

CITADEL REALTY AND DEVELOPERS LIMITED

CIN: L21010MH1960PLC011764

Registered Office: Futurex, N.M. Joshi Marg, Lower Parel (West), Mumbai 400013
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POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the 'Act') and all other applicable provisions, if any, of the Act read together with the Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, applicable provisions of the Securities and Exchange Board of India ('SEBI') including, but not limited to, Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR'), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the resolutions set out below are proposed to be passed as Special Resolution by the members of the Company by way of Postal Ballot/electronic voting (e-voting).

The proposed resolutions, along with the explanatory statement setting out the material facts and the reasons thereto are appended below along with a postal ballot form ("Form") for your consideration.

The Board of Directors of the Company have appointed Mr. Nitin R Joshi, Practising Company Secretary (Membership Number CP 1884) as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Notice/Form including the notes appended herein and record your assent (for) or dissent (against) for the resolutions set out below either through e-voting (*as per the instructions in the Notes under the section 'Voting through electronic means' in this Notice*) or by filling the necessary details and affixing your signature at the designated place in the Form and return the duly completed original Form in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than 5.00 p.m. on Friday, i.e. October 13, 2017. The postage will be borne by the Company. However, envelopes containing Form, if sent by courier or registered / speed post at the expense of the Members will also be accepted. The Form may also be deposited personally at the address given on the self-addressed Business Reply Envelope.

Upon completion of the scrutiny of the Forms and the E-Voting, the Scrutinizer will submit his report to the Chairman or any other Director of the Company (*or any other person so authorised*).

The results of the Postal Ballot (including e-voting) will be announced on or before Sunday, i.e. October 15, 2017. The aforesaid results shall also be communicated to the depositories, SEBI, BSE and other statutory bodies within 48 (Forty Eight) hours of the declaration of the result and shall also be displayed on the Company's website at www.citadelrealty.in along with the Scrutinizer's Report.

ITEM NO. 1

TO CONSIDER ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 of the Companies Act 2013 (the "Act") and other applicable provisions, if any, of the Act (including any amendments thereto or re-enactment thereof), Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions, if any, including approval of Securities and Exchange Board of India ("SEBI"), stock exchange and other appropriate statutory authorities, institution or bodies, as the case may be necessary in this respect, the consent of the members of the Company is hereby accorded to the Board of Directors of the Company for re-classification of the authorised share capital of the Company wherein the authorized share capital of the Company be amended by reclassifying the existing authorised share capital of Rs.10,00,00,000 (Rupees ten crores only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs.10 each (Rupees Ten only) and 3,00,000 (three lakhs) Preference Shares of Rs.100 (Rupees hundred only) each to Rs.10,00,00,000 (Rupees ten crores only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs.10 (Rupees Ten only) each and 3,00,000 (three lakhs) 0% Compulsory Convertible Preference Shares of Rs.100 (Rupees hundred only) each.

RESOLVED FURTHER THAT the existing clause (V) of the Memorandum of Association of the Company be altered by deletion of the existing clause (V) and by substitution thereof with the following new Clause V:

V. The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees ten crores only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs.10 (Rupees Ten only) each and 3,00,000 (three lakhs) 0% Compulsory Convertible Preference Shares of Rs.100 (Rupees hundred only) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach therein respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the times being be provided by the Articles of Association of the Company.

The Unclassified shares may be classified and issued as Equity and / or Preference (either redeemable and / or cumulative or otherwise) Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies subject to be increased or reduced in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital and / or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions."

RESOLVED FURTHER THAT (i) **Mr. S. Ramamurthi**, Director and CEO (ii) **Mr. Chetan R. Shah**, Director and (iii) **Mr. Nilesh Dand, Director** be and are hereby be jointly or severally authorized to execute the relevant documentation and all necessary and ancillary documents, and do all other incidental acts in this matter.

RESOLVED FURTHER THAT (i) **Mr. S. Ramamurthi**, Director and CEO (ii) **Mr. Chetan R. Shah, Director** and (iii) **Mr. Nilesh Dand, Director** be and are hereby jointly or severally authorized to do, or cause to be done all such acts, deeds and things, and execute, deliver and/or file all such documents, as may be necessary or desirable, including filing of requisite reports, returns or forms with the Registrar of Companies, SEBI, stock exchange or other concerned regulatory authorities.

RESOLVED FURTHER THAT (i) **Mr. S. Ramamurthi**; Director and CEO (ii) **Mr. Chetan R. Shah, Director** and (iii) **Mr. Nilesh Dand, Director** be and are hereby jointly or severally authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to the aforesaid transactions and to do all acts, deeds and things in connection therewith and incidental thereto."

ITEM NO. 2

TO CONSIDER VARIATION OF RIGHTS, TERMS AND CONDITIONS OF THE REDEEMABLE PREFERENCE SHARES AND CONVERSION OF 0% COMPULSORILY CONVERTIBLE PREFERENCE SHARES BY ISSUANCE OF EQUITY SHARES BY WAY OF PREFERENTIAL ALLOTMENT

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 42, Section 48, Section 55, Section 62(1)(c), Section 110 and Section 188 of the Companies Act 2013 (the "Act") read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014, Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 22 of the Companies (Management and Administration) Rules, 2014, and other applicable provisions, if any, of the

Act and the rules made therein (including any amendments thereto or re-enactment thereof), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Regulation 23 and other relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant rules/regulations, guidelines, if any as prescribed by SEBI, Article 74 Chapter IX and Article 81 of Chapter XI and of the Articles of Association of the Company, applicable provisions of the Memorandum of Association of the Company, and subject to such approvals, consents, permissions and sanctions, if any, of SEBI, stock exchange and other appropriate statutory authorities, institution or bodies, as the case may be necessary in this respect and consequent to obtaining the consent of the Preference Shareholder of the Company and obtaining the prior approval of the Audit Committee, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for varying the rights, terms and conditions of the fully paid up Preference Share Capital of the Company being 1,25,000 (one lakh twenty five thousand) 0% Non-Cumulative Redeemable Preference Shares of Rs.100 (Rupees hundred only) per share totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) to 1,25,000 (one lakh twenty five thousand) 0% Compulsorily Convertible Preference Shares (“CCPS”) of Rs.100 (Rupees hundred only) per share totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) and such converted Preference Share Capital of the Company i.e. the CCPS shall be compulsorily converted, with immediate effect, into 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10 (Rupees ten only) each issued at a premium of (approximately) Rs.57.39 (Rupees fifty seven and thirty nine paise only) totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) by preferential allotment to the sole Preference Shareholder, being, Fibre Box Bombay Private Limited (associate of the Company).”

“**RESOLVED FURTHER THAT** the consent of the sole Preference Shareholder of the Company, i.e. Fibre Box Bombay Private Limited has been given to the Company for the varying of the rights, terms and conditions and the subsequent conversion of its CCPS to Equity Shares.”

“**RESOLVED FURTHER THAT** the Equity Shares of the Company which would be allotted upon conversion of CCPS shall be in accordance with the aforesaid terms and shall rank pari-passu in all respects with the existing fully paid up Equity Shares of face value of Rs.10 (Rupees ten only) each of the Company.”

