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Corporate Information

Board of Directors

Mr. K. M. Gupta, Managing Director
Mrs. Kamlesh Kumari – Director (Commercial & Administration)
Mr. Rajeev Taneja, Director – New Business Promotion
Dr. A. K. Doshi, Independent Director
Mr. Mahabir Prasad, Independent Director

Company Secretary

Mr. Raghuvansh Mani

Auditors

M/s. A. S. Patwa & Co.
Chartered Accountants
B-545, 1st Floor,
Nehru Ground, NIT
Faridabad – 121001(Haryana)
Tel : 0129-2416545

Bankers

State Bank of India, Overseas Branch, New Delhi.
Punjab National Bank, Sansad Marg, New Delhi.

Registrar and Share Transfer Agent

M/s. Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi - 110062
Tel: 011-29961281
Fax: 011-29961284

Shares Listed at

Bombay Stock Exchange Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

Units –**Unit - I**

Rammashraya, KH – 43, Sector – 45,
Mewla Maharajpur,
Faridabad – 121003, Haryana

Unit - II

Evinix Consolidated
(Unit of Evinix Industries Limited)
14/3, Main Mathura Road,
Faridabad – 121003, Haryana

Unit - III

Plot No. 138, NSEZ,
Main Dadri Road,
Noida – 201305, U.P.

Registered Office

Rammashraya, KH-43, Sector-45,
Mewla Maharajpur,
Faridabad - 121003, Haryana, India

e-mail : evinix@evinix.in

DIRECTORS' REPORT

Dear Members & colleagues,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Statement of Accounts on the performance of the company for the financial year ended 31st March 2011.

FINANCIAL RESULTS

Rs in lacs

Particulars	Year Ended March 31,2011	Year Ended March 31, 2010
Total Income	22469.36	16574.41
Profit before Depreciation and Interest	1563.88	1726.94
Finance Cost	966.85	771.09
Depreciation	231.07	235.67
Provision for Tax *Including FBT	37.00	51.41
Profit from Operations	365.95	720.19
Deferred Tax	65.49	(62.32)
Profit after Tax	263.46	731.10
Prior Year Adjustment	4.45	4.45
Add: Surplus of last Year	3783.40	3056.76
Surplus available for appropriation	3884.58	3783.40
Appropriations		
General Reserve	0.00	0.00
Proposed Dividend on Equity Shares	0.00	0.00
Surplus Carried to Balance Sheet	3884.58	3783.40
Surplus available for appropriation	3884.58	3783.40

PERFORMANCE OF YOUR COMPANY

Your Company is engaged in fashion accessories, apparels and fabric products. These product basket is such that all or one segment are always winning businesses across India & our traditional markets. The Company is growing on a consistent basis and year 2010-11 was not an exception to the same. The Gross income from operation was Rs. 20679.51 lacs in comparison to Rs. 16033.40 lacs during the previous year. Profit after Tax during the year decreased from Rs. 731.10 Lacs to Rs. 263.46 Lacs during the previous year.

The Operating profit was lower due to increase in input costs as available across various raw material categories, higher lease rentals on expanded retail space and prolonged pressure on realized prices as well discounting to help recessionary markets in Europe & USA. This year has been year of high cost of money, i.e extended credits to buyer has also added to reduced profits.

DIVIDEND

Your Directors are of the view that in the current phase of expansion and the large opportunities of further growth available to the company, there will be a need to conserve the funds. Hence, your directors do not recommend dividend for the year financial year ended March 31, 2011.

CAPITAL STRUCTURE:

The authorised capital of the Company is Rs. 20,00,00,000/- comprising of 20,00,00,000 Equity shares having face value of Rs. 1 out of which the issued, subscribed and paid up capital is Rs. 10,70,00,000/- comprising of 10,70,00,000 Equity shares having face value of Rs. 1/- per share.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956, and the Articles of Association of the Company Dr. Ajeet Kumar Doshi and Mr. Mahabir Prasad Additional Directors of the company are being offered for regularization.

A brief note in terms of the requirement of the Corporate Governance on the aforesaid Director has been included at Part – I of Annexure – II.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Members of the Board confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation;
2. Prudent accounting policies have been selected and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the Profit of the Company for financial year ended 31st March 2011;
3. Proper and sufficient care has been taken 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;
4. Annual accounts have been prepared on a going concern basis.

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services Private Limited is continued to act as Registrars and Share Transfer Agents as common agency both for physical and dematerialized shares as required under Securities Contract (Regulation) Act, 1956.

The detail of RTA forms part of the Corporate Governance Report.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, a Report on Corporate Governance along with Certificate on Corporate Governance confirming compliances with the conditions of Corporate Governance obtained from the Statutory Auditors of the Company is annexed to this Report. **(Part - 2 of Annexure - II)**

MANAGEMENT DISCUSSION AND ANALYSIS

The detailed review of operations, performance and future outlook of the Company is given separately under the head "Management Discussion and Analysis". **(Part – 1 of Annexure - II)**

LISTING AT STOCK EXCHANGE

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange and National Stock Exchange. The Annual Listing Fees for the year 2011-12 have been paid to the Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure – I) hereto and forms part of this report.

PUBLIC DEPOSITS

The Company has neither invited/ nor accepted any deposits during the year within the meaning of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

PERSONNEL

Employee relations continued to be cordial during the year March 31, 2011. Your Company continued its thrust on Human Resource Department. Your Company has initiated various customized training programs viz. personality development, development of inter personal skills, communication skills, public speaking etc. for its employees that enhance both personal, as well as career growth of the employees. These programs are conducted round the year by professional trainers as well as by the human resource department of the Company. Your Company has also encouraged its employees to attend seminars and discussions conducted by professional institutions and trade bodies. The Board wishes to place on record its appreciation to all the

employees in the Company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year.

PARTICULARS OF EMPLOYEES

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particular of the employee is set out in the Annexure I (Annexure to the Director's Report)

AUDITORS & AUDITORS' OBSERVATIONS

M/s. A.S. Patwa & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and have expressed their reluctance to continue, if appointed. M/s. Doggar & Company, Chartered Accountants, New Delhi have been shortlisted by the Board of Directors of the Company to take over as the Statutory Auditors of the Company for the financial Year 2011-12 .Your Directors recommend their re-appointment.

Observations in the Auditors' Report are dealt with in Notes to Accounts at appropriate places and being self-explanatory need no further explanation.

APPRECIATION

Your Director place on record their sincere gratitude to the continuing patronage of our valued customers, bankers and financial institutions, business associates, shareholders, suppliers and other statutory authorities who have extended their valuable sustained support and encouragement to your Company. Your Directors look forward to all of your continued support and undertaking in the years to come.

Your Managing Director, K. M. Gupta place special thanks to all of you associated with your company specially his colleagues, associates, bankers, statutory & regulatory authorities who have helped him in founding, promoting, steering your company to it's present position in this special categories of specially Fashion accessories.

Your directors wish to place on record, their sincere appreciation to the dedication and commitment of its employees for the growth of the Company. Which has understandably, been significant for the Company's success in meeting Targets during testing times as this year.

