



A Bright Future



Nineteenth Annual Report
2007 - 2008

Noida Medicare Centre Ltd.

An ISO 9001:2000 Health Care Organisation

www.reportjunction.com

DIRECTORS

BRIG. R.S. CHAUDHRI
 DR. NAVEEN CHAUDHRI
 SHRI VIKRAM PRAKASH
 DR. HARSHA JAUHARI
 SHRI C.P.CHHABRA
 SHRI RAM K. GUPTA

- CHAIRMAN
 - MANAGING DIRECTOR
 - DIRECTOR
 - DIRECTOR
 - DIRECTOR
 - DIRECTOR

COMPANY SECRETARY

R.K. GUPTA

BANKERS

BANK OF INDIA, CORPORATE BANKING BRANCH
 SHAHEED BHAGAT SINGH MARG, NEW DELHI-110001

AUDITORS

N.K. DUGGAL & CO.
 CHARTERED ACCOUNTANTS
 47F, POCKET-B-8, KONDLI GHAROLI,
 MAYUR VIHAR, PHASE-III, DELHI - 110096

INTERNAL AUDITORS

VIPAL KALRA & ASSOCIATES,
 CHARTERED ACCOUNTANTS,
 D-18, SECTOR-6
 NOIDA – 201 303 (U.P.)

SOLICITORS & ADVOCATES

ATUL NANDA & CO.
 12-C, SAGAR APARTMENTS, 6 TILAK MARG,
 NEW DELHI-110 001.

REGISTERED OFFICE

VIDYASAGAR INSTITUTE OF MENTAL HEALTH
 & NEUROSCIENCES,
 1, INSTITUTIONAL AREA, NEHRU NAGAR,
 NEW DELHI – 110 065.

HOSPITAL

16-C, BLOCK-E, SECTOR –30,
 NOIDA 201 303 (U.P.)
 Email: nmc@nmc.co.in
 Website: www.nmc.co.in

REGISTRARS & SHARE TRANSFER AGENTS

M/S MCS LTD.
 SRI VENKATESH BHAWAN
 W-40, OKHLA INDUSTRIAL AREA, PHASE-II
 NEW DELHI-110 020

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF NOIDA MEDICARE CENTRE LIMITED WILL BE HELD AT VIDYASAGAR INSTITUTE OF MENTAL HEALTH & NEUROSCIENCES (VIMHANS), 1 INSTITUTIONAL AREA, NEHRU NAGAR, NEW DELHI-110065 ON **TUESDAY, THE 30th SEPTEMBER, 2008** AT 9.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and profit & loss account for the period ended on that date and the Report of Directors' and Auditors thereon.
 2. To appoint a Director in place of Mr. C.P. Chhabra who retires by rotation and being eligible offers himself for re-appointment.
 3. To appoint a Director in place of Dr. Harsha Jauhari who retires by rotation and being eligible offers himself for re-appointment.
 4. To appoint Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company and fix their remuneration.
- M/S N. K. Duggal & Co., Chartered Accountants retire at this Annual General Meeting and being eligible offers themselves for re-appointment.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification(s) the following Resolution(s):

5. As an Ordinary Resolution:

"RESOLVED that Mr. Ram K. Gupta who was appointed as an additional director of the company w.e.f. April 26, 2008 and who in terms of section 260 of the Companies Act, 1956, hold such office until this Annual General Meeting be and is hereby appointed as a Director of the company, liable to retire by rotation."

6. As an Ordinary Resolution:

"RESOLVED THAT pursuant to section 94 of the Companies Act, 1956, the Authorised Capital of the Company be increased from Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000/- (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000/- (Two Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each."

7. As an Ordinary Resolution:

"RESOLVED THAT Clause No. V of the Memorandum of Association of the Company be altered by deleting the figures and words Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000/- (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each."

And

Substituting in place thereof the figures and words Rupees 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000/- (Two Crore Fifty Lacs) Equity shares of Rs. 10/- (Rupees Ten) each.

