

EFFINGO TEXTILE & TRADING LIMITED

(Formerly known as MALTI TEXTILES & TRADING LIMITED)



28th ANNUAL REPORT

FOR THE YEAR ENDED

31st MARCH, 2013

EFFINGO TEXTILE & TRADING LIMITED

DIRECTORS:

Mrs.Priya Rawal – Managing Director

Mr.Rajendra Prasad Gogawat

Mr.Anil Tandon

Mr.Manish Jain

BANKERS:

AXIS BANK LTD

AUDITORS:

M/s. S. B. Jajoo & Co.
Chartered Accountants

REGISTERED OFFICE:

502, Arcadia Building,
195. NCPA Marg, Nariman Point,
Mumbai.-400021.

**R E G I S T R A R A N D S H A R E
T R A N S F E R A G E N T S :**

ABHIPRA CAPITAL LTD
(BM-1), A-387, Abhipra Complex,
Dilkhush Industrial Area,
G. T. Karnal Road, Azadpur, Delhi, 110033

NOTICE

NOTICE is hereby given that the Annual General Meeting of the shareholders of the Company EFFINGO TEXTILE & TRADING LIMITED (Formerly known as Malti Textile & Trading Limited) will be held on Friday, 27th September 2013 at 10.00 A.M. at The Maharaja Business hotel, Kohinoor Complex, Service Road, Western Express Highway, Rawalpada, Dahisar (East), Mumbai-400068. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at and the Audited Profit and Loss Account of the Company for the period ended 31st March, 2013 together with Directors' Report and Auditors' Report thereon.
- 2) To re-appoint as a Director in place of Mr. Rajendra Prasad Gogawat who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To re-appoint as a Director in place of Mr. Anil Tandon who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint M/s. S. B. Jajoo & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS**5) Sub Division Of Equity Shares :**

To consider and if thought fit, to pass with or without modifications, the following, resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company as may be necessary and subject to such other consents, approvals, permissions and sanctions as may be considered necessary by the Board of or as may be prescribed or made, while granting such consents and approvals and which may be agreed to by the Board:

Each of the 11,00,00,000 equity share of the company of face value Rs. 10/- (Rupees Ten Only) each in the Authorised capital of the Company be sub-divided into 11,00,00,000 equity shares of face value Rs. 1/- (Rupees One Only) each effective from the Record Date, to be decided by the Board of Directors; and the existing Clause V of the Memorandum of Association of the company be substituted by the following new clause V:

“V. The Authorised share capital of the Company is Rs. 11,00,00,000/- (Rupees 11 Crores Only) divided into 11,00,00,000 (Eleven Crores only) Equity shares of Rs. 1 (Rupees One only) each.”

RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to call back the existing share certificates from the shareholders and to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders' accounts maintained with the Depositories, subject to

the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution."

6) Alteration in Capital Clause of the Articles Of Association

To consider, and if thought fit, to pass, with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, other applicable provisions of the Companies Act, 1956, Articles of Association be and is hereby altered in the manner following:

Existing clause 3 i.e. Capital Clause of the Articles of Association of the company be altered, by replacing the present clause by the following new clause 3.

"4. The Authorised share capital of the Company is Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 11,00,00,000 (Eleven Crores only) Equity shares of Rs. 1 (Rupees One only) each."

7) Appointment of Ms. Priya Rawal as the Director of the Company:

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

"RESOLVED THAT Ms. Priya Rawal a director who was appointed as additional director in the meeting of the Board of Directors held on 31st December 2012 and who holds office only upto the date of Annual General Meeting and in respect of whom notices under section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Ms. Priya Rawal as a candidate for the office of Director of the company be and is hereby appointed as Director of the company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto."

8) Appointment of Ms. Priya Rawal as the Chairperson and Managing Director:

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the appointment of Ms. Priya Rawal as Chairperson and Managing Director of the company in accordance with Schedule XIII of the Companies Act, 1956 to hold office of Chairperson and Managing Director for a period of one year from 31st August 2013 till 30th August 2014 on such terms and conditions as contained in an agreement proposed to be entered into between the company and Ms. Priya Rawal, and as set out in the explanatory statement to this resolution.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments

as may be required from time to time for giving effect to the above resolution and matters related thereto.”