For and on behalf of the Board

Sd/-

sd/-

Date: August 19, 2011

(K.M. Gupta)

(Kamlesh Kumari)

Place: FARIDABAD

Managing Director

Director (Commercial & Administration)

ANNEXURE - I

ANNEXURE TO THE DIRECTORS' REPORT

I. Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

1. Conservation of Energy

- a. Energy conservation measures taken : During the period under review, the company has saved energy in production process by optimizing the resources.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy. : NIL
- c. Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods. : All efforts will result in economy of resources and cost cutting.
- d. Total Energy Consumption and Energy Consumption per unit of production. : Given in the below mentioned chart:

A. POWER AND FUEL CONSUMPTION (Rs. in Lacs)

SI. No.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		2010-2011	2009-2010
1.	Electricity		
a.	Purchased		
	Units (Nos.)	284114	737617
	Total Amount (Rs.)	1599369	3855857
	Rate/Unit (Rs.)	5.66	5.23
b.	Own Generation		
	i) Through Diesel		
	Quantity (Ltr.)	96000	147703
	Total Amount (Rs.)	3615360	4927680
	Average Rate (Rs.)	37.66	33.36
	Generate (Units) (Nos.)	N.A.	1119160
	Unit per-ltr of Diesel oil (Nos.)	N.A.	7.58
	Cost/Unit (Rs.)	N.A.	5.52
	ii) Through Steam Turbine	N.A.	N.A.
2.	Coal	N.A.	N.A.
3.	Diesel (Excluding use on Generation of Electricity)		
	Quantity (Ltrs)	31275	41575
	Total amount (Rs.)	1108699	1345788
	Average Rate (Rs.)	35.45	32.37
4.	Others/Internal generation	N.A.	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION

SL.NO.	PARTICULARS	ACCESSORIES (PER PIECE)	
		CURRENT YEAR	PREVIOUS YEAR
		2010-2011	2009-2010
1	ELECTRICITY (Units)	0.63	0.63
2	COAL	N.A	N.A
3	OTHERS	N.A	N.A

II. TECHNOLOGY ABSORPTION : Efforts made in technology absorption as per Form-B of the Annexure to the Rules.**A. RESEARCH & DEVELOPMENT (R & D)**

1. Specific areas in which R&D : R & D work has already started and will be carried out by the Company. continue for sometime more.
2. Benefits derived as a result of : N.A
the above R&D
3. Future Plan of Action : The company is exploring new areas and new range of products.
4. Expenditure on R&D : N.A.
 - a. Capital : NIL
 - b. Recurring : NIL
 - c. Total : NIL
 - d. Total R&D Expenditure as a : NIL
Percentage of total turnover

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief made towards : N.A
technology absorption,

adaptation and innovation.

2. Benefits derived as result of the : N.A
above efforts e.g. product
improvement, cost reduction,
product development, import
substitution etc.

3. In case of imported technology : NIL
(imported during the last 5 years
reckoned from the beginning of
the financial year), following
information may be furnished
 - a. Technology imported : N. A.
 - b. Year of import : N. A.
 - c. Has technology been fully : N. A.
absorbed?
 - d. If not fully absorbed, areas : N. A.
where this has not taken place,
reasons therefore and future
plans of action.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export : Company's export income has view of the
initiatives taken to increase world. Company's Exports have grown
exports; development of new considerably during the last financial year.
export markets for products and Company is coming out with new &
services and exports plan. innovative Export plans to further improve it
during the next financial year.

2. Total Foreign exchange used : The information regarding Foreign
and earned Exchange earnings and outgo are contained
in Notes No. 18 & 19 in the Notes to the
Accounts.

IV. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2011.

Part – A: Employed for the whole of the financial year under review and was in receipt of remuneration in aggregate of not less than Rs. 2, 00,000/- per month.

Sl. No.	Name of the Employee	Designation and nature of Duties	Remuneration Received (in Rs.)	Nature of Employment, Whether Contractual or otherwise	Qualifications and experience of employee	Age	Date of Appointment	Previous employment	Percentage of equity shares held
1.	Mr. K. M. Gupta	Managing Director	30,00,000/-	Regular	Bachelor of Commerce. More than two Decades Experience in Import/export of Jewellery items & Textile Accessories	52	04/04/2009	N.A.	0.01%
2.	Mr. Rajeev Taneja	Director (New Business Promotion)	24,00,000/-	Regular	Bachelor of Science (Electrical Engineering) and Post Graduate in International Trade. Qualified Cost Accountant 25 Years Of Experience Across leading Indian Corporates. His Work includes Quality Assurance, Manufacturing, international trade and domestic Industrial brand Position.	50	13/12/2005	N.A.	10.45%

For and on behalf of the Board

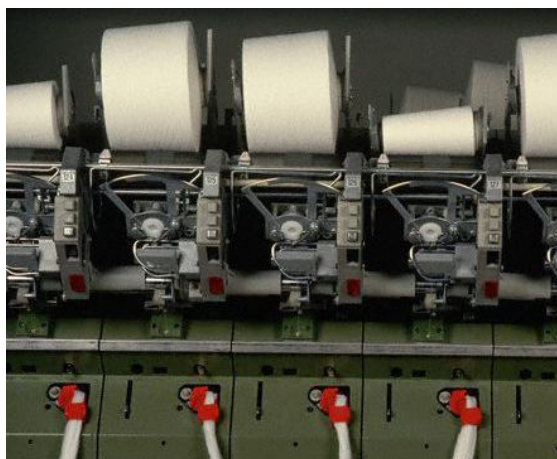
Date: August 19, 2011
Place: FARIDABAD

Sd/-
(K.M. Gupta)
Managing Director

sd/-
(Kamlesh Kumari)
Director (Commercial & Administration)

MANAGEMENT DISCUSSION & ANALYSIS

Industry structure and developments



It's heartening to note that the Indian textile industry contributes around 14 percent to industrial production, 4 per cent of the country's Gross Domestic Product (GDP) and 17 per cent to the country's export earnings. This apart, it also provides direct employment to over 35 million people thereby emerging as the second largest provider of employment after agriculture, according to a Ministry of Textiles report.

The cumulative production of cloth during April'09-March'10 has increased by 8.3 per cent as against the corresponding period of the previous year. It is during this year though many companies have shifted their focus from Clothing to other sectors, but new entrants backed by funding from FII's & Private equity shows the strength which Indian Textile sector has. It is our domestic population needs which are growing @16% annually, which enables us to grow.

Opportunities and Threats

India's textile industry has been on a growth trajectory since the quotas were phased out. Though not very friendly policy initiatives, capacity expansion and India's rising market share, change in products & designs or more so need to have value added hand work products, we are likely to see a rapid export growth in this sector.

Changing lifestyles and accelerating preferences of the urban population for branded apparels are also some of the growth drivers. In opening of Retail sector specially Malls coming up across the country welcome new domestic & International brands. Identification of the textile sector as a priority one for 'job creation' by the government certainly augurs well for the long-term needs of trained man power. This is particularly a positive indication for players in the garmenting side, being very labor intensive. India ranks fifth in the global textile and clothing trade (exports being nearly 3% of global textile trade).

