Account will be extinguished in the manner specified in the Regulations.
- j. All documents sent by shareholders and all remittances to shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

21) NOTE ON TAXATION

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ('IT Act') relating to treatment of income-tax in case of buyback of listed equity shares in the hands of the shareholders, which is provided only as a guidance.

Any payment made by a Company on purchase of its own shares from a shareholder in accordance with the provisions of section 68 of the Companies Act, 2013 is specifically excluded from the definition of deemed dividend as per the provisions of Section 2(22)(iv) of the Income-tax Act, 1961 ("IT Act").

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

Based on the provisions of the IT Act, shares can be classified under the following categories:

- Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- Shares held as Stock-in-Trade (Income from transfer taxable under the head "Business Income")

Based on the provisions of the IT Act, shareholders can be classified under the following categories:

- a) **Resident shareholders being**
 - Individuals or Hindu Undivided Family ('HUF')
 - Others

- b) **Non-resident shareholders being**
 - Non-Resident Indians (NRIs)
 - Foreign Institutional Investors (FIIs)
 - Foreign Companies
 - Others

2. SHARES HELD AS INVESTMENT

- i) Capital Gains on buyback of shares are governed by the provisions of section 46A of the IT Act. As per the provisions of section 46A, buyback of shares, held as investment, would attract capital gains in the hands of shareholders subject to the provisions of section 48 of the IT Act.

- ii) **Resident Shareholders:**
 - a) **For Individuals or HUF** Long Term Capital Gains (“**LTCG**”) would be taxable at lower of the following:
 - 1. @ 20% (with indexation)
 - 2. @ 10% (without indexation)

Short Term Capital Gains (“**STCG**”) would be taxable at applicable slab rates.

For computing capital gains, the benefit of basic exemption limit is allowable in case of resident individuals and HUF.

Provided that where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the respective rates.

- b) **In case of any other Residents** except those mentioned in 2(ii)a above:

LTCG would be taxable at lower of following:

- 1. @ 20% (with indexation)
- 2. @ 10% (without indexation)

STCG would be taxable @ 30%.

iii) Non-resident shareholders:

a) For NRI's:

LTCG would be taxable @ 10% (without indexation)

However, it is pertinent to note that for section 115E to apply, it is imperative that the Shares of the Company were acquired in convertible foreign exchange and such Shares were held for at least twelve months prior to the date of acceptance of the Shares tendered in the Buy Back Offer.

STCG would be taxable at slab rates.

Please note that in case of NRIs not covered within the ambit of the above, their taxation shall be as applicable for other non-resident shareholders (i.e. paragraph 2(iii)d below).

b) In case of FII's:

FIIs are taxable as per the provisions of section 115AD of the IT Act, as under;

LTCG would be taxable @ 10%

STCG would be taxable @ 30%

It may further be noted that for FIIs, both - first proviso to section 48 of the IT Act (providing for foreign exchange fluctuation benefit) and second proviso to section 48 of the IT Act (providing for indexation benefit) would **not apply**.

c) In case of Foreign Companies:

LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian currency:

- Where transaction is in foreign currency, **LTCG** would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the IT Act shall be available.
- Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

STCG would be taxable @ 40%.

d) In case of all other non-resident assesses, except those mentioned in paragraph 2(iii)a, 2(iii)b and 2(iii)c above:

LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian Currency:

- Where the Shares are purchased in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the IT Act shall be available in such a case.
- Where the Shares are not purchased in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

STCG would be taxable as per the slab rates or maximum marginal rate as applicable.

- e) **Where the gross total income of an assessee includes any income arising from the transfer of a long term capital asset, the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced were the gross total income of the assessee.**

3. SHARES HELD AS STOCK IN TRADE

- i) If the Shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the IT Act would not apply.

ii) **Resident Shareholders:**

- (a) For individuals or HUF and in any other case of a resident, profits would be taxable at slab rates.
- (b) For domestic companies' profits would be taxable @ 30%.