8. As a Special Resolution:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, if any, Article 3 of Articles of Association of the Company be and is hereby altered by deleting the figures and words Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 100,00,000/- (One Crore) equity shares of Rs. 10/- (Rupees Ten) each."

And

Substituting in place thereof the figures and words Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten) each.

9. As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to the rules / regulations/ guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI"), THE Stock Exchange(s) where the shares of the Company are listed (including provisions of the listing agreement with them), or any other appropriate / statutory authority and also such approvals, permission, sanctions and consents as may be necessary and required from the

Government of India, the Reserve Bank of India, and all other appropriate authorities and institutions, under applicable legislations, rules, regulations, guidelines and contracts for the time being in force, and subject further to such other items, conditions, stipulations, alterations, amendments, modification or variations, as may be required, specified or suggested by any of them in granting any such approvals, consents, permission, or sanctions, and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which terms shall be deemed to include any Committee of Directors for the time being authorized by the Board to exercise the powers conferred on the Board by this resolution), consent and approval of the members of the Company be and is hereby accorded to Board to issue and allot upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential allotment, 12,00,000 (Twelve lacs) fully paid-up equity shares of the Company of nominal value Rs. 10.00 each, for cash, at a price of Rs. 13.50 per share (including premium of Rs. 3.50 per equity share) determined as per guidelines for preferential issue as comprised in SEBI (Disclosure & Investor Protection) Guidelines, 2000, ranking pari passu in all respects, including rights as to dividend, with the existing equity shares of the Company (hereinafter referred to as "the Shares") to the following investors / entities, whether or not they are members of the Company, upto such number of fully paid up equity shares mentioned against their respective names hereunder, and on such terms and conditions, as the Board may deem appropriate in its absolute discretion:

S. No.	Name and address of investor / entity	No. of equity shares
1.	Stressed Assets Stabilization Fund Indian Red Cross Building, 1 Red Cross Road, New Delhi-110001	10,00,000
2.	IFCI Limited, IFCI Tower, 61, Nehru Place, New Delhi-110019	2,00,000

"RESOLVED FURTHER THAT:

- the Relevant Date for the purpose of pricing of issue of the Shares, in accordance with the Securities And Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, is **August 31, 2008**, being the 30th day prior to September 30, 2008, (i.e., the 30th day prior to the date on which the meeting of the shareholders is to be held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue).
- the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of Shares, including the issue price, as it may deem expedient, without being required to seek any further consent or approval of the Company in a general meeting.
- the offer, issue and allotment of the aforesaid Shares shall be made at such time or times as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company, or to any advisor, consultant, agent, or intermediary; and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorised in this regard by the Board / Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the offer, issue and allotment (including deciding the terms and condition for the same, execute all such deeds, documents, agreement and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for the allotment and listing on one or more Stock Exchange of the shares to be issued, offered and allotted as aforesaid, to take such other steps that are incidental and ancillary in this regard; and to do, make or accept such alteration, modifications, or variations in the foregoing or cancellation of issue of shares, as may be considered desirable or expedient by the Board / Committee / such authorized person in the best interest of the Company and its shareholders."

10. As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to the rules / regulations/ guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), THE Stock Exchange(s) where the shares of the Company are listed (including provisions of the listing agreement with them), or any other appropriate / statutory authority and also such approvals, permission, sanctions and consents as may be necessary and required from the Government of India, the Reserve Bank of India, and all other appropriate authorities and institutions, under applicable legislations, rules, regulations, guidelines and contracts for the time being in force, and subject further to such other items, condition, stipulations, alterations, amendments, modification or variations, as may be required, specified or suggested by any of them in granting any such approvals, consents, permission, or sanctions, and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which terms shall be deemed to include any Committee of Directors for the time being authorized by the Board to exercise the powers conferred on the Board by this resolution), consent and approval of the members of the Company be and is hereby accorded to

