



## AKRUTI CITY LIMITED

(formerly known as Akruti Nirman Limited)

Registered Office : Akruti Trade Centre, 6<sup>th</sup> floor, Marol MIDC, Andheri (East), Mumbai 400 093

Phone: + 91 22 67037427, + 91 22 67037400; Fax: + 91 22 28218230

E-mail : investorcell@akrutcitcity.com; Website : www.akrutcitcity.com

### POSTAL BALLOT

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

**NOTICE** is hereby given to the members of Akruti 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 Resolution by Postal Ballot) Rules, 2001.

#### **DRAFT SPECIAL RESOLUTION:**

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

1. "RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (the 'Act') and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Company be accorded to the Board of Directors of the Company to make loan(s) to, and/or provide any security(ies) in connection with loan(s) made by any other person to, or to any other person by, and/or acquire, by way of subscription, purchase or otherwise the securities of the following companies which shall be as per the individual limits indicated against their respective names, and in the aggregate shall be upto Rs.2,370 crores, which aggregate may be in excess of the limits prescribed under Section 372A of the Act i.e. over and above 60 % of the Company's paid-up share capital and free reserves or 100 % of the Company's free reserves, whichever is more:

<b>SUBSIDIARIES</b>	<b>Limit upto (Rs. in crores)</b>
1. Devkrupa Consultancy Private Limited	100.00
2. New Empire Realtors Private Limited	100.00
<b>JOINT VENTURE COMPANIES</b>	
3. DLF Akruti Info Parks (Pune) Limited	90.00
4. Gujarat Akruti TCG Biotech Limited	160.00
<b>ASSOCIATE / GROUP COMPANIES</b>	
5. Akruti City Farming Private Limited	150.00
6. Akruti City Knowledge Private Limited	150.00
7. Akruti Security Plates Private Limited	110.00
8. Broadway Intregrated Private Limited	100.00
9. Citygold Education Research Limited	75.00
10. Citygold Investment Private Limited	510.00
11. Chaitra Realty Limited	250.00
12. Mutha Realty Private Limited	100.00
13. Zeus Infrastructure Private Limited	250.00
14. Netzone Developers Private Limited	175.00
15. Cube Construction Engineering Limited	50.00

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

RESOLVED FURTHER THAT this Special Resolution shall operate concurrently and in conjunction with and supplemental to the Special Resolution under Item No.1 of the Notice dated July 04, 2007 and passed by Postal Ballot on September 13, 2007;

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 generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

2. To consider and, if thought fit, to pass, with or without modifications as may be practical and permissible, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in supersession of the resolution passed at the Nineteenth Annual General Meeting of the Company held on September 6, 2007, the consent of the Company be and is hereby accorded, pursuant to Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (the Board), to borrow from time to time any sum or sums of money, secured or unsecured and on such terms and conditions as the Board may deem requisite for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the paid-up capital and free reserves of the Company by more than a sum of Rs.3000 crores at any one time.”

3. To consider and, if thought fit, to pass, with or without modifications as may be practical and permissible, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment or re-enactment thereof) and subject to requisite approvals, consents, permissions and sanctions as may be necessary from regulatory/appropriate authorities, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by inserting the following new sub-clauses 47 and 48 immediately after the existing sub-clause 46A in Part B under the heading ‘Objects incidental or ancillary to the attainment of the Main Objects’ :

47. To carry on the business of manufacturing, buying, selling, fabricating, processing, importing, exporting leasing or otherwise dealing in all type of materials used in the manufacture of building and construction materials including but not limited to cement, steel, ceramic tiles, ready mix concrete, concrete blocks, pavers, RCC grills and RCC slabs, and other reinforced and pre-cast items and also to trade/deal with all or any of the aforesaid products as finished products.
48. To carry on the business of trading in building and construction materials including raw materials used in manufacturing of building and construction material of every description but not limited to steel and cement in commodities market / exchange, derivatives trading, spot trading including transactions in the nature of hedging agreements, forward commodity contracts, rate swaps, commodity futures/swaps, commodity options futures & options or options with respect to all or any such transactions, whether for the purpose of risk management or otherwise.