9) Appointment of Mr. Gaurav Bahtey as the Director of the Company:

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

“RESOLVED THAT Mr. Gaurav Bahtey_a director who was appointed as additional director in the meeting of the Board of Directors held on 31st August 2013 and who holds office only upto the date of Annual General Meeting and in respect of whom notices under section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Gaurav Bahtey_as a candidate for the office of Director of the company be and is hereby appointed as Director of the company.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto.”

10) Appointment of Mr. Gaurav Bahtey as the Executive Director:

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the appointment of Mr. Gaurav Bahety as Executive Director of the company in accordance with Schedule XIII of the Companies Act, 1956 to hold office of Executive Director for a period of one year from 31st August 2013 till 30th August 2014 on such terms and conditions as contained in an agreement proposed to be entered into between the company and Mr. Gaurav Bahety, and as set out in the explanatory statement to this resolution.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto.”

NOTES:

- i. A Member entitled to attend and vote on a poll is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. The Register of Members and Share Transfer Books will remain closed from 20th September 2013 till 27th September 2013.
- ii. Members are requested to address all communication regarding transfer of shares, change of address etc. directly to the Share Transfer Agent of the Company, Abhipra Capital Ltd, Phone: 011-42390725. Fax: 011-42390830 . Email: jeewatrai@abhipra.com and in case their shares are held in the dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
- iii. Members desirous of availing nomination facility may send their nomination in the prescribed form. Nomination forms can be obtained from the Registrars/ Company.
- iv. Members desirous of obtaining any information concerning the account and operations of the Company are requested to address their queries to the Chairmen, so as to reach the

Registered Office of the Company at least Seven days before the date of the Meeting, to enable the Company to make available the required information at the Meeting, to the extent possible.

- v. On dematerialisation of shares, the nomination registered by the Company automatically stands cancelled. In the case of shares held in electronic (dematerialised) form, the Members are given an option of nomination at the time of opening a demat account. If no nomination is made at the time of opening the demat account, they should approach their respective Depository Participant.
- vi. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs("MCA"), Government of India, through its Circular nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents through electronic mode. In the spirit of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice convening the general meetings, Financial Statements, Directors Report, etc. to the e-mail address provided by the members. We, therefore, appeal to the members to register their name in getting the documents in electronic mode by sending an e mail giving their Registered Folio No. and/or DP Id/Client Id to the dedicated e mail address at maltitextile@yahoo.com
- vii. Members/Proxies are requested to bring the Attendance Slip sent with this Notice duly filled-in for attending the meeting.
- viii. The relative Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
- ix. Members are requested to bring their copy of Annual report to the meeting.

In terms of circular no.MRD/DoP/Cir-05/2010 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI) it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholder are requested to furnish copy of PAN card at the time of transferring their physical shares

Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956**Item no 5& 6 :**

The shareholders to note that the Equity Shares of your Company are listed on the Bombay Stock Exchange Limited (BSE). The equity shares of the company are actively traded on BSE.

The market price of the shares of the Company has witnessed significant spurt over the last 12 months. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 31st August, 2013, considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten) equity shares of Rs. 1/- each such that each shareholder holding 1 (one) equity share of the Company of face value Rs. 10/- per share will receive 10 (Ten) equity shares of the Company of face value Rs. 1/- per share. The date on which this sub-division would become effective (record date), will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company & Articles of Association relating to equity shares also need relevant amendment to give effect to the sub-division.

The Board of Directors recommends passing the resolution as Special Resolution. None of the Directors of the Company are in any way interested in the said resolution.

A copy of the Memorandum of Association together with a copy of the Articles of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 11.00 AM and 1.00 PM on any working day (except Sunday & Bank Holidays) of the company.

Item no 7 & 8 :

Ms. Priya Rawal was appointed by the Board of Directors in their meeting held on 31st December 2012. Pursuant to provisions of section 260 of the Companies Act, 1956, she holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act proposing her candidature. Also the company has received a sum of Rs. 500 each towards the deposit along with the notice. Your Directors propose her appointment as Director liable to retire by rotation.