“**RESOLVED FURTHER THAT** (i) **Mr. S. Ramamurthi**; Director and CEO (ii) **Mr. Chetan R. Shah, Director** and (iii) **Mr. Nilesh Dand, Director** be and are hereby be jointly or severally authorized to execute the relevant documentation and all necessary and ancillary documents, and do all other incidental acts in this matter.”

“**RESOLVED FURTHER THAT** (i) **Mr. S. Ramamurthi**; Director and CEO (ii) **Mr. Chetan R. Shah, Director** and (iii) **Mr. Nilesh Dand, Director** be and are hereby jointly or severally authorized to do, or cause to be done all such acts, deeds and things, and execute, deliver and/or file all such documents, as may be necessary or desirable, including filing of requisite reports, returns or forms with the Registrar of Companies, SEBI, stock exchange or other concerned regulatory authorities.”

“**RESOLVED FURTHER THAT** (i) **Mr. S. Ramamurthi**; Director and CEO (ii) **Mr. Chetan R. Shah, Director** and (iii) **Mr. Nilesh Dand, Director** be and are hereby jointly or severally authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to the aforesaid transactions and to do all acts, deeds and things in connection therewith and incidental thereto.”

ITEM NO. 3

RESTRUCTURING OF EXISTING INTER CORPORATE DEPOSITS OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 42, Section 62(1)(c), Section 71, Section 110 and Section 188 of the Companies Act, 2013 (the “Act”) and other applicable provisions if any, of the Act (including any amendments thereto or re-enactment thereof), Rule 13 of Companies (Share Capital and Debenture) Rules, 2014, Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant rules/regulations, guidelines, if any as prescribed by SEBI, Article 185 Chapter XXIII of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, of any other appropriate statutory authorities, including but not limited to SEBI, stock exchange, institution or bodies as the case may be necessary and pursuant to obtaining prior approval of the Audit Committee, the consent of the Members of the Company is hereby accorded to the Board of Directors of the Company to enable to restructure the inter corporate deposits (long term borrowing) of the Company to the extent of Rs. 1, 25, 44, 000 (Rupees one crore twenty five lakhs and forty four thousand) out of the total inter corporate deposits (long term borrowing) of the Company amounting to Rs.3,69,00,000 (Rupees three crores sixty nine lakhs only) due by the Company to Fibre Box Bombay Private Limited (an associate of the Company), wherein such restructuring shall also include the option to the Company to convert, in full or in part, an amount of Rs. 1, 25, 44, 000 (Rupees one crore twenty five lakhs and forty four thousand) out of the total inter corporate deposit (long term borrowing) of the Company into Unsecured Compulsory Convertible Debentures (“CCD”), in a single or multiple tranches pursuant to the terms and conditions as decided upon by the Company.”

“**FURTHER RESOLVED THAT** Fibre Box Bombay Private Limited has agreed for the acceptance of certain CCD against a part of the outstanding inter corporate deposits (long term borrowing) not exceeding Rs. 1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only), due to Fibre Box Bombay Private Limited. The CCD shall be converted into not exceeding Rs. 1,86,120 Equity Shares of Rs. 10/- each and upon the terms and conditions as mentioned below:

Terms and conditions for issue of CCD:

Heads	Terms and conditions
Face Value	Rs.1000/-
Coupon Amount	0%
Number of compulsorily convertible debentures	12544
Tenor/Conversion	Not within 9 months from the date of issue of such CCD and not exceeding 18 months
Nature of debentures	0% Unsecured Compulsorily Convertible Debentures
Conversion Mechanism/Price	SEBI approved formula in compliance with ICDR Regulations; or Rs. 67.40* to the nearest integer; whichever is higher.
Transferability of Debentures	The holders of Compulsorily Convertible Debentures shall be entitled to transfer the said Debentures freely.
Other terms	The CCD's shall not confer any rights upon Fibre Box Bombay Private Limited as a shareholder and such rights shall be conferred only upon the conversion of such CCD's into equity shares.
Relevant date	30 (thirty) days prior to the date of Shareholders meeting. or 30 (thirty) days prior to last date for receipt of duly completed postal ballot forms indicating the assent of the requisite majority of the Shareholders.

*Rs. 67.40 (Rupees sixty seven and forty paise only) is higher than Rs. 65.37 (Rupees sixty five and thirty seven paise only), which is the valuation of the equity shares of the Company, as arrived at on the basis of the Valuation Report dated September 12, 2017 by Dalmia Securities Private Limited, the registered valuer.”

“**RESOLVED FURTHER THAT** Upon conversion, the amount of such inter corporate deposit that has so been converted shall stand and shall be deemed to have been fully repaid to the extent of the corresponding face value of such equity shares that will be allotted in place of the said CCD.

“**RESOLVED FURTHER THAT** the said CCD's to be allotted to Fibre Box Bombay Private Limited shall be subject to the relevant provisions applicable to them of the Memorandum of Association and Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors shall be at liberty, to vary any of the terms and conditions with respect to the inter corporate deposit, including issue of any other instrument/ convertible instrument other than CCD or waiver of certain portion of the inter corporate deposit as they may deem fit in the best interests of the Company.”

“RESOLVED FURTHER THAT (i) Mr. S. Ramamurthi; Director and CEO (ii) Mr. Chetan R. Shah, Director and (iii) Mr. Nilesh Dand, Director be and are hereby be jointly or severally authorized to execute the relevant documentation and all necessary and ancillary documents, and do all other incidental acts in this matter.”

“RESOLVED FURTHER THAT (i) Mr. S. Ramamurthi; Director and CEO (ii) Mr. Chetan R. Shah, Director and (iii) Mr. Nilesh Dand, Director be and are hereby jointly or severally authorized to do, or cause to be done all such acts, deeds and things, and execute, deliver and/or file all such documents, as may be necessary or desirable, including filing of requisite reports in principal approval, returns or forms with the Registrar of Companies, SEBI, stock exchange or other concerned regulatory authorities.”

RESOLVED FURTHER THAT (i) Mr. S. Ramamurthi; Director and CEO (ii) Mr.Chetan R. Shah, Director and (iii) Mr. Nilesh Dand , Director be and are hereby jointly or severally authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to the aforesaid transactions and to do all acts, deeds and things in connection therewith and incidental thereto.”

By order of the Board
For an on behalf of
CITADEL REALTY AND DEVELOPERS LIMITED
S. RAMAMURTHI
DIRECTOR AND CEO

Registered Office:
Futurex, N.M. Joshi Marg,
Lower Parel (West),
Mumbai 400013

Place: Mumbai
Date: September 12, 2017

EXPLANATORY STATEMENT
(Pursuant to Sections 102(1) and 110 of the Companies Act, 2013)

Item No.1

TO CONSIDER ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Company has considered reclassification of the present authorized share capital of the Company from Rs. 10,00,00,000 (Rupees ten crore only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 3,00,000 (three lakhs) Preference Shares of Rs. 100/-(Rupees hundred only) each to **Rs.10,00,00,000 (Rupees ten crores only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs.10/- (Rupees ten only) each and 3,00,000 (three lakhs) 0% Compulsory Convertible Preference Shares of Rs.100/- (Rupees hundred only) each.**

Such reclassification is necessary as the date of redemption of the Preference Shares is due in the next few months and the Company does not have adequate funds for the redemption of such Preference Shares, which has inevitably led the Board of Directors of the Company to approach the members of the Company for reclassification and vary the nature and terms and conditions of the 0% Non-Cumulative Redeemable Preference Shares to 0% Compulsory Convertible Preference Shares so that the Compulsory Convertible Preference Shares may be converted to Equity Shares. For such reclassification of the authorised share capital as aforesaid and making the necessary amendments thereto in the Capital Clause of the Memorandum of Association of the Company, the Company is required to obtain the approval of its members of the Company by way of special resolution u/s 13 of the Companies Act, 2013. The Board believes that there is no alternative to the above proposal and it would serve the long term interests of the Company and the members of the Company.