AND THAT the remaining sub-clauses nos. 47 to 81 in Part C be renumbered as 49 to 83 accordingly;

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing and carrying on the new business mentioned in sub-clauses 47 and 48 of the Memorandum of Association of the Company, as amended by the Special Resolution mentioned above, at such time as the Board of Directors of the Company (the Board) may deem fit;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and to settle all questions/matters arising therefrom and to execute all such deeds, documents, applications, agreements, undertakings, affidavits and writings and to do all such acts, deeds and things as may be considered necessary or expedient for the purpose of giving effect to this resolution.”

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Company 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.

3. 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 March 17, 2008**. The Scrutinizer will submit his report to the Chairman 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 **March 20, 2008 at 3.00 P.M.** at the Registered office of the Company at Akruti Trade Centre, 6<sup>th</sup> 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 for the information of the shareholders.

### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **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 is proposing to make substantial investments in the areas of business of the Company as a measure of achieving greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects. Besides, the Company is also constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries/ joint ventures/associate companies/bodies corporate and 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/bodies corporate. 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/ other bodies corporate, 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.2,370 crores 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 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 operations or from such other 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 Companies Act, 1956, 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 Special Resolution under under Item No.1 of the Notice dated July 04, 2007 and passed by Postal Ballot on September 13, 2007.

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.

Except Directors of the Company who are Directors in one or more bodies corporate described hereinabove, no other Director of the Company is concerned or interested in the said resolution.

##### **Item No. 2 :**

Under Section 293 (1) (d) of the Act, the Board of Directors ('the Board') of a company cannot borrow moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) would exceed the aggregate of the paid-up capital and free reserves of the Company, unless the Company in general meeting authorises the Board to do so.

The members of the Company had at the Nineteenth Annual General Meeting held on September 6, 2007, had authorized the Board of Directors of the Company ('the Board') to borrow upto a limit of Rs.1,000 crore in excess of the aggregate of the Company's paid-up share capital and free reserves.

The Board is constantly reviewing opportunities of expanding its business operations by way of undertaking new projects and/or through acquisition of existing business(es). Taking into consideration the requirement of additional funds for new projects/acquisitions, as also additional working capital requirements and for augmenting long term resources, it is likely that the aforesaid limit as sanctioned by the members is likely to be exceeded.

Approval of the members is being sought pursuant to Section 293 (1) (d) of the Act to authorize the Board to borrow upto Rs.3,000 crores in excess of the aggregate of the paid-up capital and free reserves of the Company as stated in the resolution at Item No. 2 of the accompanying Notice.

The Board accordingly, commends the resolution as set out at Item No. 2 of the accompanying Notice for the approval of the members.

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

**Item No. 3 :**

The Company proposes to trade in the commodities / derivatives market / commodities exchange and deal in building and construction materials including raw materials used in manufacturing of building and construction material of every description as a measure of reducing risks to some extent against fluctuating prices in these commodities. It is, therefore, proposed to insert new object clauses namely - 47 and 48 as set out at Item No.3 of the accompanying Notice. The proposed new objects would enable the Company to carry on its business more economically and efficiently, and by new or improved means, as envisaged in Section 17 of the Act.

Pursuant to Section 149(2A) of the Act, approval of the members is required for commencement of any new activity set out in the Object Clause of the Memorandum of Association of a company. Accordingly, approval of the members is being sought for commencement and carrying out the activities as set out in sub-clauses 47 and 49. The said activities would commence at such time and to such extent and in such manner as the Board may deem fit in the best interest of the Company.

The Board accordingly, commends the resolution as set out at Item No. 3 of the accompanying Notice for the approval of the members.

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

By Order of the Board  
For **Akruti City Limited**

Registered Office :  
Akruti Trade Centre, 6<sup>th</sup> floor  
Road No.7, Marol MIDC  
Andheri (East), Mumbai 400 093  
Dated: January 29, 2008

**Chetan S. Mody**  
Company Secretary