Board to create, offer, issue and allot in one or more tranches on private placement and / or preferential basis, not exceeding 5000000 (Fifty Lakhs) warrants, each warrant carrying one option / entitlement to subscribe to one number of equity share of the Company of Rs. 10/- each, against each such option on a future date (i.e. option / entitlement to subscribe to maximum number of 5000000 (Fifty Lakhs) equity shares of Rs. 10/- each in aggregate), within a period not exceeding 18 (Eighteen) months from the date of issue of such warrants, to the following promoters and other private independent investors of the Company:

Name & address of Investor / Entity	Maximum Nos. Warrants to be allotted
Dr. Naveen Chaudhri, D-6, Sec.-31, NOIDA (U.P.)	21,50,000
WLD Investments Pvt. Ltd., A-212, Shivalik Enclave, New Delhi	21,50,000
Mrs. Rekha Kapoor, A-162, Sec.-40, NOIDA (U.P.)	7,00,000

AND THAT the total number of shares to which promoters and other investors will become entitled to, considering one option available per warrant shall be 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- each, fully paid-up;"

"RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid warrants and the equity shares resulting from the exercise of entitlement of the warrants holder to subscribe to the equity shares shall be made at such time or times as the Board may in its absolute discretion decide, subject however to applicable guidelines, notifications, rules and regulation;"

"RESOLVED FURTHER THAT the terms and conditions of the aforesaid warrants shall be as under:

- Each of the said warrants shall have face value of Rs. 1.35 equivalent to at 10% of the price of the equity share to be issued in surrender / exchange of such warrants in terms of this resolution.
- Each of the said warrant shall carry a right, entitling its registered owner to apply or at its option, and seek allotment of one equity share of Rs. 10/- each, upon surrendering / exchange of the warrants to the Company along with balance 90% of the issue price of the equity share.
- The price including / premium of one equity share of Rs. 10/- each to be allotted on exchange / surrender of the said warrants shall be Rs. 13.50/- per share calculated in accordance with the provision of SEBI Guidelines for preferential issue (Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended) (hereinafter referred to as **"SEBI Guidelines"**).
- For determining the price of equity shares to be allotted on exchange / surrender of the said warrants, the **relevant date shall be August 31, 2008**.
- Against each of the said warrant, the registered owner of the warrants shall be entitled to apply for and seek allotment of one equity shares of Rs. 10/- each in the manner aforesaid, within the period of 18 months from the date of issue of the said warrants. The Board at its discretion shall decide the time within which the application for equity share against surrender / exchange of the said warrants shall be made, subject to the aforesaid time limits.
- In case the warrant holder does not apply for the shares of the Company against surrender / exchange of the said warrants as aforesaid within the time that maybe fixed by the Board in this regard, then the amount paid on each of the said warrant shall be forfeited; and all the rights attached to the said warrants shall lapse automatically.
- Upon surrender/ exchange of each of the said warrants, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the warrants is entitled to apply to the company, along with the balance 90% of the issue price of the equity share.
- The equity shares to be offered, issued and allotted as aforesaid upon surrender / exchange of the said warrants on exercise of the option by the holder of such warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company and on allotment, such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects.
- Each of the said warrant and the equity share to be offered, issued and allotted as aforesaid upon surrender/exchange of the said warrants by the holder of such warrants; as also the entire pre-preferential equity shares held, if any, by the proposed allottee shall be subject to lock in for such period that may be prescribed under the SEBI Guidelines.
- The warrant by itself shall not give to the holder thereof, any rights of the shareholder of the Company, including that of to receive interest or dividend on the paid-up amount of the warrant.
- All the aforesaid warrants shall be pari-passu to each other in all respect; however, the options attached to each of the said warrants shall be independent of each other.
- In case the equity shares of the Company are either sub-divided or consolidated before issue of aforesaid warrants, or exercise of option by the holder of the said warrants, then the face value, the number of the equity shares to be acquired upon exercise of the options attached to said warrants, and the price of acquisition of the said bears to the newly sub-divided / consolidated paid – up value of the equity shares shall similarly change without affecting any right or obligation of the said warrant holder.

