

Corporate Office:  
702, Marathon Max,  
Mulund-Goregaon Link Road,  
Mulund (West), Mumbai - 400 080.  
Tel.: +91-22-6724 8484 / 88  
Fax: +91-22-6772 8408  
E-mail: marathon@marathonrealty.com  
Website: www.marathonrealty.com  
CIN: L65990MH1978PLC020080

May 2, 2017

To  
Dept. of Corporate Services  
The BSE Ltd.  
P.J. Towers, Dalal Street  
Mumbai- 400 001  
Scrip Code : 503101

To  
Dept. of Corporate Services  
The NSE Ltd.  
BKC, Bandra (E)  
Mumbai - 400 050  
Symbol: MARATHON

Dear sirs,

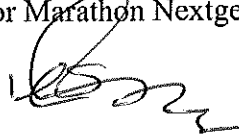
**Sub: Copy of Public Announcement (PA) regarding BUY BACK OF SHARES-  
Reg. 30 of SEBI (LODR) 2015.**

Enclosed please find copy of PA made in relation with the buyback of equity shares of the Company and published by the Company on May 1 2017.

This is for your information and record.

Thanking you.

Yours truly,  
For Marathon Nextgen Realty Ltd.



K.S.Raghavan  
Company Secretary & Compliance Officer





**MARATHON NEXTGEN REALTY LIMITED**

**Corporate Identity Number: L65990MH1978PLC020080**

**Registered Office: Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra, India**

**Corporate Office: 702, Marathon Max, Mulund-Goregaon Link Road, Mulund (West), Mumbai - 400080, Maharashtra, India**

**Telephone: +91 22 67248484/88; Facsimile: +91 22 67728408; Email: shares@marathonnextgen.com**

**Contact Person: Mr. K.S. Raghavan, Company Secretary and Compliance Officer; Website: www.marathonnextgen.com**

**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF MARATHON NEXTGEN REALTY LIMITED FOR BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER**

This Public Announcement (the “**Public Announcement**”) is being made in relation to the Buy-back (as defined hereinafter) of Equity Shares (as defined hereinafter) of Marathon Nextgen Realty Limited through the tender offer process, pursuant to the provisions of Regulation 8(1) and other applicable provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time (the “**Buy-back Regulations**”) and contains the disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

**OFFER FOR BUY-BACK OF NOT EXCEEDING 54,37,345 (FIFTY FOUR LAKHS THIRTY SEVEN THOUSAND THREE HUNDRED AND FORTY FIVE) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹10 EACH (“EQUITY SHARE”) AT A PRICE OF ₹ 275 (RUPEES TWO HUNDRED AND SEVENTY FIVE) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

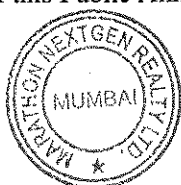
**1. DETAILS OF THE BUY-BACK OFFER AND BUY-BACK PRICE**

1.1 The Board of Directors (the Board of Directors of the Company hereinafter referred to as the “**Board**” and unless repugnant to the context or meaning thereof, be deemed to include a duly authorized “**Buy-back Committee**”) of Marathon Nextgen Realty Limited (the “**Company**”) at its meeting held on Friday, March 17, 2017 (“**Board Meeting**”) pursuant to the provisions of Article 40 of Articles of Association of the Company and Sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013, as amended (the “**Companies Act**”) and the applicable rules thereunder including without limitation the Companies (Share Capital and Debentures) Rules, 2014, as amended (the “**Share Capital Rules**”), the Companies (Management and Administration) Rule, 2014, as amended (the “**Management Rules**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) as amended (including any statutory modifications or re-enactments that may be introduced) and subject to the provisions contained in the Buy-back Regulations and also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“**SEBI**”), Registrar of Companies, Maharashtra (the “**ROC**”), BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”), (BSE and NSE together referred as “**Stock Exchanges**”), where the Equity Shares of the Company are listed and/or other statutory, regulatory or governmental authorities, institutions or bodies, as may be applicable (the “**Appropriate Authorities**”) and subject to such conditions and modifications as may be



