

MALTI TEXTILE MILLS LIMITED
Regd. Office: A-2, Basement, Arcadia Building,
Nariman Point, Mumbai -400 021.

NOTICE

NOTICE is hereby given that the 23RD Annual General Meeting of MALTI TEXTILE MILLS LIMITED will be held on Monday the 25th day of August, 2008 at 11.00 A.M. at the Registered Office of the Company to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt Report of the Board of Directors and Auditors Report together with audited Balance Sheet as at 31.03.2008 and Profit & Loss Account for the year ending that date.
2. To appoint a Director in place of Mr. S.P. Rai, who retires by rotation and being eligible offers himself for appointment.
3. To appoint Auditors from the date of the Meeting till the approval of Composite Scheme and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modifications(s) as a Special Resolution.

Renumber Article B18 as B18A and after Article B18A insert following as Article B18B.

"18B Power to amalgamate" Subject to the provisions of section 391 to 394 of the Companies Act, 1956 to amalgamate or to enter into partnership or into any arrangement for sharing profits/losses, union of interest, co-operation, joint venture or reciprocal concession with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to carry.

5. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution.

"Resolved that the consent of the Company be and is hereby accorded in terms of section 78, 79, 100 to 105 and 391 to 394 read with other applicable sections of the Companies Act, 1956 and rules made there under for Scheme of Arrangement and Reorganization for amalgamation and reconstruction to be effected between the Malti Textile Mills Ltd., Mumbai alongwith Arihant Exports Ltd., New Delhi, MVA Finance Pvt. Ltd., New Delhi, VMA Finance Pvt. Ltd., New Delhi and Indor Overseas Pvt. Ltd., New Delhi (collectively called Delhi Transferor Companies) and Nityanand Exports & Consultants Co. Ltd., Mumbai (herein called Mumbai Transferor Companies) with M/s. Priority Intra Commercial Ltd., Kolkatta (herein called Kolkatta Transferee Company)."

"Also Resolved that the Board of Directors be and are hereby authorized to finalize, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts deeds and things as may be required or considered necessary or incidental thereto."

CERTIFIED TRUE COPY

For Malti Textiles Mills Limited

C. M. K. V. S. H.
Director

"Resolved Further that the Board of Directors of the company is hereby authorized to accept modifications and take such steps and do all acts and deeds as are considered necessary to implement the Scheme."

"Resolved Further that the Board of Directors be and is hereby authorized to do all acts, deeds and things and execute all documents, instruments and writings as may be required or considered incidental thereto to give effect to this resolution."

"Resolved Further that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

6. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution.

"Resolved that the Board be and is hereby authorized to file petition to Delhi, Kolkatta and Mumbai High Courts for directions in Form 33 and swear an Affidavit in Form 34 to convene creditors meeting and apply for waiver of meeting of shareholders in view of 75% shareholder consenting and sign and affirm such other Petitions, applications or pleadings as may be required in this regard."

7. To consider and if thought fit, to pass the following resolution with or without modifications(s) as a Special Resolution.

"Resolved that the draft of the Composite Scheme of amalgamation under section 78, 79, 100 to 105, 391 to 394 of the Companies Act, 1956 as recommended by the Board be and is hereby approved."

8. To consider and if thought fit, to pass the following resolution with or without modifications(s) as a Special Resolution.

"Resolved that investment in shares for an amount not exceeding Rs.47,80,800/- being Interse investment in the proposed other Transferor Companies be reduced."

By Order of the Board of Directors
For Malti Textile Mills Limited

Place: New Delhi
Dated: 17.07.2008

Mannhlaan
Director

NOTES:

1. A member is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxies in order to be effective should be lodged with the company at the Registered Office at least 48 hours before the commencement of the meeting.
3. Members are requested to notify change/corrections in their address quoting their folio numbers.

The Explanatory statement pursuant to section 173 read with section 393(1) of the Companies Act, 1956 in respect of Item Nos. 1 to 3 is annexed herewith.

A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote at a meeting instead of himself and the Proxy need not be a Member of the company. The documents referred to in the Scheme and Petitions are open for inspection at the Registered Offices of the Transferor and Transferee Companies.

Annexure to Notice Explanatory Statement

Item No. 4

As the members are aware a Scheme of Arrangement and reorganization is being proposed between the company and 6 other companies and an application is being made to Hon'ble Company Court, Delhi, Kolkatta and Mumbai whereby it is proposed to amalgamate Arihant Exports Ltd., New Delhi alongwith MVA Finance Pvt. Ltd., New Delhi, VMA Finance Pvt. Ltd., New Delhi and Inder Overseas Pvt. Ltd., New Delhi (collectively called Delhi Transferor Companies) and Malti Textile Mills Ltd., Mumbai, Nityanand Exports & Consultants Co. Ltd., Mumbai (herein collectively called Mumbai Transferor Companies) with Priority Intra Commercial Limited, Kolkatta (herein called Kolkatta Transferee Company).

As the Power to amalgamate was not clearly stated. The resolution is consequential.

The Directors accordingly recommend that the Resolution be approved subject to the approval of the Hon'ble Company Court. All material facts are noted in the Resolution.

