

ARIHANT

SUPERSTRUCTURES LTD.
CONTINUING STABILITY

Regd. Office : 302, Persipolis Building, Plot No 74, Sector 17, Vashi, Navi Mumbai 400 703

NOTICE

Dear Shareholders,

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PASSING OF THE RESOLUTIONS BY POSTAL BALLOT) RULES, 2011

Notice is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, and subject to all other Acts, Rules, Regulations and statutes as applicable to the company, as amended from time to time, that resolution appended below is proposed to be passed as a Special Resolution by way of Postal Ballot.

The Members are requested to please read the Notes to this Notice, the attached Postal Ballot Form and the instructions thereon, detailing the manner and mode of voting, prior to casting their vote.

ITEM NO. 1: MAKING INVESTMENTS, GIVING GUARANTEE OR PROVIDE SECURITY IN CONNECTION WITH A LOAN U/s 372A OF THE COMPANIES ACT, 1956

To consider, and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force and the provisions of the Memorandum and Articles of Association of the Company, and subject to such other laws as may be applicable, and in continuation and modification of all the previous resolutions passed to this effect, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof), either directly or through any other mode, at its absolute discretion, to invest/acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other) or any other financial instruments of one or more bodies corporate which may or may not be subsidiary(ies) of the Company, to make/ give from time to time any loan or loans to any body/bodies corporate, which may or may not be subsidiary(ies) of the Company and give from time to time any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to, or to any other person(s) by, any body/ies corporate, which may or may not be subsidiary/ies of the Company, in excess of the limits as calculated under the provisions of Section 372A, as per the details mentioned herein below:

Name of the Company/ Body Corporate	Particulars of the Proposed Investment/ Inter-corporate Loan & Guarantee	Maximum Limit (in Rs.)
Arihant Aashiyana Private Limited	<ul style="list-style-type: none"> • Investment in the securities of the company, for the purpose of making the said entity a subsidiary of the company • For making loans for business activities & expansion and to provide Corporate Guarantee & Security on any loan or finance obtained by the entity for the said purpose 	Rs. 30,06,00,000
Arihant Technoinfra Private Limited	<ul style="list-style-type: none"> • Investment in the securities of the company, for the purpose of making the said entity a subsidiary of the company • For making loans for business activities & expansion and to provide Corporate Guarantee & Security on any loan or finance obtained by the entity for the said purpose 	Rs. 16,06,00,000

Arihant Vatika Realty Private Limited	<ul style="list-style-type: none"> For making loans for business activities & expansion and to provide Corporate Guarantee & Security on any loan or finance obtained by the entity for the said purpose 	Rs. 25,00,00,000
TOTAL		Rs. 71,12,00,000

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company and/or Committee of Directors constituted for this purpose be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investment or loan made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

**By Order of the Board
Arihant Superstructures Limited**

**Place: Navi Mumbai
Date: 4th August, 2012**

**Ashok B. Chhajer
Chairman and Managing Director**

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. The Board of Directors, in its Meeting held on 4th August 2012 has appointed Mr. Sudhir Kamath Practicing Company Secretary, Mumbai as the Scrutinizer to receive and scrutinize the completed ballot papers from the Shareholders.
3. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of shareholders. This Notice is being sent under Registered Post Acknowledge Due or any other secured mode of posting provided by Department of Post to all Members of the Company, whose names appear in the Register of Members as on 14th August 2012 (being the last date of despatch of notice to members). Members are requested to carefully go through the instructions before casting their vote. **Members should note that voting will be provided ONLY by way of postal ballot and not through any electronic mode.**
4. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the duly completed Form in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 13th September 2012 failing which, it will be strictly treated as if no reply has been received from the member. The Scrutinizer will submit his report to the Chairman after completion of scrutiny on or before 17th September, 2012 at 4.00 p.m. at the Registered Office of the Company.
5. The Chairman, or in his absence, any other person authorised by the Chairman declare the result of the Postal Ballot on 17th September, 2012 at 5.00 p.m. at the Registered Office of the Company, and the resolutions will be taken as passed effectively as on the date of the declaration of the Result.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11:00 a.m. and 2:00 p.m. on all working days upto the last date for receipt of postal ballot forms as mentioned hereinabove.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No 1: Making Investments, giving guarantee or provide security in connection with a loan under Section 372A of the Companies Act, 1956:

Your company is in the business of construction and real estate development. Being a capital intensive industry and in view the necessity of obtaining new projects and constructions, it is hereby proposed by the Board of Directors to make investments in certain companies and provide financial assistance to the subsidiary companies for taking up new projects and business expansion.