- m. In case in future, the Company declares any issue of bonus shares or other similar benefits, except dividend to the existing share holders, before issue of aforesaid warrants, or exercise of option by the holder of the said warrants, then provision shall be made by the Company to provide similar benefit to the warrant holder, by reserving such benefit for warrants holder and the same shall accrue to warrant holder only upon exercise of option by the warrant holder for acquiring the shares."

"RESOLVED FURTHER THAT subject to applicable statutory provisions, guidelines, notification, rules and regulation, the Board be and is hereby authorized to decide, modify, alter and amend the terms of issue, offer and allotment of the aforesaid warrants and the equity shares resulting from the exercise of the entitlement of each of the said warrant by its holder; PROVIDED THAT the aforesaid warrants and the equity shares resulting from the exercise of the entitlement on each of the said warrant under this resolution shall be made fully paid-up at the time of their allotment;"

"RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company, or to any advisor, consultant, agent, or intermediary; and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorised in this regard by the Board / Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the offer, issue and allotment (including deciding the terms and condition for the same), utilisation of the proceeds of the issue of the warrants/ shares, execute all such deeds, documents, agreement and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for the allotment and listing on one or more Stock Exchange of the shares to be issued, offered and allotted as aforesaid, to take such other steps tha are incidental and ancillary in this regard; and to do, make or accept such alteration, modifications, or variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the Board / Committee / such authorized person in the best interest of the Company and its shareholders."

Regd. Office:

Vidyasagar Institute of Mental Health & Neurosciences,
1 Institutional Area, Nehru Nagar,
NEW DELHI-110065

BY ORDER OF THE BOARD

For NOIDA MEDICARE CENTRE LTD.,

R.K. Gupta
Company Secretary

Date : September 3, 2008

Place : New Delhi

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Members are requested to notify the change of address, if any, to the Company.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 24th September 2008 to Tuesday, the 30th September 2008 (both days inclusive).
4. The Members are requested to bring their copies of the Annual Report and Attendance Slip with them at the Annual General Meeting.
5. Members are requested to intimate to the Company queries, if any, regarding Accounts/Notice at least 7 days before the Meeting at its Registered Office address to enable the Management to keep the information ready at the meeting.

ANNEXURE TO NOTICE

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

ITEM NO. 5

Mr. Ram K. Gupta was appointed as an Additional Director of the Company on April 26, 2008 under Section 260 of the Companies Act, 1956 consequent to his withdrawal of nomination from IDBI/ SASF as their nominee on the Board of Director of the company and he holds the office of the Director until the conclusion of this Annual General Meeting of the company. The company has received a notice under Section 257 of the Companies Act, 1956 from the member signifying his intention to propose Mr. Ram K. Gupta as Director of the company. None of the Directors of the Company is interested or concerned in this resolution excepting Mr. Ram K. Gupta. Considering the rich finance experience and knowledge which could be exploited to the Company's advantage, the Board considers that it would be in the best interest of the company to appoint him as Director and therefore recommends the resolution for his appointment.

ITEM NO. 6, 7 & 8

The present Authorized Share Capital of the Company is Rs. 10 crores. Considering the proposed issue of equity shares vide Item No. 9 & 10 and further company's upgradation / modernisation and expansion plans of the company in a phased manner, it is deemed appropriate to increase the Authorised Share Capital from Rs. 10 crores to Rs. 25 crores by creating 1,50,00,000 (One Crore Fifty Lacs) equity shares of Rs. 10/- each. The increase in Authorised Share Capital requires the approval of members of the company under Section 94 of the Companies Act, 1956. The increase in the Authorised Share Capital, as proposed in Item No. 6, will also require alteration of Memorandum and Articles of Association of the company, hence the proposed resolutions as Item No. 7 and 8 also required the approval of the members of the company. None of the Directors may be considered to be interested in the resolution.