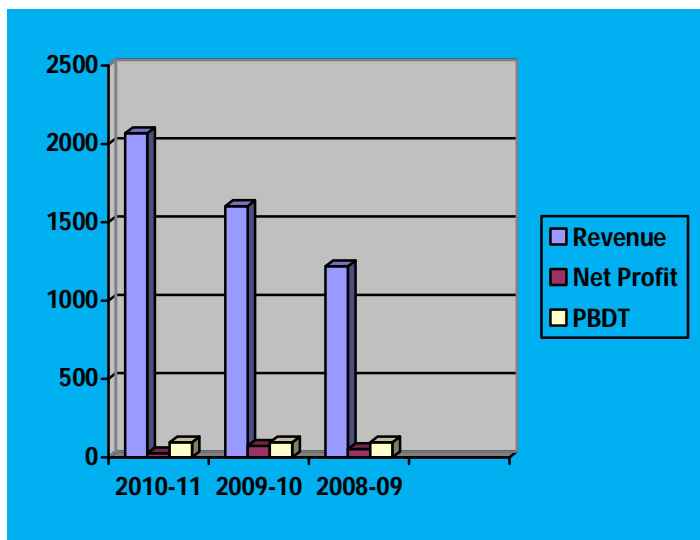
The European & US brands are now setting up contract manufacturing units in India with special reference to supplies for their Indian Chain Stores. which single handedly opens up a wide array of possibilities for all the stakeholders within the textile industry.

Experts believe that the golden era of Chinese textile and apparel exports is over and the production base of global textiles is gradually shifting from China to India, Pakistan and other low cost destinations.

Threats are for loosing quantities supply orders to low cost neighboring countries like Bangladesh & Sri Lanka , which needs to be mitigated by shift in product lines as well up gradation of technology.

Financial performance of Evinix Industries Limited

in Million)	2010 - 11	2009 - 10
Revenue	2,067.95	1,603.23
Other Income	10.59	4.39
Total Income	2,078.54	1,607.62
Expenditure	-2,088.36	-1,435.37
Interest	-96.68	-77.11
PBDT	59.70	95.14
Depreciation	-23.11	-23.57
PBT	36.60	71.57
Tax	3.70	1.09
Net Profit	25.91	72.67



The Company has achieved a Sales Turnover of Rs. 2067.95 million in Financial Year 2010-11 as against sales revenue of Rs 1603.23 million during the previous year. The Company has recorded Profit before Depreciation, and

Tax of Rs 59.70 million as against Rs 95.14 million during the year before. A higher net profit of Rs 72.67 million was registered in FY10 as against a profit of Rs 25.91 million during the previous year.

Measures undertaken

Evinix has started export of Polyester Cotton wraps & scarfs, bed-sheet sets to African countries through India based agents and plan to undertake direct export marketing during 3rd quarter of financial year 2010 and the same has been carried on.

Your company’s expansion plan met with global recession and there was a downturn in retail segment. Consequently, this Strategic Business Unit (SBU) failed to match its projected sales figure and sales were managed on high discounts only. Company has already identified a loss of **Rs 14.73 Crores** on these retail stores.



Despite generating consistent growth in its top line, company's EBIDTA level deteriorated where one of the reasons was fixed expenses incurred for running these stores; same can be depicted from following table

Rs. in Crore

Particulars	2007-08	2008-09	2009-10	2010-11
Net Sales	119.04	121.78	160.32	206.71
EBIDTA	22.87	15.47	17.26	15.63
EBIDTA (%)	19.21%	12.70%	10.77%	7.56%

To shield its main manufacturing activity from the negative impact of its retail segment and in absence of any hope of its revival in near future, company's management has decided to close all its present stores. As a step, leases of all company operated stores are now cleared of its lock in period of 3 years.

Efforts have been undertaken to open more manufacturing locations to meet growing order book position & avoid outsourcing which shall help in improving our bottom line.

Internal control systems and their adequacy.

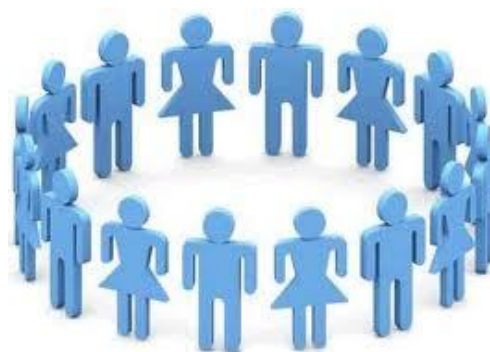


The Company maintains and proper internal controls system of internal controls. All the Company's assets are secured and protected against loss from illicit use or dispossession. All the transactions are authorized. It is ensured that Company's internal audit is being strengthened from time to time and all the financial statements and accounting records of the company are reviewed and reliable.

Material developments in Human Resources /

Industrial Relations front

Sustained and meticulous efforts continue to exercised by the Company at all its plants, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as as vendors, by rigid compulsory annual training refresher courses, as well as frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at all the plants showing Company's commitment towards safety, not only of its own men and plants, but also of the society at large.

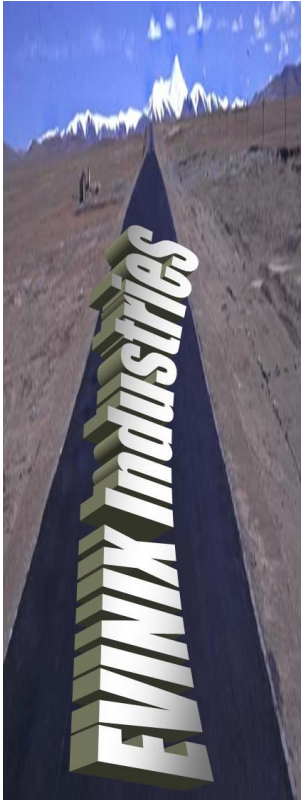


be
well
and

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities, etc.

All the plants of the Company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, your companies all manufacturing locations are fully compliant to buyer norms & certified. These are inspected audited by independent third party as well buyer's auditors.

Road Ahead



The growth in the global textile industry is closely linked to the GDP growth of the US and the European nations. While these economies have been in turmoil in recent times, what is enthusing is the fact that with growing disposable incomes, the domestic market offers significant potential to the branded apparel players. While the shrinking capacities in the US are a positive for Indian companies, competition from low cost producers like China and India cannot be ignored.

Even though experts claim that China is past its glorious days, still one needs to take China seriously because of the capability of Chinese exporters to supply quality products at cheap prices. Indian textile exporters cannot afford complacency and need to be on their toes for any changes within the international trade community.

According to Ministry of Textiles, the current domestic market of textile in India is expected to increase up to US\$ 60 billion by 2012 from the current US\$ 34.6 billion. The share of exports is also expected to increase from 4% to 7% within 2012." Textile Accessories are also an important part of this segment. Coming year shall see addition of Home fashion & Furnishing as another segment contributing min. 25% of revenues & margins.

Your company's plans to diversify in non textile areas are on cards, sectors such as Food, Agri Commodities & Infrastructure. In these new areas while opportunities are large so are downsides, we are cautiously evaluating small proposals matching to our capabilities & risk return expectations of all stakeholders.

ANNEXURE – II (PART – 2)

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (MANDATORY REQUIREMENTS)

1. Statement on company's philosophy on Code of Corporate Governance.

Evinix Industries Limited is committed to good corporate governance in order to enhance shareholders' value. The company believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of shareholder value. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres its operations and in all its dealings with the shareholders, employees, the Government and other parties. It is the Company's belief that good ethics make good business sense and our business practices are in keeping with the spirit of maintaining the highest level of ethical standards.

