



Date: May 10, 2019

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C-1,
Block G, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

Dear Madam/Sir,

Sub: Clarification

We refer to your email dated May 3, 2019, seeking certain clarifications in relation to announcement submitted Prestige Estates Projects Limited (the "**Company**") to National Stock Exchange of India Limited dated April 15, 2019 (the "**Announcement**"), in respect of the Company's acquisition of the balance stake in Babji Realtors Private Limited ("**BRPL**") through a subsidiary company (the "**Balance Acquisition**").

In connection with the foregoing, we wish to submit the following responses to the relevant clarifications:

A. Brief details of any governmental or regulatory approvals required for the acquisition;

It is submitted that no governmental or regulatory approvals were required in connection with the Balance Acquisition. Thus, the information requested by way of the said clarification is not applicable in the context of the Balance Acquisition.

B. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)

Prior to the consummation of the Balance Acquisition, the Company, through its wholly-owned subsidiary, namely Prestige Retail Ventures Limited ("**PRVL**") already owned 49% of the equity stake in BRPL (whilst the remaining 51% equity stake was held by the various joint-venture partners/shareholders). Consequent to the consummation of the Balance Acquisition, BRPL has become an indirect wholly-owned subsidiary of the Company. Relevant details in respect of the foregoing have already been set out in the Announcement.

Further, as set out in first paragraph of the Announcement, BRPL is in the business of real estate development. Thus, it is submitted that a requirement to disclose reasons for the Balance Acquisition does not arise as the business of BRPL is within the main line of business of the Company itself.

Accordingly, it is submitted that the requested information, to the extent relevant/applicable, has already been included in the Announcement.





C. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).

As set out in the Announcement, BRPL is in the business of real estate development, including developing and leasing of a shopping mall; it is the owner of the "Forum Sujana Mall" in Hyderabad.

Further, since PRVL already owned 49% of the equity stake in BRPL prior to the Balance Acquisition, BRPL was an 'associate company' of PRVL prior to the Balance Acquisition (and through PRVL, was an 'associate company' of the Company). In light of the foregoing, relevant disclosures in relation to BRPL were also included in the prospectus of the Company dated January 24, 2013 (see page 139 thereof), which was prepared at the time of the Company's initial public offering. Subsequently, the Company has periodically been providing certain financial information in respect of BRPL in its annual report/financial statements in light of BRPL being an 'associate company'.

However, for your ease of reference, the requested details have been set out herein below:

- BRPL was incorporated on December 1, 2004;
- BRPL has developed the 'Forum Sujana Mall', which is located at Kukkatpally in Hyderabad;
- The aforesaid mall is one of the largest malls and multiplex developments in Hyderabad, and has, inter alia, nine-screen multiplex cinema, a hypermarket, a department store, a book store and retail space housing international and domestic brands;
- The mall was awarded Best Retail Development Asia Pacific at the 2012 International Property Awards, Asia Pacific; and
- The turnover of BRPL for Fiscals 2018, 2017 and 2016, was Rs.(Lakhs) 10,966.66, Rs.(Lakhs) 9,976.54 and Rs.(Lakhs) 8,352.26, respectively.

D. Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length".

As set out in the Announcement, the Balance Acquisition was:

- acquired by PRVL from the other shareholders in BRPL, being the various joint-venture partners/shareholders;
- undertaken in the ordinary course of business;
- undertaken for a cash consideration of Rs. 363.98 crores; and
- undertaken at an arms' length basis.





Based on the foregoing, it is submitted that the requested information, to the extent relevant, has already been included in the Announcement.

The aforesaid is for your information and records.

You're sincerely,

For **Prestige Estates Projects Limited**

Arfan Razack
Chairman & Managing Director
DIN: 00209022