prescribed or imposed by the Appropriate Authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board, approved the proposal to buy-back of not exceeding 54,37,345 (Fifty Four Lakhs Thirty Seven Thousand Three hundred and Forty Five) Equity Shares, representing 19.12% of the fully paid-up share capital of the Company, from the equity shareholders/beneficial owners of the Equity Shares (the "Shareholders" or "Equity Shareholders") of the Company as on the Record Date (i.e. May 12, 2017), on a proportionate basis, through the "Tender Offer" route, at a price of ₹275.00 (Rupees Two Hundred and Seventy Five only) per Equity Share (the "Buy-back Price") payable in cash, for an aggregate maximum amount of upto ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only) excluding any expenses incurred or to be incurred for the Buy-back viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses (the "Transaction Costs"), which is 24.37% of the total paid-up equity capital and free reserves as per the audited accounts of the Company as on March 31, 2016 and does not exceed 25% of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the period ended March 31, 2016, through the "tender offer" method as prescribed under the Buy-back Regulations on a proportionate basis, from the equity shareholders/beneficial owners of the Equity Shares of the Company as of the Record Date (the process being referred hereinafter as "Buy-back"), subject to the approval of the equity shareholders of the Company.

- 1.2 The equity shareholders of the Company have approved the Buy-back, by way of a special resolution, through postal ballot (including e-voting) by way of a postal ballot notice dated March 17, 2017 (the "Notice"), the results of which were announced on April 27, 2017. The equity shareholders of the Company authorized the Board to determine the total amount to be deployed in the Buy-back, final Buy-back Price, number of Equity Shares to be bought back within the aforesaid limits. Subsequently, the Buy-back Committee at its meeting held on April 29, 2017 determined the final Buy-back Price of ₹275/- (Rupees Two Hundred and Seventy Five only) per Equity Share viz., the Buy-back Price and the total amount for Buy-back i.e., ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only), viz., Buy-back Size, excluding the Transaction Costs.
- 1.3 The Buy-back would be undertaken in accordance with circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, issued by SEBI (the "SEBI Circulars"), which prescribes the mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the Acquisition Window (as defined hereinafter). For the purpose of this Buy-back, BSE would be the designated stock exchange.
- 1.4 The Buy-back shall be on a proportionate basis from all the equity shareholders of the Company as of the record date being May 12, 2017 ("Record Date") ("Eligible Sellers") through the tender offer process, as prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to the applicable laws, facilitated by the tendering of Equity Shares by such Eligible Sellers and settlement of the same, through the stock exchange mechanism as specified by SEBI in the SEBI Circulars. Please see paragraph 11 below for details regarding the Record Date and share entitlement for tender in the Buy-back.
- 1.5 In terms of the Buy-back Regulations, under the Tender Offer route, members of the promoter and promoter group have the option to participate in the Buy-back. In this regard, Ithaca Informatics Private Limited ("IIPL"), the promoter of the Company, has informed the Company, vide its letter dated March 22, 2017, regarding its intention to participate in the Buy-back. The extent of its participation in the Buy-back has been detailed in paragraphs 6 of this Public Announcement. The promoter and promoter group of



the Company are already in control over the Company and therefore such change in voting rights of the promoter and promoter group will not result in any change in control over the Company. Company and IPL have undertaken that in case there is an increase in shareholding/voting rights of the promoter beyond 75% in the Company, necessary steps will be taken to reduce shareholding/ voting rights of the promoter in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended, so that the Company is in due compliance of the minimum public shareholding requirement. The Company and IPL (the promoter of the Company) have undertaken vide their letters dated April 28, 2017 to comply with the minimum public shareholding requirements even after the Buy-back.