In so far as compliance of Clause 49 of the Listing Agreement with the Stock Exchanges is concerned, the company has complied in all material respects with the requirements of Corporate Governance specified in the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2. Board of Directors

a) Composition and Category of Directors

The Board of Directors have an optimum combination of executive and non-executive directors comprises of Five (5) Directors, out of which Three (3) are Promoter and Whole-time Directors rest of the Two (2) are Non Executive Independent Directors. All statutory and material information is made available to the Board of Directors to ensure adequate disclosures and transparent decision-making.

b) Board Meetings

During the year ended March 31, 2011, the Board met Ten times on 31st May, 2010; August 14, 2010, 4th September, 2010; 30th September 2010, 13th November, 2010, 19th November 2010, 26th November 2010, 22nd December, 2010, 14th February, 2011.

The composition of Board of Directors, Attendance of Directors at the Board Meeting and the last Annual General Meeting, Directorship & Committee Memberships in other Companies are as follows:

Sl. No	Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 30th Sept.,2010	Directorships /Committee memberships in other Companies
1.	Mr. K.M. Gupta	Promoter/Managing Director	10	Yes	NIL
2.	Mr. Rajeev Taneja	Promoter/Whole-time Director	8	N.A.	NIL
3.	Mrs. Kamlesh Kumari	Whole-time Director	2	N.A.	NIL
4.	Mr. Umesh Kumar	Whole-time Director	1	N. A.	1
5.	Dr. Deepak Malhotra	Non Executive Independent Director	2	N. A.	2
6.	Dr. A. K. Doshi	Non Executive Independent Director	7	Yes	2
7.	Mr. Mahabir Prasad	Non Executive Independent Director	2	N. A.	1
8.	Mr. Sanjay Kumar Jain	Non Executive Independent Director	2	N. A.	1

(c) Brief Resume of Directors seeking re-appointment.

3. AUDIT COMMITTEE

- (a) Brief description of terms of reference : (a) As specified under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.
 (b) Any matter related with Financial matters and /or Annual Report.
 (c) Review of Internal Audit System.

- (b) Composition, Name of members and Chairperson. : 1. Dr. A.K. Doshi, Chairman
 2. Mr. Mahabir Prasad, Member
 3. Mr. U.S. Pandey, Member

- (c) Meeting held : 4
 Attendance: All members were present.

4. REMUNERATION COMMITTEE

- (a) Brief description of terms of reference : (a) As specified under clause 49 of the Listing Agreement
(b) To decide the company's policy and specific remuneration package for the Executive Directors,
(c) To decide any revision/ amendment/ addition/ deletion/ recomposition in the remuneration package of the whole time Directors.
(d) Any matter related with the retirement benefits of the executive and whole time Directors.
- (b) Composition, Name of members and Chairperson. : 1. Mr. Mahabir Prasad, Chairman
2. Mr. U.S. Pandey, Member
3. Mr. Umesh Kumar, Member
- (c) Meetings and attendance during the year : Meeting held: 1
Attendance : All members were present
- (d) Remuneration policy : As per Company rule.

(e) Details of remuneration to all the Directors, during financial year 2010-11 are as per details given below:

Name of the Director	Salary	Sitting Fees	Others	Total
Mr. K. M. Gupta	Rs.30,00,000/-	-	-	Rs. 30,00,000/-
Mr. Rajeev Taneja	Rs. 24,00,000/-	-		Rs. 24,00,000/-
Mr. Umesh Kumar	NIL	-	-	NIL
Dr. Deepak Malhotra	-	Rs.17,000/-	Rs. 3,000/-	Rs. 20,000/-
Dr. A. K. Doshi	-	Rs. 59,500/-	Rs.10,500/-	Rs. 70,000/-
Mr. Sanjay Kumar Jain	-	Rs.17,000/-	Rs. 3,000/-	Rs. 20,000/-
Mr. Mahabir Prasad	-	Rs.17,000/-	Rs. 3,000/-	Rs. 20,000/-
TOTAL	Rs. 54,00,000/-	Rs. 1,10,500/-	Rs. 19,500/-	Rs. 55,30,000/-

NOTES:

1. There are no pecuniary relationships or transactions of the non-executive director's vis-à-vis company.
2. The shareholding of directors as on 31st March, 2011 was as under:

Details of Shareholding of Directors:

1.	Mr. K. M. Gupta	10,000	0.01%
2.	Mr. Rajeev Taneja	1,57,75,000	14.25%
3.	Dr. A .K. Doshi	NIL	NIL
4.	Dr. Deepak Malhotra	NIL	NIL
5.	Mr. Mahabir Prasad	NIL	NIL
6.	Mr. U.S. Pandey	NIL	NIL

5. SHAREHOLDERS/ INVESTOR GRIEVANCE CUM SHARE TRANSFER COMMITTEE

- (a) Name of the Director heading the Committee : Dr. A. k. Doshi (Chairman)
- (b) Brief description of terms of reference. : (a) As specified under clause 49 of the Listing Agreement.
(b) The Committee supervises the mechanism for redressal of investor grievances and ensures cordial investor relations.
(c) Redressal of Shareholders and Investors complaints like transfer of shares, non-receipt of Annual Report, Non- receipt of Dividend and allied matters.
- (c) Name and designation of Compliance officer. : Mr. Raghuvansh Mani, Company Secretary.
- (d) Composition, name of members and Chairperson. : 1. Mr. Mahabir Prasad Chairman
2. Mr. U.S. Pandey Member
3. Mr. Umesh Kumar Member
- (e) Number of shareholders' complaints received till March 31, 2011. : NIL
- (f) Number not solved to the satisfaction of the shareholders. : NIL
- (g) Number of pending share transfers. : NIL

6. GENERAL MEETING

- (a) Location and time, where last three AGMs held : Location of Last Three AGMs:
- 1. 30/09/2010**
Gymkhana Club, Suraj Kund Road, Sector 21C, Faridabad, Haryana - 121001.
- 2. 30/09/2009**
Gymkhana Club, Suraj Kund Road, Sector 21C, Faridabad, Haryana - 121001.
- 3. 29/09/2008**
Aggarwal Sadan, Link Road, Old Faridabad, Faridabad – 121003, Haryana.

DATE	TIME
30/09/2010	11: 30 A.M.
30/09/2009	03: 30 P.M.
29/09/2008	11: 30 A.M.

- (b) Whether special resolutions were passed in three AGM's : Yes
- (c) Whether any special Resolution passed last year through postal Ballot : No
- (d) Whether any special resolution is proposed to be conducted through postal ballot. : Nil

7. DISCLOSURES

- [a] Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large. : In compliance of Accounting Standard – 18, the Disclosure of “Related Party Transactions” has been made in the Notes of Accounts of Financial Statements.
- [b] Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years. : NIL
- [c] Compliance of Mandatory requirements under the Corporate Governance. : As per the details mentioned in Part 2 of Annexure II of the compliance report.
- [d] Compliance of Non-Mandatory requirement under the Corporate Governance. : As per the details mentioned in Part 3 of Annexure II of the compliance report.
- [e] Whistle Blower Policies : No employee has been denied access to the Audit Committee of

8. MEANS OF COMMUNICATION

- (a) Half-yearly report sent to each house hold of shareholders : Will be published in the newspaper as and when applicable apart from sending to the investors who requests for the same.
- (b) Quarterly results. : Published in the News Paper and sent to the Stock Exchanges where Shares of the Company are listed, as and when applicable.
- (c) Newspapers where in the results normally published. : The Pioneer (English), Hari Bhoomi (Hindi),
- (d) Any website, where displayed. : Will be displayed as per the requirements of the Listing Agreement and on our Company's website at www.evinix.in
- (e) Whether it also displays official news releases and presentations. : In addition to Quarterly results, the Company's website displays official news releases and presentations made to institutional investors and analysts.
- (d) Whether MD & A is a part of annual report or not. : Yes