ITEM NO. 9

The Company proposes to issue 10,00,000 equity shares to Stressed Assets Stabilization Fund (SASF) and 2,00,000 equity shares to IFCI Ltd. in term of their respective negotiated settlement letter(s) no(s) 516/SASF/NMCL dated August 1, 2006 and letter no. DRO/Proj/2006-07/1501 dated January 3, 2007 for settling the outstanding dues of the company. Accordingly, the Board, in its meeting held on September 3, 2008, subject to the approval of the Company in general meeting and other requisite statutory approvals, has proposed to issue, by way of preferential allotment, upto 12,00,000 (Twelve lacs) fully paid up equity shares ("the Shares") to SASF & IFCI Ltd. at an issue price of Rs. 13.50 per share, for an aggregate value of Rs. 1,62,00,000/- (Rupees One Crore Sixty Two Lacs Only). The special resolution has been proposed pursuant to the provisions of section 81(1A) of the Companies Act, 1956, ("the Act") in view of the fact that the shares will be offered to persons who may or may not be the existing members of the Company. Further, under the Listing Agreements with stock exchanges, the Company, in the first instance, is required to offer all further

shares to be issued for subscription, on pro rata basis, to the existing equity shareholders of the Company unless they decide otherwise in a general meeting.

As per SEBI guidelines for issue of securities on preferential basis, the price at which such securities can be issued should not be less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the six months preceding the "Relevant Date"; or
- (ii) the average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date" for the above purposes means a date which is thirty days prior to the date of on which the general meeting is held to consider the proposed issue in terms of section 81(1A) of the Act. As the date of the general meeting is fixed for **September 30, 2008, the Relevant Date is August 31, 2008.**

The shares to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue. The equity shares shall rank pari passu in all respects with, and carry the same rights including as to dividend, the existing equity shares.

In connection with the proposed issue, the Company has received letter No. 516/SASF/NMCL dated August 1, 2006 and letter no. DRO/Proj/2006-07/1501 dated January 3, 2007 for settling the outstanding dues of the company and expressing their desire to invest in the equity shares of the Company, to be issued on preferential basis. The letters of interest are available for inspection of the members of the Company at the Company's registered office between 9.30 A.M. to 1.00 P.M. on all working days upto the date of the Annual General Meeting. The acquisition/ allotment of the shares by each of the investors/ entities, pursuant to the proposed resolutions, is independent to the acquisition/ allotment of shares by the other investors/ entities.

Information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, for Preferential Issues

1. Object of the Issue

The object of the issue is to allot equity shares on preferential basis to SASF and IFCI Ltd. in terms of their negotiated settlements for settling the outstanding dues of the company. The funds accrued from preferential issue of shares shall be utilized towards meeting the Company's outstanding debts to SASF & IFCI Ltd. as per their one time / negotiated settlement letter(s) received by the Company.

2. Pricing of the Issue:

The issue price, including premium, of equity share of Rs. 10/- each to be allotted shall be Rs. 13.50/- per equity share. This price is not lower than the minimum price (Rs. 13.50/- i.e. Rupees Thirteen & Paise Fifty only) specified as per SEBI Guidelines considering 30 days prior to the date of this general meeting as the Relevant Date i.e. August 31, 2008.

3. Shareholding Pattern before and after the proposed issue

Category	Pre issue holding (No. of Shares*) As at August 31, 2008	% of total Capital (Pre issue) As at August 31, 2008	Post issue holding (No. of Shares*)	% of total Capital (Post issue)
PROMOTERS' HOLDING				
Promoters				
- Indian Promoters	3295600	39.91	3295600	34.84
- Foreign Promoters	-	-	-	-
Sub-Total	3295600	39.91	3295600	34.84
NON-PROMOTERS' HOLDING				
Institutional Investors				
Mutual Funds and UTI	-	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	240000	2.90	1440000	15.23
FIs	-	-	-	-
Sub-Total	240000	2.90	1440000	15.23
OTHERS				
Private Corporate Bodies	539409	6.53	539409	5.70
Indian Public	4059432	49.16	4059432	42.92
NRIs / OCBs	124059	1.50	124059	1.31
Sub-Total	4722900	57.19	4722900	49.93
GRAND TOTAL	8258500	100.00	9458500	100.00

* Fully paid equity shares of nominal value of Rs. 10.00 each.

The above post issue shareholding pattern assumes that all the investors/ entities named in the resolution will participate in the preferential issue to the full extent proposed.