- 1.6 The Buy-back Price represents a premium of 31.30% and 30.23% over the volume weighted average market price of the Equity Shares on the BSE and on NSE, respectively, during the three (3) months preceding March 10, 2017 viz., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-back; and a premium of 23.70% and 22.10% over the volume weighted average market price of the equity shares on the BSE and on NSE, respectively for a period of two (2) weeks preceding March 10, 2017 viz., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-back.
- 1.7 In accordance with the provisions of the Companies Act, the Buy-back Size i.e. ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only) represents 24.37% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) of the Company, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of Board Meeting approving the proposal of the Buy-back) and is within the statutory limits of 25% of the total fully paid up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016.
- 1.8 Further, under the Companies Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the paid-up Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during the financial year cannot exceed 71,09,336 Equity Shares being 25% of 2,84,37,345 (Two Crore Eighty Four Lakhs Thirty Seven Thousand Three Hundred and Forty Five only) Equity Shares of face value of ₹10/- each. Since the Company proposes to Buy-back upto 54,37,345 (Fifty Four Lakhs Thirty Seven Thousand Three hundred and Forty Five) Equity Shares, the same is within the aforesaid 25% limit.
- 1.9 A copy of this Public Announcement is available on the Company's website at [www.marathonnextgen.com](http://www.marathonnextgen.com) and is expected to be made available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) during the period of the Buy-back and on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

## 2. NECESSITY FOR BUY-BACK

- 2.1. Share buy-back is the acquisition by a company of its own shares. Considering the current cash balance of the Company, the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Board of the Company is of the view that the proposed Buy-back will help the Company achieve the following objectives:

- (i) Optimize returns to Shareholders;



- (ii) Enhance overall Shareholders value; and
- (iii) Optimize the capital structure.

2.2. The above objectives will be achieved by returning part of surplus cash back to the Eligible Shareholders as on the Record Date (such Equity Shareholders are hereinafter referred to as “Eligible Shareholders”) through the Buy-back process. This may lead to reduction in outstanding Equity Shares, improvement in EPS and enhanced return on invested capital.

2.3. The Board at its meeting held on March 17, 2017, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts as on March 31, 2016 and considering these, the Board decided to allocate a sum of ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only) excluding Transaction Costs.

2.4. After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buy-back of not exceeding 54,37,345 (Fifty Four Lakhs Thirty Seven Thousand Three Hundred and Forty Five) Equity Shares (representing 19.12% of the total number of Equity Shares of the Company) at a price of ₹275/- (Rupees Two Hundred and Seventy Five only) per Equity Share for an aggregate consideration of ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only) excluding Transaction Costs. The Buy-back is being undertaken, *inter-alia*, for the following reasons:

- (i) The Buy-back will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- (ii) The Buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder” as per Regulation 2(1)(1a) of the Buy-back Regulations;
- (iii) The Buy-back may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- (iv) The Buy-back gives an option to the members holding Equity Shares of the Company, who can either (a) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-back offer; or (b) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buy-back offer, without any additional investment; and
- (v) The Buy-back will help to optimize the capital structure.

### 3. BUY-BACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUY-BACK

3.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹275/- (Rupees Two Hundred and Seventy Five only) per Equity Share *viz.*, the Buy-back Price. The Buy-back Price has been arrived at after considering various factors including, but not limited to, the trends in the volume weighted



average market prices of the Equity Shares on the Stock Exchanges where the Equity Shares are listed, the net worth of the Company, the price earnings ratio, the impact of the Buy-back on other financial parameters and the possible impact of the Buy-back on the earnings per Share ("EPS").

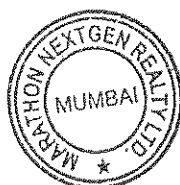
3.2 The Buy-back Price represents:

- (i) a premium of 31.30% and 30.23% over the volume weighted average market price of the Equity Shares on the BSE and on NSE, respectively, during the three (3) months preceding March 10, 2017 viz., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-back; and
- (ii) a premium of 23.70% and 22.10% over the volume weighted average market price of the equity shares on the BSE and on NSE, respectively for a period of two (2) weeks preceding March 10, 2017 viz., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-back.

The Company confirms that as required under Section 68(2) (d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buy-back.

