



Annual Report 2008-2009

Report  Junction



Evinix Accessories Ltd.

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NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of **Evinix Accessories Limited** will be held on Wednesday, the 30th September, 2009 at 3.00 P.M at Gymkhana Club-II, Sector-21C, Surajkund Road, Faridabad-121001, Haryana to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr. A. K. Doshi, Independent Director, who is retiring by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s A. S. Patwa & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration to be fixed by the Board of Directors of the company."

SPECIAL BUSINESS:-

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Sanjay Kumar Jain who was appointed on April 04, 2009 as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, being eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of the Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Rajeev Kumar Aggarwal who was appointed on April 04, 2009 as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, being eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of the Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director."
6. To consider and if thought fit to pass with or without modification the following resolution as a **Special resolution**:
"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions, as may be required, under any law for the time being in force, the existing Article No(s). 2, 3, 82, 83, 104, 130, 133, 134, 141 and 147 of Articles of Association of the Company be modified in the following manner:

Article 7 The following Clauses are inserted in Article 2 after Clause "The Act"

"Shareholder's Agreement"

"Shareholder's Agreement" means the agreement dated 31st July 2009 **between (i) Mr. Rajeev Taneja, S/o Sh.T.D.Taneja R/o 218, Sector-21B, Faridabad "Taneja's"** (which expression shall, unless repugnant to the subject or context, be deemed to include their respective legal heirs, legal representatives, administrators and permitted assigns); **(ii) Mr. Rakesh Gupta, S/o Late Sh.J.K.Gupta R/o S-58, Panchshila Park, New Delhi, and Sh. K. M. Gupta S/o Late Sh. J. K. Gupta R/o N-158, 2nd Floor, G.K.I, New Delhi** who have consented to be promoters of the Evinix Accessories Limited (The Company) vide their respective letters dated July 18, 2009 which are annexed hereto as Annexure A forming part of the Agreement; **(iii) M/s Ambros Export Pvt. Ltd. Through Mr. Umesh Kumar, Director** and authorized representative, a limited liability company incorporated under the provisions of Companies Act, 1956 as amended and having its registered office at M-43, Connaught Place, New Delhi (hereinafter referred to as "Gupta's" which expression shall, unless repugnant or contrary to the context or meaning thereof, be deemed to mean and include its successors and permitted/ affiliates, assigns), and **(iv) M/s Evinix Accessories Ltd.** A limited company incorporated under the provisions of Indian Companies Act, 1956 as amended and having its registered office at KH-43, Sector 45, Mewla Maharajpur, Faridabad, Haryana (hereinafter referred to as **"THE COMPANY"** which expression shall, unless repugnant or contrary to the context or meaning thereof, be deemed



to mean and include its successors and permitted/ affiliates, assigns), a copy of which is annexed as Annexure I to these Articles, as may be duly amended or modified from time to time.

"Director"

shall mean a director of the Board of Directors of the company appointed by virtue of Articles of the Company or by the shareholders or appointed as an additional director or alternative director by the Board or nominated under any subsisting contract or by a member which is body corporate and holding shares in the company in compliance with the terms of the Indian companies Act 1956 as amended, the Memorandum of association, Articles of Association, this agreement and Indian laws.

"Dispute"

shall have the reference set forth in clause XVII of the shareholder agreement.

"Effective Date"

shall mean the date of execution of the Shareholder Agreement

"Promoters"

shall mean and include Mr. Rajeev Taneja, S/o Sh. T.D. Taneja R/o 218, Sector-21B, Faridabad (hereinafter referred to as "Taneja's"), Mr. Rakesh Gupta, S/o Late Sh. J.K. Gupta R/o S-58, Panshila Park, New Delhi, Sh. K. M. Gupta S/o Late Sh. J. K. Gupta R/o N-158, 2nd Floor, G.K.I, New Delhi and M/s Ambros Export Pvt. Ltd. having its registered office at M-43, Connaught Place, New Delhi (hereinafter collectively referred to as "Gupta's")

"Shares Lock-in Period"

shall have the meaning assigned to it in Article 4.01 of the Shareholder Agreement;