The Clause V – Memorandum of Association shall be altered by deletion of the existing clause and by substitution thereof with the following:

“V. The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees ten crores only) divided into 70,00,000 (seventy lakhs) Equity Shares of Rs.10 (Rupees ten only) each and 3,00,000 (three lakhs) 0% Compulsory Convertible Preference Shares of Rs.100 (Rupees hundred only) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach therein respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the times being be provided by the Articles of Association of the Company.

The Unclassified shares may be classified and issued as Equity and / or Preference (either redeemable and / or cumulative or otherwise) shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies subject to be increased or reduced in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital and / or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions.”

At the meeting of the Board of Directors of the Company held on August 10, 2017, the Directors have approved the alteration of the Memorandum of Association of the Company.

The Board of Directors therefore recommends the special resolution as set out in Item 1 for approval of the members of the Company.

The Memorandum of Association of the Company, after such aforesaid alteration in Clause V, is open for inspection by the members at the registered office of the Company at Marathon Futurex, N.M. Joshi Marg, Lower Parel (West), Mumbai 400013, Maharashtra and its corporate office at 702, Marathon Max, Mulund-Goregaon Link Road, Mulund (West), Mumbai 400080, on all working days, except Saturdays and Sundays, during business hours upto the last date of the Postal Ballot, i.e. October 14,2017.

Item No.2

TO CONSIDER VARIATION OF RIGHTS, TERMS AND CONDITIONS OF THE REDEEMABLE PREFERENCE SHARES AND CONVERSION OF 0% COMPULSORILY CONVERTIBLE PREFERENCE SHARES BY ISSUANCE OF EQUITY SHARES BY WAY OF PREFERENTIAL ALLOTMENT:

Fibre Box Bombay Private Limited (PAN: AAACF2343J) is the sole Preference Shareholder of the Company holding (i) 1,00,000 0% Non-Cumulative Redeemable Preference Shares bearing distinctive numbers 2438101 to 2538100, Share Certificate No. PF-01, Register Folio No. SIB-01 dated November 29, 1997; and (ii) 25,000 0% Non-Cumulative Redeemable Preference Shares bearing distinctive numbers 2563101 to 2588100, Share Certificate No. PF-03, Register Folio No. JMP-01 dated May 14, 2002; and such Preference Shares were transferred to Fibre Box Bombay Private Limited on June 27, 2008.

The Company has considered varying the rights, terms and conditions of such Preference Shares of the Company being 1,25,000 (one lakh twenty five thousand only) 0% Non-Cumulative Redeemable Preference Shares of Rs.100 (Rupees hundred only) per share totally amounting to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) to **1,25,000 (one lakh twenty five thousand) 0% Compulsorily Convertible Preference Shares (“CCPS”) of Rs.100 (Rupees hundred only) per share totally amounting to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) and such converted Preference Share Capital of the Company i.e. the CCPS shall be compulsorily converted, with immediate effect, into 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10 (Rupees ten only) each issued at a premium of Rs. 57.39 (Rupees fifty seven and thirty nine paise only) totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) by preferential allotment to Fibre Box Bombay Private Limited.**

Such variation in the rights, terms and conditions of the Preference Shares is necessary as the date of redemption of the Preference Shares is due in the next few months and the Company does not have adequate funds for redemption of such Preference Shares, which has inevitably led the Board of Directors to approach the members of the Company for varying the nature and terms and conditions of the 0% Non-Cumulative Redeemable Preference Shares to CCPS so that the CCPS may be converted to Equity Shares.

The Board of the Directors of the Company believes that there is no alternative to the above proposal and it would serve the long term interests of the Company and its members.

Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 framed there under, *inter alia*, requires the Company to obtain the prior approval of the members of the Company, by way of a special resolution for conversion of Preference Shares to Equity Shares.

Section 48 of the Companies Act, 2013 states that the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class and if such variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained.

Section 110 read alongwith Rule 22 (16) (f) of the Companies (Management and Administration) Rules 2014, states that a variation in the rights attached to a class of shares or debentures or other securities as specified under Section 48, have to be transacted only by means of voting through a Postal Ballot. Therefore, the special resolution by Postal Ballot of the Equity Shareholders of the Company is being obtained.

The Sole Preference Shareholder of the Company, i.e. Fibre Box Bombay Private Limited (PAN: AACF2343J) a company incorporated under the Companies Act, 1956 having its registered office at 702, Marathon Max, Mulund - Goregaon Link Road, Mulund (West) Mumbai 400080, Maharashtra, has already given its consent and approval for the varying of the rights, terms and conditions and the subsequent conversion of the Convertible Preference Share Capital to Equity Shares.

The proposed offer/ invitation of the subscription of the said Equity Shares is being made to the existing member of the Company, and therefore, the provisions of Rule 14 (1) and the proviso to Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 shall not be applicable to such private placement.

In terms of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, for the proposed offer/ invitation of the subscription of the said equity shares, the approval of the members of the Company shall be required to be obtained by way of special resolution and thus the present resolution is presented for obtaining the approval of the members of the Company.

Further, as per Rule 14 (2) (c) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, "*the value of such offer shall or invitation per person shall be with an investment size of not less than Rs.20,000/- of face value of the securities*". The proposed offer fulfills the requirement of the said Rule.

At the meeting of the Board of Directors of the Company held on August 10, 2017, the Board of Directors of the Company have approved such varying the rights, terms and conditions of the fully paid up Preference Share Capital of the Company being 1,25,000 (one lakh twenty five thousand only) 0% Non-Cumulative Redeemable Preference Shares of Rs.100 (Rupees hundred only) per share totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) to 1,25,000 (one lakh twenty five thousand) 0% Compulsorily Convertible Preference Shares ("**CCPS**") of Rs.100 (Rupees hundred only) per share totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) and such converted Preference Share Capital of the Company i.e. the CCPS shall be compulsorily converted, with immediate effect, into 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10 (Rupees ten only) each issued at a premium of approximately Rs.57.39 (Rupees fifty seven and thirty nine paise only) totally amounting to Rs.1,25,00,000 (Rupees one crore twenty five lakhs only) by preferential allotment to the sole Preference Shareholder of the Company, being, Fibre Box Bombay Private Limited on such terms and conditions as the Board of Directors of the Company at its absolute discretion may, from time to time determine.

The Board of Directors of the Company have approved the valuation report dated September 12, 2017 for the valuation of the equity shares of the Company by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476, wherein the fair market value of the equity shares of the Company was determined at approximately Rs.65.37 (Rupees sixty five and thirty seven paise only) and approved the conversion price for transactions contemplated in Item No. 2 herein, to be approximately Rs.67.39 (Rupees sixty seven and thirty nine paise only).

