Nilkamal Limited

Regd. Office: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa- Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli, Silvassa - 396 230.

NOTICE

NOTICE is hereby given that the **25th ANNUAL GENERAL MEETING** of the Members of **NILKAMAL LIMITED** will be held at the Registered Office of the Company at Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa - Khanvel Road, Vasona, Union Territory of Dadra & Nagar Haveli - 396 230 on Saturday, the **30th day of July, 2011 at 11.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as on 31st March, 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place Mr. Manish V. Parekh, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Mahendra V. Doshi, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint M/s. Dalal & Shah (ICAI Registration No. 102021W) and M/s. Vora & Associates (ICAI Registration No. 111612W), Chartered Accountant, Mumbai as Statutory Auditors and fix their remuneration for the financial year 2011-12.

SPECIAL BUSINESS:

6. 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 Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Mufazzal S. Federal, who pursuant to Article 135 of the Articles of the Association of the Company was appointed as an Additional Director of the Company with effect from 25th January, 2011 and who under Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a Notice in writing from a member, signifying his intention to propose the candidature of Mr. Mufazzal S. Federal for the office of the Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. 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 17 and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, including any statutory amendments, modifications or re-enactment thereof, for the time being in force, the Other Objects of Clause III of the Memorandum of Association of the Company be and is hereby altered by inserting the following Clauses after the existing Clause 56H thereof:

   56I. To carry on the business as manufacturers and dealers of mattresses made out of coir, spring, foam or any other material and all kinds of coir fiber, coir fleeces, coir flax, coir boards, coir briquettes and converters of coir fiber into materials like mats, mattresses, carpet, runners, chords ropes of all kinds and varieties.

   56J. To carry on business of vulcanizing and rubberizing any coir products and as manufacturers and dealers of rubberized coir fiber, coir mats, ropes and upholstery parts and other coir products.

   56K. To carry on the business as manufacturers and traders of bonnel pocket and any other type of spring made of steel, plastic, metal or any other material used in manufacture of spring mattresses.

   56L. To carry on all or any of the business as manufacturers, buyers, sellers, importers, exporters, distributers, agents, stockiest, commission agents, brokers, processors and dealers of all type of foam products such as foam mattresses, flexible PU foam, rigid foam, chip foam, rubber foam, moulded foam and all the allied foam products.

   56M. To carry on the business as manufacturer, trader of flexible, semi-flexible and rigid poly-urethane foam slabs, rebounded foam and allied products and processing and fabrication thereof and mattresses, pillows, cushions, bolsters, wonder couch, sofa, sofa cum bed, chairs, seats, berth, bed covers, mattress covers, quilted panels and quilted sheets, floor mats, mats, dusters and cushions upholstery material, manufacture of furniture, packing material and insulation material, moulding of rigid poly-urethane for various shapes and sizes and manufacture of jackets and such other terms by way of lamination of poly- urethane foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.

   56N. To carry on the business as manufacturers, importers, exporters, stockiest, supplier, dealers, fabricators and processors of products made of polyurethane or coir or those products in which poly urethane foam or coir is used such as mattress, cushions, bolsters, sofa, sofa cum bed, chair, mats.

   56O. To carry on the business of manufacturing flexible, semi flexible and rigid coir foam slabs and their allied products including mattress and cushions, upholstery items, furniture items, packing material, insulation material, coir mouldings of various shapes and sizes, jackets, other items by way of lamination of coir foam, with fabric by processing and fabrication and to manufacture products that may be allied or may be usefully combined with manufacture of any of the items mentioned above.

56P. To carry on the business of manufacturing with flexible, semi flexible and rigid coir foam slab items, which cater to the needs of consumers such as sheets, mattress, cushions, pillows, seats, berths, mats etc.

56Q To carry on the business as manufacturers and traders of fiber filled pillows and cushions as per the customer needs and requirements.

56R. To carry on the business of manufacturing, producing and/or cultivating raw materials and other items necessary and used in the manufacturing of coir foam such as plantation and cultivation of Palm or other trees, production of coir fiber and coir ropes to carry on the business of farming and to act as agents, distributors, traders, stockiest, importers, exporters, processors, cultivators of raw material used in the manufacturing of Coir foam and for that purpose to manufacture, buy, sell, exchange, market, pledge, distribute or otherwise deal in all varieties of agricultural products, food products, plantations, crops whether of spontaneous growth or not and for that purpose to lay out, construct, purchase, take over, hire, lease or otherwise acquire, equip, alter and maintain estates, gardens, plantations and farms etc.

