



NITCO LIMITED

Registered Office: Recondo Compound, Inside Municipal Asphalt Compound,
S. K. Ahire Marg, Worli, Mumbai – 400030.

Tel: +91 22 6616 4555 **Fax:** +91 22 6616 4657 **Email:** investor@grievances@nitco.in

NOTICE OF POSTAL BALLOT

To,
All Members of
Nitco Limited

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, for the consent of the Members of Nitco Limited (hereinafter referred to as 'the Company') for the proposed resolutions set out below, which is sought to be obtained by means of Postal Ballot.

The explanatory statement stating out all material facts and the reasons thereof is appended to this notice. The requisite Postal Ballot Form and self-addressed postage pre-paid envelope are annexed herewith.

The Company has appointed Mr. Nilesh Shah, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. Please carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in all respects along with the assent (For) or dissent (Against) in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the closing business hours i.e. 6.00 p.m. on Wednesday, 5th June, 2013 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Members.

The Scrutinizer will submit his report addressed to the Managing Director of the Company, after completion of the scrutiny in a fair and transparent manner. The result of the postal ballot will be announced at 11 a.m. on Friday, 7th June, 2013 at the Corporate Office of the Company at Plot No.3, Kanjur Village Marg, Kanjur Road, Kanjurmarg (E), Mumbai - 400042 by the Managing Director of the Company or any other person authorized by the Board of Directors for this purpose. The date of declaration of result of the Postal Ballot shall be deemed to be the date of passing of the said resolutions.

Item No. 1

Authorisation for Restructuring of Debts

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT subject to applicable provisions of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into with stock exchanges on which the shares of the Company are listed, the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India and any other regulatory authority (including but not limited to Securities and Exchange Board of India (“SEBI”)), and subject to approvals, permissions, sanctions and consents as may be necessary from the regulatory and other appropriate authorities (including but not limited to SEBI, the Corporate Debt Restructuring Empowered Group (the “CDR EG”), the Reserve Bank of India, Government of India, etc.), and subject to such condition, modification as may be imposed or suggested by any one or more of the above said authorities while granting such approval, consent, which may be agreed to by the Board (hereinafter referred to as the “Board”, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution to the extent permitted by law), the members hereby authorize/approve, ratify and confirm the corporate debt restructuring scheme (the “CDR Package”) as approved by the CDR EG vide Letter of Approval dated December 26, 2012 which was revised on December 31, 2012 (“CDR LOA”) issued by CDR Cell to lenders whose loans are being restructured under the CDR Package (the “CDR Lenders”) and implementation of the CDR Package on the basis of the terms set out in the CDR LOA including any amendments thereto and to discuss, negotiate, finalise, accept and execute necessary documents, deeds, writings and power of attorney in terms of the CDR Package for inter-alia restructuring of the existing debt facilities availed by the Company from the CDR Lenders including revised interest and principal payment schedules, sale of specified assets, issuance of equity shares or any other securities to the CDR Lenders and / or conversion of loans into equity shares of the Company in terms of CDR LOA or as may be stipulated by CDR EG in the course of implementation of the CDR Package and also discuss, negotiate and finalise the terms of restructuring of debt of non-CDR lenders, as per the terms set out in the CDR Package and as may be agreed between the respective parties, and execution of necessary documents for the same.”

Item No. 2

Allotment of Equity Shares on Preferential Basis

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the regulations/guidelines, if any, issued/prescribed by the Government of India, SEBI (including the provisions in the Guidelines for "Preferential Issues" contained in Chapter VII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including any Statutory modification or re-enactment thereof for the time being in force) and Reserve Bank of India and in accordance to the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed and subject to such approvals, consent, permission and/or sanction of relevant statutory/ governmental authorities as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution to the extent permitted by law), the approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot, 22099206 equity shares of Rs. 10/- each from time to time in one or more tranches, to M/s. Aurella Estates and Investments Pvt. Ltd., under a preferential issue through an offer letter and/or circular and/or information memorandum and/or such other documents / writings, on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the price of the Equity Shares so issued shall not be less than Rs.25.20 (including a premium of Rs.15.20/-) per Equity Share being the price arrived with respect to the Relevant Date i.e. 8th November, 2012, and further provided that the aggregate amount of the Equity Shares so issued including premium shall not exceed Rupees Fifty Five Crores and Sixty Nine Lakhs only (Rs. 55.69 Crores only).

