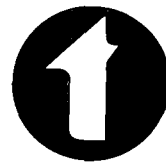
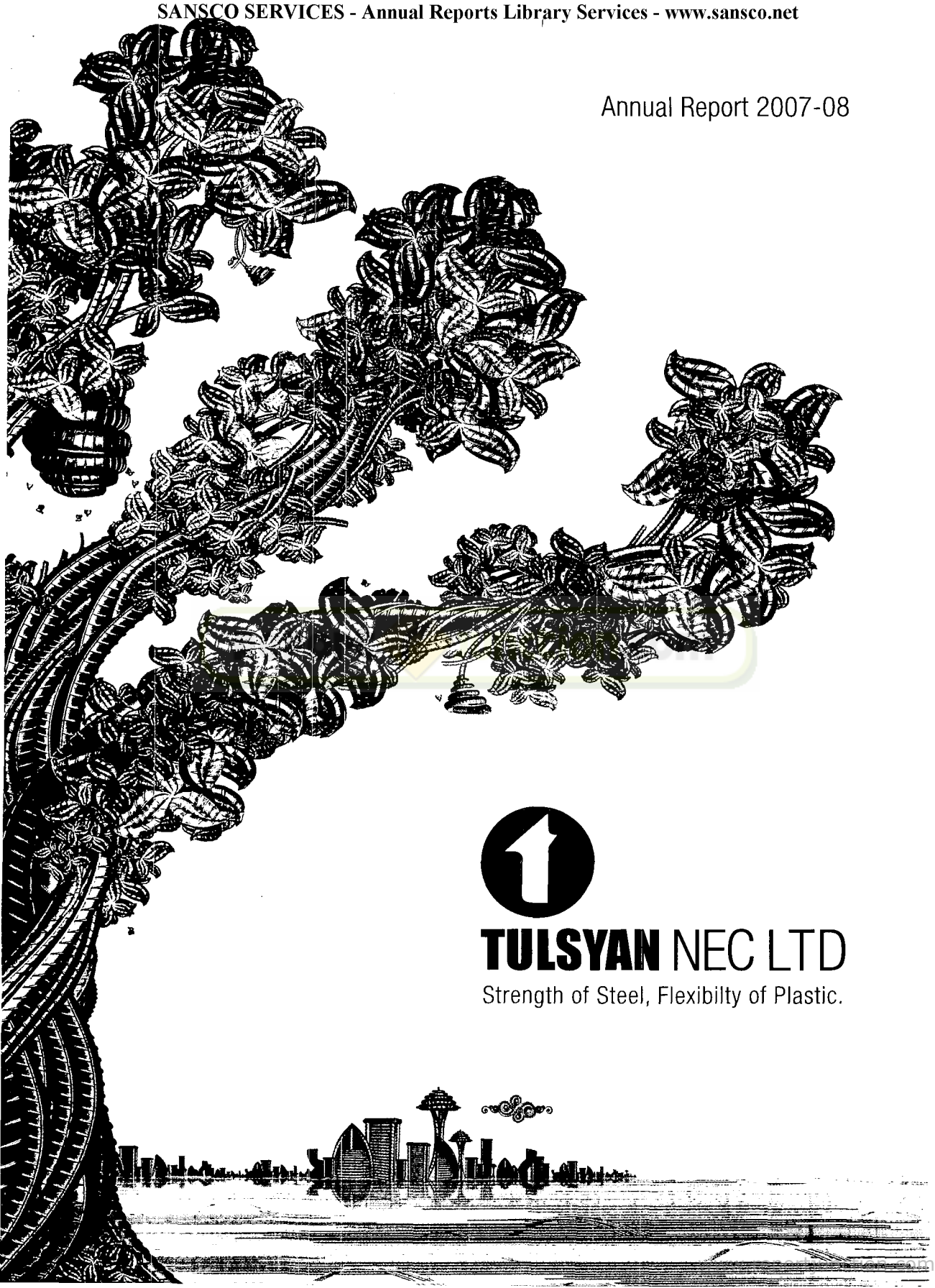


Annual Report 2007-08



**TULSYANI** NEC LTD

Strength of Steel, Flexibility of Plastic.



