



NIRMA LIMITED

Registered Office : Nirma House, Ashram Road, Ahmedabad - 380 009

N O T I C E

NOTICE is hereby given that an Extra Ordinary General Meeting of the Members of Nirma Limited will be held on Monday, the 21st day of January 2013 at 11.00 A.M. at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 to transact the following special business:

1. ***To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:***

“RESOLVED THAT pursuant to the provision of Section 94(1)(b) and other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for time being in force), read with Articles of Association of the Company, and subject to the approval(s), consent(s), permission(s) and sanction(s), if any, required from any authority, consent of the members of the Company be and is hereby accorded to consolidate issued, subscribed and paid-up equity shares in the share capital of the Company by increasing the face value of the equity shares from Rs.5/-each to Rs.50,000/- each so that every 10000 equity shares with face value of Rs.5/- each held by a member are consolidated and redesigned into 1 (one) equity share with face value of Rs.50,000/- provided that no member shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of whole shares so arising shall be held by a trustee appointed by the Board of Directors (hereinafter referred as “the Board” which term shall be deemed to include any Committee thereof) of the Company (Trustee) who shall dispose off the said whole shares and the proceeds of sale of such whole shares shall be distributed proportionately among the members who would otherwise be entitled to fractional entitlements.”

“RESOLVED FURTHER THAT subject to the approval of members as above, the consolidation of shares be determined on the basis of those shareholders whose names appear in the Register of Members as on the ‘Date’ (hereinafter referred to as “Record Date” or “Effective Date”) being 21st January, 2013.”

“RESOLVED FURTHER THAT subject to the approval of the consolidation of shares, the consent of the members be and is hereby also accorded to the sale of the shares resulting from the consolidation of fractional entitlements:

in case of Resident members at a price of Rs.26,00,000/- per consolidated equity share which is equal to Rs.260/- per equity share of Rs.5/-, being the value of the shares as recommended by the Board of the Company,

in case of Non Resident members subject to the approval(s), consent(s), permission(s) and sanction(s), if any, of Reserve Bank of India and/or any other authorities, at a price of Rs.26,00,000/- per consolidated equity share which is equal to Rs.260/- per equity share of Rs.5/-, being the value of the shares as recommended by the Board of the Company or at such price as may be approved.”

“RESOLVED FURTHER THAT the existing share certificates issued to the holders of Equity Shares, which are held in physical form on Effective Date, be treated as cancelled and that fresh share certificates be issued for the fully paid consolidated Equity Shares to such members in lieu thereof pursuant to the Companies (Issue of Share Certificates) Rules, 1960 along with the proportionate amount for the sale of fractional entitlements if any.”

“RESOLVED FURTHER THAT for the members, who hold their existing Equity Shares in dematerialized form on Effective Date, their respective beneficiary accounts be credited with consolidated fully paid Equity Shares in lieu of their existing shares and the proportionate amount for the sale of fractional entitlements if any be distributed to such members.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or any person authorized by the Board be authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board of the Company to secure any further consent or approval of the members of the Company.”

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

“RESOLVED THAT subject to the approval of the members for consolidation of shares as proposed under item 1 above and pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing clause V of Memorandum of Association of the Company be and is hereby substituted by the following Clause:

- V. The authorised share capital of the Company is Rs.150,50,00,000 (Rupees One Hundred Fifty crore and Fifty lac) divided into 23100 (Twenty three thousand one hundred) Equity shares of Rs.50,000 (Rupees Fifty thousand) each, 10,00,000 (Ten lac) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Rs.100/- (Rupees One hundred) each and 25,00,00,000 (Twenty Five crore) 6% Redeemable Non Cumulative Non Convertible Preference Shares of Re.1/- (Rupee One) with a power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee) and any person authorized by the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions, as may be in its absolute discretion, deem necessary and to settle any question that may arise in this regard.”

