

# CITADEL REALTY AND DEVELOPERS LIMITED

Regd. Off.: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013

Tel.: 022 6158 8484 • Fax: 022 6158 8410 • CIN: L21010MH1960PLC011764

E-mail: citadel@marathonrealty.com • Website: www.citadelrealty.in

## 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, Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('**ICDR**'), and Securities, Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR**') and any other applicable laws and regulations, the resolutions set out below are proposed to be passed by the members of the Company by way of Postal Ballot/electronic voting (e-voting).

The proposed resolutions, along with the explanatory statement pursuant to section 102 and 110 of the Companies Act, 2013 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, at its meeting held on February 02, 2018 have appointed Mr. Nitin R Joshi, Practicing Company Secretary (CP Number: 1884) (the "**Scrutinizer**") 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 stamped business reply envelope so as to reach the Scrutinizer on or before March 13, 2018. 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 **authorized by Board**.

The results of the Postal Ballot (including e-voting) shall be declared on or before March 15, 2018. The aforesaid results shall also be communicated to the depositories, BSE and within 48 (forty eight) hours of the declaration of the results publishing in **one English and one vernacular newspaper** and shall also be displayed on the Company's website at [www.citadelrealty.in](http://www.citadelrealty.in) along with the Scrutinizer's Report.

### ITEM NO. 1

#### **INCREASE IN AUTHORIZED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable Provisions of the Companies Act, 2013 and rules made there under, as may be amended time to time, subject to approval of the members be and is hereby accorded for increase in the Authorized Share Capital of the Company from Rs. 10,00,00,000 (Ten Crores only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- each and 3,00,000 (Three Lakhs) 0% Redeemable Preference Shares of Rs. 100 each to Rs. 23,00,00,000 by creation of additional 1,30,00,000 Equity Share Capital of Rs. 10 each and consequently, existing clause V of Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorized Share Capital of the Company is Rs. 23,00,00,000 (Rupees Twenty Three Crores only) divided into 2,00,00,000 ( Two Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 3,00,000 (Three Lakhs) 0% Redeemable 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.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deed, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto."

### ITEM NO. 2

#### **TO APPROVE THE ISSUE OF BONUS SHARES:**

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

**"RESOLVED THAT** pursuant to Section 63 and the applicable rules thereon and other applicable provisions of the Companies Act, 2013, as may be amended time to time and the relevant Clauses of the Articles of Association of the Company and the recommendation of the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized in this behalf ) and subject to Securities and Exchange Board of India (SEBI) regulations and such other approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of Rs. 3,94,60,990 (Rupees Three Crores Ninety Four Lakhs Sixty Thousand Nine Hundred and Ninety only) out of the Securities Premium of Reserves and Surplus as on March 31,2017 and be distributed amongst the Members whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (**CDSL**), on the Record date as fixed in this regard by the Board, in the proportion of 1(ONE) equity share of Rs. 10 each fully paid up for every 1 (ONE) existing equity share of Rs.10/- each fully paid up held by the shareholders and such equity shares shall rank pari-passu in all respects with the existing issued Equity Shares of the Company on the Record Date, except the right and eligibility of dividend, if any declared, by the Company after the allotment of such bonus shares as may be determined by the Board of Directors.

**"RESOLVED FURTHER THAT** pursuant to Regulation 93 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, 1,86,112 equity shares of Rs.10/- each proposed to be allotted as Bonus Shares be reserved and "set aside" to the holder of "Convertible Debt Instrument" of the Company and the said shares shall be allotted in favour of the holder upon exercising the convertible clause of the said convertible debt instrument as per the terms of issue.

**"RESOLVED FURTHER THAT** no allotment letters shall be issued to the allottees for bonus shares and for the shareholders who hold their existing equity shares in electronic form as bonus shares shall be credited to their respective demat accounts and for the shareholders who hold their existing equity shares in physical form, the share certificate(s) for the bonus shares shall be prepared and dispatched within the period prescribed or that may be prescribed in this behalf, from time to time."

**“RESOLVED FURTHER THAT** the issue and allotment of the said bonus shares to the extent they relate to Non- Resident Indians (NRIs), Persons of Indian Origin (PIO)/ Overseas Corporate Bodies (OCBs) and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India (RBI), as may be required.”

**“RESOLVED FURTHER THAT** for the purposes of giving effect to the bonus issue of Equity Shares resolved hereinbefore, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such, as filing of documents with the Securities and Exchange Board of India, listing the additional Equity Shares on the BSE Limited.”