All the Directors are directly interested and concerned in the Resolution as they are all Directors or concerned in the amalgamated company.

Item No. 5 & 6

Confirmation of the company in General Meeting is being sought:-

- a) for approval of the applications for amalgamation and reconstruction under sections 391 to 394 of the Companies Act, 1956. By approval of the Scheme by members of Transferor Companies pursuant to section 391 of the Act, it shall be deemed that the said members have also accorded their consent under section 81 (1A) of the Act for issue of further shares to persons, whether or not existing shareholders of the company.
- b) Notwithstanding anything contained in section 94 to 97 of the Act and without any further act or deed the Authorized Share of the Transferor Companies as appearing in its Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of Transferee Company shall stand altered and be substituted with effect from the Effective Date, by the following:

"The Authorized capital of the Transferee Company is Rs.18,24,75,000/- (Rupees Eighteen crores twenty four lacs seventy five thousand) divided into 1,82,47,500 Equity Shares of Rs.10/- (Rupees Ten) each."
- c) The shareholders of the Transferor Companies and Transferee Company in their respective General Meetings have agreed to receive parri passue dividend if declared instead of pro rate dividend from the Transferee Company. It is clarified that the aforesaid provision is enabling provision and shall not confer any right to any member of the Companies.

- d) Equity shares when issued and allotted by the Transferee Company in terms of the Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company as amended and shall rank parri passue in all respect with the then existing Equity Shares of the Transferee Company including rights in respect of dividends declared on or after the effective date.
- e) Upon the issue and allotment of new shares in the capital of Transferee Company to shareholders of the Transferor Companies, the share certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled.
- f) The Scheme of Arrangement in respect of interse investments in the form of Shares, Share Application Money between the Companies desiring to amalgamate by merger is in the best interest of the shareholders and creditors of the effected Transferor Company, Transferee Company and the Resultant Company and as:-
- i) All requisite statutory procedure for supporting such a Scheme has been complied with and that the requisite meetings as contemplated by sections 78, 100, 101, 391(1) (a) have been held.
 - ii) All necessary material indicated by section 393(1)(a) is placed before the concerned meetings as contemplated by section 391 sub-section (1).
 - iii) All the requisite material contemplated by the proviso to sub-section (2) of section 391 of the Act is placed before the Hon'ble High Court of Mumbai by the applicant seeking sanction for such a Scheme and the Hon'ble Court to get satisfied about the same.

The Authorized Capital after Effective Date in the Resultant Company shall be by which it would automatically increase by Act of amalgamation without any act, deed or action and without payment of any fee.

Name of the Company	Amount (Rs.)
Priority Intra Commercial Limited, Kolkatta 2,47,500 Equity Shares of Rs.10/- each existing)	24,75,000.00
A. Total of Existing Capital of Transferee Company	24,75,000.00
Add:	
Arihant Exports Limited, New Delhi 20,00,000 Equity Shares of Rs.10/- each (existing)	2,00,00,000.00
MVA Finance Private Limited, New Delhi 20,00,000 Equity Shares of Rs.10/- each (existing)	2,00,00,000.00
VMA Finance Private Limited, New Delhi 20,00,000 Equity Shares of Rs.10/- each (existing)	2,00,00,000.00
Inder Overseas Private Limited, New Delhi 1,00,00,000 Equity Shares of Rs.10/- each (existing)	10,00,00,000.00
B. Total of New Delhi Transferor Company (existing)	16,00,00,000.00

Malti Textile Mills Limited, Mumbai 10,00,000 Equity Shares of Rs.10/- each (existing)	1,00,00,000.00
Nityanand Exports & Consultants Co. Limited, Mumbai 20,00,000 Equity Shares of Rs.10/- each (existing)	1,00,00,000.00
C. Total of Mumbai Transferor Company (existing)	2,00,00,000.00
Grand Total Resultant Company	18,24,75,000.00

Paid up Capital

Priority Intra Commercial Limited,
Kolkatta

2,47,500 Equity Shares of Rs.10/- each. Fully paid up	24,75,000.00	
Less: Interse investment written off	5,00,000.00	19,75,000.00

Inder Overseas Pvt. Ltd., New Delhi

2,17,600 Equity Shares of Rs.10/- each. Fully paid up	21,76,000.00	
39,44,000 Partly paid up Equity Shares of Rs.10/- each, Rs.5/- per share called & paid up	1,97,20,000.00	
Share Application Money	4,00,000.00	2,22,96,000.00

Arihant Exports Ltd., New Delhi

19,92,000 Equity Shares of Rs.10/- each. Fully paid up	1,99,20,000.00	
Less: Interse investment written off	1,01,37,000.00	97,83,000.00

MVA Finance Pvt. Ltd., New Delhi

13,22,020 Equity Shares of Rs.10/- each. Fully paid up	1,32,20,200.00	
Less: Interse investment written off	1,10,65,000.00	21,55,200.00

VMA Finance Pvt. Ltd., New Delhi

14,24,200 Equity Shares of Rs.10/- each. Fully paid up	1,42,42,200.00	
Less: Interse investment written off	1,14,60,000.00	27,82,200.00

Nityanand Exports & Consultants Co.
Ltd., Mumbai

9,96,000 Equity Shares of Rs.10/- each. Fully paid up	99,60,000.00
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Malti Textile Mills Ltd., Mumbai

9,96,000 Equity Shares of Rs.10/- each. Fully paid up	99,60,000.00	
Less: Interse investment written off	47,80,800.00	51,79,200.00
Total		5,41,30,600.00

The Directors are interested in the resolution to the extent of shareholding.