Article 8 Following article is inserted after Article 3

Article 3A Shares Lock-in Period

Save as otherwise expressly provided for in the Agreement, neither Party along with the shares of "Evinix Accessories Limited" held by its Affiliates in the following manner shall upto March 1, 2010 ("Shares Lock-in Period") directly or indirectly transfer any of its Shares to any third Person:

- (a) Mr. Rajeev Taneja – 1,60,20,000 Equity Shares of Re.1/- each. (Includes 8010000 equity shares acquired/to be acquired from Mr. Sanjay Taneja)
- (b) M/s. Ambros Export Pvt. Ltd. – 96,40,000 Equity Shares of Re.1/- each.
- (c) Mr. Rakesh Gupta – 47,55,847 Equity Shares of Re.1/- each.
- (d) Mr. K. M. Gupta – 10,000 Equity shares of Re.1/- each acquired within 60 days of the agreement.

Provided that the shares held in Lock-in Period can be pledged to lenders and the same is to be disclosed to the other party.

Article 9 The following article is inserted after Article 104

Article 104 A Election and term of Office and duties of Director:

The Board shall manage the Company in accordance with this Agreement, the Memorandum of Association, and the Articles of Association and all applicable laws and regulations. The board shall consist maximum of eight (8) Directors, i.e Two (2) Directors/nominees of first Party, Two (2) Directors/nominees of Second Party and equal number of independent Directors i.e. four (4) unless sooner replaced pursuant to this agreement. Each Party shall have a right to appoint one (1) Whole Time Director. Each whole time Director shall serve till the subsistence of this Agreement. Each Party shall all time have equal representation.

Article 104 B Removal of Directors:

Each party may cause the removal of directors nominated by it and substitute other directors in their place, at any time, with or without cause.

Article 10 Existing Article 82 is substituted by the following Article

Article 82 Chairman of the Board

The Board shall appoint one of the Promoters as the Chairman of the Board ("Chairman") for a period of one year from the effective date from the Gupta's or their nominee.

Each Party who shall have a right to appoint/cause to elect one of its Directors as Director Finance (executive) shall appoint Chairman of the Company for a period of One year. The office of Chairman shall be accordingly rotated between the Parties for a period of one year each ending 30th September or AGM whichever is earlier.

At the expiry of the aforesaid term the Board shall appoint one of the

Nominee as the Chairman for a period of one year from the date of such appointment from the



Taneja's. Thereafter Board shall appoint the Gupta's or their nominee and the Taneja's Nominee Directors as the Chairman by rotation for a term of one year. The Chairman shall not have a second and/or casting vote in a meeting of the Board.

Article 11 existing Article 83 is deleted

(vi) The existing Article 147 is Substituted by the following Article

Article 147 Appointment of the Managing Director, Director Finance (Executive)

- (a) So long as Taneja's being Promoter holds or continues to hold not less than 13% per cent of subscribed and paid up equity share capital of the Company, The Taneja's shall be entitled to hold, nominate for appointment, one of the their Directors as a managing director of the Company ("Managing Director"). Such appointment shall however be subject to compliance of Indian Companies Act 1956 and any other contractual obligation. The Managing Director shall mean Chief Executive Officer of the Company within the meaning of Listing Agreement with the Stock Exchanges.
- (b) So long as Gupta's holds or continues to hold not less than 13% per cent of subscribed and paid up equity share capital of the Company, shall be entitled to hold nominate for appointment, any one of the Director, to fulfill the functions of Chief Financial Officer and Chief Accounting Officer of the Company ("Director Finance"). Such appointment shall however be subject to compliance of Indian Companies Act 1956 and any other contractual obligation.

I, The Managing Director shall be overall incharge for Marketing, Legal, Corporate & Secretarial matters, Administration and New Business Development/Acquisition and expansion.

- (d) The Finance Director shall be overall incharge of Production, Commercial, Financial operations, Legal, Accounts, Treasury and Taxation.