**4. MAXIMUM AMOUNT REQUIRED FOR BUY-BACK, ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUY-BACK WOULD BE FINANCED**

- 4.1 In accordance with the provisions of the Companies Act, the Buy-back Size i.e. ₹149,52,69,875 (Rupees One Hundred Forty Nine Crore Fifty Two Lakhs Sixty Nine Thousand Eight Hundred and Seventy Five only) represents 24.37% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) of the Company, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of Board Meeting approving the proposal of the Buy-back) and is within the statutory limits of 25% of the total fully paid up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity shares of the company in that financial year.
- 4.2 The funds for the implementation of the Buy-back will be sourced out of the free reserves of the Company including securities premium account or such other source as may be permitted by the Buy-back Regulations or the Companies Act. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares bought back through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statement.
- 4.3 The Company has not issued any Equity Shares from the date of receipt of approval of the Equity Shareholders for the Buy-back and shall not issue any Equity Shares including by way of bonus till the date of closure of the Buy-back offer under the Buy-back Regulations.
- 4.4 The ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buy-back.



4.5 The funds borrowed, if any, from banks and financial institutions will not be used for the Buy-back.

**5. DETAILS OF SHAREHOLDING OF PROMOTERS, DIRECTORS OF THE PROMOTER AND PERSON IN CONTROL OF THE COMPANY**

5.1 The aggregate shareholding of the promoter and promoter group and persons in control of the Company as on the date of the board meeting at which the Buy-back was approved and as of the date of Notice, is as follows:

Sr. no.	Name of Shareholder	No. of Shares held	Percentage of total shareholding
1.	Ithaca Informatics Private Limited ("I IPL")	2,13,27,000	75.00
2.	Mr. Chetan R. Shah	150	Negligible
3.	Mr. Mayur R. Shah	150	Negligible
4.	Ms. Shailaja C. Shah	150	Negligible
5.	Ms. Sonal M. Shah	150	Negligible
6.	Mr. Ramniklal Z. Shah	150	Negligible
7.	Ms. Ansuya R. Shah	150	Negligible
	<b>Total</b>	<b>2,13,27,900</b>	<b>75.00</b>

5.2 As of the date hereof, none of the directors or key managerial personnel ("KMP") of the Company hold any Equity Shares in the Company except for the following:

Sr. No.	Name of directors and KMP	No. of Shares held	Percentage of total shareholding
1.	Mr. Chetan R. Shah, Chairman and Managing Director	150	Negligible
2.	Mr. Mayur R. Shah, Director	150	Negligible
3.	Ms. Shailaja C. Shah, Director	150	Negligible
4.	Mr. K.S. Raghavan, Company Secretary & Compliance Officer (KMP)	300	Negligible

5.3 No Equity Shares or other specified securities in the Company were either purchased or sold by any member of the (i) promoters; (ii) members of the promoter group; (iii) directors of the promoter /promoter group, where such promoter or promoter group entity is a company; and (iv) of persons who are in control of the Company during a period of six months preceding the date of the board meeting at which the Buy-back was approved and from that date till the date of the Notice i.e. March 17, 2017.

5.4 No Equity Shares or other specified securities in the Company were either purchased or sold by the directors/key managerial personnel of the Company during a period of six months preceding the date of the board meeting at which the Buy-back was approved, which is also the date of the Notice i.e. March 17, 2017.

**6. INTENTION OF THE PROMOTERS/ PERSON IN CONTROL OF THE COMPANY TO TENDER EQUITY SHARES FOR BUY-BACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE**



6.1 In terms of the Buy-back Regulations, under the Tender Offer process, the members of the promoter and the promoter group of the Company have the option to participate in the Buy-back. In this regard IPL has expressed its intention, vide its letter dated March 22, 2017, to participate in the Buy-back and tender up to 54,37,345 (Fifty Four Lakhs Thirty Seven Thousand Three Hundred and Forty Five) equity shares or such lower number of shares as required to comply with the Buy-back Regulations.