The issued and paid up capital of the Company after the proposed issue of fully paid equity shares, on preferential basis, shall be Rs. 9,45,85,000 divided into 94,58,500 fully paid equity shares of Rs. 10/- each.

All the proposed allottees are separate and distinct entities and are, in no way, related or connected with either one another or with the proposed investors/ entities to whom shares / Warrants are proposed to be allotted, on a preferential basis.

4. Proposed time within which allotment will be completed

The allotment of the fully paid up equity shares shall be completed within 15 days of the date of passing of the resolution. It is however provided that if the allotment is pending on account of pendency of any regulatory or other approval(s), the allotment shall be completed within 15 days of receipt of such approval(s).

5. Identity of the Proposed Allottees and the percentage of post preferential issued capital that may be held by them

Proposed allottee	As on August 31, 2008		After proposed Preferential Issue	
	No. of Shares held	% of shareholding on the basis of number of shares held	No. of Shares held	% of shareholding on the basis of no. of shares held
1. Stress Asset Stabilization Fund	Nil	Nil	10,00,000	10.57
2. IFCI Ltd.	Nil	Nil	2,00,000	2.11

The above post issue shareholding pattern assumes that all the above investors will participate in the preferential issue to the full extent proposed.

- 6. Lock-in of shares:** The shares to be allotted to the investors/ entities shall be subject to lock in of one year from the date of allotment.
- 7. Intention of the Promoters/ Directors/ Key Management Persons to subscribe to the Offer:** The Promoters/ Directors/ Key Management Persons of the Company do not intend to subscribe to the proposed offer.
- 8. Auditors Certificate:** A copy of the certificate from M/s. N.K. Duggal & Co., Chartered Accountants, Auditors of the Company, certifying that the above issue of shares are being made in accordance with the requirements of the SEBI guidelines for preferential issue of securities as contained in the Securities Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, shall be placed before the shareholders of the Company at the proposed Annual General Meeting.

None of the Directors may be considered to be interested in the proposed resolution except to the extent of their respective shareholdings.

The Board of Directors recommends the resolution for your approval.

ITEM NO. 10

In view of the need to mobilize funds for meeting the funding requirements of existing business, implementing the forward integration and upgradation / modernisation and expansion plan of the company in a phased manner, it is proposed to issue warrants with option to subscribe for equity share on preferential / private placement basis to the promoters of the Company and other private independent investors as per the details given in the Special Resolution under this item of business of the notice.

Accordingly, the Board, in its meeting held on September 3, 2008, subject to the approval of the Company in general meeting and other requisite statutory approvals, has proposed to create, offer, issue and allot in one or more tranches on private placement and/ or preferential basis, not exceeding 50,00,000 (Fifty Lakhs) warrants each warrant carrying one option/ entitlement to subscribe to one number of equity share of the company of Rs. 10/- each, against each such options on a future date (i.e. option / entitlement to subscribe to maximum number of 50,00,000 (fifty lakhs) equity shares of Rs. 10/- each in aggregate within a period not exceeding 18 (eighteen) months from the date of issue of such warrants by way of preferential allotment to promoters and other private independent investors at an warrant issue price of Rs. 13.50/- per share calculated in accordance with the provision of SEBI Guidelines for preferential issue (Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended) (hereinafter referred to as "SEBI Guidelines").

The offer, issue and allotment of 5000000 warrants to the promoters and other private independent investors of the Company (each carrying a right to apply for one equity share of Rs. 10/- each of the Company in exchange / surrender of the said warrant) shall be completed within the prescribed period of 15 days from the date of passing of the said resolution in accordance with the guidelines of the Securities & Exchange Board of India (SEBI) for preferential issue, being Chapter XIII to the SEBI (Disclosure and Investor Protection) Guidelines, 2000, or within such other / extended time as may be permitted. The warrants shall be issued subject to such terms and conditions, as are stated in the Special Resolution above.

Under Section 81(1A) of the Companies Act, 1956 when it is proposed to increase the subscribed capital of the company by allotment of shares on preferential basis consent of the shareholders in general meeting is required by passing a Special resolution.

