

**38th
ANNUAL REPORT
2019-20**



ADDI INDUSTRIES LIMITED

CIN: L51109DL1980PLC256335

Regd. Office: 23, Eastern Avenue, Maharani Bagh,
New Delhi-110065.

NOTICE**TO ALL MEMBERS:**

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Wednesday, December 23rd, 2020, at 9.00 A.M.** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statement) for the financial year ended March 31, 2020, together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Chaman Lal Jain (DIN No. 00022903), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. To re-appoint Mr. Chaman Lal Jain as Managing Director 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 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including the rules made thereunder (herein after referred to as 'Act', which term shall include any statutory modifications or re-enactment thereof for the time being in force) and subject to all the applicable provisions of the other enactments, if any, and in accordance with the provisions of the Articles of Association of the Company, and subject to the approval of the Central Government, if required, consent of the Shareholders of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Chaman Lal Jain, as Managing Director of the Company to hold his office as such on the following terms and conditions:

1. **Period of Office:** 3 years
2. **Date of commencement of re-appointment:** 1st October, 2020
3. **Date of expiry of the period:** 30th September, 2023
4. **Remuneration:** 12,00,000/- per annum

RESOLVED FURTHER THAT Mr. Chaman Lal Jain will be responsible for day to day management of the Company, subject to the superintendence and control of the Board of Directors and be the Key Managerial Person in terms of Section 203 of the Companies Act, 2013 and shall perform such other responsibilities as may be entrusted to him from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any financial year during the tenure of Mr. Chaman Lal Jain as a Managing Director, he shall be paid the above Remuneration as minimum remuneration during such financial year in which there is loss or inadequate profit.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things, as may be required or considered necessary, expedient, incidental or consequential, for giving effect to the above Resolution."

**For & on behalf of the Board
Addi Industries Limited**

Sd/-
Chaman Lal Jain
Managing Director
DIN: 00022903

Dated: September 12, 2020
Place: New Delhi

Notes:

- a) Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”) in view of the continuing COVID-19 pandemic, companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company
- b) 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 the proxy need not be a member of the Company. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members who are body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- c) The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (“the Act”).
- d) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com and on the website of CDSL at www.evotingindia.com.
- e) The Register of Members and the Share Transfer Books of the Company will remain closed from the 17th December, 2020 to 23rd December, 2020 (both days inclusive).
- f) The Equity Shares of Rs. 10/- each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5/- each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10/- each exchanged for new Share Certificates of Rs. 5/- each, are requested to send the same to the Regd. Office of the Company at 23, Eastern Avenue, Maharani Bagh, New Delhi-110 065 for exchange thereof.
- g) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- h) The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.
- i) A Statement u/s 129 of the Companies Act, 2013, in respect of the Subsidiary Company, Aum Texfab Pvt. Ltd., is contained hereinafter with the Consolidated Financial Statements. The Annual Accounts of the Subsidiary Company and the related detailed information will be made available to the Holding and Subsidiary Company Investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Company has been kept open for electronic inspection by any investor upto the date of this Meeting. Investors seeking to inspect such documents can send an email to atul.addi@gmail.com.
- j) **REGISTRAR & TRANSFER AGENTS:** The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi- 110062, as its Registrar & Transfer Agents (hereinafter referred to as “Beetal”). Shareholders may write to them also directly, or communicate with the Company at its Regd. Office, as they may like.
- k) Pursuant to the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors seeking appointment/ re-appointed are annexed hereto and form part of this Notice.
- l) Corporate Members intending to authorize their Representative(s) to attend and vote at the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting or upload on VC portal/ e-voting portal.

- m) The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for electronic inspection by the Members of the Company upto the date of this Meeting. Members seeking to inspect such documents can send an email to atul.addi@gmail.com.
- n) Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- o) **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The instructions for shareholders for remote e-voting are as under:

- (i) The voting period begins on **Sunday, December 20th, 2020 at 9.00 A.M.** and ends on **Tuesday, December 22nd, 2020 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, December 16th, 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Addi Industries Ltd. on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id i.e. atul.addi@gmail.com**.
 2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id i.e. atul.addi@gmail.com**.
- (xxi) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **atul.addi@gmail.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **atul.addi@gmail.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **atul.addi@gmail.com**. These queries will be replied to by the company suitably by email.
7. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Other Instructions:

- i) The Company has appointed Ms. Jyoti Sharma, Company Secretary in whole-time practice of JVS & Associates as Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer(s) shall within a period not exceeding 3 (three) days from the conclusion of the e-Voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make Scrutinizers' Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
- ii) The Result on resolutions shall be declared on or after the AGM of the Company.
The Result declared along with the Scrutinizers' Report shall be communicated to the stock exchange.
- iii) **Members are requested:**
 - (a) To quote their Folio No./DP Id - Client Id and e-mail ID in all correspondence; and
 - (b) To please note that no gift or gift coupons will be distributed at the meeting.