56S. To carry on the business of builders, contractors, dealers in and manufacturers of prefabricated / monolithic construction and pre-cast houses, form work of different material, shuttering materials, buildings and erections and materials, tools, implements, machinery and metal ware in connection therewith or incidental thereto.

56T. To carry on the business of manufacturing, buying, selling, reselling, subcontracting, exchanging, hiring, engineering, altering, importing, exporting, improving, assembling, distributing, servicing, repairing and dealing in as original equipment manufacturers and also on a jobbing industry basis and in any other capacity of component parts, replacement parts, spare parts, accessories, tools, equipments and implements for all industries.

56U. To carry on the business as manufacturers of and dealers in rubber and plastics tubes and tyres and films and moulded goods and products of rubber and plastic of all kinds and for all purposes.

56V. To design, manufacture, assemble, mould, fabricate, import, export, process, buy, sell, trade, market, supply, distribute and otherwise deal in all types of travel goods including luggage made up of plastics, textiles, synthetic material, cloth, paper, wood, leather, metal and other materials with any combination or combinations thereof, including but not restricted to suitcases, attaché cases, business cases, computer and tool cases, beauty cases, soft side suitcases, garment bags, casual bags and other containers, travel accessories, handbags, personal leather goods, belts, shoes, umbrellas, photographic equipments and containers.

RESOLVED FURTHER THAT pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of members be and is hereby accorded to commence and carry on, as and when the Board of Directors of the Company may think fit, all or any of the businesses and activities more specifically specified in newly inserted sub-clauses nos. 56I to 56V of the Other Objects of Clause III of the Memorandum of Association of the Company upon alteration as aforesaid becoming effective.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions, including to authorise its committee, as may, in its absolute discretion, be deemed necessary."

Note: Resolution proposed at Item No. 7 above requires consent of members through Postal Ballot.

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special businesses at Item Nos. 6 and 7 above is annexed hereto and forms part of the notice.
2. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3, 4 and 6 of the Notice, are also annexed.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 23rd day of July, 2011 to Saturday, 30th day of July, 2011, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after fifth day from the conclusion of the Annual General Meeting of the Company as under:
   (i) To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on 22nd July, 2011;
   (ii) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 22nd July, 2011.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, etc, to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to

provide efficient and better service to the Members. Members holding shares in physical form are requested to advice such changes to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited.

7. Shareholders holding shares in physical form can avail of nomination facility by filing Form 2B (available on request) with the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited and, in case of shares held in demat form, the nomination has to be lodged with their Depository Participant.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.
9. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant.
10. Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) along with their Folio Number to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited.
11. Members who have not yet encashed their dividend warrant(s) for the Financial Years 2003-2004 onwards, are requested to write to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the Investor Education and Protection Fund, no claim shall lie in respect thereof.
12. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days prior to the date of meeting so as to enable the Management to keep the information ready.
13. All intimation regarding change of address, merging of folios, request for making nominations from shareholders holding shares in physical form and request for revalidation of dividend warrant may be directed to the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited.
14. Members/Proxies are requested to bring the Annual Report and the Attendance Slip filled in to the Annual General Meeting.

By order of the Board
For **Nilkamal Limited**

Place: Mumbai
Date: May 20, 2011

Priti P. Dave
Company Secretary

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

Item No. 6

The Board of Directors of the Company had appointed Mr. Mufazzal S. Federal as an Additional Director of the Company on 25th January, 2011. In terms of Section 260 of the Companies Act, 1956 and provisions of the Articles of Association of the Company, Mr. Mufazzal S. Federal holds office as an Additional Director upto the date of the ensuing Annual General Meeting.

Pursuant to provisions of Section 257 of the Companies Act, 1956, the Company has received individual notice in writing from a member proposing the candidature of Mr. Mufazzal S. Federal for the office of a Director alongwith the requisite amount of deposit.