## TULSYAN NEC LIMITED

### Board of Directors

**Lalit Kumar Tulsyan**

*Executive Chairman*

**Sanjay Tulsyan**

*Managing Director*

**S.Soundararajan**

**P.T. Rangamani**

**A.P. Venkateshwaran**

**S. Ramakrishnan**

**Sanjay Agarwalla**

**V. Kirubanandan**

**C. Ramachandran**

**R.B. Prem Ganesh**

*Company Secretary*

### Registered Office

61, Sembudoss Street,  
Chennai - 600 001.

### Corporate Office

Apex Plaza, I Floor, New No. 77,  
(Old No. 3), Nungambakkam High Road,  
Chennai 600 034.

### Administrative Office

37, Kaveriappa Layout,  
Miller Tank Bund Road  
Vasanth Nagar, Bangalore - 560 052.

### Bankers

Canara Bank  
Syndicate Bank  
Andhra Bank  
State Bank of India  
IDBI

### Auditors

C.A. Patel & Patel, Chennai

### Share Transfer Agents

Cameo Corporate Services Ltd.  
Subramanian Building  
1 Club House Road, Chennai - 600 002.

### Steel Division

39, Dr. Harikrishna Naidu Street  
Ambattur, Chennai - 600 053.

A 15/N, (Pt) SIPCOT Indl. Complex,  
Gummudipoondi  
Chengalpet Dist., Tamil Nadu.

D-4, SIPCOT Indl. Complex,  
Gummudipoondi,  
Chengalpet Dist., Tamil Nadu

476, K.G. Palayam Post,  
Kariyam Palayam, Pugalur,  
Annur Union, Coimbatore - 641 697.

### Windmill

Kudimangalam, Udumalaper  
Tamil Nadu

Pazhavor, Tirunelveli Dist.  
Tamil Nadu

Kavalakurichi, Tirunelveli Dist.  
Tamil Nadu

### Synthetics Division

7-A, Doddaballapura Indl. Area,  
Kasba Hobli, Karnataka.

2-B, Survey No. 16, Korandanahalli  
Malur Industrial Area, Malur Kolar Dist.  
Karnataka.

Plot No.E-4, Madkaim Indl. Area,  
Madkaim Village, Ponda Taluk, Goa.

Survey No. 4/1-P-1  
Adakamaranahully Village,  
Dasanapura hobli Makali Post,  
Tumkur Road, Bangalore.

Door No.17-2-92,  
Siva Kumar Saw Mill Compound,  
Parigi Road, Hindupur - 515201.  
Ananthput Dist.,(A.P)

Plot No.N9, Sidco Phase III,  
Sipcot Industrial Estate, Hosur,  
Krishnagiri Dist., Tamilnadu -635126.



## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 61st Annual General Meeting of the Company will be held on, Monday, the 8<sup>th</sup> September, 2008 at 11.00 a.m. at NARADA GANA SABHA MINI HALL, 254, T.T.K. Road, CHENNAI – 600 018, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To Appoint a Director in place of Shri S Soundararajan, who retires by rotation and being eligible, offers himself for re-appointment
4. To Appoint a Director in place of Shri P T Rangamani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution:

**"RESOLVED THAT** M/s. C.A. Patel and Patel, Chartered Accountants, Chennai, retiring auditors of the Company be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors of the Company"

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 198, 269, 309 and 310 read with section 2(26) and also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, the company hereby approves the increase in remuneration from **Rs.1,50,000/-** per month to **Rs.5,00,000/-** per month payable to **Mr. SANJAY TULSYAN**, Managing Director of the company with effect from **01.04.2008.**"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said

terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and **Mr. SANJAY TULSYAN** within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and Mr. SANJAY TULSYAN."

