



ACKRUTI CITY LIMITED

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ACKRUTI CITY

POSTAL BALLOT

NOTICE PURSUANT TO SECTION 192A (2) OF THE COMPANIES ACT, 1956

NOTICE is hereby given to the members of Ackruti City Limited for passing the following resolutions through voting by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 (the 'Act') read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof for the time being in force).

To consider and, if thought fit, to pass, with or without modifications as may be practical and permissible, the following resolutions :

As a Special Resolution :

- "RESOLVED THAT pursuant to the provisions of Sections 372A, 192A and other applicable provisions, if any, of the Companies Act, 1956 (the 'Act') read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 and subject to such other approvals, consents, sanctions and permissions as may be necessary in that behalf, and subject to such conditions as may be prescribed while granting such approvals, consents, sanctions and permissions, the consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) to make / give, from time to time any loan(s)/advances/deposits/investments in shares, debentures and/or other securities and to give, on behalf of the Company any guarantee(s) and/or provide any security(ies) in connection with any loan(s) made by any other person to, or to any other person by the following companies which shall be as per the individual limits indicated against their respective names, and in the aggregate shall be upto Rs. 3060.00 Crore (Rupees Three Thousand Sixty Crore only) over and above the existing limits of making loans/investments, giving guarantees and providing securities already approved by the members of the Company notwithstanding that the aggregate of all the investments / loans made/ to be made, guarantees given / to be given and securities provided / to be provided may exceed the limits prescribed under Section 372A of the said Act :

Name of the Company	Amount (Rs. in crore)
Infrastructure Ventures (India) Private Limited	100.00
Ackruti City Bus Terminal (Ahmedabad) Private Limited	150.00
Agreem Properties Limited	100.00
City Corporation Limited	100.00
Harbinger Developers Private Limited	50.00
Kamla Shanti Realities Private Limited	50.00
Prime Downtown Estates Private Limited	100.00
Pushpak Healthcare Services Private Limited	50.00
Shree Swami Samarth Developers Private Limited	100.00
Upvan Lake Resorts Private Limited	10.00
Yellowcity Builders Private Limited	25.00
Pure Gold Developers Private Limited	25.00
Zeal Ventures Private Limited	200.00
Ackruti City Bus Terminal (Mehsana) Private Limited	100.00
Ackruti City Bus Terminal (Surat) Private Limited	100.00
Ackruti City Bus Terminal (Adajan) Private Limited	100.00
Ackruti City Bus Terminal (Vadodara) Private Limited	100.00
DLF Ackruti Info Parks (Pune) Limited	100.00
Zeus Infrastructure Private Limited	750.00
Chaitra Realty Limited	750.00

RESOLVED FURTHER THAT the proposed transactions with the aforesaid companies shall be in addition to the present exposure, if any, of the Company in the said companies by way of loans made, guarantees given, securities provided and investments in securities made by the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also delegate any of the powers to the Committee of Directors or any person(s) authorised in that behalf and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

As a Special Resolution :

- "RESOLVED THAT pursuant to the second proviso to sub-section (1) of Section 372A of the Companies Act, 1956, approval of the members be and is hereby granted to the Corporate Guarantee given on August 10, 2010 by the Company in favour of consortium of Banks namely Union Bank of India, Punjab National Bank and State Bank of India (UBI consortium) in consideration of UBI consortium having granted financial assistance by way of various facilities (term loan, cash credit and bank guarantees) upto an amount of Rs. 300,00,00,000 (Rupees Three Hundred Crore only) to Infrastructure Ventures (India) Private Limited, an associate company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts deeds, matters and things as it may in its absolute discretion deem necessary usual proper or expedient and to settle all questions and difficulties that may arise for/in the implementation of the aforesaid resolution."

As a Special Resolution :

- "RESOLVED THAT pursuant to the second proviso to sub-section (1) of Section 372A of the Companies Act, 1956, approval of the members be and is hereby granted to the Corporate Guarantee given on February 18, 2010 by the Company in favour of Punjab National Bank (PNB) in consideration of PNB having granted financial assistance by way of term loan of an amount of Rs.78,00,00,000 (Rupees Seventy Eight Crore only) to Pristine Developers Private Limited, an associate company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts deeds, matters and things as it may in its absolute discretion deem necessary usual proper or expedient and to settle all questions and difficulties that may arise for/in the implementation of the aforesaid resolution."

Notes:

- The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 setting out material facts is annexed hereto.
- The Board of Directors of the Company at its meeting held on August 13, 2010 has appointed Mr. Ashish Bhatt, a Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and in accordance with the provisions of the Act and the Rules framed thereunder. The Postal Ballot Form and the self-addressed postage pre-paid envelope are enclosed for the use of members.
- The shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before **September 25, 2010**. The Scrutinizer will submit his report to the Chairman or the Managing Director or any other Director after completion of the scrutiny of the Postal Ballots received. The Chairman or the Managing Director or any other Director of the Company will announce the results of the Postal Ballot on **September 28, 2010 at 3.00 P.M.** at the Registered office of the Company at Ackruti Trade Centre, 6th floor, Road No.7, Marol MIDC, Andheri (East), Mumbai 400 093. The results will be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company's equity shares are listed. The results will also be published in the newspaper(s) and posted on the Company's website - www.ackrutiocity.com for the information of the members.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192 A (2) OF THE COMPANIES ACT, 1956 (the Act).