For & on behalf of the Board
Addi Industries Limited

Sd/-
Chaman Lal Jain
Managing Director
DIN: 00022903

Dated: September 12, 2020
Place: New Delhi

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4 of the Notice

The Shareholders had earlier, at their 32nd Annual General Meeting held on September 30, 2014 and subsequently in 35th Annual General Meeting held on September 29, 2017 approved the appointment and payment of remuneration to Shri Chaman Lal Jain as Chairman & Managing Director of the Company. The tenure of the appointment of Mr. Jain is upto September 30, 2020. The reconstituted Remuneration Committee in its meeting held on September 12, 2020 has recommended the appointment of Mr. C.L. Jain with effect from October 1, 2020 for a period of 3 years.

Mr. Chaman Lal Jain, as Chairman cum Managing Director of the Company, being the promoter director has been associated with the Company since 1985 and has been contributing significantly to the growth of the business of the Company. The Company has made rapid strides and upward surge in its business activities, turnover / exports and profitability over the years and his day-to-day monitoring and effective control over the affairs of the Company, helps to achieve its targets.

Mr. Chaman Lal Jain, drawing the same remuneration as last approved by the Members & the Central Govt. & keeping in view the status enjoyed and the standard of living of the Managing Director, the Remuneration Committee in its meeting held on September 12, 2020 thought it expedient, reasonable and quite justified to and, therefore, fixed the same remuneration with a time-scale as set out in the resolution, for the term from 1st October, 2020 to 30th September, 2023 which has been approved by the Board of Directors, subject to your and the Central Govt. approval, if required.

Accordingly, based on the recommendations of the Remuneration Committee, the Board of Directors of the Company vide their resolution dated September 12, 2020 have approved and ratified the appointment and the remuneration payable to Mr. Chaman Lal Jain, as Managing Director for a period of 3 years, w.e.f. October 1, 2020 subject to the approval of the Shareholders under the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Mr. Chaman Lal Jain is a graduate & from commerce stream. He is in the textile industry since 1968 and has in depth knowledge and knows the knittygritties of the textile industries. He is the overall in charge of the affairs of the Company and has more than 52 years of rich experience in this business. He has been entrusted with the following responsibilities:

- ❖ Overall in-charge of the affairs of the Company.
- ❖ Responsible for delivery of Business Plans, Objectives & Budgets.
- ❖ Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business.
- ❖ Ensure quality of goods exported.
- ❖ Responsible for increasing turnover and business operations.
- ❖ Responsible for Customer Satisfaction.
- ❖ Ensure Fire / Safety / Security SOP's are implemented and to ensure all legal & regulatory compliances are met,
- ❖ All statutory compliances with respect to the above.

The contributions made by Mr. Chaman Lal Jain in the day to day operations, decision making and growth initiatives of the Company are remarkable. The proposed remuneration of Mr. Chaman Lal Jain is in line with the trend in the industry benchmarks. The proposed remuneration is on the same terms and conditions as he was drawing earlier and is commensurate with the qualifications, experience, of Mr. Jain.

In compliance of the provisions of Schedule V to the Companies Act, 2013 the required information is placed before the Members in the General Meeting for their consideration.

General Information:

1.	Nature of industry			Textile Industry including spinning, knitting and dyeing.		
2.	Date of or expected date of commencement of commercial production			Existing Company.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus			Not Applicable		
4.	Financial Performance on the given indicators: (Rs. In Lakhs)					
	Year Ended March 31	Turnover & other income	Sales	Operating Profit/(Loss)	Profit/(Loss) Before Tax	Profit/(Loss) After Tax
	2020	92.57	0	(96.46)	(96.54)	(85.51)
	2019	93.24	50.69	(63.84)	(66.73)	(73.68)
	2018	56.79	11.91	(67.81)	(84.06)	(5.49)
5.	Foreign investments or collaborations, if any			The Company has no foreign investments or foreign collaborations. The Company has not made any foreign investments or has any collaboration overseas.		