6.2 Details of the date and price of acquisition of the Equity Shares that IPL intends to tender are set out below:

Date of Acquisition	No. of Equity Shares	Face Value per Equity Share (₹)	Cost of Acquisition per Equity Share (₹)	Consideration
August 22, 2003	5,98,964	10	10.00	Allotment as per BIFR order dated May 14, 2003 including fractional shares
March 29, 2006	25,33,636	10	Nil	Allotment pursuant to bonus shares in the ratio of 4:1
November 6, 2006	165	10	2,258.00	Market Purchase
October 15, 2007	23,04,580	10	Nil	Balancing figure and includes Bonus shares in the ratio of 2:1
<b>Total</b>	<b>5,437,345</b>			

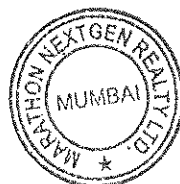
6.3 Except as mentioned hereinabove, the promoters and members of promoter group of the Company, the directors of the promoter, promoter group entities (where such promoter or member of the promoter group is a company) and the persons who are in control of the Company will not deal in the Equity Shares on the Stock Exchanges, or off market, including inter-se transfer of Equity Shares amongst themselves from the date of the Board Resolution until the closing of the Buy-back.

6.4 The Company confirms that there are no defaults made or subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any Shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banks.

## 7. CONFIRMATIONS BY THE BOARD

The Board on the date of the Board Meeting i.e. Friday, March 17, 2017 has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- i) immediately following the date of the Board meeting and the date on which the results of shareholders' resolution passed by way of the Postal Ballot/E-voting ("Postal Ballot Resolution") will be declared approving the Buy-back, there will be no grounds on which the Company could be found unable to repay its debts;





- ii) as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as for the year immediately following the date of the Postal Ballot Resolution, and having regard to the Board's intentions with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting as also from the date of the Postal Ballot Resolution; and
- iii) in forming an opinion as aforesaid, the Board has, as per the requirements of Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buy-back Regulations, taken into account the liabilities (including prospective and contingent liabilities), as if the Company were being wound up under the provisions of the Companies Act.

**8. THE TEXT OF THE REPORT DATED MARCH 17, 2017 RECEIVED FROM THE AUDITORS OF THE COMPANY VIZ. M/S. HARIBHAKTI & CO. LLP, ADDRESSED TO THE BOARD OF DIRECTORS OF THE COMPANY IS REPRODUCED BELOW:**

**Quote**

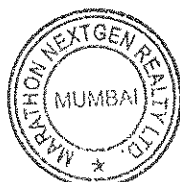
“Board of Directors  
Marathon Nextgen Realty Limited  
Marathon FutureX,  
N.M. Joshi Marg,  
Lower Parel,  
Mumbai- 400 013

**Independent Auditor's Report on buy back of shares pursuant to the requirement of conditions mentioned in terms of Clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998, as amended**

1. This Report is issued in accordance with the terms of our engagement letter dated March 7, 2017.
2. In connection with the proposal of Marathon Nextgen Realty Limited (the “Company”), and as approved by its Board of Directors at its meeting held on March 17, 2017, which is subject to the approval of the shareholders of the Company to buy back its equity shares and in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (“the Regulations”), we have been engaged by the Company to perform a reasonable assurance engagement on the reporting criteria, specified in paragraph 6 of this report. The accompanying Statement of determination of permissible capital payment towards Buy-back of Equity Shares (“the Statement”) is set out in Annexure A which we have initialled for identification purpose only.

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal



control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulations and provides all relevant information to Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges, National Securities Depository Limited and the Central Depository Securities (India) Limited.
5. The Board of Directors are responsible for the following:
  - a. Appropriately determining the amount of permissible capital payment towards the Buy-back of equity shares in accordance with Section 68 of the Act
  - b. To make a full inquiry into the affairs and prospectus of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of board meeting and the date on which the result of the shareholders' resolution passed by way of postal ballot/ e-voting approving the Buy-back is declared; and
  - c. A declaration signed by at least 2 directors of the Company, that the Board of Directors has made full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the board meeting and the shareholders resolution process by way of postal ballot and/or e-voting approving the buyback is declared and in forming the opinion, it has taken into account the liabilities as if the Company were being wound up under the provisions of the Act.

