

**TAI INDUSTRIES LIMITED**

Registered Office: 53A, Mirza Ghalib Street, Kolkata – 700016

**NOTICE PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956**

Dear Shareholder(s),

NOTICE is hereby given pursuant to section 192A(2) of the Companies Act, 1956 ("the Act") read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, that the Company is desirous of seeking consent of the shareholders for the following:

- (1) Making an investment of an amount not exceeding Rs 2 crores, which is in excess of the limits as specified in Section 372A of the Companies Act, 1956, in C3 Retail Private Limited.
- (2) Transferring the Company's retail division by way of sale, pursuant to the provisions of Section 293(1)(a) of the Act, to C3 Retail Private Limited.

The proposed Resolutions and Explanatory Statements, stating all material facts and the reasons for the proposal, are appended below and a Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Salil Kumar Sarkar, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Form and return the form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope so as to reach the Scrutinizer on or before the close of working hours on Monday, the 27<sup>th</sup> day of September, 2010

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Wednesday, the 13<sup>th</sup> of October, 2010, at 11 A.M. at the Company's Registered Office at 53A, Mirza Ghalib Street, Kolkata – 700 016.

**Items of business requiring consent of shareholders through Postal Ballot:**

- (1) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors of the Company for making an investment in equity shares of C3 Retail Private Limited, aggregating to an amount not exceeding of Rs. 2 crores, in one or more tranches, notwithstanding the fact that such investment together with all other existing loans and investments shall exceed the limits prescribed under Section 372A of the Companies Act, 1956, and that the Board be and is hereby authorized to do or cause to be done all such acts, deeds, matters and things as may be required or deemed to be necessary or incidental thereto for giving effect to the resolution".

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

"RESOLVED THAT pursuant to the provisions of section 293(1)(a) of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors of the Company for transferring by way of sale the retail division of the Company operating in the name of C3 The Marketplace (C3) to C3 Retail Private Limited, for such consideration and on such terms and conditions as the Board may at its discretion consider beneficial for the Company and that the Board be and is hereby authorized to do or cause to be done all such acts, deeds, matters and things as may be required or deemed to be necessary or incidental thereto for the proposed transfer of the undertaking and for giving effect to the resolution".

By Order of the Board

Registered Office: :  
53A, Mirza Ghalib Street,  
Kolkata – 700016

Date: 28<sup>th</sup> July, 2010

**Tai Industries Limited**  
(Indira Biswas)

General Manager – Corporate & Company Secretary

**Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No. 1**

Tai Industries Limited had forayed into the direct retail segment during the year 2004 by commencing operations of a chain of supermarkets called C3 The Market Place at a time when this sector was on the threshold of an emerging growth curve.

However, the continuing economic downturn has radically impacted this scenario. The Board of Directors of your Company is of the opinion that transferring the assets and liabilities of its C3 retail business by way of a sale to another company having the object of exclusively carrying on the business of retail, will enable its growth and development in a focused manner and at the same time this would also enable your Directors to focus their attention to the core business of trading in minerals and industrial raw materials and marketing and distribution of Druk brand of preserved fruit and food products of your Company leading to increase in its net worth, optimum utilization of resources, increased profitability and, therefore, higher rewards to the shareholders.

For the purpose, your Directors propose to transfer the C3 retail business by way of a sale to C3 Retail Private Limited, a company which has the object of exclusively carrying on the business of retail. In order to have effective control on the operations of C3, your Directors propose to invest such amount in the equity share capital of C3 Retail Private Limited, so as to have a controlling interest in the company.

As the investment in C3 Retail Private Limited, together with all other existing investments would exceed the limits as specified in Section 372A of the Companies Act, 1956, the resolution stated in Item No. 1 of the Notice is proposed to accord authority to the Board of Directors of the Company to invest an amount not exceeding Rs. 2 crores, in the form of equity, in C3 Retail Private Limited. The approval of the Members is sought by way of a Special Resolution for making the aforesaid investment.

Your Directors recommend passing of the draft Resolution in the interest of the Company.

None of the Directors are concerned or interested in the Resolution.

**Item No. 2**

Section 293(1)(a) of the Companies Act, 1956 read with Section 192A of the Companies Act, 1956, and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 provides that the sale or disposal of the whole or substantially the whole of any undertaking of a company requires the consent of the Company to be obtained by means of voting by Postal Ballot.

As the proposed transfer of C3 The Market Place may be deemed to constitute disposal of an undertaking of the Company the Board considers it prudent to approach the shareholders for their approval to such transfer as per Section 293 (1) (a) of the Companies Act, 1956.

Your Directors recommend passing of the draft Resolution in the interest of the Company.

None of the Directors are concerned or interested in the Resolution.

By Order of the Board

**Tai Industries Limited**  
(Indira Biswas)

General Manager – Corporate & Company Secretary

Date: 28<sup>th</sup> July, 2010

**Enclosures:**

1. Postal Ballot Form.
2. Postage pre-paid self-addressed envelope.