

NOTICE

Notice is hereby given that the Extraordinary General Meeting of the Members of **VOLANT TEXTILE MILLS LIMITED** will be held at its Registered Office at Shreeniwas House, Ground Floor, H. Somani Marg, Mumbai 400 001 on 19th day of November, 2012 at 5.00 P.M. to transact the following business:

SPECIAL BUSINESS:

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

"RESOLVED THAT on the approval of the Scheme of Amalgamation of Lahoti Terra Knitfab Ltd (LTKL) with Volant Textile Mills Ltd (VTML) by the Hon'ble BIFR and on the scheme becoming effective and with effect from the respective Appointed Date / Transfer Date, the authorized share capital of LTKL shall stand consolidated and vested in and be merged with the authorized share capital of VTML and shall stand reclassified as consisting of only equity shares of Re. 1/- each and redeemable preference shares of Rs 10/- each, without any liability for payment of any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, as such fees and duties in respect of such authorized share capital of LTKL has been paid by the said company, the benefit of which shall stand vested in VTML pursuant to the Scheme of Amalgamation becoming effective in terms thereof.

"RESOLVED FURTHER THAT on the approval of the Scheme of Amalgamation of Lahoti Terra Knitfab Ltd (LTKL) with Volant Textile Mills Ltd (VTML) by the Hon'ble BIFR and on the scheme becoming effective and with effect from the respective Appointed Date / Transfer Date (and consequent to consolidation and vesting of the existing authorized share capital of LTKL into and with the authorized share capital of VTML), the authorized share capital of VTML of Rs. 12,50,00,000 (divided into 12,50,00,000 equity shares of Rs. 1/- each) shall stand enhanced to Rs. 27,50,00,000 (divided into 14,30,00,000 equity shares of Re 1/- each and 1,32,00,000 redeemable preference shares of Rs 10/- each).

"RESOLVED FURTHER THAT this Scheme of Amalgamation as proposed, and upon sanction by the Hon'ble BIFR, shall constitute a single-window clearance and shall be deemed to be sufficient for the enhancement of the authorized share capital of VTML and no further resolution subsequent to the sanction of the Scheme shall be required for increasing the authorized share capital (whether under Section 16, Section 94 and / or any other applicable provisions of the Companies Act, 1956), nor shall any additional fees or stamp duty be payable on the memorandum of association of VTML as stamp duty and other fees and charges already paid to the relevant Registrar of Companies on the memorandum of association of LTKL constitutes assets deemed to be merged and available to VTML pursuant to vesting thereof under the Scheme of Amalgamation.

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

"RESOLVED THAT in accordance with the provisions of Section 31, and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and hereby altered as follows:

Existing Article No 3 of the Articles of Association of the Company be and is hereby deleted and be substituted in its place by the following new Article 3

The Authorised Share Capital of the Company is Rs. 27,50,00,000 (Rupees Twenty Seven Crores Fifty Lacs Only) divided into 14,30,00,000 (Fourteen Crores Thirty Lacs Equity Shares of Rs.1/-each and 1,32,00,000 (One Crore Thirty Two Lac Redeemable Preference Shares of Rs.10/- each, with power to increase or reduce the capital of the Company, divide the shares in the capital for the time being, into several classes to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

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

"RESOLVED THAT in accordance with the provisions of Section 31, read with Section 192A and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies.

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

"RESOLVED THAT subject to the approval of The Board for Industrial and Financial Reconstruction (BIFR) under Section 18(1)(c)(ii) read with section 18(4) of the Sick Industrial Companies (Special Provisions) Act, 1985 and subject to requisite approval of the Financial Institution/s, Bank/s and other Creditor/s to the Company, if required, amalgamation of LAHOTI TERRA KNITFAB LIMITED (LTKL), with Volant Textile Mills Ltd (VTML), with effect from 1st April, 2012 or such other date as may be approved by BIFR and the Board of Directors of the company and subject to such alterations or modifications thereof as may be directed by BIFR and accepted by the Board of Directors of the company, be and is hereby approved."

"RESOLVED FURTHER THAT the share exchange ratio for allotment of equity and Redeemable Preference Shares to the shareholders of LTKL in VTML in exchange of their equity shares held in LTKL as may be determined by BIFR and accepted by the Board of Directors of the company, be and is hereby approved.

"RESOLVED LASTLY THAT a certified true copy of this resolution be forwarded to BIFR by the Secretary or any Director of the company."

For and on behalf of the
Board of Directors.

Place: Mumbai
Date : 23rd October, 2012

Sd/-
Anantvikram Somani
Managing Director

REGISTERED OFFICE:

Shreeniwas House, Ground Floor
H. Somani Marg
Mumbai 400 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

2. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.

3. The Scheme of Rehabilitation cum Amalgamation which is submitted to Bank of Baroda, the Operating Agency of BIFR, along with all other documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Extraordinary General Meeting.

4. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.