#### **Auditor's Responsibility**

6. Pursuant to the requirements of conditions mentioned in terms of Clause (xi) of Part A of Schedule II of the Regulations, it is our responsibility to provide a reasonable assurance:
  - i. Whether we have inquired into the Company's State of Affairs as on March 31, 2016 based on audited standalone financial statements;
  - ii. Whether the amount of capital payment for the Buy-back is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
  - iii. Whether the Board of Directors has formed their opinion, as specified in Clause (x) of Part A of Schedule II of the Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for Buy-back of its Equity shares will be declared; and
  - iv. Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
7. The standalone financial statements of the Company for the financial year ended March 31, 2016 referred to in paragraph 6 above, have been audited by us on which we issued an unmodified audit opinion vide our report dated May 30, 2016. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement.



8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
  - i. We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended March 31, 2016;
  - ii. Examined authorization for buyback from the Articles of Association of the Company;
  - iii. Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
  - iv. Examined that the ratio of debt owned by the Company, is not more than twice the paid up equity share capital and its free reserve after such buy-back;
  - v. Examined that all Equity shares for buy-back are fully paid-up;
  - vi. Examined resolution passed in the meeting of the Board of Directors;
  - vii. Examined Director's declarations for the purpose of buy back and solvency of the Company;
  - viii. Examined the copy of Explanatory Statement to the notice of general meeting for passing special resolution with regard to the buy-back of equity shares as per Schedule II of the Regulations ('the Explanatory Statement');
  - ix. Obtained necessary representations from the management of the Company.

### Opinion

Based on our examination and procedures performed by us as mentioned above, and the information and explanations given to us, we report that:

- 1) We have inquired into the company's state of affairs as on March 31, 2016;
- 2) The permissible capital payment towards Buy-back of Equity shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Companies Act, 2013 and is not exceeding 25% of the total paid up capital and free reserves of the Company; and
- 3) The Board of Directors, in their meeting held on March 17, 2017, have formed their opinion, as specified in clause (x) of Part A of Schedule II of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date on which the result of the shareholders' resolution passed by way of postal ballot/ e-voting approving the Buy-back is declared. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use



This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders(b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Haribhakti & Co. LLP shall not be liable to the Company, Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

**Snehal Shah**

Partner

Membership No.048539

Encl: Statement of determination of permissible capital repayment towards Buy-back

Mumbai: March 17, 2017

**Annexure A**

Statement of determination of permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with the provisions of Section 68 (2) (b) and (c) of the Companies Act, 2013

Particulars	Amount (Rs.in million)	Amount (Rs.in million)
Total paid up equity share capital as at March 31, 2016*		
28,437,345 equity Shares of Rs.10 each, fully paid up		284.37
Free reserves as per audited standalone financial statements as on March 31, 2016* -		
General Reserves	3,407.71	
Net surplus in the Statement of profit and loss	2,441.15	5,848.86
<b>Total of paid up equity capital and free reserves as at March 31, 2016</b>		<b>6,133.23</b>
Maximum amount permissible for Buy-back (i.e 25% of aggregate of paid-up capital and free reserves, with Board approval, which is subject to Shareholder approval) under section 68 (2) (b) and (c) of the Companies Act, 2013		<b>1,533.31</b>
Maximum amount permitted by Board resolution dated March 17, 2017 approving Buy-back, based on the standalone audited accounts for the year March 31, 2016, which is subject to Shareholder approval		<b>1,495.27</b>



\*Calculation in respect to the Buy-back is done on basis of standalone audited financial statements of the Company for the year ended March 31, 2016.

**For Marathon Nextgen Realty Limited**

S. Ramamurthi  
Whole-Time Director and C.F.O.  
Place: Mumbai  
Date: March 17, 2017”

**Unquote**

**9. PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUY-BACK**

- 9.1 The Buy-back is open to all Eligible Shareholders/ Eligible Sellers of the Company, holding Equity Shares either in physical and/or electronic form on the Record Date.
- 9.2 The Buy-back will be implemented by the Company through the “Mechanism for acquisition of shares through Stock Exchange”, notified vide SEBI Circulars and following the procedure prescribed in the Companies Act and the Buy-back Regulations, and as may be determined by the Board or the Buy-back Committee and on such terms and conditions as may be permitted by law from time to time.
- 9.3 For implementation of the Buy-back, the Company has appointed ICICI Securities Limited as the registered broker to the Company (the “Company’s Broker”) through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company’s Broker are as follows:

**ICICI SECURITIES LIMITED**

ICICI Centre, H. T. Parekh Marg,  
Churchgate, Mumbai 400020, India

**Contact Person:** Allwyn Cardoza / Mitesh Shah

**Tel.:** (+91 22) 2288 2460

**Fax:** (+91 22) 2282 6580

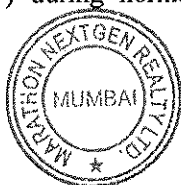
**Email:** allwyn.cardoza@icicisecurities.com

**Website:** www.icicisecurities.com

**SEBI Registration Number:** NSE - INB230773037, BSE -INB011286854

**CIN:** U67120MH1995PLC086241

- 9.4 The Company shall request BSE to provide a separate acquisition window (“**Acquisition Window**”) to facilitate placing of sell orders by Shareholders who wish to tender their Equity Shares in the Buy-back. The details of the platform will be specified by BSE from time to time.
- 9.5 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers(each a “**Shareholder Broker**”) during normal trading hours of the secondary market. The



respective Shareholder Brokers can enter orders for Equity Shares held in physical form as well as demat form. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

**9.6 Procedure to be followed by Shareholders holding equity shares in the dematerialized form:**

- i) Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buy-back would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buy-back.
- ii) The Shareholder Broker will be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Buy-back using the Acquisition Window of the BSE. Before placing the bid, the Shareholder would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited ("Clearing Corporation"), by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry.
- iii) The details of the special account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation.
- iv) For custodian participant orders for Equity Shares held in demat form, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- v) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Equity Shareholder on whose behalf the order/bid has been placed. The TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

**9.7 Procedure to be followed by registered Equity Shareholders holding Equity Shares in the physical form:**

- i) Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy-back will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) tender form duly signed (by all shareholders in case Equity Shares are held in joint names) in the same order in which they hold the Equity Shares; (ii) original share certificate(s), (iii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders who are transferring the Equity Shares held in physical form in the same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of Shareholder's PAN Card(s), and (v) any other relevant documents such as power of attorney, corporate authorization



(including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

- ii) Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Eligible Shareholder holding Equity Shares in physical form and who wish to tender Equity Shares in the Buy-back, using the Acquisition Window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- iii) Any Shareholder Broker/Equity Shareholder who places a bid for physical Equity Shares, is required to deliver the Tender Form, original share certificate(s) & documents (as mentioned in Paragraph 9.7 (i) above) along with TRS generated by the stock exchange bidding system upon placing of a bid either by registered post, speed post or courier or hand delivery to the registrar (“Registrar”) to the Buy-back not later than 2 (two) days of bidding by the Shareholder Broker. The envelope should be super-scribed as “Marathon Nextgen Buyback 2017”. One copy of the TRS will be retained by Registrar to the Buy-back and it will provide acknowledgement of the same to the Shareholder Broker/Equity Shareholder.
- iv) Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buy-back by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. Registrar to the Buy-back will verify such bids based on the documents submitted on a daily basis and till such verification, the BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buy-back confirms the bids, they will be treated as ‘confirmed bids’.

9.8 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buy-back.

9.9 The cumulative quantity tendered shall be made available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

## 10. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buy-back Regulations:

10.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.



- 10.2 The Company will pay the consideration to the Company's Broker which will transfer the funds pertaining to the Buy-back to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buy-back, Clearing Corporation will make direct funds payout to respective Eligible Sellers. If Eligible Sellers' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Eligible Sellers through their respective stock brokers ("Seller Members") settlement bank account for onward transfer to their respective shareholders.
- 10.3 The Equity Shares bought back in the demat form would be transferred directly to the escrow demat account of the Company opened for the Buy-back ("Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the Clearing Corporation of BSE.
- 10.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation as part of the exchange payout process. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Equity Shareholders directly by the Registrar to the Buy-back. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted physical Equity Shares, in case the physical Equity Shares accepted by the Company are less than the physical Equity Shares tendered in the Buy-back by Equity Shareholders.
- 10.5 The Shareholder Broker would issue contract note and pay the consideration for the Equity Shares accepted under the Buy-back and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- 10.6 Eligible Shareholders who intend to participate in the Buy-back should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Shareholders for tendering Equity Shares in the Buy-back (secondary market transaction). The Buy-back consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- 10.7 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

## 11. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 11.1 As required under the Buy-back Regulations, the Company has fixed May 12, 2017 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buy-back.