Ms. Priya Rawal also was also appointed as Chairperson and Managing Director in the meeting of Board of Directors on 31st August 2013 with effect from 31st August 2013 for a period of one year, i.e. from 31st August 2013 to 30th August 2014 subject to approval of shareholders. The Board of Directors recommends appointing Ms. Priya Rawal as the Managing Director in the category of Chairperson of the Company for a period of one year, i.e. from 31st August 2013 to 30th August 2014. The Board feels expertise of Ms. Priya Rawal will immensely help the Company in expansion of the operations of the Company.

In terms of the provisions of sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956, the above said appointment and payment of remuneration requires the shareholders' approval by way of a special resolution.

The Board recommends the proposed resolution for your approval as a special resolution. Except Priya Rawal, no other director is interested in the resolution.

These disclosures and information will also be treated as information and disclosure provided under section 302 of the Companies Act, 1956.

Item no 9 & 10

Mr. Gaurav Bahtey was appointed by the Board of Directors in their meeting held on 31st August 2013. Pursuant to provisions of section 260 of the Companies Act, 1956, he holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act. Also the company has received a sum of Rs. 500 each towards the deposit along with the notice. Further, the Company also proposes to appoint him as the Executive Director of the Company for a period of one year i.e. from 31st August 2013 to 30th August 2014. The Board is of the view that Mr. Gaurav Bahtey's knowledge and experience will be of benefit and value to the Company and, therefore, recommends her appointment as a Director of your Company liable to retire by rotation and also as the Executive Director of the Company.

Your Directors recommend this resolution as an Ordinary Resolution for your approval. In terms of the provisions of sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956, the above said appointment and payment of remuneration requires the shareholders' approval by way of a special resolution.

The Board recommends the proposed resolution his appointment as Executive Director for your approval as a special resolution. Except Mr. Gaurav Bahtey, no other director is interested in the resolution.

These disclosures and information will also be treated as information and disclosure provided under section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Place: Mumbai

Date: 31st August 2013

Priya Rawal
Chairman & Managing Director

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report of the Company along with the Audited Statement of Accounts for the year ended as on 31st March, 2013.

FINANCIAL RESULTS:

Particulars	31-03-2013	31-03-2012
Revenue form Operation	47,146,366	46,380
Depreciation	Nil	Nil
Profit/(Loss) before Tax	483,490	(25,979)
Provision for Tax	(150,000)	(3,427)
Profit/(Loss) after Tax	333,490	(29,406)
Balance Brought forward	(5,885,861)	(5,856,455)
Balance carried to Balance Sheet	(5,552,371)	(5,885,861)

BUSINESS OVERVIEW:

During the year under review, the company has progressed with its efficient management and made a Net Profit of Rs. 333,490/-.

During the period under review, the Company also changed its name from Malti Textiles to Effingo Textile & Trading Ltd. The main reason for change of name was to give a fresh branding to the company so that the Company could enter a new era of growth and in turn increase the shareholders value. Further the Company also during the period under review restructured its capital by increasing the Authorised Share Capital and also with the preferential allotments the Company obtained fresh infusion of funds for the further expansion plans of the Company.

DIVIDEND:

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and with a view to conserve the resources they do not propose any dividend for the year ended 31st March 2013

AUDITOR'S QUALIFICATIONS:

The Auditors of the Company have not qualified their report and there are no observations and suggestions made by the Auditors in their report and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

FIXED DEPOSITS:

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

BOARD OF DIRECTORS:

Ms. Priya Rawal was appointed as the Additional Director of the Company in the meeting of Board of Directors held 31st December 2012 and Mr. Gaurav Bahety was appointed as the Additional Director of the Company in the meeting of Board of Directors held 31st August 2013. Pursuant to provisions of section 260 they hold office only upto the date of forthcoming Annual General Meeting. Your Directors propose their re-appointment. Pursuant to provisions of section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, your directors propose appointment of Ms. Priya Rawal as Chairperson and Managing Director and Mr. Gaurav Bahety as the Executive Director of the company for a period of one year from 31st August 2013 to 30th August 2014. Your Directors propose their appointment as the Managing Director and Executive Director respectively. Pursuant to provision of Section 256 of the Companies Act, 1956, Mr. Rajendra Prasad Gogawat, and Mr. Anil Tondon retires by rotation and being eligible offers themselves 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.

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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the Company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

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.

AUDITORS :

M/s. S B Jajoo & 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.

CORPORATE GOVERNANCE:

Reports on Corporate Governance and Management Discussions & Analysis are annexed and form part of this report.