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, **Mr. SANJAY TULSYAN**, shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), as may be applicable from time to time."

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN**, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution.

7. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 198, 269, 309 and 310 and also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, the company hereby approves the increase in remuneration from **Rs.65,000/-** to **Rs.1,50,000/-** payable to **Mr. SANJAY AGARWALLA**, Whole Time Director of the company with effect from **01.04.2008.**"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and **Mr. SANJAY AGARWALLA** within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and **MR. SANJAY AGARWALLA.**"

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, **Mr. SANJAY AGARWALLA**, shall be paid the

## TULSYAN NEC LIMITED



same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), as may be applicable from time to time."

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN**, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution.

8. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 198, 269, 309 and 310 and also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, the company hereby approves the increase in remuneration from **Rs.2,25,000/- to Rs.5,00,000/-** payable to **Mr. LALIT KUMAR TULSYAN**, Executive Chairman of the company with effect from **01.04.2008.**"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and **Mr. LALIT KUMAR TULSYAN** within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and **Mr. LALIT KUMAR TULSYAN.**"

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, **Mr. LALIT KUMAR TULSYAN**, shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), as may be applicable from time to time."

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN**, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things

in connection therewith to give effect to the above resolution.

9. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 309, 198 and also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, if required, the company hereby approves the payment of incentive of **Rs.12,00,000/-** to **MR.A.P VENKATESHWARAN**, Whole Time Director of the company for the financial year 2007-2008 in recognition to the extra ordinary performance rendered by him to the Company".

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN**, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution."

10. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** **Shri.C.Ramachandran**, who was appointed as an Additional Director in the meeting of the Board of Directors held on 12/12/2007 and who holds office as such up to the date of commencement of this Annual General Meeting and in respect of whom the Company has received notice in writing from member proposing him as candidate for the office of Director under the provisions of Section 257 of the Companies Act, 1956, along with the deposit of **Rs.500/-** and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company".

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN**, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution.

11. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 198, 269, 309 and 310 and

**TULSYAN NEC LIMITED**

also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, the company hereby approves the increase in remuneration from Rs.30,000/- to Rs.1,50,000 payable to MR.A.P. VENKATESHWARAN, Whole Time Director of the company with effect from 01.04.2008."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and MR.A.P VENKATESHWARAN within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Board and MR.A.P VENKATESHWARAN."

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, MR.A.P VENKATESHWARAN, shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), as may be applicable from time to time."

**"RESOLVED FURTHER THAT Mr. SANJAY TULSYAN,** Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution.

12. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of section(s) 309, 198 and also other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, guidelines issued by the Central Government from time to time) and subject to necessary approvals, if required, the company hereby approves the payment of incentive of Rs.12,00,000/- to MR. SANJAY AGARWALLA, Whole Time Director of the company for the financial year 2007-2008 in recognition to the extra ordinary performance rendered by him to the Company".

**"RESOLVED FURTHER THAT** Mr. SANJAY TULSYAN, Managing Director of the Company be and is hereby authorised to file necessary forms/returns with ROC and do all other acts/things in connection therewith to give effect to the above resolution."

13. To consider and if thought fit, to pass with or without modification, the following as a Special Resolution.

**"RESOLVED THAT** in terms of section 81 (1A) and all other applicable provisions, if, any, of the Companies Act, 1956 ( the Act) (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges Where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000(SEBI DIP Guidelines) as may be applicable on preferential issue of Equity Shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by these resolutions, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchange, Central Listing Authority, Government of India and /or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer, issue and allot in one or more tranches to select group of persons shares in such manner as the Board in its sole discretion may at any time or times hereinafter decide, provided that the total issue size, whether issued in a single tranche or multiple tranches does not exceed in total 10,00,000 equity shares or equivalent to 10,00,000 equity shares".