Arihant Aashiyana Private Limited (AAPL) is a Company registered under the Companies Act, 1956 having its main object to carry on business of realtors, builders, developers, contractors, erectors and land estate agents, including to buy, sell, lease, sub-lease, exchange, rent out and to build, construct, develop, run, maintain, operate and manage residential spaces, apartments, service apartments, rooms, row houses, bungalows, dwelling units, commercial spaces, shops, offices, malls, warehouses, godowns, entertainment spaces, cinema houses, multiplexes, recreation and amusement lounges, hospitality, spaces, hotels, resorts, hospitals, educational institutions, townships, special economic zones, information technology parks, biotechnology parks. Looking at the future prospects of the company and the valuation of the shares, as valued by the Statutory Auditor of the Company, the Board of Directors proposes to make AAPL a subsidiary by making an investment in the 60% of the equity shares of the Company.

Arihant Technoinfra Private Limited (ATPL) is a company registered under the Companies Act, 1956 having its main object to manufacture and trading of bricks, block, tiles, and all building materials to be used in construction industries. Looking at the future prospects of the company and the valuation of the shares, as valued by the Statutory Auditor of the Company, the Board of Directors proposes to make ATPL a subsidiary by making an investment in the 60% of the equity shares of the Company.

Arihant Vatika Realty Private limited (AVRPL) is a subsidiary of the company, having its main object undertake the activities of Infrastructure projects & services, realtors, builders, developers, contractors, erectors and land estate agents. The Company has a 60% stake in the share capital of the Company. The Company is currently engaged execution of a project under name "Arihant Anmol". To enable completion of projects within the time frame as determined by the company, there has been found to be an additional requirement of finances. Arihant Superstructures has, in the past, provided inter-corporate loans and made sufficient investment in the company. However, now that AVRPL is looking to obtain financial assistance from banks, financial institutions and other external sources, there may arise a necessity of providing corporate guarantee and security to such assistance. In such a scenario, by virtue of being a Holding Company, Arihant Superstructures Limited, proposes to provide the same.

Further, it is proposed that for the purpose of making business expansion and business activities, these companies AAPL, ATPL and AVRPL would be requiring financing, which they would be obtaining from banks, financial institutions and other sources. Such sources of funding require giving of corporate guarantees and securities to the loan obtained. It is proposed that such corporate guarantee and security to the tune mentioned in the resolution be made by Arihant Superstructures Limited.

The limits for inter-corporate investments, in the form of investment in securities of the company and providing inter-corporate loans, corporate guarantees and securities, come under the provisions of Section 372A of the Act. Any investment in excess of the said limits requires the company to obtain the previous approval of the shareholders by means of a Special Resolution. As the existing investments made by the Company, in addition to the investments proposed to be made and the guarantees and securities proposed to be given by the Company to AAPL, ATPL and AVRPL exceed the limits stated in Section 372A, it is proposed to obtain the consent of the members by means of the Special Resolution.

- 7 These investments will be made by the company in parts or tranches, as and when required. The returns on this investment will be within the limits mentioned in Section 372A(3) of the Companies Act, 1956.

No Director, other than Mr. Ashok Chhajjer, Chairman and Managing Director, is interested in the said resolution. The Board recommends the Resolution for the approval of the Members.

**By Order of the Board
Arihant Superstructures Limited**

**Ashok B. Chhajjer
Chairman and Managing Director**

Registered Address:
302, Persipolis Building,
Plot No 74, Sector 17,
Vashi, Navi Mumbai 400 70

Date: 4th August, 2012