### ITEM NO. 3

#### **RELATED PARTY TRANSACTIONS UNDER SECTION 188(1) (D) OF THE COMPANIES ACT, 2013 AND UNDER REGULATION 23 OF SEBI (LODR) REGULATIONS, 2015 - AVAILING OR RENDERING OF ANY SERVICES:**

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

**“RESOLVED THAT** pursuant to Section 188(1)(d) of the Companies Act 2013 and the Rules framed there under and are made effective to date and subject to such other approvals, consents, permissions and sanctions of any Authorities as may be necessary the consent of the members of the Company be and is hereby accorded to the Audit Committee and Board of Directors for availing or rendering any services relating to the business of the Company from “Shree Swami Samarth Builders and Developers” (SSBD) and “Marathon Realty Private Limited”, related parties, on a continuous ongoing basis for an aggregate value of not exceeding Rs.25 Crores and Rs. 15 Crores per annum respectively, for such transactions during the Financial year 2018-19 with an annual increase of not exceeding Rs.5 Crore, for both the parties in value for every succeeding year thereafter, over the previous year on principle terms as contained in the Explanatory statement.

**RESOLVED FURTHER THAT** Mr. Chetan R Shah, Director or Mr. S. Ramamurthi Director & CEO or Ms. Anuja Dube, Company Secretary of the Company be and are severally authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary and expedient for the purpose of giving effect to this resolution.”

**By order of the Board  
Citadel Realty And Developers Limited  
Anuja Dube  
Company Secretary**

Registered Office:  
Marathon Futurex, N.M. Joshi Marg  
Lower Parel (West), Mumbai 400013  
Place: Mumbai  
Date: February 2, 2018

#### **EXPLANATORY STATEMENT**

**(Pursuant to Sections 102(1) and 110 of the Companies Act, 2013 and the rules made therein)**

#### **Item no.1 & 2 :**

The Company has since its inception has issued Bonus Shares to its shareholders on four occasions the details of which are as under:

Year	Ratio
22-09-1989	2:3
22-09-1979	3:5
22-09-1974	1:1
22-09-1967	1:5

The Marathon Group took over the reins of the Company in 2007-08 when the net worth of the Company was totally eroded. The Group has since then begun gainful operation in the Company and in the previous year the Company declared a dividend after about a decade.

The equity shares of the Company are listed with BSE. The members are aware that the potential of the Company has grown significantly over the past few years, which has generated considerable interest in the Company's equity shares in the capital market. In order to improve the liquidity of the shares in the stock market, bring the equity share capital commensurate with the business of the Company and to reward the shareholders from whom the Management derives the best support, the Board of Directors of the Company at their meeting held on February 2,2018 considered it desirable to recommend the issue of fully paid Bonus shares numbering 39,46,099 in a proportion of **1 (ONE)** equity share of Rs 10/- each fully paid up as bonus share for every **1 (ONE)** equity shares of Rs.10/-each fully paid up by capitalizing a sum not exceeding Rs. 3,94,60,990 from Securities Premium account of the Company, as per its last Audited Accounts of the Company for the financial year ended March 31,2017.

Such fully paid bonus shares shall be distributed to the members of your Company, whose names shall appear on its register of members on the Record Date to be determined by the Board of Directors (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares in proportion of **1 (ONE)** equity share of Rs 10/- each as bonus share for every **1 (ONE)** equity shares of Rs.10/-each held by them respectively on the record date. As per Regulation 93 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, if Company has issued convertible debt instruments, Bonus equity shares shall be reserved to such holder who are/is holding such instrument(s). Accordingly, the Company needs to reserve 186112 number of Equity Bonus shares in favour of the holder of such convertible debt instrument/s and this shall be issued/allotted at the time of conversion of such convertible debt instrument/s on the same proportion at which the bonus shares would be issued.

Post issue of Bonus Shares, there would be change in the Capital structure of the Company. Presently the Authorized Capital of the Company is Rs. 10,00,00,000 (Ten Crores only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- each and 3,00,000 (Three Lakhs) 0% Redeemable Preference Shares of Rs. 100/-.

It is proposed to increase to Rs.23,00,00,000 by creation of additional 1,30,00,000 Equity Share Capital of Rs. 10/- each. The increase in Authorized Capital as aforesaid would require consequential amendment to the existing clause V of Memorandum of Association of the Company

The Increase in Authorized Capital and amendments to relevant clauses of Memorandum of Association of the Company and issue of Bonus Shares are subject to approval of members in terms of section 61 and 63 of the Companies Act, 2013 and any other applicable statutory and regulatory approval.