9. GENERAL INFORMATION FOR SHAREHOLDERS

(a) AGM : Date, Time and Venue	:	Date: September 29,2011 Day : Thursday Venue: Aravali Golf Club, N.H. – 03, Faridabad – 121001
(b) Financial Calendar Annual General Meeting	:	September 29,2011
Result for quarter ending 30/06/11	:	August 14, 2011
Result for quarter ending 30/09/11	:	Second week of November, 2011
Result for quarter ending 31/12/11	:	Second week of February, 2012
Result for quarter ending 31/03/11	:	Fourth week of May 2012
(c) Date of Book Closure	:	25 th September 2011 to 29 th September 2011 (Both days inclusive) for the purpose of AGM.
(d) Dividend payment date	:	As per Section 205 of the Companies Act, 1956.
(e) Listing on Stock Exchanges	:	Equity shares of the Company are Listed at Bombay Stock Exchange & National Stock Exchange.
(f) Stock Code	:	NSE : EVINIX BSE : 532818 ISIN No. : INE961H01028

(g) Market Price Data*:-

Sl. No.	Months	High		Low	
		Rate	Date	Rate	Date
1.	April 2010	5.00	22/04/2010	3.57	01/04/2010
2.	May 2010	4.04	04/05/2010	2.00	21/05/2010
3.	June 2010	4.00	04/06/2010	3.22	07/06/2010
4.	July 2010	4.05	06/07/2010	3.26	03/07/2010
5.	August 2010	3.38	03/08/2010	3.05	31/08/2010
6.	September 2010	3.50	17/09/2010	3.00	01/09/2010
7.	October 2010	3.24	27/10/2011	2.84	29/10/2010
8.	November 2010	3.57	10/11/2010	2.40	26/11/2010
9.	December 2010	2.94	01/12/2010	2.00	02/12/2010
10.	January 2011	2.49	05/01/2011	1.55	01/01/2011
11.	February 2011	1.72	02/02/2011	1.10	08/02/2011
12.	March 2011	1.19	08/03/2011	0.87	24/03/2011

*Source: - www.bseindia.com

(h) Performance in comparison to Broad Based indices such as BSE Sensex, CRISIL, index

etc.

(i) Shareholding Pattern as on 31.03.2011:

	Category	No. of Shares Held	Percentage of Shareholding
A	Promoter's holding		
a)	Promoters – Indian	30331665	28.35
	Promoters – Foreign	NIL	NIL
b)	Person acting in Concert	NIL	NIL
	Sub Total	30331665	28.35
B	Institutions Investors		
a)	Mutual Funds and UTI	NIL	NIL
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Government Institutions)	19,97,950	1.87
c)	FII's	40,38,630	3.77
	Sub Total	60,36,580	5.64
C	Others		
a)	Private Corporate Bodies	25,75,78,23	24.07
b)	Indian Public	4,19,02,265	39.17
c)	NRIs/OCBs	28,18,422	2.63
d)	Any other clearing members	1,53,245	0.14
	Sub Total	7,06,31,755	66.01
	Grand Total	1,07,00,000	100.00

(j) Registrar and Transfer Agents for Demat & Physical Shares		M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062.			
(k) Share Transfer System and Investors Grievances.		The share transfer and investor grievances system is in compliance with the requirement of Stock Exchanges and as specified under the Depository Act, 1996. All the transfers received are processed by the R & T Agent within the time stipulated under law. Company has Shareholder's /Investors grievance cum share transfer committee to review the status of various matters related with the shareholders.			
(l) Distribution of Shareholding		As on March 31, 2010.			
Shareholding of Nominal value		Shareholders		Shares	
Rs. Rs.		Number	%	Number	%
Up to 5000		13,620	89.25	1,48,32,758	13.86
5001 - 10000		824	5.40	65,94,827	6.16
10001 - 20000		403	2.64	61,14,894	5.72
20001 - 30000		154	1.01	38,63,880	3.61
30001 - 40000		49	0.32	17,25,319	1.61
40001 - 50000		51	0.33	23,92,306	2.24
50001 - 100000		90	0.59	61,88,415	5.79
100001 and above		69	0.45	6,52,87,556	61.02
Total		13135	100	10,70,00,000	100
(m) Dematerialization of shares and liquidity		85.95% of Issued Capital is in Dematerialized form as on March 31, 2010. The shares are listed at the two stock exchanges.			
(n) Outstanding ADR's/ GDR's/ Warrants or any convertible instruments conversion date & likely impact on equity.		N.A.			
(o) Plant Locations	(a)	KH – 43, Sector – 45, Mewla Maharajpur, Faridabad – 121003, Haryana, India.			
	(b)	14/3, Mathura Road, Faridabad – 121003, Haryana, India.			
	(c)	Plot No. 138, NSEZ, Noida Phase-II, Noida-201305, (U.P), India.			
(p) Address for Correspondence	:	Plot No. 138, NSEZ, Noida Phase-II, Noida-201305, (U.P), India.			

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (PART 3)
(NON-MANDATORY REQUIREMENTS)

1. The Board
 - (i) Non-Executive Chairman's office : The company does not have a Non-Executive Chairman.
 - (ii) Tenure of Independent Directors : The Company is having some independent directors with different tenures. The company intends to retain them, keeping in view their expertise and contribution in the development of the company, subject to the approval of members, as and when due.

2. Remuneration Committee
 - (i) Terms of Reference : Company has constituted a Remuneration Committee in terms of the requirements of the Schedule XIII of the Companies Act 1956 and the necessary requirements of the Corporate Governance. It is authorized to approve and recommend the company's policies on specific remuneration packages for executive directors including any compensation payment.
 - (ii) Constitution of the committee :

1. Mr. Mahabir Prasad,	Chairman
2. Mr. U.S. Pandey,	Member
3. Mr. Umesh Kumar,	Member
 - (iii) Presence at the meeting : All the members were present at the meeting.
 - (iv) Presence of the Chairman of the committee at the Annual : Present

(v) General Meeting.

Present

3. Shareholders rights : The financial performance of company is well published & also displayed on company's website in compliance of Corporate Governance.
4. Audit Qualifications : There are no qualifications /reservations in the Audit Report of the Statuary Auditors, for the Financial Year 2010-11.
- 5 Training of Board members : The members of the Board are possessing vast business experience in the line of textile industry, finance and technical know-how. However their knowledge and experience is also constantly upgraded with their varied experiences
6. Mechanism for Evaluating Directors : The Chairman of the Board of Directors has the responsibility to evaluate the performance/ contribution of all the Directors.
7. Whistle Blower Policy : The company has not yet implemented the Whistle Blower Policy. But, All the employees have the right to report any unethical behavior, actual or suspected fraud or violation.
8. Postal Ballot : It has been conducted wherever requires, in due Compliance with the law
9. Code of Conduct : In terms of the requirement of the

Corporate Governance, the code of conduct of the company for Board Members and Senior Management concerned have been approved by the Board of Directors at their meeting held on April 13, 2007. It has also been displayed of the company's website www.evinix.in .