**"RESOLVED FURTHER THAT** the pricing of the above said Equity Shares will be determined in accordance with the SEBI Guidelines on the "Relevant Date" 08/08/2008 and the allotment of





Equity Shares shall be subject to the following conditions:

(a) The above said Equity Shares to be allotted shall be locked in for a period of three years from the date of their allotment.

(b) The allotment of the above said Equity shares shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority or the central Government, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

(c) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet and /or Directors Report of the Company, indication the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested".

**"RESOLVED THAT** the Equity shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years".

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to agree and accept all such conditions(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution".

**"RESOLVED FURTHER THAT** the Company do apply for listing of the new equity shares as may be

issued with the relevant stock exchanges where shares of the Company is listed".

**"RESOLVED FURTHER THAT** the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Limited(CSDL) for admission of the above said Equity shares to be allotted on preferential basis".

For and on behalf of the Board

Place: Chennai

Date: 30<sup>th</sup> July, 2008

**Lalit Kumar Tulsyan**

Executive Chairman

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.

2. The Proxies to be valid should be lodged with the Share Transfer Agents, not less than 48 hours before the commencement of the Meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 1<sup>st</sup> September, 2008 to 8<sup>th</sup> September, 2008 (both days inclusive)

4. Members are requested to forward transfer requests, change of address, power of attorney, etc., to the Share Transfer Agents, viz., Cameo Corporate Services Ltd., 1, Club House Road, Chennai - 600 002

5. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting and also their copy of the Annual Report.

6. Dividend including Dividend for the year 2000-2001 and subsequent years, remaining unclaimed for a period of 7 years, are transferable to the Investor Education and Protection Fund established by Central Government as per under section 205A(5) of the Companies Act, 1956. Reminders are sent to members for encashing unclaimed and unpaid dividends, on regular basis, Members who have not yet preferred a claim are, therefore, requested to contact the Registrar and Share Transfer Agents immediately.

No claim shall lie against the fund or the Company in respect of unclaimed and unpaid dividends transferred to the IEPF as per section 205C of the Companies Act 1956.

**PARTICULARS OF THE DIRECTORS SEEKING REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

**ITEM NO. 3 & 4**

Name of the Director	Shri S Soundarajan	Shri P T Rangamani	Shri CRamachandran
Date of Birth	21.04.1926	26.08.1934	15.05.1938
Experience in Specific Functional Area	57Years	52Years	48 Years
Qualification	I.A. & A.S	F.C.S., B.L.,	I.A.S
List of Companies in which directorship held as on 31 <sup>st</sup> March 2008	Nil	Nil	1. Tamilnadu Petroproducts Ltd, 2. Elnet Technologies Ltd, 3. ETL Infrastructure Services Ltd, 4. Elnet Software City Ltd, 5. ETL Hospitality Services Ltd, 6. The Great Indian Linen & Textile Infrastructure Company Pvt Ltd, 7. ETL Corporate Services Pvt Ltd, 8. ETL Power Services Ltd, 9. Appu Hostels Ltd
Chairman/Member of the Committee of the Board of Companies in which he is a Director as on 31 <sup>st</sup> March 2008	Nil	Nil	Tamilnadu Petroproducts Ltd Elnet Technologies Ltd ETL Infrastructure Services Ltd ETL Hospitality Services Ltd
Shareholding as on 31 <sup>st</sup> March 2008:	400	Nil	Nil
a) held individually	Nil	Nil	Nil
b) held jointly with other			

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS IN THE NOTICE IS ANNEXED:**

**ITEM No. 6**

Mr. SANJAY TULSYAN is the promoter of the Company and he has been working for the growth of the organization since its inception. Lending credence to his excellent contribution to the Company, the Board felt it necessary to increase the remuneration for the Managing Director with effect from 01.04.2008, on the terms & conditions stipulated in the resolution specified in Item No. 6 in the Notice.

