

ACKRUTI CITY LIMITED
(Formerly known as Akrut City Limited)

Registered Office : Akrut Trade Centre, 6th floor, Marol MIDC, Andheri (East), Mumbai 400 093
Phone: + 91 22 67037427, + 91 22 67037400; Fax: + 91 22 28218230
E-mail : investorcell@ackrutcity.com; Website : www.ackrutcity.com

POSTAL BALLOT

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

NOTICE is hereby given to the members of Akrut City Limited for passing the following resolution 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 (the "Rules") (including any statutory modification or re-enactment thereof for the time being in force).

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:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) as also the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended (the SEBI Guidelines), and also in terms of the provisions of the Foreign Exchange Management Act, 1999 (FEMA) as amended, and rules and regulations made thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to such approvals, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, the Foreign Investment Promotion Board, the Securities and Exchange Board of India and/or any statutory or regulatory or other appropriate authorities including banks, financial institutions or other creditors, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by 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 in this regard), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of the Issue and for such categories of persons as may be permitted), in the course of one or more domestic or international offering(s) with or without Green Shoe Option including by way of a Qualified Institutional Placement under Chapter XIII A of the SEBI Guidelines, to eligible investors (whether or not such investors are members of the Company or whether or not such investors are Indian or foreign, including qualified institutional buyers including but not limited to public financial institutions, scheduled commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, pension funds and provident funds), whether by way of a public offering or by way of a private placement and whether by way of circulation of an offering circular or placement document or otherwise, securities including equity shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts and/or American Depository Receipts and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and / or optionally, fully and/or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable / non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for equity shares, upto an aggregate amount not exceeding US \$ 500 million or its Indian Rupee equivalent (hereinafter referred to as 'Securities'), on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion at the time of issue or allotment;

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the securities that are not subscribed;

RESOLVED FURTHER THAT in the event of issue of securities by way of Global Depository Receipts and/or American Depository Receipts, the 'Relevant Date' on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting at which the Board or the Committee of Directors duly authorised by the Board decides to open the proposed issue of securities;

RESOLVED FURTHER THAT in the event of issue of securities by way of a Qualified Institutional Placement under Chapter XIII A of SEBI Guidelines:

- i. the 'Relevant Date' on the basis of which price of the shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of securities, or in the case of securities convertible into or exchangeable with equity shares it shall be the date on which the holder of the securities becomes entitled to apply for the said shares;
- ii. the allotment of securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI Guidelines from time to time; and
- iii. the securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange in India or except as may be permitted from time to time by the SEBI Guidelines;

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Solicitors and Advocates, Advisors and all such agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc. with such agencies and also to seek listing of such securities on one or more national and/or international stock exchange(s);

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and approve the offering circular / placement document for the proposed issue of securities and to authorize any director or directors and/or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with authority to amend, vary or modify the same as such authorized person may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person be required from time to time, and to arrange for submission of the offering circular / placement document, and any amendment(s) and supplement(s) thereto, with any applicable stock exchange(s) (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required;

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any security or as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the then existing equity shares of the Company in all respect;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the Issue(s), including but not limited to finalization and approval of the preliminary as well as the final offer document(s), the class of investors to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of securities/ exercise of warrants/redemption of securities, rate of interest, redemption period, creation of mortgage/charge in accordance with the provisions of Section 293 (1) (a) of the said Act, in respect of any securities, either on pari-passu basis or otherwise, relevant date for pricing, listing on one or more stock exchange in India and/or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all such acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s) without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the securities and to give effect to these resolutions, including, without limitation, the following :

- i. sign, execute and issue all documents necessary in connection with the issue of securities, including listing applications to stock exchanges (whether in India or abroad) and various agreements, declarations, deeds and undertakings;
- ii. seeking if required, consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements,

(P.T.O.)

- all concerned government and regulatory authorities in India or outside India, and any other consent that may be required in connection with the issue and allotment of the securities;
- iii. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- iv. settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of securities as it may in its absolute discretion deem fit;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to these resolutions."