The Company has placed the certificate of its statutory auditor dated September 12, 2017 certifying that the issue is being made in accordance with the requirements of the ICDR Regulations and alongwith the aforesaid valuation report, which is duly submitted with the Bombay Stock Exchange of India, where the Equity Shares of the Company are listed.

Provided that if the recognised stock exchange is not satisfied with the appropriateness of the valuation, it may get the valuation done by any other valuer and for this purpose it may obtain any information, as deemed necessary, from the issuer.

The Board of Directors therefore recommends the special resolution as set out in Item No.2 for approval of the members of the Company.

As per the applicable laws, the consent of the members for the above purpose is required to be obtained through Postal Ballot, hence the consent of the members of the Company is sought through Postal Ballot, for the aforesaid Item.

In terms of Regulation 73 Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), 2009 read with Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, certain particulars to be disclosed in the explanatory statement for issue of Equity Shares on preferential basis, are as follows:

a. Object(s) of the conversion and subsequent issue and the nature of such shares i.e. equity shares/ manner of issue:

The Board of Directors of the Company plans to convert 1,25,000 (one lakh twenty five thousand only) 0% Compulsory Convertible Preference Shares of Rs.100/- (Rupees hundred only) held by Fibre Box Bombay Private Limited into its equity share capital by issue of 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10/- (Rupees ten only) each issued at a premium of approximately Rs. 57.39/- (Rupees fifty seven and thirty nine paise only) totally amounting to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) against the aforesaid CCPS.

The object for the conversion is to do away with the obligation of the Company to redeem the Preference Shares as the redemption of the Preference Shares is due in the next few months and the Company does not have adequate funds for redemption of such Preference Shares, which has inevitably led the Board of Directors to approach the members of the Company to convert the 0% Non-Cumulative Redeemable Preference Shares of the Company to 0% **CCPS** and such CCPS shall be converted, with immediate effect, into Equity Shares as aforesaid.

The consent of the sole preference shareholder of the Company has been obtained.

The total paid up preference share capital of the Company to be converted to equity shares amounts to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) and such amount has already been received by the Company at the time of the allotment of such preference shares and no separate consideration (by cash or otherwise) is to be received by the Company under this preferential allotment.

The total number of shares or other Securities to be issued, the price or price band at/within which the allotment is proposed, basis on which the price has been arrived:

The Board of Directors of the Company plans to convert 1,25,000 (one lakh twenty five thousand only) 0% Compulsory Convertible Preference Shares of Rs.100/- (Rupees hundred only) held by Fibre Box Bombay Private Limited into its equity share capital by issue of 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10/- (Rupees ten only) each issued at a premium of approximately Rs. 57.39/- (Rupees fifty seven and thirty nine paise only) totally amounting to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) against the aforesaid preference share.

The price is determined at approximately Rs. 67.39, which is more than the price as determined in accordance with the SEBI approved formulas in compliance with ICDR Regulations and is also higher than Rs. 65.37 (Rupees sixty five and thirty seven paise only), which is the valuation of the equity shares of the Company, as arrived at on the basis of the valuation report dated September 12, 2017 by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476.

b. Proposal of the Promoters/Directors/Key Management persons to subscribe to the offer/ Intention of promoters, directors or key management persons to subscribe to the offer/ The class or classes of persons to whom the allotment is proposed to be made:

The proposed preferential issue by issue of 1,85,500 (one lakh eighty five thousand five hundred) Equity Shares (by converting 1,25,000 (one lakh twenty five thousand only) preference shares into equity shares) is being made to Fibre Box Bombay Private Limited, the sole preference shareholder of the Company, which is also an associate of the Company.

Sonal Mayur Shah, one of the directors of Fibre Box Bombay Private Limited, is also a director in the Company. The shareholders of Fibre Box Bombay Private Limited include Mayur Shah and Chetan Shah (the promoters of the Company), who severally hold 40% of the subscribed and paid up share capital of Fibre Box Bombay Private Limited aggregating to a total of 80% of the subscribed and paid up share capital of Fibre Box Bombay Private Limited.

Pursuant to the issue of the Equity Shares, Fibre Box Bombay Private Limited shall also form part of Promoter group of the Company.

None of the other promoters, directors or key management personnel of the Company intends to apply/subscribe to any of the Equity Shares of the Company.

c. Shareholding pattern before and after issue of Equity Shares/the pre issue and post issue shareholding pattern of the company:

Sr. No.	Category	Pre Issue*		Post Issue**	
		No. of Shares of Rs. 10/- each	% of share holding	No. of Shares of Rs. 10/- each	% of share holding
A	Promoters' holding:				
1	Indian Promoters:				
	Individual	620395	17.35	620395	16.50
	Director and Relatives	622900	17.43	622900	16.57
	Bodies Corporate	947587	26.51	1133087	30.14
	Sub Total	2190882	61.30	2376382	63.21
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	2190882	61.30	2376382	63.21
B	Non- Promoters' holding:				
1	Institutional Investors	1242	0.03	1242	0.03
2	Non-Institution:	0	0	0	0
	Private Corporate Bodies	135213	3.78	135213	3.60
	Directors and Relatives	0	0	0	0
	Indian Public	1229089	34.39	1229089	32.68
	Others (Including NRIs)	18074	0.50	18074	0.48
	Sub Total (B)	1383618	38.70	1383618	36.79
	Grand Total (A+B)	3574500	100.00	3760000	100.00

*The pre issue-shareholding pattern as set out hereinabove is as on August 31, 2017 and does not factor in the change in the shareholding pattern post the preferential issue as per Item No. 2 and 3.

**The post issue-shareholding pattern as set out hereinabove is the shareholding pattern after the conversion of the CCPS into equity shares but does not factor in the issuance of CCD (convertible to equity in FY 2018-2019) as per Item No. 3.

d. Proposed time within which the allotment shall be completed:

As per Regulation 74 of SEBI (Issue of Capital and Disclosure Requirements), 2009 the allotment of such Equity Shares is to be made within 15 days from the date of the holding of the meeting for passing such special resolution. As per clause 16.6.3 of the Secretarial Standard-2, issued by the Institute of Company Secretaries of India (ICSI), in case of special resolution to be approved through Postal Ballot, the date of passing of such special resolution shall be deemed to be the last date specified by the company for receipt of duly completed postal ballot forms.

Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by SEBI or the other exchanges, any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

e. The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Sr. No.	Name of proposed Allottee	Pre Issue*		Post Issue		The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees
		No. of Equity Shares	% of share holding	No. of Equity Shares	% of share holding	
1.	Fibre Box Bombay Private Limited (PAN : AAACF2343J)	0	0%	1,85,500	4.93%	Chetan R. Shah 40% Mayr R. Shah 40% R Z Shah HUF 9.98% Anusya Shah 10.02%

* Fibre Box Bombay Private limited was not a Equity Shareholder of the Company prior to the conversion of CCPS to Equity Shares.

f. Undertaking for re-computation of price:

The Company undertakes that it shall re-compute the price of the specified securities in terms of the provision of the SEBI (Issue of Capital and Disclosure Requirements), 2009, where it is required to do so.

g. Lock-in and Undertaking for Lock-in:

The Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions of SEBI (Issue of Capital and Disclosure Requirements), 2009.

The Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (Issue of Capital and Disclosure Requirements), 2009 the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

h. The total number of shares or other securities to be issued/the price or price band at/within which the allotment is proposed:

1,85,500 (one lakh eighty five thousand five hundred) Equity Shares of Rs. 10/- (Rupees ten only) each issued at a premium of approximately Rs. 57.39/- (Rupees fifty seven and thirty nine paise only) per share totally amounting to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only)

i. Basis on which the price has been arrived at along with report of the registered valuer/the terms of issue, including terms and rate of dividend on each share, etc./ the expected difference in equity share capital upon conversion of preference shares to equity shares:

1. Value of Equity Share:

The valuation of the equity shares of the Company is Rs.65.37/- (Rupees sixty five and thirty seven paise only), as arrived at on the basis of the valuation report dated September 12, 2017 by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476 (*being the registered valuer as per the provisions SEBI (Issue of Capital and Disclosure Requirements), 2009.*)

2. Conversion Price:

The conversion price has been arrived at approximately Rs. 67.39/- (Rupees sixty seven and thirty nine paise only) per Equity Share.

The conversion price is determined in accordance with the SEBI approved formulas in compliance with SEBI (Issue of Capital and Disclosure Requirements), 2009 and is also based upon the valuation report dated September 12, 2017 for the valuation of the equity shares of the Company by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476 (*being the registered valuer as per the provisions the Companies Act, 2013 and the ICDR Regulations*).

On the aforesaid basis, the Audit Committee of the Company, upon consent with the Board of Directors of the Company, and in consultation and with the consent of the sole preference shareholder, Fibre Box Bombay Private Limited, have arrived at a conversion price of approximately Rs. 67.39/- (Rupees sixty seven and thirty nine paise only) per equity share (*including a premium of approximately Rs. 57.39 (Rupees fifty seven and thirty nine paise only) per share*) on 1,85,500 equity shares to be issued.

j. The relevant date with reference to which the price has been arrived at:

The relevant date is **September 15, 2017**.

The relevant date shall be a date which is thirty days prior to the date on which the meeting of members is held to consider the proposed preferential issue. As per clause 16.6.3 of the Secretarial Standard-2, issued by the ICSI, in case of special resolution to be approved through postal ballot, the date of passing of such special resolution shall be deemed to be the last date specified by the company for receipt of duly completed postal ballot forms.

k. Change in control in the Company that would occur consequent to the preferential offer:

There will be no change in the control in the Company consequent to the preferential offer.

l. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

No allotment on preferential basis have been made during the year.

m. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The issue of Equity Shares is by the conversion of the fully paid up CCPS of the Company.

The total paid up preference share capital of the Company to be converted to equity shares amounts to Rs. 1,25,00,000 (Rupees one crore twenty five lakhs only) and such amount has already been received by the Company at the time of the allotment of such preference shares.

The valuation report dated September 12, 2017 by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476, the registered valuer as per the provisions of ICDR Regulations and Companies Act 2013 is attached along with the Notice for your perusal.

n. Ranking of equity shares arising on conversion:

The Equity Shares to be issued on conversion of the CCPS shall rank *pari passu* in all respects with the then existing Equity Shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company.

o. Terms of issue, including terms and rate of dividend on each equity share, etc:

The Redeemable Preference Shares of the Company have been varied to Compulsory Convertible Preference Shares as per the variation of rights more detailed in the resolution. Apart from such variation of right of the Preference Shares, all other terms of the Preference Shares shall remain the same uptill the conversion of the CCPS into Equity Shares.

The Equity Shares to be issued on conversion of the CCPS shall rank *pari passu* in all respects, including terms and rate of dividend, with the then existing Equity Shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company

Disclosure of Interest

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 2, except the following:

(i) Chetan Shah, one of the promoters and director of the Company;

(ii) Mrs Sonal M. Shah, the Director of the Company;

(iii) Mayur Shah, one of the Promoters of the Company and a relative of the Director of the Company; and

(iv) Shailaja Chetan Shah, one of the directors of Fibre Box Bombay Private Limited, is a relative of Chetan Shah, one of the Promoters and a director of the Company.

All the documents related to the preferential offer is open for inspection by the members at the registered office of the Company at Marathon Futurex, N.M. Joshi Marg, Lower Parel (West), Mumbai 400013, Maharashtra and at its corporate office at 702, Marathon Max, Mulund - Goregaon Link Road, Mulund (West), Mumbai 400080, on all working days, except Saturdays and Sundays, during business hours upto last date of the Postal Ballot, i.e. October 13, 2017.

The Board of Directors of the Company recommends the Special Resolution set out in **Item no. 2** for your approval.

ITEM No. 3

RESTRUCTURING OF EXISTING INTER CORPORATE DEPOSITS OF THE COMPANY

The Company had accepted certain inter corporate deposits from (i) Multipack Systems Private Limited for an amount of Rs. 1,50,00,000/- (Rupees one crore and fifty lakhs only) and (ii) JMP Investments Private Ltd for an amount of Rs. 2, 19, 00,000/- (Rupees two crore and nineteen lakhs only) upon certain terms and conditions as decided upon between the parties.

In or about 2007, the name of the Company was changed from Rohit Pulp and Paper Mills Limited to its current name and the control of the Company was taken over by Marathon Realty Private Limited, Mr. Chetan Shah and Mr. Mayur Shah. By two deed of assignments, both dated in or around [September 10, 2008], executed by the Company (the Borrower therein) and Fibre Box Bombay Private Limited (the Assignee therein) with (i) Multipack Systems Private Limited and (ii) JMP Investment Private Limited (the Assignors therein), the Assignors assigned all their rights, title and interest accrued, in relation to their inter corporate deposits, amounting to Rs. 1,50,00,000/- (Rupees one crore and fifty lakhs only) and Rs. 2, 19, 00,000/- (Rupees two crore and nineteen lakhs only) respectively and totally aggregating to Rs.3,69,00,000 (Rupees three crores sixty nine lakhs) provided by the Assignors to the Company, in favour and forever in the name of Fibre Box Bombay Private Limited, which has since been shown in the audited financial statements of the Company as a long term borrowing of the Company.

The Board of Directors of the Company intend to restructure the inter corporate deposits (long term borrowing) of the Company amounting to Rs. 1, 25, 44, 000 (Rupees one crore twenty five lakhs and forty four thousand) out of the total inter corporate deposits (long term borrowing) of the Company amounting to Rs.3,69,00,000 (Rupees three crores sixty nine lakhs only) due by the Company to Fibre Box Bombay Private Limited (an associate of the Company), wherein such restructuring may shall also include the option to the Company to convert, in full or in part, the aforesaid amount of Rs. 1, 25, 44, 000 (Rupees one crore twenty five lakhs and forty four thousand) out of the total inter corporate deposit (long term borrowing) of the Company into Compulsory Convertible Debentures ("CCD"), in a single or multiple tranches pursuant to the terms and conditions as decided upon by the Company.

The Board of Directors of the Company, have approved the valuation report dated September 12, 2017 for the valuation of the equity shares of the Company by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476, wherein the fair market value of the equity shares of the Company was determined at Rs. 65.37 (Rupees sixty five and thirty seven paise only) and approved the conversion price to be approximately Rs.67.39 (Rupees sixty seven and thirty nine paise only).