Item No. 7 & 8

The company has given no objection and compound right to shares in respect of interse investment and in perfect good faith and for very good business reasons and although no confirmation is required the same is being placed before the shareholders. The proposal amounts to reduction in Share Capital necessary formalities as required by section 100/101 be complied with. The Balance Sheets for the years ended 31.03.2008 incorporating these changes are thus subject to the approval of respective Hon'ble High Courts having jurisdiction or authority empowered for this purpose under the Companies Act, 1956. For the purpose of giving effect to the above and for removal of any difficulties or doubts and as and by way of abundant precaution, the Board of Directors of the Company which term shall be deemed to include any person or committee which the Board would have authorized/ may authorize or nominated/ may nominate by the Board to exercise its powers, including the powers conferred under a resolution be and is hereby authorized to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary, expedient, or proper and to settle any question or difficulty that may arise with regard to passing of such accounting entries and/or making such other adjustments in the books of accounts as considered necessary to give effect to the resolution, finalizing the amounts involved or to carry out such modifications/directions as may be involved by appropriate Hon'ble High Court to implement the aforesaid reduction. The propounders have acted bonafide and in good faith and have not coerced these Companies in order to promote any interest adverse to that of the latter comprising the same class whom they purported to represent.

The proposed Scheme of Compromise is not violative of any provisions of law and is not contrary to Public Policy. In view of the expected consent from the members and unsecured creditors Hon'ble Mumbai High Court is being prayed to waive the meetings required pursuant to section 391 and 393 of the Companies Act, 1956.

MALTI TEXTILE MILLS LIMITED**DIRECTORS REPORT**

To the Members

Your Directors are presenting the 23rd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2008 for your perusal consideration and adoption.

FINANCIAL RESULTS

	<u>2008</u>	<u>2007</u>
Profit/(Loss) for the year	1,58,538.34	(33,295.52)
Less: Provision/payment of Income tax	16,500.00	-
	1,42,038.34	(33,295.52)
Balance being Loss brought forward from Previous year	(58,83,482.03)	(58,50,186.51)
Net Loss carried over to Balance sheet	(57,41,443.69)	(58,83,482.03)

DIVIDEND

In light of above your Directors do not propose any dividend for the year.

AUDITORS' REPORT

The notes referred to by the Auditors in their report are self-explanatory.

FIXED DEPOSITS

The company has not accepted any Fixed Deposits from the public during the period.

DIRECTORS

Pursuant to provision of Section 256 of the Companies Act, 1956, Sh. S.P. Rai, retires by rotation and being eligible offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

Disclosure of information as per Section 217(2A) of the Companies Act, 1956 is not being given as no employee of the Company is getting remuneration more than the prescribed limits.

LISTING FEES

Listing Fees of Rs.10,000 for the period 2007-2008 is yet to be paid to Bombay Stock Exchange.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND EARNING AND OUT GO

As to information required under Section 219(1)(e) of the Companies Act, with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the company has not made any transaction for earning and outgo of foreign exchange and has not utilized energy in any way during the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Pursuant to Section 217 (2AA) of the Companies (Amendment Act) 2000, the Directors of your Company state as under:-

- a) that in the preparation of the Annual Accounts, applicable accounting standards have been followed.
- b) that the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) that the Directors had prepared the annual Accounts on a going concern basis.

POWER TO AMALGAMATE

The Chairman informed the Directors of the company that it is proposed to amalgamate your company and five other companies namely M/s. Arihant Exports Ltd., 102, Akashdeep Building, 26A, Barakhamba Road, New Delhi, M/s. VMA Finance Pvt. Ltd., 308, Akashdeep Building, New Delhi, M/s. MVA Finance Pvt. Ltd., 308, Akashdeep Building, 26A, Barakhamba Road, New Delhi, M/s. Malti Textile Mills Ltd., A-2, Basement, Arcadia Building, Nariman Point, Mumbai and M/s. Nityanand Exports & Consultants Co. Ltd., A-2, Basement, Arcadia Building, Nariman Point, Mumbai with M/s. Priority Intra Commercial Ltd., Room No. 15, 3rd Floor, 23A, Netaji Subhash Road, Kolkatta under Section 78, 100, 101, 391 to 394 of the Companies Act, 1956 to run the activities of the companies smoothly and with sound finance.

AUDITORS

M/s. Suresh Kumar Mittal & Co. Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting of the company and being eligible offer themselves for re-appointment.

COMPLIANCE UNDER SECTION 383 A OF THE COMPANIES ACT, 1956

The Company had appointed M/s. V.K. Sharma & Co., Company Secretaries for the Secretarial Audit for the current year. His report is enclosed herewith.