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

Chetan S. Mody
Company Secretary

Place : Mumbai
Dated: June 4, 2009

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors of the Company by a circular resolution passed on June 4, 2009 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 use of the members.
3. In terms of Section 192A of the said Act read with the Rules, passing of the special resolution through Postal Ballot for the aforesaid matter is not mandatory. However, to facilitate wider participation in the approval process by members of the Company residing at different locations, the Company is seeking approval of the members through Postal Ballot instead of separately convening an extraordinary general meeting.
4. The members 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 July 16, 2009. 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 July 21, 2009 at 11.00 A.M. at the Registered Office of the Company at Akruti Trade Centre, 6th floor, Road No. 7, Marol MIDC, Andheri (East), Mumbai 400 093. The result will be displayed at the Registered Office of the Company, besides being communicated to Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's equity shares are listed. The result will also be published in the newspaper(s) and posted on the Company's website - www.ackrutchity.com for the information of the members.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ("the Act").

The Company is one of the leading real estate companies in India. Apart from having presence in residential, commercial and retail real estate segments, the Company has also initiated forays into IT Parks, Biotech Parks, SEZs, Robotic Car Parks and Warehousing either directly or through its subsidiaries/associates/joint ventures and intends to further capitalize on its potential. However, all these initiatives will require significant outlay of funds over the next 3-4 years.

In order to exploit opportunities in existing businesses and/or explore the scope of any new business opportunities including business acquisitions, capital expenditures, financing new business initiatives, meeting additional working capital requirements arising out of growth in operations, investment in / loans / advances to subsidiaries / joint ventures / associates and for other corporate purposes, it is necessary for the Company or to have access to external funds at different point of times in the future. The Company, therefore, proposes to raise further capital from the domestic and / or international markets in one or more tranches at an appropriate time.

Approval of the shareholders was obtained at the Twentieth Annual General Meeting of the Company held on August 25, 2008. However, due to depressed capital market sentiments and the global liquidity crisis, it was not feasible to make any such placement and as such, the said approval would lapse shortly. With the liquidity position easing considerably and things looking better for the real estate sector, the approval of the shareholders is being sought again for issuing securities in the manner as stated in the resolution as stated in the accompanying Notice.

The resolution in the accompanying Notice being proposed as a Special Resolution is essentially an enabling one and relates to a proposal to create, issue, offer and allot equity shares/depository receipts/foreign currency convertible bonds and/or other appropriate securities upto an amount not exceeding US \$ 500 million or its Indian Rupee equivalent inclusive of premium in the course of domestic/international offerings. Such securities are proposed to be issued to any eligible person including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and Qualified Institutional Buyers, etc. Such further issue of securities would strengthen its financial profile that would support the Company's growth trajectories, its working capital position, and the management of its long term debt liabilities.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI DIP Guidelines. The Board of Directors may in its discretion adopt this mechanism as prescribed under Chapter XIII A of SEBI DIP Guidelines without the need for fresh approval from the shareholders.

The said QIP by the Board shall be subject to the provisions of SEBI DIP Guidelines (as amended from time to time) including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of the applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

The securities issued under QIP may, if necessary, be secured by way of mortgage /hypothecation on the Company's assets as may be finalized by the Board in consultation with the Security Holders/ Trustees in favour of Security Holders / Trustees for the holders of the said securities. As the documents, if any, to be executed between the Security Holders / Trustees for Security Holders and the Company may contain power to take over the management of the Company in certain events, enabling approval is also sought under Section 293 (1) (a) of the Act.

Section 81 (1A) of the Act inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders decide otherwise by a special resolution. Accordingly, consent of the members is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Act and in terms of the listing agreements executed by the Company with the Stock Exchanges, and other applicable laws, rules, regulations and guidelines, authorizing the Board to create, offer, issue and allot securities as stated in the resolution.

The special resolution is only an enabling resolution that seeks to give adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with lead managers, underwriters, legal advisors and experts or such other authority or authorities as need to be consulted in relation to the pricing of the issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of the Act, rules, regulations or guidelines.

The Board commends the special resolution for your approval.

No Director of the Company is in any way, concerned or interested in the said resolution except to the extent of their shareholding.

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

Chetan S. Mody
Company Secretary

Place : Mumbai
Dated: June 4, 2009