10. Disclosure for Non-Mandatory : All the major and effective Non-Mandatory requirements have been complied with.

CFO Certification

To,
The members of
Evinix Industries Limited

We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reportings and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit committee:

- (i) there have been no significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) there have been no instances of significant fraud, of which we have become aware including the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Evinix Industries Limited

**Sd/-
Kamlesh Kumari
(Director – Commercial & Administration)**

**Place : Faridabad
Date : August 19, 2011**

For Evinix Industries Limited

**Sd/-
K. M. Gupta
(Managing Director)**

Auditors' Certificate on Compliance with the Corporate Governance

To,
The Members of
Evinix Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Evinix Accessories Limited, for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance; it is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. S. Patwa & Co.
Chartered Accountants**

**Place: Faridabad
Date: August 19, 2011.**

**Sd/-
(A. S. Patwa)
Proprietor**

Code of conduct

To,

The Members of
Evinix Industries Limited

The Board of Directors have adopted the Code of Conduct for Directors and Senior Management. The said code has been communicated to the Directors and the members of the Senior Management. The Code has also been posted on Company's website www.evinix.in. The Company has obtained declarations from its Directors and Senior Management personnel affirming their compliance with the applicable code of conduct.

For and on behalf of the Board

Date: August 19, 2011.
Place: Faridabad

Sd/-
(K. M. Gupta)
Managing Director

AUDITORS' REPORT

To

The Members of
Evinix Industries Ltd. Faridabad

We have audited the attached Balance Sheet of **EVINIX INDUSTRIES LTD.**, Faridabad as at 31st March 2011 and the Profit & Loss Account and also Cash Flow Statement for the year ended on that date annexed thereto. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditor's Report) Order, 2003 issued by Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure A, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of the books of the Company.
- (iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account of the Company.
- (iv) In our opinion, the accounts comply with the accounting standards referred to in section 211 (3C) of the Companies Act;
- (v) None of the directors is disqualified from being appointed as director U/s. 274 (1) (g) of Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance sheet, of the state of affairs of the company as at 31st March 2009;

(b) in the case of the Profit and Loss Account of the profit of the company for the period ended on that date.

(c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For A. S. Patwa & Co.
CHARTERED ACCOUNTANTS

Sd/-

(A. S. PATWA)

Proprietor

Membership No: 11330

Place: Faridabad

Date: August 19, 2011.

A. S. PATWA & CO.
CHARTERED ACCOUNTANTS
B-545, Nehru Ground,
Faridabad 121 001
Tel No. 0129-2416545

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our Report of even date to the members of Evinix Industries Ltd. On the accounts for the year ended 31st March, 2011)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i.
 - a) The Fixed assets Register maintained by the company has not been updated during the year.
 - b) It is reported by the management that the fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
 - c) The fixed assets disposed off during the year, or the amounts withdrawn from Capital Work in Progress in our opinion do not constitute a substantial part of the fixed assets and such disposal or withdrawal in our opinion has not affected the going concern status of the company.
- ii.
 - a) The inventory has been physically verified during the year by the Management along with Lending bank once during the year. It has also been reported by the management that the Inventory has also been physically verified by the internal auditor which is reasonable.
 - b) In our opinion the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion, the company is maintaining proper records of inventory and as explained to us, NO material discrepancies were noticed on physical verification.
- iii.
 - a) The Company has not granted any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (iii) (a) to (d) of the companies (Auditor Report) Order are not applicable.
 - b) The Company has not taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4 (iii) (e) to (g) of the companies (Auditor Report) Order are not applicable.
- iv. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- v. According to the information given to us there are no contracts and arrangements during the year that need to be entered in to a register in pursuance of section 301 of the Companies Act, 1956.
- vi. The company has not accepted any deposits from the public and therefore, the provisions of section 58-A and 58 AA of the Companies Act, 1956 are not applicable.
- vii. The Internal Audit System is commensurate with the size & nature of the business of the company.

- viii. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
- ix.(a) According to information and explanations give to us, the Company has not been regular during the year in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Central Sales Tax. The Income Tax Liability for A.Y. 2010-11 has not yet been deposited by the company. The company has also not deposited any advance tax for the current year. The subject of wealth tax is not applicable to the company. The custom duty and excise duty, cess and other statutory dues are deposited in time with the appropriate authorities. The arrears of undisputed statutory dues remaining outstanding for over six months as at 31st March, 2011 are as under

Sl. No.	Nature of Liability	Amount (In Rs.)
	T.D.S.	97,16,916
	P.F.	16,02,149
	ESI	6,22,968
	VAT + CST	15,32,317
	Professional Tax	7,740
	TCS	66,797

13. The Company has no accumulated losses. The Company has not incurred cash loss during the financial year under report and in the immediately preceding financial year.
- x. On the basis of verification of records and information given to us the Company has not defaulted in repayment of dues to financial institutions or banks.
- xi. In our opinion and according to the explanations given to us, and based on the information available, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. In our opinion, the Company is not a Chit fund or Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us the Company is not dealing in/or trading in Shares, Securities, Debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or Financial Institution.
- xv. The term loans were applied for the purpose for which the loans were obtained.
- xvi. According to the information and explanations given to us the cash flow statement examined by us and on overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.
- xvii. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xviii. Since no debentures have been issued during the year the question of creating securities or charge does not arise.

- xix. Since there were no public issues of securities during the year verification of end use of money does not arise.
- xx. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud has been noticed or reported during the course of our audit for the period under report.

For A. S. Patwa & Co.
CHARTERED ACCOUNTANTS

Place: Faridabad
Date: August 19,2011.

Sd/-
(A. S. PATWA)
Proprietor
Membership No: 11330

EVINIX INDUSTRIES LIMITED			
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011			
PARTICULARS	Sch. No.	Year ended 31.03.2011	Year ended 31.03.2011
		Rupees (In Lakhs)	Rupees (In Lakhs)
INCOME	11		
Sales		20679.51	16032.47
Less: Excise Duty		-	1.10
Net sales		20679.51	16031.37
Other Income		105.89	43.87
Total Income		20785.40	16075.24
Increase/Decrease in stock of finished goods and stock in progress		1683.95	503.33
		22469.35	16578.57
EXPENDITURE			
Material Consumed	12	16364.50	12359.12
Manufacturing expenses	13	2890.14	1030.38
Personnel expenses	14	303.52	427.25
Other operating Expenses	15	1225.42	913.97
Miscellaneous Written off	16	121.89	121.84
		20905.47	14852.56
Profit before Depreciation, Financial Exp. & Tax.		1563.88	1726.01
Less: Financial Expenses	17	966.86	771.08
Profit before Depreciation & Tax.		597.02	954.93
Less: Depreciation		231.08	235.67
Profit from operations		365.94	719.26
Less: Payment & Provision for Tax		37.00	51.41
Less: Deferred tax		65.49	-62.32
Profit after Tax		263.45	730.17
Less: Prior Period Expenses		4.44	4.45
Profit for the Year		259.01	725.72
Add: Surplus as per last year		3625.57	3056.76
		3884.58	3782.48
Less: Transfer to General Reserve			
Surplus carried to Balance Sheet		3884.58	3782.48
Basic earning per share		0.24	0.68
Diluted earning per share		0.24	0.68