The office of Managing Director and Director Finance shall be rotated after every AGM of the Company till 30th Sept every year whichever in earlier amongst the parties (Taneja's and Gupta's) till the term of this agreement. The first MD shall be from Taneja's and Director Finance from the Gupta's

Article 12 Article 130 clause (2) is substituted with the following :-

Article 130 (2) Quorum

Subject to the provisions of the Act, all meetings of the Board shall require a quorum of at least two (2) Directors; provided, however, that the quorum must include at least (i) one Taneja's or their Nominee Director and (ii) one (1) GUPTA's Nominee Director. If such a quorum is not present within one (1) hour from the time appointed for the meeting, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time seven (7) Business Days later. If a GUPTA Nominee Director and The Taneja's or their Nominee Director are not present at such adjourned meeting within one (1) hour from the time appointed for the meeting, such meeting shall be further adjourned to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time 7 Business Days later, at which meeting the Directors present shall constitute a valid quorum even though either a GUPTA Nominee Director or a The Taneja's or their Nominee Director, as the case may be, is not present, provided, however that in the case of a Reserved Matter, either GUPTA Nominee Director or the Taneja's or their Nominee Director, as the case may be, who is not present shall have the right to convey their decision to the Board in writing.

Article 13 the existing Article 133 is substituted with the following :-

Article 133 Chairman of the Board

The Board shall appoint one of the Promoters as the Chairman of the Board ("Chairman") for a period of one year from the effective date from the Gupta's or their nominee.

Each Party who shall have a right to appoint/cause to elect one of its Directors as Director Finance (executive) shall appoint Chairman of the Company for a period of One year. The office of Chairman shall be accordingly rotated between the Parties for a period of one year each ending 30th September or AGM whichever is earlier.

At the expiry of the aforesaid term the Board shall appoint one of the Nominee as the Chairman for a period of one year from the date of such appointment from the Taneja's. Thereafter Board shall appoint the Gupta's or their nominee and the Taneja's Nominee Directors as the Chairman by rotation for a term of one year. The Chairman shall not have a second and/or casting vote in a meeting of the Board.

(x) Article 134 is substituted with the following :-

Article 134 Question at Board Meeting how decided

At any meeting of the Board, each Director may exercise one (1) vote. All decisions at meetings of the Board shall be taken by a simple majority. Provided that in the case of a Reserved Matter, the affirmative vote of GUPTA'S or thier Nominee Director and the Taneja's or their Nominee Director will



be required for a decision to be approved.

(xi) The following paragraph is Inserted at the end of the existing Article 141

The nominated Director of respective Party shall have the first right to offer comments/views on the draft minutes of the proceedings of the Board Meeting before signature of the Chairman.

7. To consider and if thought fit to pass with or without modification the following resolution as a **Ordinary resolution:**

"RESOLVED THAT pursuant to Article 107 read with Article 122 and proposed new insertion of Article 147 of the Articles of Association of the Company, Mr. Rajeev Taneja, Director be and is hereby elected and appointed as a Director of the company not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time, the relevant provisions of Articles of Association of the company, consent of the company be and is hereby accorded to the appointment of Mr. Rajeev Taneja as Managing Director of the company till the next Annual General Meeting or 30th September 2010, whichever is earlier, upon the following terms and conditions including remuneration with further liberty to the Board (which term shall be deemed to include any committee constituted/to be constituted by the Board) from time to time to alter the remuneration of Mr. Rajeev Taneja in such manner as may be agreed to between the Board and Mr. Rajeev Taneja and as may be permissible at law."

- A. Period:** The next Annual General Meeting or 30th September 2010, whichever is earlier.

- B. Remuneration:** Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month.

The aggregate of the salary, special pay, allowances and perquisites in any financial year shall be within the limits prescribed from time to time under section 198, 309 and the other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may be for the time being, be in force, or otherwise as may be permissible at law.

- a. So long as Mr. Rajeev Taneja functions as Whole Time Director of the company, he will not be subject to retirement by rotation and shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.
- b. Where in any financial year comprised by the period of appointment, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid or given to the Managing Director in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required."