(iii) **Non Resident Shareholders:**

- (a) For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement ('DTAA')
- (b) Where DTAA provisions are not applicable:
- For non-resident individuals or HUF, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, profits would be taxed in India @ 30%

NOTES:

- a) **In addition to the above rates, surcharge and cess as may be applicable is added:**

In case of Individuals, HUFs & Others (Resident or Non Resident) - Surcharge @ 10% is leviable where the total income exceeds Rs. 1 Crore.

In case of Domestic Companies-

Surcharge @ 10% is leviable where the total income exceeds Rs. 10 Crores and @ 5% where the total income exceeds Rs. 1 Crore.

In case of Foreign Companies-

Surcharge @ 5% is leviable where the total income exceeds Rs. 10 Crore and @ 2% where the total income exceeds Rs. 1 Crore.

Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

- b) The second proviso to section 112 of the Income Tax Act provides for beneficial tax rate on LTCG of 10%, without giving indexation benefit (as per second proviso to section 48 of the Act).
- c) In the case of non-resident shareholders referred to in paragraph 2(iii)c and 2(iii)d above other than NRIs covered under the provisions of section 115E of the IT Act and FIIs), the first proviso to section 48 (providing for foreign exchange fluctuation benefit) would apply, where shares are purchased in foreign currency.
- d) In this regard, it is pertinent to note that there are conflicting views on the applicability of the **second** proviso to section 112 (providing for a beneficial rate of 10% when indexation is not applied) to nonresidents in case where the first proviso to section 48 (providing for foreign exchange fluctuation benefit) is applicable. We understand that the matter is presently sub-judice.
- e) All **the** above rates (especially for non-residents) are to be read subject to the provisions of section 206AA of the IT Act.

4. TAX DEDUCTION AT SOURCE

i) In case of Resident Shareholders:

In absence of any specific provision under the IT Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buy Back.

ii) In case of FII's:

- (a) As per the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FII as defined in section 115AD of the IT Act .
- (b) For this purpose, the FII should provide the information as requested in the Tender Form, stating the following:
 - Its residential status
 - It does not have a permanent establishment in India
 - The amount received by it as a part of the Buy Back constitutes capital gains and does not constitute business income for it
 - Similar gains, if any, have been assessed as capital gains by the income-tax authorities in India in the past.

- (c) In absence of certification to the effect that the income of the FII from sale of Shares is in the nature of capital gains, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) under the IT Act, on the gross consideration payable.

iii) In case of Non-Resident Shareholders, including NRIs:

- a) As per the provisions of section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate.
- b) The consideration payable under the Buy Back Offer would be chargeable to tax as capital gains or business profits, as the case may be.
- c) The Company shall deduct tax at the prescribed rates (including applicable surcharge and education cess) for each category of shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Tender Form.
- d) In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non-Resident Shareholder, the tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.
- e) If the Non-Resident Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income- tax authorities, either under section 195(3) or under section 197 of the IT Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
- f) Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Tender Form. In absence of such certificate, the Company shall deduct the tax as per paragraph 4(iii)a to 4(iii)e above.
- g) In case of a NRI, where it is claimed that he is governed by the provisions of section 115E of the IT Act, he should submit the relevant information as requested in the Tender Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.
- h) These can either be documents proving that the Shares were purchased by the Shareholders either from foreign remittances or from funds lying in the NRE account or FCNR account and that these Shares have been declared as such in the return of income filed by the shareholders.

5. OTHER INFORMATION:

- a) For the purpose of determining as to whether the capital gains are short-term or long-term in nature:
- As per the provisions of the IT Act, where a capital asset (being equity shares of the Company being bought back in the instant case) is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short -term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains.