Fibre Box Bombay Private Limited has agreed for the acceptance of certain CCD against a part of the outstanding inter corporate deposits (long term borrowing) not exceeding Rs.1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only), due to Fibre Box Bombay Private Limited.

The Board of Directors of the Company have proposed to issue and allot the CCD to Fibre Box Bombay Private Limited at such price as may be determined in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), 2009 and other applicable laws and shall be subject to the relevant provisions applicable to them as per the Memorandum of Association and Articles of Association of the Company.

At the meeting of the Board of Directors of the Company held on August 10, 2017 and September 12, 2017, the Board of Directors have approved such conversion of its inter corporate deposit into CCD on preferential basis to Fibre Box Bombay Private Limited, an associate of the Company, on such terms and conditions as the Board of Directors of the Company at its absolute discretion may, from time to time determine.

The proposed offer/ invitation of the subscription of the CCD is being made to the existing member of the Company, and therefore, the provisions of Rule 14 (1) and the proviso to Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 shall not be applicable to such private placement.

Article 185 Chapter XXIII of the Articles of Association of the Company gives the power to the Company to convert its inter corporate deposit into Equity Shares and therefore, the Company intends to issue CCD, convertible into Equity Shares at the time of its conversion.

The Board of Directors therefore recommends the special resolution as set out in Item No. 3 for approval of the members of the Company.

The consent of the members for the above purpose is obtained through E-Voting and Postal Ballot, for the aforesaid Item.

Terms and conditions for issue of CCD:

Heads	Terms and conditions
Face Value	Rs.1000/-
Coupon Amount	0%
Number of compulsorily convertible debentures	12544
Tenor/Conversion	Not within 9 months from the date of issue of such CCD and not exceeding 18 months
Nature of debentures	0% Unsecured Compulsorily Convertible Debentures
Conversion Mechanism/Price	SEBI approved formula in compliance with ICDR Regulations; or Rs. 67.40* to the nearest integer; whichever is higher.
Transferability of Debentures	The holders of Compulsorily Convertible Debentures shall be entitled to transfer the said Debentures freely.
Other terms	The CCD's shall not confer any rights upon Fibre Box Bombay Private Limited as a shareholder and such rights shall be conferred only upon the conversion of such CCD's into equity shares.
Relevant date	30 (thirty) days prior to the date of Shareholders meeting. or 30 (thirty) days prior to last date for receipt of duly completed postal ballot forms indicating the assent of the requisite majority of the Shareholders.

*Rs. 67.40 (Rupees sixty seven and forty paise only) is higher than Rs. 65.37 (Rupees sixty five and thirty seven paise only), which is the valuation of the equity shares of the Company, as arrived at on the basis of the Valuation Report dated September 12, 2017 by Dalmia Securities Private Limited, the registered valuer.

The CCD shall be converted into Equity Shares in the next financial year, i.e. FY 2018-2019 upon the terms and conditions as mentioned below. The Equity Shares issued on conversion shall rank *pari passu* with the then existing Equity Shares of the Company. Upon conversion, the amount of such inter corporate deposit that has so been converted shall stand and shall be deemed to have been fully repaid to the extent of the corresponding face value of such equity shares that will be allotted in place of the said CCD.

In terms of Regulation 73 Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), 2009 certain particulars to be disclosed in the explanatory statement for issue of Equity Shares on preferential basis, are as follows:

a. Objects of the Preferential Issue:

The Board of Directors of the Company intends to restructure the inter corporate deposits (long term borrowing) of the Company due by the Company to Fibre Box Bombay Private Limited (an associate the Company), wherein such restructuring shall include the conversion of the inter corporate deposit into Compulsory Convertible Debentures ("CCD"), subject to such approvals, consents, permissions and sanctions, if any, of any other appropriate statutory authorities, including but not limited to SEBI, stock exchange, institution or bodies as the case may be necessary.

At present the Company intends to convert an amount of Rs. 1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only) out of the total inter corporate deposits into CCD.

The amount of Rs. 1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only) has already been received by the Company at the time of the acceptance of such inter corporate deposit and no separate consideration (by cash or otherwise) to be received by the Company under this allotment.

b. The total number of shares or other Securities to be issued, the price or price band at/within which the allotment is proposed, basis on which the price has been arrived:

Such number of CCDs having face value of Rs.1000/- (Rupees hundred only) at par carrying a Coupon Rate of 0 % per annum and having a tenure of not less than 9 months from the date of issue of such CCD and not exceeding 18 months, each fully paid-up, for an amount not exceeding Rs. 1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only).

The price is determined at approximately Rs. 67.39, which is more than the price as determined in accordance with the SEBI approved formulas in compliance with SEBI (Issue of Capital and Disclosure Requirements), 2009 and is also higher than Rs. 65.37, which is the valuation of the equity shares of the Company, as arrived at on the basis of the valuation report dated September 12, 2017 by Dalmia Securities Private Limited bearing SEBI Registration No. INM000011476.

c. Proposal of the Promoters/Directors/Key Management persons to subscribe to the offer/ Intention of promoters, directors or key management persons to subscribe to the offer/ The class or classes of persons to whom the allotment is proposed to be made:

The proposed preferential issue by issue of 12,544 (twelve thousand five hundred and forty four) CCD (by converting Rs. 1,25,44,000 (Rupees one crore twenty five lakhs forty four thousand only) out of the total inter corporate deposits into CCD) is being made to Fibre Box Bombay Private Limited, the sole preference shareholder of the Company, which is also an associate of the Company.

Sonal Mayur Shah, one of the directors of Fibre Box Bombay Private Limited, is also a director in the Company. The shareholders of Fibre Box Bombay Private Limited include Mayur Shah and Chetan Shah (the promoters of the Company), who severally hold 40% of the subscribed and paid up share capital of Fibre Box Bombay Private Limited aggregating to a total of 80% of the subscribed and paid up share capital of Fibre Box Bombay Private Limited.

Pursuant to the variation of rights of the preference shares of Fibre Box Bombay Private Limited and the subsequent conversion of such convertible preference shares to equity shares as per Item 2 herein, Fibre Box Bombay Private Limited shall form part of the Promoter Group of the Company.

None of the other promoters, directors or key management personnel of the Company intends to apply/subscribe to any of the Equity Shares of the Company.

d. Shareholding Pattern before and after the preferential issue:

Sr. No.	Category	Pre Issue*		Pre Issue**		Post Issue***	
		No. of Shares of Rs. 10/- each	% of share holding	No. of Shares of Rs. 10/- each	% of share holding	No. of Shares of Rs. 10/- each	% of share holding
	Promoters' holding:						
	Indian Promoters:						
	Individual	620395	17.36	620395	16.50	620395	15.72
	Director and Relatives	622900	17.43	622900	16.57	622900	15.79
	Bodies Corporate	947587	26.51	1133087	30.14	1319207	33.43
	Sub Total	2190882	61.30	2376382	63.21	2562502	64.94
	Foreign Promoters	0	0	0	0	0	0
	Sub Total (A)	2190882	61.30				
	Non- Promoters' holding:						
	Institutional Investors	1242	0.03	1242	0.03	1242	0.03
	Non-Institution:	0	0	0	0	0	0
	Private Corporate Bodies	135213	3.78	135213	3.60	135213	3.43
	Directors and Relatives	0	0	0	0	0	0
	Indian Public	1229089	34.39	1229089	32.68	1229089	31.15
	Others (Including NRIs)	18074	0.50	18074	0.48	18074	0.45
	Sub Total (B)	1383618	38.70	1383618	36.79	1383618	35.06
	Grand Total	3574500	100.00	3760000	100.00	3946120	100.00

* This pre issue-shareholding pattern is the shareholding pattern of the Company as on August 31, 2017 and does not factor in the change in the shareholding pattern post the preferential issue as per Item No. 2 and 3.