RESOLVED FURTHER THAT the Equity Shares to be allotted on preferential basis as aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company and the same shall be subject to lock-in for such period that may be prescribed under the SEBI Regulations for Preferential Issues.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Equity Shares and listing thereof with the stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

Item No. 3

Increase in Authorised Share Capital and Amendment to the Memorandum of Association of the Company

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 provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, provisions of Articles of Association of the Company, the present Authorised Share Capital of the Company of Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 Equity Shares of Rs. 10/- each be and is hereby increased to Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 Equity Shares of Rs. 10/- each.

RESOLVED FURTHER THAT the capital clause of the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause 7 thereof by the following:-

7. The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided in to 6,00,00,000 Equity Shares of Rs. 10/- each with or without voting rights with a power to classify, reclassify, increase and reduce the capital and consolidate, sub divide and divide the Shares in Capital for the time being in to several classes and to attach thereto such rights, privileges or conditions in the 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 of the Company (including any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution to the extent permitted by law) be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary for giving effect to the resolution and to settle any question that may arise in this regard.”

Item No. 4

Amendment to the Articles of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 31 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 Articles of Association of the Company be and is hereby altered by substituting the existing Article 4 (a) with the following new Article:

4. (a) The Authorized Share Capital of the Company is Rs.60,00,00,000/- (Rupees Sixty Crores only) divided in to 6,00,00,000 Equity Shares of Rs. 10/- each with or without voting rights with a power to classify, reclassify, consolidate or subdivide into such classes and to increase or reduce the capital whenever the circumstances warrant.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution to the extent permitted by law) be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary for giving effect to the resolution and to settle any question that may arise in this regard.”

Item No. 5

Increase in the Borrowing Powers of the Company

To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Section 293(1)(d) of the Companies Act, 1956 and applicable statutory provisions, including any statutory modifications or re-enactments thereof for the time being in force, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow any sum or sums of money from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loan obtained from the bankers in the ordinary course of business) will or may exceed the aggregate of paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided however, that the total amount(s) so borrowed by the Board and outstanding at any point of time shall not exceed the sum of Rs. 2000 Crores, exclusive of interest.

RESOLVED FURTHER THAT the Board be and is hereby authorized to borrow as referred above, from any banks, person(s), firms, body corporate, financial institutions and foreign source by way of deposits, advances, debentures, bonds, commercial papers, foreign currency convertible Bonds (FCCBs), other borrowing and any other instrument/form, either in Indian rupees and foreign currencies on such terms and conditions as may be agreed upon and the Board thinks fit.

RESOLVED FURTHER THAT the above supersession shall not in any way affect any right, obligation, liability or acts acquired, accrued, incurred or done there under.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all agreements, deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

Item No. 6

Creation of Charge/ Providing of Security

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) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for creating mortgages, charges, pledge and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, in such form and manner and such terms and conditions and at such time(s) as the Board may deem fit / or proper, on the whole or substantially the whole of the undertaking(s) of the Company, all movable and immovable properties of the Company both present and future, wherever situated in favour of lenders, trustees, agents, debenture/bond holders, debtors, venture capitalists and any other persons (hereinafter referred to as the “Lenders”), for securing any sum or sums of money borrowed or to be borrowed by the Company by way of debentures, bonds, loans or any other instrument or any other credit facilities availed / to be availed and outstanding at any point of time aggregating not exceeding Rs. 2,000 Crores (Rupees Two Thousand Crores Only) or equivalent amount in any other foreign currency together with interest, other costs, charges, expenses and other money payable by the Company to the Lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the deeds, documents and other writings as may be applicable or required for creating the aforesaid mortgages or charges and to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to this resolution.”

