

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 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 (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:

1. "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. 2,750 Crores (Rupees Two Thousand Seven Hundred Fifty Crores 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 crores)	Name of the Company	Amount (Rs. in crores)
Akruti City Bus Terminal (Mehsana) Limited	100.00	Merrygold Buildcon Private Limited	100.00
Akruti City Bus Terminal (Vadodara) Limited	100.00	Multicity Bus Terminal (Surat) Limited	100.00
Akruti Salt Works Limited	100.00	Multicity Bus Terminal (Surat – Adajan) Limited	100.00
Asmeeta Infratech Private Limited	200.00	Nectar Developers Private Limited	100.00
Crossway Realtors Private Limited	100.00	Nova Realty Private Limited	100.00
Distinctive Realty Private Limited	100.00	Refresh Buildcon Private Limited	100.00
Glamorous Properties Private Limited	200.00	Riseway Buildcon Private Limited	100.00
Joy Erectors Private Limited	200.00	Superaction Realty Private Limited	100.00
In a company to be incorporated under the name 'Kalash Investments Limited' or under any other name as may be approved by the concerned Registrar of Companies. (US \$ 150 mn. equivalent to Indian Rs. 750 crores at the prevailing rate of exchange)	750.00	Vinca Developer Private Limited	100.00

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."

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 November 3, 2008 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 **December 12, 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 **December 15, 2008 at 3.00 P.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 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.akrutcitcity.com 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.2,750 crores (Rupees Two Thousand Seven Hundred Fifty Crores 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.

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.

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

Registered Office :
Akruti Trade Centre, 6th floor
Road No.7, Marol MIDC
Andheri (East), Mumbai 400 093
Dated: November 3, 2008

Chetan S. Mody
Company Secretary