Item No. 1 :

Pursuant to Section 372A of the Act, the Company can make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60 % of its paid-up share capital and free reserves or 100 % of its free reserves whichever is higher with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution.

The Company execute its projects either directly or through its subsidiaries, associates, joint ventures, special purpose vehicles and partnership firms. Besides, the Company is also constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries / joint ventures / associate companies / special purpose vehicles. All these entities need huge infusion of funds into their respective businesses and the Company would, therefore, be required to provide financial support by way of loan(s) and/or guarantee(s) and/or security(ies) / investment in securities of its subsidiaries / joint ventures / associate companies / special purpose vehicles.

Keeping in view the need to quickly take advantage of any acquisition or expansion opportunities directly or through the Company's subsidiary(ies) / associates / joint ventures / special purpose vehicles, it has become necessary to enhance the limit for making such investments in securities, granting loan(s), giving guarantee(s) and/or providing security(ies).

It is, therefore, proposed that the Board of Directors of the Company be authorised to invest an amount not exceeding Rs. 3060.00 Crore (Rupees Three Thousand Sixty Crore only) by way of subscription and/or purchase of securities, grant of loan(s), giving of guarantee(s) and/or providing of security(ies) from time to time in/to one or more of the entities in one or more tranches and on such terms and conditions as may be deemed appropriate and subject to the individual limits as mentioned in the resolution at Item No.1 of the accompanying Notice.

The source of funds for making these investments would be met from surplus funds generated by the Company through its current business operations or from such other permissible sources as the Board may deem appropriate.

Since the above investments, loans, guarantees and/or securities proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may exceed the limit prescribed under Section 372A of the Act prior approval of the shareholders through Postal Ballot under Section 192A of the Act is required for the same.

The Special Resolution at Item No.1 of the accompanying Notice is being proposed in furtherance of and supplemental to the existing limits for making loans / investments, giving guarantees and providing securities already approved by the members.

The proposal outlined above is in the interest of the Company and the Board commends the resolution set out at Item No.1 of the accompanying Notice. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Act read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

The Directors commend the resolution for the approval of the members.

The Directors of the Company may be deemed to be concerned or interested in the said resolution to the extent they are Directors in one or more bodies corporate described hereinabove.

Item Nos. 2 and 3

Infrastructure Ventures (India) Private Limited (IVIL) is an associate of your Company and is engaged in the business of real estate development. A consortium of Banks namely Union Bank of India, Punjab National Bank and State Bank of India (UBI consortium) has sanctioned to IVIL various facilities (term loan, cash credit and bank guarantees) upto an amount of Rs. 300,00,00,000 (Rupees Three Hundred Crore only) in August 2010 for which your Company has provided to UBI consortium, a corporate guarantee as collateral security as one of the terms of sanction.

Pristine Developers Private Limited (PDPL) is an associate of your Company and is engaged in the business of real estate development. Punjab National Bank (PNB) has sanctioned to PDPL term loan of an amount of Rs. 78,00,00,000 (Rupees Seventy Eight Crore only) in February 2010 for which your Company has provided to PNB, a corporate guarantee as collateral security as one of the terms of sanction.

The aggregate value of loans, investments guarantees and securities made/provided by the Company to other bodies corporate exceed the limits specified in Section 372A of the Act. However, the Board considered it necessary to support the abovementioned companies namely Infrastructure Ventures (India) Private Limited (IVIL) and Pristine Developers Private Limited (PDPL) to enable them to avail financial assistance as aforesaid and in view of the urgent requirement of funds by IVIL and PDPL respectively for carrying on their respective business operations and as provided in the second proviso to sub-section (1) of Section 372A of the Act, the Board decided to issue guarantees as referred to in the respective resolutions subject to the confirmation of the members by Postal Ballot under Section 192A of the Act. Issuance of these guarantees do not involve any funding by the Company.

The Special Resolutions at Item Nos. 2 & 3 seek your confirmation for the resolutions of the Board of Directors authorizing giving of the Corporate Guarantees to Banks for the financial assistance granted by them to IVIL and PDPL respectively.

The Directors commend the resolutions for the approval of the members.

No Director of the Company is concerned or interested in the said resolutions.

All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all days except Saturdays and Sundays between 11.00 a.m. and 1.00 p.m. upto September 24, 2010.

By Order of the Board
For Ackruti City Limited

Registered Office :
Ackruti Trade Centre, 6th floor
Road No.7, Marol MIDC,
Andheri (East), Mumbai 400 093
Dated: August 13, 2010

Chetan S. Mody
Company Secretary