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

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

"RESOLVED THAT pursuant to Article 107 read with Article 122 and proposed new insertion of Article 147 of the Articles of Association of the Company and in conformity with the provisions of section 260 of the Companies Act, 1956, Mr. K.M. Gupta (who was appointed as an Additional Director of the company by the Board of Directors and who holds office to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director) be and is hereby elected and appointed as a Director of the company not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of section 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time, the relevant provisions of Articles of Association of the company and all applicable guidelines issued by the Central Government from time to time and subject to such approvals, as may be necessary, consent of the company be and is hereby accorded to the appointment of Mr. K.M. Gupta as a "Director (Finance) of the company till the next Annual General Meeting or 30th September 2010, whichever is earlier, upon the following terms and conditions including remuneration with further liberty to the Board (which term shall be deemed to include any committee constituted/to be constituted by the Board) from time to time to alter the remuneration of Mr. K.M. Gupta in such manner as may be agreed to between the Board and Mr. K.M. Gupta and as may be permissible at law."

- A. Period:** The next Annual General Meeting or 30th September 2010, whichever is earlier,

- B. Remuneration:** Rs. 2,00,000/- (Rupees Two Lacs only) per month.

The aggregate of the salary, special pay, allowances and perquisites in any financial year shall be within the limits prescribed from time to time under section 198, 309 and the other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may be for the time



being, be in force, or otherwise as may be permissible at law.

- a. So long as Mr. K.M. Gupta functions as a Director (Finance) of the company, he will not be subject to retirement by rotation and shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.
- b. Where in any financial year comprised by the period of appointment, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid or given to the Director (Finance) in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required."

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other provisions, applicable if any, of the Companies Act, 1956 or any Statutory amendment or re-enactment thereof; the applicable provisions of the Articles of Association of the Company and subject to the approval of Central Government or any other approval, as may be required, under any other enactment or law for the time being in force, consent of the Company be and is hereby accorded to the appointment of Mr. Umesh Kumar as the Whole-time Director of the Company at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) per month (consisting of consolidated salary, allowances, perquisites and all other benefits) for his term as the Whole-time Director effective from 4th April, 2009 to 31st July, 2009. The Remuneration Committee of the Board had approved and recommended and the Board of Directors of the Company had approved his remuneration at Rs.2,00,000/- (Rupees Two Lakhs Only) per month (consisting of consolidated salary, allowances, perquisites and all other benefits).

"FURTHER RESOLVED THAT the payment made towards remuneration for the period of his appointment as a Whole-time Director from 4th April, 2009 to 31st July, 2009 be and is hereby approved and ratified."

10. To consider and, if thought fit, to pass with or without modifications, the following resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section-21 of the Companies Act, 1956 and the rules, regulations made therein and subject to the approval of the Central Government and any other statutory authority as may be required, the approval of the company be and is hereby accorded for the change of name of the company to **"EVINIX INDUSTRIES LIMITED"**.

"RESOLVED FURTHER THAT pursuant to the provisions of Section- 21 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956, the clause-1 of the Memorandum of Association of the company be and is hereby altered as under:

Clause-1 The name of the company is **"EVINIX INDUSTRIES LIMITED."**

By the order of the Board
For **EVINIX ACCESSORIES LIMITED**
sd/-

Raghuvansh Mani
Company Secretary

Date: 3rd September, 2009
Place: Faridabad

NOTES:

1. The Explanatory Statement in respect of item numbers 4 to 10, pursuant to Section 173(2) of the Companies Act, 1956, which set out details relating to the Special Business to be transacted at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members are requested to address all correspondences, including any change in their address and dividend matters to the Registrar & Transfer Agent as mentioned below:

M/s. Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi - 110062



4. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th September, 2009 to 30th September, 2009 (both days inclusive), for the purpose of Annual Closing and Annual General Meeting.
5. Members/Proxy holders are requested to produce the enclosed Attendance Slip duly signed at the entrance to the meeting, for admission to the meeting.
6. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company situated at KH-43, Sector-45, Mewla Maharajpur, Faridabad, Haryana, during business hours on all working days except Sundays and Holidays between 10.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
7. Brief resume of the Directors recommended for appointment at this Annual General Meeting, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends their respective appointments.