EVINIX INDUSTRIES LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2011			
PARTICULARS	Sch. No.	Year ended 31.03.2011	Year ended 31.03.2011
		Rupees (In Lakhs)	Rupees (In Lakhs)
SOURCES OF FUNDS			
SHARE HOLDERS FUND	1	1070.00	1070.00
RESERVE & SURPLUS	2	8034.59	7933.40
Deferred Tax Liability (Net)		313.98	248.49
LOAN FUND			
Secured Loans	3	6892.85	6033.77
Unsecured Loans	4	1314.07	4.27
Total		17625.49	15289.93
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		5456.12	4815.47
Less: depreciation		891.17	671.49
		4564.95	4143.98
Capital Work in progress			422.56
CURRENT ASSETS LOANS & ADVANCES			
Inventory	6	8712.69	6172.70
Sundry Debtors	7	7685.74	5502.62
Cash & Bank Balances	8	151.72	246.66
Loans & Advances (Unsecured & Considered Good)	9	148.40	302.56
		16698.55	12224.54
Less: Current Liabilities & Provisions	10	4489.28	2474.30
Net Current Assets		12209.27	9750.24
MISCELLANEOUS EXPENDITURE	11		
(To the extent not written off or adjusted)		851.26	973.15
Total		17625.48	15289.93
Significant accounting policies & notes forming part I of the financial statements.	19		

SCHEDULES

EVINIX INDUSTRIES LIMITED (as on 31.03.2011)			
PARTICULARS	Schedule No.	As at 31st March, 2011	As at 31st March, 2010
		Rs. In lakhs	Rs. In lakhs
<u>SALES (INCLUDING EXCISE DUTY)</u>	11		
Exports		11413.79	8993.19
Domestic		9265.71	7039.28
		20679.5	16032.47
<u>MATERIAL CONSUMED</u>	12		
Opening Stock		4794.99	3164.94
Add : Purchases		17220.54	13444.77
		22015.53	16609.71
Less : Closing Stock		5651.03	4250.59
		16364.5	12359.12
<u>Schedule No. : 13 : Manufacturing Expenses</u>	13		
Job Work Expenses		2329.45	583.26
Wages		190.83	208.71
Bonus		22.98	17.02
Gratuity			
Leave Encashment		0.55	
Excise Duty Expenses		0.17	
Power & Fuel		78.73	94.83
Carriage & Cartage Inward		233.66	61.56
Security Guard Expenses		14.09	16.42
Testing & Inspection Expenses		4.83	12.17
Sample Expenses		4.96	13.82
Machine Hire Charges		6.71	1.1
Design & Development Charges		0.27	0.93
Water Expenses		2.83	
Medical Expenses		0.07	
Contribution to Employee Labour Fund			1.02
Contribution to ESI			5.44
Contribution to PF			14.11
Less: D R E			
		2890.13	1030.39

Personnel Expenses	14		
Salary		231.5	330.28
Directors Remuneration		54	66
Bonus			
Gratuity		10.83	1.41
Leave Encashment		1.75	0.41
Incentive			4.27
Contribution to Employee Labour Fund			
MLW Employer			0.01
Professional Tax			0.13
Contribution to PF		1.8	3.76
Contribution to ESI		2.55	2.24
Welfare Expenses		1.1	18.5
Less: D R E			
		303.53	427.01
Other Operating Expenses	15		
Rent		60.93	267.03
Rates & Taxes		1.75	23.38
Postage & Courier Expenses		10.96	8.52
Printing & Stationery		7.65	9.84
Legal & Professional Charges		57.03	71.48
Travelling Expenses - Others		7.56	29.07
Travelling Expenses - Directors		2.08	20.31
Conveyance Expenses		11.22	18.4
Telephone Expenses		12.72	20.86
Board Meeting Fees & Expenses		4.47	1.78
Books & Periodicals		0.13	0.02
Membership, Fees & Subscription		2.06	6.13
Miscellaneous Expenses		63.91	30.62
Income Tax Exp			10.84
FBT Exp			17
Insurance		6.91	10.11
Payment to & Provision for Auditors		18	
Vehicle Running Expenses		5.18	
Repairs & Maintenance			
Repairs (Building)		3.28	0.9
Repairs (Machinery)		13.26	12.64
Repairs (Others)		4.34	16.9
House Keeping Expenses		0.78	3.64
Selling & Distribution Expenses			
Advertisement		1.85	8.18
Packing & Forwarding		919.03	302.74
Sales Promotion		6.19	2.51
Commission on Sales (Domestic)			6.82
Commission on Sales (Export)		4.14	14.27
Less: D R E			

		1225.43	913.99
<u>MISCELLANEOUS EXPENSES &</u>	16		
Preliminary Expenses written Off		72.78	33.75
Deferred Revenue Expenses written Off		49.11	88.09
HO Expenses			
		121.89	121.84
<u>FINANCIAL EXPENSES</u>	17		
Interest to Bank & Financial Institutions		773.37	638.75
Other Financial Charges		193.49	132.33
Less: D R E			
		966.86	771.08

NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention on accrual basis of accounting, on a going concern basis and in accordance with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government and other pronouncements of the Institute of Chartered Accountants of India (ICAI), and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

Revenue Recognition

Revenue from sale is recognized on transfer of ownership to the customer. Revenue includes excise duty and is shown net of value added tax and applicable discounts and allowances and short receipt in Export Sales. The effect of exchange rate fluctuations is also given in Revenue. The Excise duty paid is shown distinctly as expense.

Fixed Assets and Depreciation

Fixed assets including the expenses incurred on improvement and furnishing of rented premises in Retail division are stated at cost less accumulated depreciation and impairment loss, if any. The cost of Assets comprises of purchase price and directly attributable expenses of bringing the assets to their working condition for intended use.

Depreciation on Fixed assets is provided using the straight-line method and at the rates specified in Schedule XIV to the Companies Act, 1956. As per policy of the company the depreciation at full rate is provided on the addition made upto 30th September and at half rate for the addition made after 30th September.

Inventories (as valued and certified by the Management of the Company)

Raw Materials, Packing materials and Accessories, Stores and spare parts and traded goods are valued at cost.

Semi Finished Goods (Work in Progress) is valued at 60% of the selling price (which method is consistently followed and which is deemed to be the cost of such good).

Finished Goods is valued at 75% of selling price (which method is consistently followed and which is deemed to be the cost of such goods).

Employees Benefits

Provision for Gratuity and Leave Encashment has been made on the basis of estimates made by management. Provision for payment of Bonus has been provided at the minimum rate as prescribed in the provisions of The Payment of Bonus Act, 1965.

The Contribution made towards Provident Fund, Employees State Insurance and Labour Welfare Fund is charged to revenue every year.

Miscellaneous Expenditure

Preliminary expenses, deferred revenue expenses and pre-operative expenses are amortized over a period of ten year.

Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. The Exchange rate differences arising on foreign currency transactions are accounted for at the date of settlement of the transaction. Any income or expense arising out of such differences in exchange rates is grouped in the relevant head to which it relates.

The company has entered into forward forex trading to partly hedge its exposure to movements in foreign exchange rates. These transactions are not used for speculation purposes. The resultant gain during the year has been grouped under head Other Income.

Taxes on income

Provision is made for deferred tax for timing differences arising between taxable income and accounting income at current tax rates.

The current tax provision is only MAT tax which is made on estimate basis. No regular current tax is payable due to exemption available for the profit earned by NSEZ unit.

B. NOTES TO ACCOUNTS

1. Background

The company operates two manufacturing units at Mewla, third manufacturing unit situated at Noida Special Economic Zone. The company also has a retail division the head office of which is located at Mumbai. In addition, the company has a Trading Division located at Mewla, Faridabad.