BY ORDER OF THE BOARD
For, **NIRMA LIMITED**

Paresh Sheth
Company Secretary

Date: 12th December, 2012
Place: Ahmedabad

Registered Office:
Nirma House, Ashram Road,
Ahmedabad - 380 009

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of herself/himself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company at its registered office not less than forty eight hours before the aforesaid meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority as applicable. Corporate members are requested to send duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
2. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, with regard to the Business to be transacted at this meeting is enclosed.
3. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 2.00 pm to 5.00 pm upto the date of meeting.
4. Members are requested to hand over the duly filed attendance slip at the entrance of the meeting hall.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956, FORMING PART OF NOTICE CONVENING THE EXTRA ORDINARY GENERAL MEETING

Item No.1

As the members are aware, the equity shares of the Company are delisted from all stock exchanges effective from 28th March 2012. The Acquirers-Promoters had made "Exit Offer" to all public shareholders of the Company, under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The Exit Price was Rs. 260/- per equity share of Rs.5/- each being the price determined under Reverse Book-Building process. The statutory period of such Exit Offer was over on 3rd October 2012.

The Company has presently 41724 number of members, out of which 41693 members representing 99.93% of the total members hold 1.52% of the share capital while remaining 31 members representing 0.07% of the total members hold 98.48% of the share capital of the Company. This demonstrates large number of members is holding negligible shareholdings in the Company.

In view of the delisting of the shares, the shareholding continuing with the remaining shareholders of the Company has now ceased to be marketable. Since the equity shares are now not trading in the Stock Exchanges, it is difficult for such members to find buyers for their holdings in the Company. Many members of the Company, who could not participate in 'Exit Offer', have been approaching the Company and requesting for exit opportunity.

Moreover, the cost involved in handling and serving the large number of members is very high, more particularly when their holding in the Company is very small. To attain the objective of reducing aforesaid cost on long term basis for the Company and providing exit opportunity to the members, it is felt advisable in the interest of both, Company and members to consider a reorganization of the share capital of the Company by way of a consolidation of share in larger denomination, which will not only help the Company to reduce the aforesaid cost on long term basis but will also give better opportunity to large number of members to liquidate their shareholding since the equity shares of the Company are delisted from the stock exchanges. The share consolidation is the practical and economically efficient available option.

The Board approved the reorganization of the Company's share capital by increasing the face value from the existing Rs.5/- per share to Rs.50,000/- per share. On consolidation, each member of the Company will receive such number of equity shares of the Company having a face value of Rs.50,000/-. Further, any fractions arising from such consolidation will be aggregated into whole shares and the number of whole shares so arising shall be held by a Trustee who shall dispose off the said whole shares and the proceeds of sale of such whole shares will be distributed proportionately among the members who would otherwise be entitled to fractional entitlements.

All members holding physical share certificates on Effective Date, shall receive (to the extent of their entitlement to equity shares after consolidation) share certificates representing such consolidated shares and the proportionate amount for the sale of fractional entitlements if any. Further, all share certificates representing the existing equity shares shall cease to have effect on the record date being 21st January 2013.

All members holding their existing shares under dematerialized form on Effective Date, their respective beneficiary accounts shall be credited with consolidated fully paid Equity Shares (to the extent of their entitlement to equity shares after consolidation) in lieu of their existing shares and the intimation thereof be given to National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) to act thereon. The proportionate amount for the sale of fractional entitlements if any shall be distributed to such members.

The Board recommends that the fractional shares arising out of the consolidation and to be sold by a Trustee appointed by the Board, be valued at a price of Rs.26,00,000/- per consolidated equity share which is equal to Rs. 260/- per equity share of Rs.5/- each. The Board believes that this value is in excess of the fair value of the shares and represents an attractive exit payment to members who would otherwise receive fractional entitlements pursuant to the consolidation. In case of Non Resident members, the price for the sale of fractional shares resulting from the consolidation of fractional entitlements shall be subject to and in terms of the receipt of requisite approvals of Reserve Bank of India or any other authority as may be required. The payment to the members for the fractions, if any, arising out of the consolidation is expected to be paid to the members as soon as reasonably practicable, subject to the receipt of any necessary regulatory approvals and after deduction of tax if applicable. The Trustee will give effect to the disposal of the fractional shares and distribute the proceeds there of and suitable announcements will be made to all the members of this effect.