** This pre issue-shareholding pattern is the shareholding pattern after the conversion of the CCPS into equity shares but does not factor in the issuance of CCD (convertible to equity in FY 2018-2019) as per Item No. 3.

*** This post issue-shareholding pattern is the shareholding pattern after the conversion of the CCPS into equity shares and also the subsequent conversion of the CCD into equity shares of the Company which shall occur within 9 months from the date of issue of such CCD and not exceeding 18 months.

e. Time within which the preferential issue shall be completed:

As per Regulation 74 of SEBI (Issue of Capital and Disclosure Requirements), 2009, the allotment of CCD is to be made within 15 days from the date of the holding of the meeting for passing such special resolution. As per clause 16.6.3 of the Secretarial Standard-2, issued by the Institute of Company Secretaries of India (ICSI), in case of special resolution to be approved through postal ballot, the date of passing of such special resolution shall be deemed to be the last date specified by the company for receipt of duly completed postal ballot forms.

Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by SEBI or the exchanges, any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

f. The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Sr. No.	Name of proposed Allottee	Pre Issue*		Post Issue**		The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees
		No. of Equity Shares	% of share holding	No. of Equity Shares	% of share holding	
1.	Fibre Box Bombay Private Limited (PAN : AAACF2343J)	185500	4.93	371620	9.42	Chetan R. Shah 40% Mayur R. Shah 40% R Z Shah HUF 9.98% Ansuya Shah 10.02%

*The pre-shareholding pattern is the shareholding pattern after the conversion of the CCPS into equity shares but does not factor in the issuance of CCD (convertible to equity in FY 2018-2019) as per Item No. 3.

** This post issue-shareholding pattern is the shareholding pattern after the conversion of the CCPS into equity shares and also the subsequent conversion of the CCD into equity shares of the Company which shall occur within 9 months from the date of issue of such CCD and not exceeding 18 months.

g. Undertaking to re-computed price:

The Company undertakes that it shall re-compute the price of the specified securities in terms of the provision of the SEBI (Issue of Capital and Disclosure Requirements), 2009, where it is required to do so.

h. Undertaking to put under lock-in till the re-computed price is paid:

The Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (Issue of Capital and Disclosure Requirements), 2009, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

i. Certificate from Statutory Auditors:

M/s. Bipin B. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company have issued a certificate dated September 12, 2017 that the preferential issue is being made pursuant to ICDR Regulations as per this Postal Ballot Notice.

j. Relevant Date:

The relevant date is a date which is the date thirty days prior to the date on which the meeting of members is held to consider the proposed preferential issue. As per clause 16.6.3 of the Secretarial Standard-2, issued by the Institute of Company Secretaries of India (ICSI), in case of special resolution to be approved through postal ballot, the date of passing of such special resolution shall be deemed to be the last date specified by the company for receipt of duly completed postal ballot forms, indicating the assent of the requisite majority of the Shareholders.

k. Lock-in Period:

The CCDs and Equity Shares issued on conversion shall be locked in as per the provisions of SEBI (Issue of Capital and Disclosure Requirements), 2009.

Disclosure of Interest

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 2, except the following:

- (i) Chetan Shah, one of the promoters and director of the Company;
- (ii) Mrs Sonal M. Shah, the Directors of the Company;
- (iii) Mayur Shah, one of the Promoters of the Company and a relative of the Director of the Company; and
- (iv) Shailaja Chetan Shah, one of the directors of Fibre Box Bombay Private Limited, is a relative of Chetan Shah, one of the Promoters and a director of the Company.

All the documents related to the preferential offer is open for inspection by the members at the registered office of the Company at Marathon Futurex, N.M. Joshi Marg, Lower Parel (West) Mumbai 400013, Maharashtra and its corporate office at 702, Marathon Max, Mulund - Goregaon Link Road, Mulund (West), Mumbai 400080, on all working days, except Saturdays and Sundays, during business hours upto last date of the Postal Ballot, i.e. October 14, 2017.

The Board of Directors recommends the Special Resolution set out in Item no. 3 for your approval.

NOTES:

1. The Statement pursuant to Section 102, Section 108 and Section 110 of the Companies Act, 2013 setting out all the material facts and the reasons for the proposal is annexed herewith.
2. The Board of Directors have appointed Mr. Nitin R. Joshi, Practising Company Secretary (Membership Number CP 1884) as the Scrutinizer for conducting the Postal Ballot/ e-voting process process in accordance with the law and in a fair and transparent manner.
3. *The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") and the Members, whose names appear in the register of members.*
4. As per Companies (Management and Administration) Rules, 2014 the Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage pre-paid self-addressed Business Reply envelope.
5. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up Equity Share Capital of the Company on the cut-off date, i.e. September 9, 2017 and a person who is not a Member as on September 9, 2017 shall treat this Notice for information purposes only.
6. The Company is pleased to offer e-voting facility as an option to all the Members of the Company, in compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, and applicable provisions of Securities and Exchange Board of India not limited to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically. Members may please refer to the instructions below for the purpose of voting through e-voting facility. The members have an option to either cast their vote in physical form to vote through E-voting facility.
8. The Postal Ballot Notice is also placed in the 'e-voting' section on the Company's website: www.citadelrealty.in.
9. Members are requested to carefully read the instructions printed on the annexed Postal Ballot form and the e-voting instructions. The Postal Ballot form, duly completed and signed, should be returned in the enclosed self-addressed postage prepaid envelope, directly to the Scrutinizer so as to reach them on or before October 13, 2017. Any response received from the members after the closing hours of 5.00 p.m. shall be treated as if no response is received in terms of sub-rule 12 of Rule 22 of the Companies (Management and Administration) Rules, 2014.
10. The date of declaration of results of the postal ballot shall be the date on or before October 15, 2017.
11. The Special Resolution passed by the Members through Postal Ballot are deemed to have been passed as if they had been passed at a General Meeting of the Members.
12. Voting period commences from **Thursday, September 14, 2017, @ 10.00 a.m.** and ends on **Friday, October 13, 2017 at 5.00 p.m.** E-voting shall not be allowed beyond the said date and time.
13. Kindly note that the Members can opt only for one mode of voting, i.e., either by physical ballot or e-voting. If you are opting for e-voting, then do not vote by physical ballot and vice versa. However, in case Members cast their vote by physical ballot as well as by e-voting, then voting done through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.