By Order of the Board,
For **Nitco Limited**

Sd/-
Reena Raje
Company Secretary

Place: Mumbai
Date: 30th April, 2013

Notes:

- 1 The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
- 2 All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the result of the Postal Ballot.
- 3 As required by Rule 3(c) of the Companies (passing of the resolution by Postal Ballot) Rules, 2011, details of dispatch of Notice and Postal Ballot Paper to the shareholders shall be published in atleast one (1) English and one (1) Vernacular language newspaper circulating in Maharashtra.
- 4 The Company is providing voting through Postal Ballot. The voting period commences on Tuesday, the 7th May, 2013 and ends on the close of business hours (18.00 hours) on Wednesday, the 5th June, 2013.
- 5 In case of non-receipt of Postal Ballot forms, a Shareholder may seek Duplicate Postal Ballot Form from the Corporate office of the Company.

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

Item No. 1

The Special Resolution, as provided in Item No. 1, proposed to be passed by the shareholders of the Company by way of Postal Ballot, shall be deemed to be an authorisation by the shareholders of the Company of the scheme of Corporate Debt Restructuring, provided in the CDR LOA and the same shall also be deemed to be an approval under Regulation 10 (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Accordingly, the Board recommends passing of the resolution as set out at Item No. 1 as a Special Resolution.

None of the directors is in any way interested or concerned in the said resolution.

Item No. 2

In the past the Company's business model envisaged sourcing of large part of its tiles portfolio from China. Unfortunately, due to steep depreciation of the rupee as against US Dollar around the end of the third quarter of the financial year 2011-2012, the Chinese imports became unviable and the Company had to shift the focus to domestic manufacturing/ sourcing. This adversely affected the performance of the Company. In view of the operating losses faced by the Company and the high level of debt, the Company had made a reference to the Corporate Debt Restructuring ('CDR') Cell on 27th July, 2012 for restructuring the company's debts through CDR mechanism. After considering the proposal, the CDR Package was approved by the CDR Empowered Group. The CDR Cell issued a letter of approval dated 26th December, 2012 which was revised on 31st December, 2012.

In terms of the Package of CDR, the Promoters of the Company are required to bring in a sum of Rs. 55.69 Crores as Equity within 6

months from the Letter of Approval.

M/s Aurella Estates and Investments Private Limited is one of the Core Promoters of the Company (hereinafter referred to as 'Promoter') and upon the request of the Company, they have agreed to subscribe to the fresh equity to the extent of Rs. 55.69 crores. The issue of equity shares to the abovementioned Promoter is in terms of CDR package and will be done on "preferential basis", in accordance with the Guidelines for "Preferential Issues" contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (hereinafter mentioned as 'ICDR Regulations') including any Statutory modification or re-enactment thereof for the time being in force.

The Board of Directors of the Company had discussed the matter in detail in its meeting held on 30th April, 2013 and recommended the matter of issue and allotment of 22099206 equity shares to the Promoter at a price of Rs.25.20 per share (including a premium of Rs.15.20 per share) calculated in accordance with the formula prescribed under the ICDR Regulations. For pricing of the shares the "Relevant Date" is the date on which the CDR Package was approved at the meeting of CDR EG held on 8th November, 2012.

The Board of Directors further recommends to seek your approval by way of Special Resolution under Section 81(1A) of the Companies Act, 1956 through Postal Ballot in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

The details of the issue and other particulars as required in terms of the ICDR Regulations, as amended from time to time, are as follows:

a. The object of the preferential issue:

The object of the issue is restructuring of various liabilities of the Company as per CDR LOA approved by the CDR EG and to make allotments of shares to the Promoter amounting to a sum of Rs. 55.69 crores (Rupees Fifty Five Crores and Sixty Nine Lakhs only) as envisaged in the Master Restructuring Agreement dated 6th March, 2013.

b. The proposal of the Promoters, Directors and Key Management persons of the Company to subscribe to the proposed preferential offer:

The proposed preferential issue of 22099206 equity shares shall be contributed by M/s Aurella Estates and Investments Private Limited, Core Promoter, at a price of Rs.25.20 per share (including a premium of Rs.15.20 per share), in accordance with the terms of the LOA issued by CDR Cell. The Promoter have conveyed to the Company in writing of its intention to subscribe the proposed preferential issue.

c. The Shareholding pattern of the Company before and after the preferential issue:

The Shareholding Pattern before and after the issue of above said shares on preferential basis as per the provisions of ICDR Regulations as on 31st March, 2013 has been provided hereunder:

Category code	Category of Shareholder	Pre-issue Shareholding		Post-issue Shareholding*	
		Total number of shares	%	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	7957448	24.41	7957448	14.54
(b)	Central Government/ State Government(s)				
(c)	Bodies Corporate	7983652	24.49	30082858	55.00
(d)	Financial Institutions/ Banks				
(e)	Any Others (Specify)				
(e-i)	Partnership Firms				
	Sub Total(A)(1)	15941100	48.90	38040306	69.54
2	Foreign				
A	Individuals (Non-Residents Individuals/Foreign Individuals)				
B	Bodies Corporate				
C	Institutions				
D	Any Others(Specify)				
	Sub Total(A)(2)				

	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+ (A)(2)	15941100	48.90	38040306	69.54
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	89167	0.27	89167	0.16
(b)	Financial Institutions / Banks	2585	0.01	2585	0.01
(c)	Central Government / State Government(s)				
(d)	Venture Capital Funds				
(e)	Insurance Companies				
(f)	Foreign Institutional Investors	3531331	10.83	3531331	6.46
(g)	Foreign Venture Capital Investors				
(h)	Any Other (specify)				
	Sub-Total (B)(1)	3623083	11.11	3623083	6.63
2	Non-institutions				
(a)	Bodies Corporate	5465498	16.77	5465498	9.99
(b)	Individuals:				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	4342986	13.32	4342986	7.94
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1926670	5.91	1926670	3.52
(c)	Any Other (specify)				
(c-i)	Clearing Member	349160	1.07	349160	0.64
(c-ii)	Non Resident Indians (Repat)	119292	0.37	119292	0.22
(c-iii)	Non Resident Indians (Non- Repat)	6762	0.02	6762	0.01
(c-iv)	Trust	300	0.00	300	0.00
(c-v)	Overseas Corporate Bodies	825281	2.53	825281	1.51
	Sub-Total (B)(2)	13035949	39.99	13035949	23.83
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	16659032	51.10	16659032	30.46
	TOTAL (A)+(B)	32600132	100	54699338	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
	GRAND TOTAL (A)+(B)+(C)	32600132	100	54699338	100

*The above shareholding pattern is prepared and is contingent on and subject to assuming the full allotment of Equity Shares as mentioned under Item No. 2 of the Notice. If any Equity Shares are not issued and allotted (or less No. of equity Share has been applied, issued and allotted) for any reason, the figures and percentage of holding will change correspondingly.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of Equity shares on preferential basis to the promoter of the Company.

d. Proposed time within which the preferential issue shall be completed:

The proposed offer of equity shares on preferential basis will be allotted within the time limit specified under the ICDR Regulations.

e. The identity of the proposed allottee, the percentage of post preferential issue capital that may be held by him, change in control, if any, in the Company Consequent to the preferential issue:

Sr. No.	Name of the proposed Allottee	Category	Before issue of Equity Shares Under Proposed Preferential Issue		After issue of Equity Shares Under Proposed Preferential Issue*	
			Number of Equity Shares	Percentage Holding	Number of Equity Shares	Percentage Holding
1.	Aurella Estates and Investments Private Limited	Promoter	3577743	10.97	25676949	46.94

***The position is contingent on and subject to assuming the full allotment of Equity Shares as offered and issued as mentioned under Item No. 2 of the Notice shall be allotted. If any Equity Shares are not issued and allotted (or less No. of equity Share has been applied, issued and allotted) for any reason, the figures and percentage of holding (post proposed preferential allotment) will change correspondingly.**

The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

f. Pricing of Equity Shares:

Each Equity Share of the face value of Rs.10/- shall be issued at a price of Rs.25.20/-(including a premium of Rs.15.20) per equity share.