- Similarly, where a capital asset is held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains.
 - The Company will rely on the information provided by the Equity Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Shareholder, for the purpose of deduction of taxes at source.
 - Where the information provided by the Equity Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.
- b) If the Company becomes liable to pay interest for delay in release of Buy Back consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs 5,000/- at the applicable rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a certificate for deduction of tax at Nil/lower rate from the Income-tax authorities under the IT Act indicating the amount of tax to be deducted by the Company.
 - c) If the Company becomes liable to pay interest for delay in release of Buy Back consideration to non resident shareholders, such shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the IT Act indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the interest payment.
 - d) Non-Resident Shareholders (including FIIs) are required to submit their PAN for income-tax purposes. In case of Non-Residents (including FIIs), if PAN is not submitted or is invalid or does not belong to the Shareholder, Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher, in accordance with provisions of **section 206AA** of the IT Act.
 - e) The Company shall issue a certificate in the prescribed form to the Shareholders (resident and nonresident) who have been paid the consideration after deduction of taxes on the same certifying the amount of tax deducted and other prescribed particulars.
 - f) For the purpose of computing the tax deduction at source, Shareholders who wish to tender their Shares must submit the information as required along with the Tender Form.
 - g) The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharge the obligation of Shareholders to disclose the amount received in pursuant to this Buy Back Offer.
 - h) If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Shareholder) from the Company, the Shareholder agrees to indemnify the Company for the same.

THE SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT SHOULD BE GIVEN IN THEIR RESPECTIVE CIRCUMSTANCES AND THE STAND THAT MAY BE TAKEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY AND THE MANAGER TO THE BUYBACK DOES NOT ACCEPT ANY RESPONSIBILITY FOR

THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

22) DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Regulations, as under:

- a) The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks.
- b) The Board of Directors of the Company hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:
- Immediately following the date of the Board meeting held on May 14, 2014, there are no grounds on which the Company can be found unable to pay its debts;
 - As regards the Company's prospects for the year immediately following the date of the Board meeting held on May 14, 2014, and having regard to the Board's intention with respect to the Management of Company's business during that year, and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- c) In forming an opinion as aforesaid, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities) This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on May 14, 2014.

For and on behalf of the Board of Directors of Prime Property Development Corporation Limited

Sd/-	Sd/-	Sd/-
Padamshi Soni	Alok Chowdhury	Ms. Zarana Jhaveri
Chairman	Whole Time Director	Company Secretary

23) AUDITOR'S CERTIFICATE

The text of the report dated May 15, 2014 received from M/s Vora & Associates, Chartered Accountants, the statutory auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote

“We have been informed that the Board of Directors in their meeting held on May 14, 2014 have decided to Buy-back Company's shares as allowed under section 68 of the Companies

Act, 2013 at a price of Rs. 19.50/- per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, we confirm as under:

(i) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2014 as approved by the Board of Directors

(ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68 and all other applicable provisions, if any, of the Companies Act, 2013 as amended to the extent notified:

Particulars	As at March 31, 2014 (Rs. in Lacs)
Paid up equity share capital as on 31 March 2014 (2,00,00,000 equity shares of face value Rs. 5/- each, fully paid up)	1,000
“Free Reserves” (excluding capital reserves and revaluation reserves) as on 31 March 2014 [as defined in section 2(43) of the Companies Act, 2013]	6,436.61
Total	7436.61
Maximum amount permitted for Buy-back i.e. 10% of total paid up capital and free reserves	743.66

(iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that the Board of Directors in their meeting held on May 14, 2014 have formed their opinion, as specified in clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date on account of such buy back.

This certificate has been issued as per the request of the Company for buy back of equity shares purpose only.

Thanking You,
Yours faithfully
For Vora & Associates, Chartered Accountants
Mayur A. Vora
Partner
Firm registration no: 111612W
Membership No. 30097
Date: May 15, 2014
Place: Mumbai

Unquote

24) **DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered Office of the Company at 101, Soni House, Plot No. 34, Gulmohar Road, No. 1, JVPD Scheme, Vile

Parle, West, Mumbai 400049, Maharashtra, India between 11 a.m. and 5.00 p.m. on all working days except Saturdays, Sundays and Public Holidays during the Offer period:

- Certificate of Incorporation
- Memorandum and Articles of Association of the Company
- Annual reports of the Company for the financial years 2009-10, 2010-11, 2011-12 and 2012-13
- Audited Financials for the financial year 2013-14
- Copy of the certificate dated May 15, 2014 received from the statutory auditors of the Company, M/s Vora & Associates certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations
- Copy of the certificate dated May 15, 2014 received from the statutory auditors of the Company, M/s Vora Associates in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations
- Copy of resolution passed by the Board of Directors at their meeting held on May 14, 2014 approving the Buyback.
- Copy of Declaration of solvency and an affidavit verifying the same as per Chapter IV
- Copy of Public Announcement dated May 15, 2014 published in the newspapers on May 16, 2014 regarding Buyback of Equity Shares.
- Note on taxation from M/s Vora & Associates dated May 19, 2014.
- Copy of Prospectus dated March 13, 1995
- Escrow Agreement dated May 15, 2014 between Prime Property Development Corporation Limited, Saffron Capital Advisors Private Limited and Axis Bank Limited
- Confirmation letter by the Escrow Agent dated May 20, 2014 that the Escrow Amount being 25% of the Buyback Offer has been deposited.
- SEBI letter no. CFD/DCR/OW/15860/2014 dated June 03, 2014 issued for Draft Letter of Offer

25) DETAILS OF THE COMPLIANCE OFFICER

Ms. Zarana Jhaveri

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

101, Soni House, Plot No. 34, Gulmohar Road, No. 1,

JVPD Scheme, Vile Parle West,

Mumbai- 400049, Maharashtra, India;

Tel. No.: +91 22 26242144;

Fax No.: +91 22 26235076;

Email: compliance_officer@ppdcl.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 11 am. to 5 pm. on all working days except Saturdays, Sundays and Public Holidays.

26) DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- In case of any grievances relating to the Buyback (i.e.: non-receipt of Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer for redressal.
- If a Company makes any default in complying with the provisions of section 68 of the Act or any regulation made by the Securities and Exchange Board, for the purposes of clause (f) of sub-section (2) of section 68, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both.
- The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies

Everest, 100, Marine Drive, Mumbai 400 002, India

27) DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day during the Offer period, except Saturday, Sunday and Public holidays between 10.30 AM and 4.30 PM at the following address:



LINK INTIME INDIA PRIVATE LIMITED

Unit: Prime Property Development Corporation Limited- Buyback Offer

C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078,

Maharashtra, India

Tel No.: +91 22 25967878

Fax No.: +91 22 25960329

Email: ppdcl.buyback@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Id: ppdcl.buyback@linkintime.co.in

SEBI Registration Number: * INR000004058

Contact Person: Mr. Pravin Kasare

** The SEBI registration of Link Intime India Private Limited (“**Registrar to the Issue**”) was valid up to May 05, 2014. The application for renewal of the certificate of registration in the prescribed manner has been made by the Registrar to the Issue on January 30, 2014, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 8A of the SEBI (Registrars to an Issue and Share Transfer Agents), Regulations, 1993, as amended. The approval from SEBI is currently awaited.*

28) **DETAILS OF THE MANAGER TO THE BUYBACK**

The Company has appointed the following as Manager to the Buyback:



SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

605, Sixth Floor, Centre Point, Andheri-Kurla Road,
J. B. Nagar, Andheri (East), Mumbai - 400 059

Tel No.: +91 22 4082 0917/4082 0906;

Fax No.: +91 22 4082 0999

E-mail: buybacks@saffronadvisor.com;

Website: www.saffronadvisor.com;

Investor grievance Id: investorgrievance@saffronadvisor.com

SEBI Registration Number: INM000011211

Contact Person: Mr. Amit Wagle / Mr. Anup Varpe

29) **DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER**

As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Buyback Committee through resolution passed by the member of the Buyback Committee at their meeting held on June 04, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Sd/-

Sd/-

Sd/-

Padamshi Soni
Chairman

Alok Chowdhury
Whole Time Director

Zarana Jhaveri
Company Secretary

Place: Mumbai

Date: June 04, 2014