#### **Memorandum of Interest**

None of the Directors/Key Managerial Personnel or their relatives is concerned or interested in the resolution 1 & 2 of the Notice except to the extent of their shareholding in the Company.

The Board of Directors recommends the **resolutions 1 & 2 for the approval of the Members.**

**ITEM NO. 3**

The Company, having entered into the partnership with a firm “Shree Swami Samarth Builders and Developers” is required to provide loans/advances to support the partnered ventures in its ordinary course of business based on the projects at hand.

Also, the Company, as when required seeks assistance from MRPL, Promoter Group Company in the form of loans/advance and rent payment for premises used by the Company, in its ordinary course of business.

The interest payable by “Shree Swami Samarth Builders and Developers” and “Marathon Realty Private Limited” for the loans/advances shall be not less than the bank rate declared by Reserve Bank of India .

These type of transactions of availing or rendering any services relating to the business is on going basis requires shareholders approval and accordingly it has been estimated that the value of such transactions will be about Rs.25 Crore and Rs.15 Crore respectively.

Name of the RPT	Nature of services / transactions	Others	Maximum amount for Services	Remarks
Shree Swami Samarth Builders and Developers (SSSBD)	a. Expenses reimbursed b. Advances given/repaid c. Interest received	Servicing of Project Advances Loan at actual	Up to Rs.25 Crores	As per the terms
Marathon Realty Pvt. Ltd. (Promoter Group Company)	a. Expenses reimbursed b. Advances given/repaid c. Interest received d. Rental Expenses	Servicing of Project Advances loan and Interest receipts  Rent payable for premises utilized by the Company	Up to Rs.15 Crores	As per the terms

As per Section 188 (1)(d) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Power) Rules, 2014, prior approval of the shareholders is required in case of the dealing with, *availing or rendering of any services, directly or through appointment of agent*, exceeding 10% of the Turnover of the Company or Rs.50 crore whichever is lower. The Management recommends this enabling resolution for the approval of the shareholders. Also as per Regulation 23 of SEBI (LODR) Regulations 2015, transaction/s with the related parties, which are material in nature, shall also require approval of the shareholders through resolution.

Also, no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

**Memorandum 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. 3, except the following:

- (i) Mr. Chetan Shah, one of the promoters and directors of the Company;
- (ii) Ms. Sonal M. Shah, the Director of the Company;
- (iii) Marathon Realty Private Limited, Promoter Group Company.
- (iv) Fibre Box Bombay Private Limited, Promoter Group Company.
- (v) Mr. Mayur Shah, one of the Promoters of the Company and a relative of the Director of the Company; and
- (vi) Ms. Shailaja Chetan Shah, one of the directors of Fibre Box Bombay Private Limited, is also relative of Mr. Chetan Shah.

All the “Related Parties “are deemed to be interested in the above resolution and as such “Related Parties” who are shareholders shall abstain from voting.

**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 (CP 1884) as the Scrutinizer for conducting the Postal Ballot/ e-voting 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 prepaid 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. **[February 02, 2018]** and a person who is not a Member as on cut-off date 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 by attending the EGM or 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](http://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 **March 13, 2018**. 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 **March 15, 2018**.
11. The Ordinary 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 **February 12, 2018 at 10.00 a.m.** and ends on **March 13, 2018 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](http://www.citadelrealty.in) or seek a duplicate Postal Ballot Form from the Registrar Mr.K.S.Laxminarayan Upadhya, Bigshares Services Pvt. Ltd., Bharat Tin Works Building, 1<sup>st</sup> Floor, Vasant Oasis, Makwana road, Andheri (E), Mumbai 400059, India (**Ph.No:** 022-62638200, **Fax.No:** 022-62638299 **Email :** upadhya@bigshareonline.com). Please fill in the details and send the same to the Scrutinizer on or before **March 13, 2018 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](http://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.

**By order of the Board**  
**Citadel Realty And Developers Limited**  
**Anuja Dube**  
**Company Secretary**

Registered Office:  
Marathon Futurex, N.M. Joshi Marg  
Lower Parel (West), Mumbai 400013  
Place: Mumbai  
Date: February 2, 2018

#### E-VOTING INSTRUCTIONS

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

- I. In case of member receiving e-mail from NSDL:
  1. (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. If you are already registered with NSDL for e-voting then you can use your existing user ID and 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 [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- II. 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.
- III. 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](http://www.evoting.nsd.com)
- IV. 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.  
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).  
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).  
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- V. 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).
- VI. 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.
- VII. 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](http://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.
- VIII. 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 casted through Postal Ballot Form will be rejected.