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 30TH SEPTEMBER 2009 IS AS BELOW:

Name of Director	Mr. Rajeev Taneja	Dr. A.K. Doshi	Mr. Sanjay Kumar Jain	Mr. Rajeev Kumar Aggarwal	Mr. K.M.Gupta	Mr. Umesh Kumar
Date of Birth	30.07.1960	5.12.1939	27.10.1966	22.07.1967	01.05.1948	03.07.1963
Date of Appointment on the Board	01.05.1996	09.07.2008	04.04.2009	04.04.2009	04.04.2009	31.01.2009
Qualifications	Electrical Engineering (N.I.T, Krukshetra), Qualified Cost Accountant, Post Graduate in International trade (I. I. F. T, New Delhi)	B.Com., F. C.A., LLM and Ph.D	C.A. & DBF (ICFAI)	Commerce Graduate	Commerce Graduate	Commerce Graduate
Expertise	over 25 years of experience across leading Indian corporates as BHEL, Siemens, Usha Martin Industries & Denson Industries. His work area included quality assurance, manufacturing, international trade & domestic industrial brand positioning. He has also worked as marketing promotion consultant for different brands and was a visiting faculty at Engineering Staff College of India, till 1996	Over 40 years experience in the field of legal and finance. Also worked as senior official in the Ministry of Corporate Affairs.	Financial Advisory	Widespread experience of 18 years in the field of Mfg. & Processing of Textiles and related products and enriching experience in the import of textile machines. and playing lead role in Business Finance and Accounting.	Industrialist with vast experience of more than two decades in Import / Export of various jewellery items in Diamond, gold, silver etc. and Textile Accessories etc	Industrialist with vast experience of more than one decade in Import/Export of various items like metals, metal scrapes
Directorships held in other public companies (excluding foreign and private companies)	NIL	NIL	NIL	NIL	NIL	1. Pankhuri Investments & Securities Ltd. 2. Associated Forex Services Ltd. 3. Asian Resources Ltd.
Memberships/Chairmanships of committees across public companies	NIL	NIL	NIL	NIL	NIL	NIL
Shareholding of Non-Executive Directors	10.45%	NIL	NIL	NIL	NIL	NIL
Relationship between Directors inter-se	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



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

ITEM NOS. 4 and 5:

Mr. Sanjay Kumar Jain and Mr. Rajeev Kumar Aggarwal were appointed as Additional Directors of the Company w.e.f. April 04, 2009. They hold the office upto the date of this Annual General Meeting pursuant to Article 107 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Sanjay Kumar Jain and Mr. Rajeev Kumar Aggarwal.

The Board recommend the resolutions set out in item Nos. 4 and 5 of the Notice for your approval in the best interest of the company.

None of the Directors of the Company except Mr. Sanjay Kumar Jain and Mr. Rajeev Kumar Aggarwal are interested in the Resolutions.

ITEM NO. 6.

Market pundits are upbeat and indicate that Indian economic scenario is on the upsurge. India is poised to take lead in the global economic resurrection. Your Company has drawn blue prints to accelerate its growth trajectory. This has necessitated some re-engineering of the strategies in the long term interest of the Company. The Promoters Group has changed with the induction of Mr. Rakesh Gupta and Mr. K M Gupta and exit of Mr. Sanjay Taneja. The Promoters have now entered into a contractual obligation, called Shareholders Agreement, amongst themselves for the purpose of governance of the Company.

A copy of the Shareholders Agreement between the Promoters and the Company is kept at the registered office of the company and is available for inspection by the members during the business hours of the company.

Mr. Rajeev Taneja, Mr. R K Gupta and Mr. K M Gupta being promoters may be deemed to be concerned or interested in the proposed resolution. Mr. R K Gupta and Mr. K M Gupta are brothers.

The Board recommends the resolution for your approval in the best interest of the company.

ITEM NO. 7 AND 8.

Consequent to the re - engineering of strategies of the Company and pursuant to the Shareholders Agreement amongst the Promoters, Mr. Rajeev Taneja shall be the Managing Director of the Company upto the date of next Annual General Meeting or 30th September, 2010, whichever is earlier. The Managing Director shall be overall incharge for Marketing, Legal, Corporate & Secretarial matters, Administration and New Business Development/Acquisition and expansion.

Similarly Gupta's have nominated Mr. K M Gupta to hold the office of Director (Finance & Accounts) upto the date of next Annual General Meeting or 30th September 2009, whichever is earlier. The Finance Director shall be overall incharge of Production, Commercial, Financial operations, Legal, Accounts, Treasury and Taxation.