This price has been arrived in accordance with the ICDR Regulations with respect to the Relevant Date i.e. 8th November, 2012, being the date when CDR EG approved the CDR Restructuring Package (for which the letter of Approval was issued on 26th December, 2012 and modified on 31st December, 2012).

g. Undertaking to recompute price:

The same is not applicable in the present case.

h. Undertaking to put under lock-in till the Re-computed price is paid:

The same is not applicable in the present case.

i. Certificate from Statutory Auditors:

M/s. A. Husein Noumanali & Co., Chartered Accountants, Statutory Auditors of the Company have certified that the proposed issue of equity shares on preferential basis to the promoter of the Company is been made in accordance with the ICDR Regulations.

j. Relevant Date:

In the present case, the "Relevant Date" shall be 8th November, 2012, the date on which the Meeting of the CDR EG approved the CDR Package.

k. Lock in period:

The aforesaid equity shares of the Company to be issued and allotted on preferential basis shall be locked- in as per the provisions of the ICDR Regulations.

The Equity Shares allotted would be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The issue and allotment would be subject to the regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Listing Agreement.

Accordingly, the Board recommends passing of the resolution as set out at Item No. 2 as a Special Resolution.

A copy of the Auditors certificate, Master Restructuring Agreement dated 6th March, 2013, Letter of Approval dated 26th December, 2012 and 31st December, 2012 are open for inspection at the Registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the result of the Postal Ballot.

The Directors of the Company may be deemed to be concerned or interested in the passing of the resolution to the extent of the shares issued /allotted to them or to the companies in which they are directors or members and to the extent of equity shares of the Company held by them. Save as aforesaid, none of the Directors except Mr. Vivek Talwar and Mr. Rohan Talwar are in any way interested or concerned in the said Resolution.

Item Nos. 3 and 4

The debts of your Company have been restructured by way of Corporate Debt Restructuring Package approved & confirmed by the CDR Cell. The LOA was issued on 26th December, 2012 and was revised on 31st December, 2012. The Company has also signed Master Restructuring Agreement (MRA) dated 6th March, 2013.

Pursuant to the MRA, the Promoters have agreed to bring in Rs.55,69,00,000/- (Rupees Fifty Five Crores Sixty Nine Lakhs only) as Promoters Contribution. The same would be brought in by way of issue and allotment of equity shares to the Promoter. At present, the Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each.

The existing authorized capital would be inadequate to cater to the above mentioned additional capital issuance requirements. Hence, it is necessary to increase the authorized capital to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) and to alter the Capital Clause of the Memorandum and Articles of Association of the Company. As per the provisions of sections 94 and 31 of the Companies Act, 1956, the increase in the Authorised Share Capital and the alteration of the Memorandum and Articles of Association of the Company respectively require the consent of the Shareholders.

The Board recommends passing of the resolution as set out at Item No. 3 and 4 as an Ordinary and Special Resolution respectively.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations are open for inspection at the Registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days (except Saturdays, Sundays and Holidays) upto the date of announcement of the result of the Postal Ballot.

None of the Directors of the Company is concerned or interested in the said resolutions.

Item Nos. 5 and 6

Under the CDR Package the Company would be required to create mortgage, charge, pledge or hypothecate all movable and immovable properties of the Company both present and future, wherever situated in favour of CDR lenders for inter-alia restructuring of the existing debt facilities availed by the Company from the CDR Lenders.

As per the provision of Section 293(1) (a) of the Companies Act, 1956, the Company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company without prior consent of Members at a General Meeting.

Under section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the company in General Meeting, borrow monies apart from temporary loan obtained from the company's banker in the ordinary course of business in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

Considering the terms of the Corporate Debt Restructuring Package, the Board is of the opinion that the limits under section 293(1)(a) and 293(1)(d) of the Companies Act, 1956, needs to be increased to Rs.2000 crores. It is desirable, as a matter of abundant caution also, to provide a sufficient margin for such loans/borrowing by one or another means as detailed in the resolution, to be covered under borrowing powers of the Board. Further, the Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the CDR and Non-CDR Lenders in such form, manner and ranking as may be determined by the Board of Directors of the Company in consultation with the Lenders.

Accordingly, the consent of the Members is being sought for enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on all or any of the movable or immovable properties and/or the whole or part of the undertaking(s) of the Company as set out in the Resolutions appended to this Notice.

The Board recommends passing of the resolutions as set out at Item Nos. 6 and 7 as Ordinary Resolutions.

None of the Directors of the Company is concerned or interested in the said resolutions.

By Order of the Board,
For **Nitco Limited**

Sd/-
Reena Raje
Company Secretary

Place: Mumbai
Date: 30th April, 2013