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31.03.2016

To

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|---|---|
| The General Manager<br>Dept. of Corporate Services<br>National Stock Exchange of India Limited<br>Bandra Kurla Complex<br>Bandra (E)<br>Mumbai-400051<br>NSE Scrip code: PRESTIGE | The Manager<br>Dept. of Corporate Services<br>BSE Limited<br>Floor 25, P J Towers<br>Dalal Street<br>Mumbai – 400 001<br>BSE Scrip code: 533274 |

Dear Sir/Madam,

**Sub: Outcome of the meeting of the Board of Directors**

This is to inform you that, the Board of Directors of the Company at its meeting held on 31.03.2016, has inter alia considered and approved the Scheme of Amalgamation of Downhills Holiday Resorts Private Limited, Foothills Resorts Private Limited, Pennar Hotels and Resorts Private Limited and Valdel Xtent Outsourcing Solutions Private Limited with Prestige Estates Projects Limited ("PEPL") and their respective shareholders ("Scheme"). The disclosures with respect to the said Scheme are provided in the **Annexure** attached herewith.

The Scheme would be subject to the approval of the Hon'ble High Court of Karnataka and any other statutory or regulatory authorities as applicable.

We request you to take the same on record.

Yours faithfully,
**For Prestige Estates Projects Limited**

**Irfan Razack**
**Chairman and Managing Director**
**DIN:00209022**

Attached: a/a

**Prestige Estates Projects Ltd.**, 'The Falcon House', No. 1, Main Guard Cross Road, Bangalore - 560 001.
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## Annexure

**Amalgamation of Downhill Holiday Resorts Private Limited, Foothills Resorts Private Limited, Pennar Hotels and Resorts Private Limited and Valdel Xtent Outsourcing Solutions Private Limited, Wholly Owned Subsidiaries, with Prestige Estates Projects Limited**

**Bangalore, 31.03.2016:** The Board of Directors of PEPL has approved the Scheme of Amalgamation of Downhill Holiday Resorts Private Limited, Foothills Resorts Private Limited, Pennar Hotels and Resorts Private Limited and Valdel Xtent Outsourcing Solutions Private Limited, Wholly Owned Subsidiaries of the Company (collectively known as the "Transferor Companies") with PEPL ("Transferee Company") ("Scheme").

The Scheme is subject to approval from the Securities Exchange Board of India, Stock Exchanges, Hon'ble High Court of Karnataka ("High Court") and the respective shareholders as may be directed by the High Court.

### Background

- PEPL is a public listed company incorporated on June 4, 1997 and is engaged in Real Estate Development and construction across the Commercial and Residential Verticals and is also engaged in Retail, Leisure and Hospitality sectors.
- Downhill Holiday Resorts Private Limited is a private company incorporated on December 5, 1995 is engaged *interalia* in the business of property development.
- Foothills Resorts Private Limited is a private company incorporated on September 15, 1994 and is engaged *interalia* in the business of property development.
- Pennar Hotels and Resorts Private Limited is a private company incorporated on September 15, 1994 and is engaged *interalia* in the business of property development.
- Valdel Xtent Outsourcing Solutions Private Limited is a private company incorporated on November 11, 2000 and is engaged *interalia* in the business of property development.

### Synergies & Rationale

The integration, consolidation and amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

1) Greater integration, financial strength and flexibility for the amalgamated entity, would result in maximising overall shareholder value.



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2) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow which can be deployed more efficiently to fund growth opportunities, to further improve shareholder's value.

3) Cost savings are expected to flow from more focused operational efforts, rationalisation, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalisation of administrative expenses.

4) Greater leverage in operations planning and process optimisation and enhanced flexibility.

5) Simplification of group structure by eliminating multiple companies in similar business thus enabling focus on core competencies.

**Salient features of proposed Amalgamation**

- The proposed Amalgamation will be carried out through a Scheme of Amalgamation under the provisions of Sections 391 to 394 and other applicable provisions of Companies Act, 1956 and the provisions of Companies Act, 2013, as may be applicable;

- The Appointed date for the Scheme of Amalgamation is April 1, 2015;

  The proposed Amalgamation shall be tax-neutral for PEPL, Transferor Companies and their respective shareholders under Indian laws. In other words, there shall be no tax implications on the proposed merger

- The entire paid-up and issued share capital of each of the Transferor Companies is held by PEPL. Accordingly, the shares held by PEPL in the Transferor Companies shall, on and from the date of the Scheme coming into effect, be cancelled or shall be deemed to have been cancelled without any further act or deed and no shares of the Company shall be issued to the shareholders of the Transferor Companies pursuant to the said amalgamation;

- The Scheme provides for transfer and vesting of the undertaking(s) of each of the Transferor Companies with the assets and liabilities of PEPL as a going concern;

- Upon the Scheme of Amalgamation coming into effect, the Transferor Companies will be dissolved without being wound up;

- PEPL will continue to be listed on BSE and NSE post Amalgamation.



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**Recommendation of Audit Committee and information regarding Valuer, Financial Advisor and Fairness Opinion**

- The Transaction advisors are M/s. Pricewaterhouse Coopers and M/s. J Sagar Associates.
- The Board of PEPL and the Transferor Companies have considered and approved the Scheme as being in the best interest of their respective shareholders and the companies.
- The Audit Committee of the Board of Directors of PEPL have provided their recommendation to the Board on the proposed Amalgamation which was duly considered while approving the Amalgamation.
- The Board of Directors of PEPL have received a fairness opinion from M/s. Sumedha Fiscal Services Limited, with regard to the fairness of the Scheme.

**Approvals required for the proposed Amalgamation**

- The proposed Amalgamation is subject to approval of the following parties/ authorities:
  - Shareholders and creditors of the Transferor Companies;
  - High Court where the registered offices of the Transferor Companies are situated i.e. Hon'ble High Court of Karnataka;
  - BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE");
  - Securities and Exchange Board of India (SEBI);
  - Regional Director, Ministry of Corporate Affairs, Registrar of Companies, and Official Liquidator of the High Court of Karnataka.

**Contacts**

Name: Mr. Venkat K Narayana, Chief Financial Officer and Executive Director - Finance

Address: The Falcon House, No 1, Main Guard Cross Street, Bangalore - 560001



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**About Prestige Estates Projects Limited:**

Prestige Estates, having a legacy spanning over 29 years, is one of South India's premium Real Estate Developers. It operates in diversified business verticals, such as Residential development, Commercial & Retail development, Hospitality and Property Management services. The Company's development portfolio includes South India's largest integrated developments, & identifiable Residential, Retail & Commercial development landmarks, such as The Forum, UB City, Prestige Shantiniketan, etc. As of Q3FY16, Prestige Estates has completed 192 projects (aggregates to 64.12 Mn. Sft. of developable Area) and has 65 projects under-development (aggregates to 67.00 Mn. Sft. of developable area) and has 34 projects under planning (aggregates to 41.38 Mn. Sft. of developable area). The development portfolio, spans across Residential, Commercial, Retail and Hospitality verticals in major South Indian cities such as Bengaluru, Chennai, Hyderabad, Kochi, Mangaluru, Mysoru, Ooty, and Goa.

Prestige Estates is currently the only CRISIL DA1 rated Developers in India and enjoys credit rating of ICRA A+/Stable. For the period ending 31st March 2015, Prestige Estates has registered consolidated turnover of Rs. 35,184 million.

**For More information, please visit our website:** www.prestigeconstructions.com



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