The Board recommends the resolution for approval of the members.

Mr. SANJAY TULSYAN is interested in this resolution proposed to be passed to the extent of his shareholding and Mr. Lalit Kumar Tulsyan is also interested being brother of him.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No. 7**

Mr. SANJAY AGARWALLA has been associated with the Company for the last three years. As recognition of his hard work and dedication to the company, the Board in its meeting held on 28/03/2008 felt it

necessary to increase the remuneration for the Whole Time Director with effect from 01.04.2008, on the terms & conditions stipulated in the resolution specified in Item No. 7 of the Notice.

The Board recommends the resolution for approval of the members.

Mr. SANJAY AGARWALLA is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No. 8**

Mr. Lalit Kumar Tulsyan is the promoter of the Company and he has been working for the growth of the organization since its inception. Lending credence to his excellent contribution to the Company, the Board felt it necessary to increase the remuneration for the Executive Chairman with effect from 01.04.2008, on the terms & conditions stipulated in the respective resolution.

The Board recommends the resolution for approval of the members.

Mr. Lalit Kumar Tulsyan is interested in this

**TULSYAN NEC LIMITED**

resolution proposed to be passed to the extent of his shareholding and Mr. Sanjay Tulsyan is also interested being brother of him.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No. 9**

The Board of Directors at their meeting held on 28/03/2008 has approved payment of Rs. 12,00,000 (Rupees Twelve Lakhs Only) as incentive to MR. A.P. VENKATESHWARAN, Whole Time Director of the Company, for the year 2007-2008 as recognition of his hard work and services rendered to the company for its growth.

The Board recommends the resolution for approval of the members.

Mr. A.P. VENKATESHWARAN is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No. 10**

Shri C Ramachandran was appointed as an Additional Director of the Company at the Board Meeting held on 12/12/2007. He has rich blend of hands on experience coupled with managerial and entrepreneurial skill over the last 35 years.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri C Ramachandran for the office of a director under the provisions of Section 257 of the Companies Act, 1956

The Board considers it desirable to receive the benefit out of his experience having regard to his qualifications and exposure

The Board recommends the resolution for approval of the members

**ITEM No.11**

MR. A.P. VENKATESHWARAN, Whole Time Director, has been working for the growth of the organization since his joining to the Company. Lending credence to his excellent contribution to the Company, the Board felt it necessary to increase the remuneration for him with effect from

01.04.2008, on the terms & conditions stipulated in the respective resolution.

The Board recommends the resolution for approval of the members.

Mr. A.P. VENKATESHWARAN is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No.12**

The Board of Directors at their meeting held on 28/03/2008 has approved payment of Rs.12,00,000 (Rupees Twelve Lakhs Only) as incentive to MR. SANJAY AGARWALLA, Whole Time Director of the Company, for the year 2007-2008 as recognition of his hard work and services rendered to the company for its growth.

The Board recommends the resolution for approval of the members.

MR. SANJAY AGARWALLA is interested in this resolution proposed to be passed to the extent of his shareholding.

The above statement may be regarded as an abstract of the terms of contract or variations and memorandum of interest under Section 302 of the Companies Act, 1956.

**ITEM No.13**

For Issuance of equity shares on preferential basis

The Board of Directors of the Company give the following disclosures that is required to be given in the explanatory statement to the special resolution to be passed under section 81(1A) of the Companies Act, 1956 and in terms of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

**1. Objects of the Issue through Preferential Offer**

The Company has emphasised upon an ambitious growth plan and expects significant growth in its business and also in new growth areas, which are directly related to the current demand.

Taking into account the opportunities in the areas of business, the Company needs additional funds for the same and is also required to increase its debt





equity ratio and net worth in order to successfully bid for, manage its business development.