- 11.2 The Equity Shares proposed to be bought back by the Company, as part of this Buy-back shall be divided in to two categories:
- a) reserved category for Small Shareholders (A “**Small Shareholder**” is defined in the Buy-back Regulations as a shareholder, who holds Equity Shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on Record Date, of not more than ₹2,00,000 (Rupees Two Lakhs)); and
  - b) the general category for all other Shareholders, and the entitlement of a Shareholder in each category shall be calculated accordingly.
- 11.3 In accordance with the Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back, or number of Equity Shares entitled as per shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back.
- 11.4 Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Shareholder to tender their Equity Shares in the Buy-back. This entitlement for each Shareholder will be calculated based on the number of Equity Shares held by the respective Shareholder as on the Record Date and the ratio of Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares the Company will purchase from the Shareholders will be based on the Equity Shares tendered. Accordingly, in the event of the overall response to the tender offer being in excess of Buy-back Size, the Company may not purchase all the Equity Shares tendered by the Shareholders over and above their entitlement.
- 11.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.
- 11.6 The Eligible Shareholders’ participation in the Buy-back will be voluntary. The Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buy-back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buy-back, without additional investment. The Shareholders may also tender a part of their entitlement. The Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buy-back.
- 11.7 The maximum tender under the Buy-back by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.
- 11.8 The Equity Shares tendered as per the entitlement by the Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buy-back Regulations.



11.9 Detailed instructions for participation in the Buy-back (tender of Equity Shares in the Buy-back) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.

## 12. COMPANY SECRETARY AND COMPLIANCE OFFICER

The Board at their meeting held on March 17, 2017 appointed Mr. K.S. Raghavan, Company Secretary, as the compliance officer for the purpose of the Buy-back (“**Compliance Officer**”). Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays.

**Mr. K.S. Raghavan**

Company Secretary and Compliance Officer

**Registered Office: Marathon Nextgen Realty Limited**

N. M. Joshi Marg, Lower Parel, Mumbai, Maharashtra- 400013

**Corporate Office: 702, Marathon Max, Mulund-Goregaon Link Road,**  
Mulund (West), Mumbai, Maharashtra- 400080

**Telephone: +91 22 6772 8484**

**Facsimile: +91 22 6772 8408**

**Email:krishnamurthy.raghavan@marathonrealty.com**

## 13. MANAGER TO THE BUY-BACK



**ICICI SECURITIES LIMITED**

ICICI Centre, H. T. Parekh Marg,  
Churchgate, Mumbai 400020, India

**Telephone:+91 22 2288 2460**

**Facsimile: +91 22 2282 6580**

**Contact Person: Arjun A Mehrotra / Rupesh Khant**

**Email:marathon.buyback@icicisecurities.com**

**Website: www.icicisecurities.com**

**SEBI Registration Number: INM000011179**

**Corporate Identity Number: U67120MH1995PLC086241**

## 14. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1)(a) of the Buy-back Regulations, the Board of Directors of the Company accept full and final responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.



**For and on behalf of the Board of Directors of Marathon Nextgen Realty Limited**

<b>Chetan Ramniklal Shah</b> Chairman and Managing Director  DIN: 00135296  Place: Mumbai	<b>S. Ramamurthi</b> Whole-Time Director and C.F.O.  DIN: 00135602  Place: Mumbai	<b>K.S. Raghavan</b> Company Secretary and Compliance Officer  Membership Number: ACS 8269  Place: Mumbai
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Place: Mumbai  
Date: April 29, 2017