14. Members who have received the Postal Ballot Notice by e-mail and wish to vote through physical Postal Ballot Form can download the Postal Ballot Form from the www.citadelrealty.in or seek a duplicate Postal Ballot Form from the Registrar Mr.K.S.Laxminarayan Upadhy, Bigshares Services Pvt. Ltd., Bharat Tin Works Building, 1st Floor, Vasant Oasis, Makwana road, Andheri (E), Mumbai 400059, Ph.No.022-62638200 Fax.No.:022-62638299, email : upadhy@bigshareonline.com fill in the details and send the same to the Scrutinizer on or before **Friday, October 13, 2017** at **5.00 p.m.**
15. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) vernacular newspaper, each with wide circulation in the district, where the registered office of the Company is situated, and published on the Company website www.citadelrealty.in.
16. Members desiring to exercise their vote by physical Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot, if sent by courier or registered / speed post at the expense of the Member will also be accepted.
17. Instructions for e-voting / The instructions for Members Voting Electronically are as under:

E-VOTING INSTRUCTIONS

The instructions for those members who wish to cast their votes by e-voting process are as under:

1. In case of member receiving e-mail from NSDL:
 - (a) Open e-mail and open PDF file, viz., "Citadel Realty and Developers Limited e-voting pdf" with your client ID or Folio No. as password. The said pdf file contains your User ID and password for e-voting. Please note that the password is an initial password.
 - (b) Launch Internet Browser by typing the following URL:<https://www.evoting.nsd.com/>
 - (c) Click on "Shareholder" "Login".
 - (d) Key in User ID and password as initial password noted in step (1) above, Click "Login"
 - (e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits or characters or a combination thereof. Please take note of the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page 'e-voting' opens. Click on "e-voting: Active Voting Cycles".
 - (g) Select 'EVEN' of Citadel Realty and Developers Limited.
 - (h) Now you are ready for "e-voting" as "Cast Vote" page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and "Confirm" when prompted.
 - (j) Institutional Shareholders (i.e. other individuals, HUFs, NRIs etc) are required to send scanned copy (PDF/JPG format) of the relevant Board resolution authority letter, etc, together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer at his e-mail id. With a copy marked to e-voting@nsdl.co.in
2. In case of members receiving Postal Ballot Form by Post:
 - (a) Initial password is provided at the bottom of the Postal Ballot Form.
 - (b) Please follow all steps from Sl.1 (b) to (j) above, to cast your vote.
 - i. In case of any queries, you may refer the Frequently Asked Questions (FAQ) for member and e-voting user manual for Members available at the "Downloads" section of www.evoting.nsd.com
 - ii. If you are already registered with NSDL for e-voting then you can use your existing User ID and password for casting your vote and there is no need to register once again.
 - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - iv. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs, the Notice of Postal Ballot is being sent by e-mail and to others, the same is sent by post along with the Postal Ballot Form.
 - v. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download the Postal Ballot Form from www.evoting.nsd.com or seek duplicate Postal Ballot Form from the Company's Registrar and Transfer Agents viz., Bigshare Services Private Limited Unit Citadel Realty and Developers Limited. Fill in the details and send the same to the Scrutinizer.
 - vi. Members are requested to cast their votes on the Postal Ballot only through one mode, i.e., either through Postal Ballot Form or through e-voting. In case Members cast their votes through both the modes, votes cast through e-voting will be considered and votes cast rejected. through Postal Ballot Form will be rejected.
18. The Scrutinizer will submit his report on Postal Ballot to the Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms and E-voting and the results will be announced by the Chairman or a Person authorised by him. The said results would be intimated to the BSE Limited where the Company's shares are listed and other statutory bodies, if required and will be displayed along with the Scrutinizer's report on the Company's website viz. www.citadelrealty.in.
19. All the material documents referred to in the explanatory statement above would be available for inspection at the registered office of the Company during business hours from the date of dispatch of Notice till October 11, 2017.
20. Only a Member entitled to vote is entitled to vote by e-voting or fill in the Postal Ballot Form and send it to the Scrutinizer, and any recipient of the notice who has no voting right should treat the notice as intimation only.
21. The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support "Green Initiative", the Members are requested to update their email address with their concerned Depository Participant to enable us to send you necessary documents /communication via email. Members who hold shares in physical form are requested to register their e-mail address with the Registrar Bigshare Services Pvt. Ltd., Bharat Tin Works Building, 1st floor, Vasant Oasis, Makawana Road, Andheri (E), Mumbai 400059, India.

By order of the Board
CITADEL REALTY AND DEVELOPERS LIMITED
S. RAMAMURTHI
DIRECTOR AND CEO

Registered Office:
Futorex, N.M. Joshi Marg,
Lower Parel (West),
Mumbai 400013

Place: Mumbai
Date: September 12, 2017

CITADEL REALTY AND DEVELOPERS LIMITED

CIN: L21010MH1960PLC011764

Registered Office: Futurex, N.M. Joshi Marg, Lower Parel (West), Mumbai 400013
Phone: 022 6158 8484 • Fax: 022 6158 8410 • Email : citadel@marathonrealty.com Website: www.citadelrealty.in

POSTAL BALLOT FORM

1. Name & address of the Sole/First named Member :
2. Name(s) of Joint holder(s), if Any :
3. Regd. folio/DP No./Client ID No. :
4. No. of shares held :
5. Even (E-voting Event Number) :
6. User ID :
7. Password :

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Ballot for the business stated in the Notice of the Company dated September 12, 2017 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Description of Resolution	Type of Resolution Ordinary / Special	No. of shares for which votes cast	For I/We assent to the Resolution	Against I/We dissent to the Resolution
1	To consider Alteration of memorandum & Articles of Association.	Special			
2	To consider variation of rights, terms and conditions of the Redeemable Preference Shares and Conversion of 0% Compulsorily Convertible Preference Shares by issuance of Equity Shares by way of Preferential Allotment.	Special			
3	Restructuring of existing Inter Corporate Deposits of the Company.	Special			

Signature of the Member

Place : Mumbai

Date :

INSTRUCTIONS

1. **A Member desiring to exercise vote by Postal Ballot may complete the Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, the envelope containing the Form, if sent by courier or any other mode at the expense of the Member, will also be accepted.**
2. Duly completed Form should reach not later than October 14, 2017, @ 5.00 p.m. All Forms received thereafter will be treated as if the reply from the Member has not been received.
3. Assent or Dissent to the proposed Resolution may be recorded by placing a tick mark ("") in the appropriate column.
4. This form is to be completed and signed by the Member (as per Signature registered with the Company). In case of Joint holding, this form should be completed and signed by the First-Named Member and in his/her absence, by the next named Member. There will be only one Postal Ballot Form for each Folio irrespective of the number of Joint holder(s).
5. A Member cannot exercise his/her vote by proxy on Postal Ballot.
6. In case the Form is signed by the Power of Attorney holder for and on behalf of the Member, it must be accompanied by a Power of Attorney. In case of Equity Shares held by Companies, Trusts, Societies, etc., the duly completed Form should be accompanied by a certified true copy of the Board Resolution/Governing Body.
7. Unsigned, incomplete, improperly or incorrectly ticked Forms shall be rejected.
8. A Member need not use all his votes nor cast all his votes in the same manner.
9. Members are requested not to send any other paper along with the Form in the enclosed self-addressed envelope since all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. The attached self-addressed envelope is only for the limited purpose of this Postal Ballot process and the same should not be used by the Member for sending any other correspondence to the Company.
11. A Member may request for a duplicate Form, if so required. However, the duly filled in duplicate Form should reach the Scrutinizer not later than the date specified at instruction No. 2 above.
12. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on September 9, 2017.
13. Signature of Member should be as per specimen registered/ recorded with Company/ Depository.
14. Any cutting / overwriting in this Ballot Paper should be signed by the Member.