Mr. Rajeev Taneja is gold medalist in Electrical Engineering from N.I.T, Kurukshetra, Mr. Taneja is a qualified CWA (Cost & Works Accountant), and a post-graduate in International Trade from Indian Institute of Foreign Trade (IIFT), New Delhi. Additionally, he is a Master in French language from Kurukshetra University and & alumni of Centre of Retailing MDP-IIM Ahmedabad and has over 25 years of experience across leading Indian corporates as BHEL, Siemens, Usha Martin Industries & Denson Industries. His work area included quality assurance, manufacturing, international trade & domestic industrial brand positioning. He has also worked as marketing promotion consultant for different brands and was a visiting faculty at Engineering Staff College of India, till 1996. He is the founder promoter director of the company.

Mr. K M Gupta is a graduate in Commerce and has over two decade experience of running business, mainly import/export/trading of various Jewellery items in Diamond, gold, silver etc. He has also got enriching experience in import/export/trading of various Handicrafts accessories. Also, he is having experience of



more than a two decade in the International Business, Finance and Accounting.

Considering the background, competence and experience of Mr. Rajeev Taneja and K. M. Gupta and packages of similarly placed personnel of other corporate bodies in the country, the Remuneration Committee of the Board and Directors of your company recommended their appointment on the proposed the terms of remuneration as fair, just and reasonable.

No other director other than Mr. Rajeev Gupta, Mr. K M Gupta and Mr. R K Gupta, being brother of Mr. K M Gupta, is concerned or interested in the proposed resolutions.

The resolution alongwith the above explanatory details may be treated as an abstract to the shareholders relating to the terms of appointment of Mr. K M Gupta, under section 302 of the Companies Act, 1956.

ITEM NO. 9.

The Board of Directors of the Company had, by a resolution passed on 4th April, 2009, appointed Mr. Umesh Kumar as the Whole-time Director of the Company for a period of 3 years with effect from 4th April, 2009.

Based on the recommendation of the Remuneration Committee of the Board of Directors of the Company, the remuneration of Mr. Umesh Kumar was fixed at an all inclusive sum of Rs. 2,00,000/- per month and it was also approved by the Board of Directors of the Company in its meeting held on 4th April, 2009.

Mr. Umesh Kumar resigned from the Board of Directors of the Company w.e.f 31st July, 2009 due to his preoccupations.

The remuneration paid to Mr. Umesh Kumar for his tenure as the Whole-time Director i.e. 4th April, 2009 to 31st July, 2009 requires approval of the shareholders of the Company by means of a special resolution as per the requirements of Schedule XIII to the Companies Act, 1956.

Therefore the Shareholders approval is being sought for ratification of his appointment and the remuneration paid to him consisting of an all inclusive sum of Rs. 2,00,000/- per month for his term as the Whole-time Director from 4th April, 2009 to 31st July, 2009.

ITEM NO.- 10.

Yours Board of Directors at its meeting held on 31st July, 2009 have approved the change in the name of the company with a view to expand its business by diversification and acquisition. Accordingly, under the provisions of the Companies Act, 1956 and rules, regulations made therein, the application on prescribed form was made to the Registrar of Companies, Delhi & Haryana, New Delhi, who approved and allotted us the changed name as **"EVINIX INDUSTRIES LIMITED"**. Hence, due to this change, the related clause of the Memorandum of Association of the company needs to be altered.

Further as per the provisions of section 21 of the Companies Act, 1956, approval of the shareholders by way of special resolution is required for the change of name of the Company.

Hence, the proposed resolutions under this item are being placed before the shareholders for their approval. The Board of Directors recommend passing of these resolutions.

A copy of the Memorandum and Articles of Association of the company is available for inspection by the members during business hour on any working day at the registered office of the company upto the date of the meeting.

None of the Directors of the company is, in any way, concerned or interested in the resolutions.

By the order of the Board
For Evinix Accessories Limited
Sd/-
Raghuvansh Mani
Company Secretary

Date: 3rd September, 2009
Place: Faridabad