Information about the appointee:

1.	Background Details:	Qualifications: Mr. Chaman Lal Jain holds Bachelor degree in commerce. Experience: About 52 years of rich experience in Textile Industry. Work experience inter-alia includes the Setting up of the existing textile business and make it possible for an upward surge in its business activities, turnover / exports and profitability over the years and efficiently manage day-to-day monitoring and exercise effective control over the affairs of the Company, helps to achieve its targets. Shri Jain has taken several initiatives to focus on growth, value addition and cost effectiveness besides overseeing the Company's business. He has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company. Expertise: Due to above indicated experience of 52 years in all facets of textile business, he has gained rich techno-commercial expertise. He being the Chairman & Managing Director of the Company is a promoter director and has been managing the affairs efficiently and in the best possible manner.
2.	Past Remuneration:	2017-18 : Rs.12,00,000.00* 2018-19 : Rs.12,00,000.00* 2019-20 : Rs.12,00,000.00* *The payment of above remuneration was approved in the General Meeting held on 29 th September, 2017 but Shri Chaman Lal Jain willingly did not draw any amount as remuneration from the funds of the Company during these years considering the losses of the Company.
3.	Recognition or Awards:	During his stewardship the Company got the best exporter Award from Apparel Export Promotion Council of India.

4.	Job Profile & His Suitability:	<p>Having regard to the vast experience and expertise of Mr. Chaman Lal Jain, he is a perfect person to handle the following responsibilities:</p> <ul style="list-style-type: none"> ❖ Overall in-charge of the affairs of the Company. ❖ Responsible for delivery of Business Plans, Objectives & Budgets. ❖ Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business. ❖ Ensure quality of goods exported. ❖ Responsible for increasing turnover and business operations. ❖ Responsible for Customer Satisfaction. ❖ Ensure Fire/ Safety/ Security SOP's are implemented and to ensure all legal & regulatory compliances are met, ❖ All statutory compliances with respect to the above.
5.	Remuneration proposed:	As mentioned in the Resolution.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Mr. Chaman Lal Jain having unique experience and back ground, which is not easily available in Indian Industry, has successfully handled various assignments of management and operations of textile business throughout his career. Hence, it is not easy to compare such qualifications, experience and background as they are unique. Mr. Chaman Lal Jain is a well recognised and substantially awarded person which elaborated elsewhere in this statement. There are not many persons of such merits and repute available for employment. Such person commands a gross remuneration of upwards of the proposed remuneration.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	Mr. Hari Bansal, Director being the son of Mr. Chaman Lal Jain and apart from this no other managerial person is concerned or interested in the appointment of Mr. Jain. Mr. Chaman Lal Jain as an individual holds 16,89,818 Equity Shares of Rs.5/- each which constitute 15.65% of the Equity Share Capital of the Company. The total Shareholding of Promoters along with the person acting in concert is 80,18,175 Equity Shares of Rs.5/- each which constitutes 74.27% of the existing Equity Share Capital of the Company.

Other Information:

1.	Reasons of loss or inadequate profits	<p>a) Huge input cost of raw material and consequent increase in operational cost.</p> <p>b) High interest cost on the working capital loan.</p> <p>c) High Volatility in foreign exchange market coupled with global recession which lead to lack of demand and drop in consumer sentiments.</p> <p>d) Overall Textile industries is in a bad shape, due to cheaper import from China and other neighbouring countries.</p> <p>All these factors adversely affected the Company's operations to a greater extent.</p>
2.	Steps taken or proposed to be taken for improvement	<p>a) To achieve better effectiveness on operations.</p> <p>b) Better control on both variable & fixed costs.</p> <p>c) Bifurcating the business into different Profit Centres for having better operational effectiveness.</p> <p>d) Hiring best talent available in the industry to run each Profit Centre effectively and proposed to make the Company profitable.</p>
3.	Expected increase in productivity and profits in measurable terms	The current economic scenario across the globe has badly affected the Indian Textile Industry. The Company has taken several initiatives to improve upon the Company's profitability by reducing the cost of production at the best possible level.