Mr. Mufazzal S. Federal is a senior partner of the Solicitors firm 'M/s. Federal & Rashmikant' which is well entrenched in the legal field for the niche practice in the Corporate field, dispute resolutions, real estate and commercial litigation.

It is in the interest of the Company that the Board should avail the valued experience and contribution of Mr. Mufazzal S. Federal and therefore recommends the resolution for your approval.

None of the Directors of the Company, except Mr. Mufazzal S. Federal is in any way, concerned or interested in the resolution.

Item No. 7

The Company enjoys a pioneering position and a very high brand image for both its business segments viz. (i) moulded furniture and material handling systems and (ii) lifestyle furniture, other furnishings and accessories. With very extensive and deep spread network, the Company is in a position to extensively capture market in its segments with newer products to cater different end uses. Considering the current market scenario and the opportunities available in the market, the Company has already widen scope of its existing business activities in this direction which are permitted under its Memorandum of Association.

However, with a view to have better focus on such enlarged market opportunities and, further to extend the sphere of its operations, it is proposed to specify such business activities by way of additional objects in a specific and elaborate manner to carry on these business activities more economically and efficiently and to add some new objects which may be conveniently or advantageously be combined with the existing business of the Company. It is therefore necessary to suitably amend the 'Other Objects' of the Memorandum of Association.

Section 17 of the Companies Act, 1956 stipulates that the Object Clause of the Memorandum of Association can be altered by a Special Resolution passed by the Company.

Further, pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956, an approval by way of a Special Resolution passed in a General Meeting of the Company is necessary to commence/carry out any of the activities mentioned in newly inserted Objects Clauses under the 'Other Objects' as aforesaid upon the amendment becoming effective.

Approval of the Members is therefore sought to add/amend the 'Other Objects' as such and further by way of Special Resolution to authorise to carry out any of the activities mentioned in the newly inserted Object Clauses 56I to 56V under the 'Other Objects' in the manner set out in the draft resolution proposed at Item No. 7 of the accompanying Notice.

In accordance to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution through Postal Ballot) Rules, 2001, including amendments, if any, thereto, consent of the Members for amendment of Other Objects of Clause III of the Memorandum of Association of Company is required to be obtained by means of Postal Ballot.

Accordingly, a separate Postal Ballot Form is being sent to all the shareholders. The Board of Directors have appointed Mr. Pratik M. Shah, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner. Shareholders are advised to read carefully the instructions printed in the Postal Ballot Form and return the Form, duly completed in all respects, in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on 25th July, 2011. Postal Ballot Forms received after this date will be considered invalid.

The Scrutinizer will submit his report to the Chairman on completion of the scrutiny. The result of voting by the Postal Ballot will be announced by the Chairman at the ensuing Annual General Meeting.

Your Directors commend the resolution for your approval. A copy of the Memorandum of Association incorporating the proposed amendments to the Object Clause will be available for inspection at the registered office of the Company between 2.00 p.m. and 4.00 p.m. on all working days.

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

By order of the Board
For **Nilkamal Limited**

Place: Mumbai
Date: May 20, 2011

Priti P. Dave
Company Secretary

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	**Mr. Manish V. Parekh**	**Mr. Mahendra V. Doshi**	**Mr. Mufazzal S. Federal**
Date of birth	04-02-1969	29-11-1949	16-06-1950
Date of appointment	01-04-2000	03-12-1990	25-01-2011
Expertise in specific area	Industrialist with rich experience in Marketing and Management	Merchant Banking and Stock Market	Corporate field, dispute resolutions, Real estate and Commercial litigation
Qualifications	B.Com.	M.B.A (U.S.A)	B.Sc (Hons.) LL.B., DBA, Attorney-at-law (Solicitor)
Directorship in other Public Limited Companies	Nil	1. LKP Securities Limited 2. LKP Finance Limited 3. MKM Share and Stock Brokers Limited 4. Graviss Hospitality Limited	Nil
Membership of Committees in other Public Limited Companies	–	**1. Audit Committee** LKP Finance Limited Graviss Hospitality Limited **2. Shareholders & Investors Grievance Committee** Graviss Hospitality Limited **3. Share Transfer Committee** LKP Finance Limited **4. Remuneration Committee** LKP Finance Limited	Nil
Number of Shares Held	6,71,789	32,000	Nil

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Link Intime India Private Limited.