As per the provisions of Section 195(1) of the Income Tax Act, 1961 ("IT Act"), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct applicable tax at source (including applicable surcharge and education cess). Since the consideration payable by the Trustee for the sale of the fraction shares on consolidation in accordance with disposal of such shares would be chargeable to capital gains under Section 45 of the IT Act, therefore the Trustee will deduct tax at source (including cess and surcharge as applicable) at the applicable tax rate on the gross consideration payable to Non-resident Indians. Non-Resident shareholders should also enclose a copy of 'no-objection' certificate / tax clearance certificate or certificate for deduction of tax at lower rate from the relevant income tax authorities / chartered accountant under the IT Act, indicating the amount of tax to be deducted by the Trustee before remittance of the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Trustee will deduct tax at the maximum marginal rate as may be applicable to the shareholder on the gross consideration payable. Moreover, if the Non Resident Shareholder does not have Permanent Account Number (PAN), tax will be deducted @ 20% or applicable rate as per the normal provision whichever is higher. Surcharge and Education Cess will be added to the tax amount as applicable.

In the event Non- Resident shareholders require the Trustee not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain an order from the income tax authorities under Section 197 of the IT Act, and submit the same to the Trustee before receipt of the consideration for the sale of equity shares. In the event of an inability to produce such a certificate from the income tax authorities, the Trustee will deduct taxes at the maximum marginal rate as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Trustee and the Company do not accept any responsibility for the accuracy or otherwise of such advice.

None of the Directors of the Company is in any way concerned or interested in this resolution except to the extent of shares, if any, held by them and by their relatives, if any, in the Company.

The Board recommends the adoption of the resolution.

Item No. 2

Pursuant to the proposed consolidation of the share capital of the Company and the consequent increase in the face value of the equity shares from Rs.5/- each to Rs.50,000/- each (so that 10,000 equity shares with a face value of Rs.5/- each are consolidated into one equity share with a face value of Rs.50,000), the Memorandum of Association of the Company is required to be amended to reflect the consolidated share capital. Consequently, Clause V of the Memorandum of Association of the Company is proposed to be amended to reflect the consolidated capital of the Company.

None of the Directors of the Company is in any way concerned or interested in this resolution.

The Board recommends the adoption of the resolution.

BY ORDER OF THE BOARD
For, **NIRMA LIMITED**

Paresh Sheth
Company Secretary

Date: 12th December, 2012
Place: Ahmedabad

Registered Office:
Nirma House, Ashram Road,
Ahmedabad - 380 009



Nirma Limited

Registered Office : Nirma House, Ashram Road, Ahmedabad - 380 009.

PROXY FORM

Folio No.

* DP ID

* Client ID

I/We of being a member / members of the above named Company hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the EXTRA ORDINARY GENERAL MEETING of the Company to be held at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 on Monday, the 21st January, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this day of 2013.

Signature

Affix
Rs. 1/-
Revenue
Stamp

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* Applicable in case of shares held in Demat.

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.

(TEAR HERE)



Nirma Limited

Registered Office : Nirma House, Ashram Road, Ahmedabad - 380 009.

ATTENDANCE SLIP

Name of the attending Member/s (in Block Letters)	Folio No.	*DP ID	*Client ID
Name of the Proxy (in Block Letters) (To be filled in by the Proxy who attends instead of the Member)			

No. of Shares held

I hereby record my presence at the EXTRA ORDINARY GENERAL MEETING of the Company held at Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad - 380 007 on Monday, the 21st January, 2013.

* Applicable in case of shares held in Demat.

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Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

For Office use :