Hence, consent of the shareholders by way of a Special Resolution is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, and in terms of the provisions of the SEBI (Disclosure and Investor Protection) Guidelines and the listing agreement(s) executed by the Company with the Stock Exchange(s) where the Company's shares are listed.

As per SEBI guidelines for issue of securities on preferential basis, the price at which such securities can be issued should not be less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the six months preceding the "Relevant Date"; or
- (ii) the average of the weekly high and low of the closing prices of the shares of the Company quoted on the stock exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date" for the above purposes means a date which is thirty days prior to the date of on which the general meeting is held to consider the proposed issue in terms of section 81(1A) of the Act. As the date of the general meeting is fixed for **September 30, 2008, the Relevant Date is August 31, 2008.**

The shares on full conversion of warrants shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue and shall rank pari-passu in all respects with, and carry the same rights including as to dividend, the existing equity shares.

The acquisition / allotment of warrants by each of the investors / entities, pursuant to the proposed resolution is independent to the acquisition / allotment of warrants / shares by the other investors / entities.

Information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, for Preferential Issues

- Object of the Issue:** The object of the issue is to allot warrants with an option to subscribe for equity shares on preferential / private placement basis to the promoters of the Company and other independent investors to mobilize funds for meeting the funding requirements of existing business, implementing the forward integration and upgradation / modernisation and expansion plan of the company in a phased manner.
- Pricing of the Issue:** The issue price, including premium, of equity share of Rs. 10/- each to be allotted on exchange / surrender of the said warrants, shall be Rs. 13.50/- per equity share. This price is not lower than the minimum price (Rs. 13.50/- i.e. Rupees Thirteen & Paise Fifty only) specified as per SEBI Guidelines considering 30 days prior to the date of this general meeting as the Relevant Date i.e. August 31, 2008.
- Shareholding Pattern before and after the proposed issue :**

Category	Pre issue holding (No. of Shares*) As at August 31, 2008	% of total Capital (Pre issue) As at August 31, 2008	Post issue holding assuming full conversion (No. of shares*)	% of total Capital (Post issue) assuming full conversion
PROMOTERS' HOLDING				
- Indian Promoters	32,95,600	39.91	54,45,600	41.07
- Foreign Promoters	-	-	-	-
Sub-Total	32,95,600	39.91	54,45,600	41.07
NON-PROMOTERS' HOLDING				
Institutional Investors				
Mutual Funds and UTI	-	-	-	-
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	2,40,000	2.90	2,40,000	1.81
FII's	-	-	-	-
Sub-Total	2,40,000	2.90	2,40,000	1.81
OTHERS				
Private Corporate Bodies	5,39,409	6.53	26,89,409	20.28
Indian Public	40,59,432	49.16	47,59,432	35.90
NRIs/OCBs	1,24,059	1.50	1,24,059	0.94
Sub-Total	47,22,900	57.19	75,72,900	57.12
GRAND TOTAL	82,58,500	100.00	1,32,58,500	100.00

3(a). Shareholding pattern after assuming that resolution at item no. 9 is passed with requisite majority.

PROMOTERS' HOLDING				
- Indian Promoters	32,95,600	39.91	54,45,600	37.66
- Foreign Promoters	-	-	-	-
Sub-Total	32,95,600	39.91	54,45,600	37.66
NON-PROMOTERS' HOLDING				
Institutional Investors				
Mutual Funds and UTI	-	-	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	2,40,000	2.90	14,40,000	9.96
FII's	-	-	-	-
Sub-Total	2,40,000	2.90	14,40,000	9.96
OTHERS				
Private Corporate Bodies	5,39,409	6.53	26,89,409	18.60
Indian Public	40,59,432	49.16	47,59,432	32.92
NRIs/OCBs	1,24,059	1.50	1,24,059	0.86
Sub-Total	47,22,900	57.19	75,72,900	52.38
GRAND TOTAL	82,58,500	100.00	1,44,58,500	100.00