



# PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

## PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Registered Office: 101, Soni House, Plot No. 34, Gulmohar Road, No. 1, JVPD Scheme, Vile Parle (West), Mumbai- 400 049, Maharashtra, India; Tel.: +91 22 2624 2144; Fax : +91 22 2623 5076; Email: compliance\_officer@ppdcl.com; Website: www.ppdcl.com; Contact Person: Ms. Zarana Jhaveri, Company Secretary and Compliance Officer.

This Public Announcement is being made pursuant to the provisions of Regulation 8 (1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended and contains the disclosures as specified in Part A of Schedule II to these Regulations.

**OFFER FOR BUYBACK OF UP TO 38,00,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF Rs. 5 EACH AT A PRICE OF Rs. 19.50 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

### 1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 Pursuant to the resolution passed by the Board of Directors of Prime Property Development Corporation Limited ("PPDCL" or "the Company") on May 14, 2014, the Company hereby announces the buyback (the "Buyback" or "Buyback Offer") of up to 38,00,000 fully paid-up Equity Shares of face value Rs. 5 each ("Shares" or "Equity Shares") from the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the tender offer process, in accordance with the provisions contained in the Article 12A of the Articles of Association of the Company, 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 (Buyback of Securities) Regulations, 1998 as amended from time to time (the "Buyback Regulations") subject to approval(s) as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Reserve Bank of India, etc. at a price of Rs. 19.50 per Equity Share ("Buyback Price") payable in cash, for an aggregate maximum amount of upto Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs) ("Buyback Size"). The Buyback Size represents 9.96% of the aggregate of Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2014 which stands at Rs. 74,36,60,761

1.2 The maximum amount required by the Company for the said Buyback aggregating to Rs. 7,41,00,000 (Rupees Seven Crores Forty One Lacs) will be met out of the free reserves and / or cash balances and / or internal accruals of the Company. The maximum amount utilized for the Buyback will not exceed 10% of the paid up Equity Share capital and Free Reserves of the Company as on March 31, 2014. The Company proposes to buy back a maximum of 38,00,000 fully paid-up Equity Shares of face value Rs. 5 each, in the proposed buyback through tender offer. The Buyback price of Rs. 19.50 per Equity Share has been arrived at after considering the 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.

1.3 The Buyback Price per Equity Share represents a premium of 85.73% over the average closing prices of the Company's Equity Shares on BSE for six months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback and 79.70% over the average closing prices of the Company's equity shares on BSE for a period of two weeks preceding the date of intimation to the Board Meeting to consider the proposal of the Buyback. 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, being May 02, 2014 was Rs. 11.50. The Buyback Price amount to a discount of about 47.56% of the book value per Equity Share of the Company, which pre-Buyback, as on March 31, 2014, is Rs. 37.18. The earnings per Equity Share 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. The return on net worth 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.

### 1.4 NECESSITY FOR BUYBACK

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

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

The proposed 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 EPS 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.

### 2. DETAILS OF PROMOTER SHAREHOLDING

2.1 The particulars of the Equity Shares of the Company held by the Promoters and Promoter Group and the Persons who are in control of the Company, as on the date of the Board Meeting i.e. May 14, 2014 is given below:

| Sr.No. | Name of the Promoter and Promoter Group | Number of Equity Shares Held |
|--------|---|------------------------------|
| 1.     | Padamshi Soni                           | 97,51,925                    |
| 2.     | Prabhavati Soni                         | 17,77,422                    |
| 3.     | Dimple Soni                             | 2,00,000                     |
| 4.     | Manish Soni                             | 2,00,000                     |
| 5.     | Vishal Soni                             | 2,00,000                     |
|        | <b>Total</b>                            | <b>1,21,29,347</b>           |

2.2 The Promoter and Promoter Group Members have vide their letter dated May 14, 2014 communicated their intention not to participate in the Buyback

2.3 The Promoters or Persons who are in control of the Company have vide their letter dated May 14, 2014 confirmed that they have not purchased or sold Equity Shares of the Company during six months preceding May 14, 2014, being the date of Board Meeting approving the Buyback.

3. The proposed Buyback will be implemented from the existing shareholders, other than those who are Promoters, Promoter Group and Persons Acting in concert (such shareholders herein after collectively referred to as "Persons in Control") and will include such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, ("SEBI Takeover Regulations"). None of the Persons in Control of the Company intends to tender their Shares in the proposed Buyback. Further, they have

vide their letter dated May 14, 2014 confirmed that they will not transact in the Shares of the Company during the period of the Buyback.

- 4. Pursuant to the proposed Buyback of Equity Shares and depending on the response to the Buyback Offer, the voting rights of the Promoter and Promoter Group in the Company may increase from 60.65% of the total voting rights of the Company to a maximum of 74.87% (assuming that the entire size of the Buyback Offer is accepted). 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.
- 5. 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.
- 6. The Promoter and Promoter Group shall also comply with regulation 10(6) & 10(7) of the SEBI Takeover Regulations as per the timelines stipulated therein
- 7. The Board of Directors of the Company have vide their letter dated May 14, 2014 confirmed 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.
- 8. The Board of Directors of the Company vide letter dated May 14, 2014 have confirmed 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
  - Confirm that 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).
- 9. 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  | (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       |
| <b>Total</b>   | <b>7436.61</b> |
| <b>Maximum amount permitted for Buy-back i.e. 10% of total paid up capital and free reserves</b>   | <b>743.66</b>  |

- (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

Place: Mumbai

Date: May 15, 2014

### Unquote

10. The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Shares either in physical and/or electronic form **except** the Promoters, Promoter Group and/or Persons who are in control of the Company.

11. The Buyback shall be implemented in the manner and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board of Directors (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

### 12. RECORD DATE AND SHAREHOLDER ENTITLEMENT

12.1 The Company has fixed **Monday, May 26, 2014** as the record date ("**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 proposed to be bought back by the Company, as part of this Buyback Offer shall be divided in two categories; (a) reserved category for small shareholders (Defined as 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 is not more than two lakh rupees) and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

12.2 Fifteen percent of the number of securities which the Company proposes to Buyback or number of securities entitled as per their shareholding, **whichever is higher**, shall be reserved for small shareholders.

12.3 After accepting the Shares tendered on the basis of entitlement, Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Shares tendered over and above their entitlement in the Buyback Offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

12.4 The maximum tender under the Buyback by any Equity Shareholder of the Company cannot exceed the number of Equity Shares held by such Equity Shareholder of the Company as on the Record Date.

12.5 Detailed instructions for participation in the Buyback (tendering of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer which will be sent in due course to the Equity Shareholders of the Company as on the Record Date.

### 13. 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.: +91 22 2624 2144; Fax: +91 22 2623 5076;

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 Saturday, Sunday and Public holidays.

### 14. INVESTOR SERVICE CENTRE

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

**LINK INTIME**  
INDIA PVT LTD



(Formerly INTIME SPECTRUM REGISTRY LTD)

**LINK INTIME INDIA PRIVATE LIMITED**

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

Tel.: +91 22 2596 7878, Fax : +91 22 2596 0329

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.

### 15. 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.: +91 22 4082 0917/906, Fax : +91 22 4082 0999

Email: buybacks@saffronadvisor.com • Website: www.saffronadvisor.com

Investor grievance: investorgrievance@saffronadvisor.com

SEBI Registration Number: INM000011211

Contact Person: Amit Wagle / Anup Varpe

### 16. DIRECTORS RESPONSIBILITY

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 Public Announcement.

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 : May 15, 2014