5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 1 of the notice set out is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 1**

The Directors of your Company (hereinafter referred as the 'Transferee Company') propose to amalgamate Lahoti Terra Knitfab Ltd (LTKL)(hereinafter referred to as the 'Transferor Company') with Volant Textile Mills Ltd (VTML).

The purpose of the scheme will be to effect the amalgamation of the Transferor Company with the Transferee Company, under the terms mentioned therein.

The economic, technical and operational advantages of the proposed amalgamation have been explained in the Scheme of Amalgamation. The Directors are of the view that the proposed amalgamation of the Transferor Company with the Transferee Company will be to the benefit of the Shareholders of the Transferee Company as also the shareholders of the Transferor Company.

Mr. Rajesh Somani and Mr. R.J. Lade are Directors on the Board of Transferor Company who are ably assisted by Mr. Abhay Somani and his vast experience, knowledge and expertise will be available to the Transferee Company.

The Transferee Company would be in a position to manufacture products exclusively for the Transferor Company, which would enable them to utilize their excess processing capacity. Thus, the proposed amalgamation will lead to the synergy of operations and reduction of costs.

The Resolution is intended to obtain approval of the members to this scheme.

It will be noticed that upon the scheme being sanctioned by BIFR, the entire undertaking, Assets and Liabilities of the Transferor Company will be transferred to and vested in the Transferee Company and the Transferor Company will be dissolved without winding up. Every member of the Transferor Company in respect of his or its holding in the said Transferor Company will be allotted equity and preference shares in the Transferee Company in the following manner, i.e. to say:

Equity Shares : One Hundred and Twenty Equity shares of Re.1/- each of VTML would be issued for every 10 (Ten) shares of Rs.100/- each held by the shareholders in LTKL with respect to their shareholding as on the record date and credited as fully paid up.

Redeemable Preference Shares : Eighty Eight redeemable preference shares of Rs.10/- each of VTML would be issued for every 10 (ten) equity shares of Rs.100/- each held by the shareholders in LTKL with respect to their shareholding as on the record date and credited as fully paid up.

Fractional entitlement in swap of LTKL shares. The Directors of VTML will handle fractional entitlements resulting from the consolidation / swap of equity and preference shares. Such fractional entitlement shall be consolidated by issue and allotment of equity and preference shares in lieu thereof to the Director / Employee of VTML. The Committee of Directors of VTML to whom such equity shares are allotted shall sell the same in the market at the prevailing listed price and pay to the shareholder having fractional rights in proportion to their fractional entitlements.

The Directors of the Transferor Company consider the basis of Allotment of shares of the Transferee Company for the Shares of the Transferor Company in the above manner as fair and reasonable. Further the basis of allotment of Equity Shares of the Transferee Company has been recommended as fair and reasonable by Kalyan Jain & Co., Chartered Accountants, Mumbai.

The Draft Scheme of Rehabilitation cum Amalgamation, Memorandum and Articles of Association and the Balance Sheet and Profit and Loss Account for the year ended 31/03/2012 of the Transferee Company and that of Transferor Company as also the Valuation Report of M/s Kalyan Jain & Co., Chartered Accountants, Mumbai, is kept open for inspection at the Registered Office of the Transferee Company between 11.00 A.M. to 1.00 P.M. on any working day up to the date of the Extraordinary General Meeting of the Transferee Company.

**For and on behalf of the
Board of Directors.**

Sd/-

**Anantvikram Somani
Managing Director**

Place: Mumbai
Date : 23rd October, 2012

REGISTERED OFFICE:

Shreeniwas House, Ground Floor
H. Somani Marg
Mumbai 400 001

VOLANT TEXTILE MILLS LIMITED

Regd. Office: Shreeniwas House, Gr. Floor, 27, H. Somani Marg, Mumbai - 400 001.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. It helps us to make proper arrangements. Failure to bring this Attendance Slip will create unnecessary inconvenience to you. Joint Shareholders may obtain additional attendance Slips.

Name and Address of the Shareholder(s)	Please write Reg. Folio Number

I hereby record my presence at the EXTRA Ordinary GENERAL MEETING of the company to be held on Monday, the 19th day of November, 2012 at 5.00 p.m. at the Registered Office of the Company.

Notes:

- 1) Please carry with you this Attendance slip and hand over same, duly signed at the space provided, at the entrance of the meeting hall.

VOLANT TEXTILE MILLS LIMITED

Regd. Office: Shreeniwas House, Gr. Floor, 27, H. Somani Marg, Mumbai - 400 001.

PROXY

I/We _____ of _____ being a member/members of the above mentioned Company, hereby appoint _____

_____ of _____ or failing him _____ of _____

my/our proxy to vote for me/us and on my/our behalf at the EXTRA ORDINARY GENERAL MEETING of the Company to be held on Monday the 19th day of November, 2012 at 5.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Reference Folio: _____

No. of Shares: _____

<p>Affix Re. 1 Revenue Stamp</p>
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Notes:

- 1) The Proxy need not be a member of the Company.
- 2) The Proxy From duly signed across Re. 1.00 Revenue Stamp Should reach the Company's Registered Office at least 48 hours before the time of meeting