For the reason stated supra and to augment the working capital requirements, the Board of Directors, subject to the approval of the shareholders have decided to offer issue and allot on Preferential basis issue of such securities as described in the resolution subject to a maximum limit equivalent to the value of 10,00,000 equity shares of the Company at such price which is the price determined in accordance with SEBI (Disclosure and Investor Protection) Guidelines on Preferential Issue.

**(2) Relevant date and pricing of the issue:**

The relevant date for this issue will be 08/08/2008 and pricing of the shares for this issue shall be calculated in the manner specified for pricing of shares as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

**(3) Intention of the promoters or their associates and relatives to subscribe to the offer:**

None of the Promoters/Directors/Key Management persons would be subscribing to the preferential issue authorized by the resolution.

The existing Promoters would continue to be in control of the Company after the preferential issue and there would be no change in control in the management of the Company, nor would there be any change/reconstitution in the Board of the Company.

**(4) Proposed time within which the allotment shall be completed :**

The allotment of equity shares shall be completed within a period of 15 days from the date of passing of the special resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals. If the allotment of instrument and dispatch/credit of the shares are not completed within a period of three months from the date of these special resolutions, a fresh consent of the shareholders shall be obtained.

**(5) Shareholding pattern before and after the offer:**

The shareholding pattern of the Company, before and after the preferential allotment would be as follow:-

Category	Pre-issue equity holdings	% of the total pre-issued capital	Post issue equity holding	% of total post-issued capital
1A.Promoters and Person Acting in Concert (Non Participating in offer)				
LALIT KUMAR TULSYAN	1304793	26.10%	1304793	26.10%
SANJAY TULSYAN	1304732	26.09%	1304732	26.09%
ALKA TULSYAN	227710	4.55%	227710	4.55%
PRIYA TULSYAN	278405	5.57%	278405	5.57%
PRIYANKA TULSYAN	42000	0.84%	42000	0.84%
LALIT KUMAR TULSYAN (HUF)	21120	0.42%	21120	0.42%
SWARMAL AKSHAY TULSYAN (HUF)	23280	0.47%	23280	0.47%
PRERNA TULSYAN (MINOR)	18960	0.38%	18960	0.38%
ANTARA TULSYAN (MINOR)	16800	0.34%	16800	0.34%
SHALINI TULSYAN	2000	0.04%	2000	0.04%



Since prospective investors are to be identified, pre issue and post issue details shall accordingly vary with respect to the allotment to be made to the respective category of allottee.

(6) Identity of the proposed allottees and percentage of post-issued capital that may be held: Prospective investors are to be identified.

(7) Approvals : The company is taking necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

(8) SEBI Takeover Code: In terms of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the investors are not required to and do not intend to make an open offer and comply with formalities related to an open offer for this preferential allotment.

9) Lock-in-period of shares:

The prospective shareholder will not be allowed to sell or dispose any shares held by them during the period of six months from the date of allotments of the equity shares on preferential basis. The equity shares so allotted shall be under lock-in period of 3 years from the date of allotments to the person acting in concert with the promoters.

(10) Auditors Certificate: Auditor's Certificate confirming that the proposed issue of the Equity Shares are in accordance with the SEBI (Disclosure and Investors Protection) Guidelines, 2000, will be available for inspection up to the date of the Annual General Meeting.

(11) Approval under the Companies Act,1956: Section 81 of the Companies Act,1956 Provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81(1A) and all other applicable provisions of the Companies Act,1956,SEBI Guidelines and the provisions of the Listing Agreement with the Stock Exchange for authorising the Board of Directors to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of equity shares of the Company to the person acting in concert with the promoters on a preferential allotment basis, in such form, manner and upon such terms and conditions as the board of directors may in its absolute discretion deem fit.

The Board of Directors recommends the passing of this resolution as a Special resolution as set out in item No.12 of the Notice.

None of the other directors are concerned or interested in the above said resolution, however they may be deemed to be concerned to the extent of change in the percentage of their voting rights in the post equity shareholding of the Company.