1. The Company's shares are listed for trading with National Stock Exchange and Bombay Stock Exchange.
2. Income of duty draw back has been shown as part of Other Income.
3. The Expenses of Head office known as Corporate Office have been apportioned to different units of the company on the basis of Sales of each unit.

4. Secured Loans:

A. (a) **Term Loan:** Term Loan relates to Loan on Vehicles. Such loan is secured by Hypothecation of the loaned Vehicles.

(b) **Working Capital Loans: The fund and non-fund based limits have been availed by the company from State Bank of India and Punjab National Bank (with SBI – being lead bank)**

The loans are primarily secured by First pari-passu charge over entire current assets of the Company including receivables. Omnibus Indemnity for LC opening/Counter Guarantee in case of

LC/BG limits. The loans are also secured by Collateral charge as First pari passu charge (negative lien) over land situated at Plot No. 138, NSEZ, Noida, UP, and entire fixed assets of the company including assets at NSEZ (excluding land at NSEZ) and including Equitable Mortgage over land and building situate at KH -43 Sector 45, Mewla Maharajpur, Faridabad. The loans are further secured by Personal Guarantees of Shri Rajeev Taneja and Shri K.M. Gupta, Directors of the Company and corporate guarantee of Ambros Exports P. Ltd, and Personal Guarantee of Shri Sanjay Taneja, former director of the company for loans from Punjab National Bank.

5. Contingent Liabilities

Particulars As at 31.3.2011 (Rs.)	As at 31.3.2010 (Rs.)	As at 31.3.2011 (Rs.)
Letters of Credit	5,79,15,110	3,88,90,350
Bank Guarantees (Net of Margin Money)	6,61,500	41,76,334
Pending Cases in Labour Court	0	1,92,000
Direct Tax (A.Y. 05-06) (Under Appeal)	32,62,297	32,62,297
Direct Tax (A.Y. 08-09) (Under Appeal)	3,23,74,026	0
Excise Demand (Under appeal)	23,80,759	23,80,759
Capital Contracts under execution (Net of Advances)	0	40,00,000

6. Deferred Tax Liability (Net)

(Amount in Rupees)

Particulars	Deferred Tax Liability (DTL)	Deferred Tax Asset (DTA)
Opening Balance as on 1.4.2010	2,48,49,368	0
Difference of Depreciation between Company law and Income Tax Law	56,53,484	0
Difference between Provision for Bonus, Gratuity & Leave Encashment and actual payment thereof.	8,95,612	0
Total for the year	65,49,096	0
Balance as on 31.3.2011	3,13,98,464	

7. The Balances of debtors and creditors are subject to confirmation.
8. In the opinion of the Management, all current assets, loans and advances have a realizable value, in the ordinary course of business, at least equal to the amount at which they have been stated.
9. The Company has not received any information from suppliers or service providers, whether they are covered under the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act). Disclosure relating to amount unpaid at the year end together with interest payable, if any, as required under the said Act are not ascertainable.

10. Segment Reporting

- A. Business Segment Based on the guiding principles, as contained in the Accounting Standard (AS) 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segments are "Accessories, Apparel & Garments" and "Fabric" pursued through wholesale and Retail trade.

B Geographical Segments

The Company's geographical segments are Domestic and overseas, by location of its customers.

The details of company's segments wise financial results are as under:

Primary segments:

(Amount in Rupees)

Particulars	Segment Revenue	Segment Results	Less: Financial Expenses	Add: Other Income	Profit before Tax	Capital Employed
Accessories, Apparels & Garments	159,39,32,192 (142,35,19,088)	10,81,68,412 (8,43,48,218)	9,21,94,767 (7,22,55,044)	105,89,556 (43,87,460)	2,65,63,201 (5,56,89,840)	138,96,09,330 (133,04,31,467)
Fabric	47,40,18,979 (16,92,18,124)	1,45,23,191 (6,05,43,332)	44,90,807 (48,53,492)	0 (0)	1,00,32,384 (1,64,80,634)	28,78,14,542 (10,12,47,754)
Other	0 (1,04,92,975)	0 (- 1,51,750)	0 (0)	0 (0)	0 (- 1,51,750)	0 (0)
Total	206,79,51,171 (160,32,30,187)	12,26,91,603 (14,47,39,800)	9,66,85,574 (7,71,08,536)	105,89,556 (43,87,460)	3,65,95,585 (7,20,18,724)	167,74,23,872 (143,16,79,221)

Note: Figures in bracket represent previous year's figures.

B. Secondary Segments:

Particulars	Domestic		Export	
	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
Accessories, Apparels & Garments	45,25,52,417	53,46,93,257	114,13,79,775	88,88,25,831
Fabric	47,40,18,979	16,92,18,124	0	0
Other	0	0	0	1,04,92,975
Total	92,65,71,396	70,39,11,381	114,13,79,775	89,93,18,806

11. Earning per share:

Particulars	Year ended 31.3.2011 (Rs)	Year ended 31.3.2010 (Rs)
Net Profit after tax available to shareholders for the year (A)	2,59,01,528	7,26,64,447
Number of equity shares of Rs. 10 each (B)	10,70,00,000	10,70,00,000
Weighted average number of Equity Shares outstanding during the year (C)	10,70,00,000	10,70,00,000
Nominal value of equity shares	1/-	1/-
Basic earning per share (A) / (B)	0.23	0.68
Diluted earning per Share (A)/(C)	0.23	0.68

12. Related Party Disclosers

Key Management Personnel:

1. Shri K. M. Gupta – Managing Director (w.e.f. 1.10.2010)
2. Shri Rajjeev Taneja -- Director Finance & Accounts (w.e.f. 1.10.2010)

Other Personnel

1. Shri Sanjay Taneja -- President – Marketing

The company has not entered into any transactions with related parties as per Accounting Standard-18 except that of payment of Salary to them.

13. Directors' Remuneration:

Nature of Transactions	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
Salary to Directors	54,00,000	66,00,000
Salary to related person	22,00,000	0
Directors Sitting Fee & Expenses	4,46,821	1,33,000
Total	67,33,000	67,33,000

The Directors' remuneration is within the limits specified in Section 198/349 of the Companies Act, 1956.

14. Auditors' Remuneration

Particulars	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
Statutory Audit Fee	18,00,000	17,00,000
Total	18,00,000	17,00,000

15. Additional information required under Para 3 and 4 of Part II of schedule VI, to the Companies Act, 1956

A. Capacity (as ascertained by the management)

Company's manufacturing capacity is variable and depends on the product mix, complexity of product and extent of outside job work and therefore it is difficult to determine the capacity. However on presumed parameters the Capacity can be considered as under:

Product	Unit	Licensed Capacity	Installed Capacity
Fashion Accessories, Apparels & Garments	Nos.	Not applicable	150 Lakhs

B. Raw Material Consumption

Particulars	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Qty	Value (Rs)	Qty	Value (Rs)
Fabric	Meters	1,11,69,645	130,62,83,816	145,03,358	88,84,77,413
Fabric	Kg	1,29,135	3,81,90,640	3,86,701	7,21,23,798
Fabric	Yards	2,623	1,60,458	21,463	13,41,765
Leather	Sq. feet	9,13,806	19,11,34,884	1,17,436	82,37,610
Leather	Decimeters	10,002	4,60,571	1,017	6,984
Semi Finished Goods	Pieces	1,34,741	49,61,470	14,47,737	18,02,97,748
Yarn	Kg	11,959	29,33,680	1,12,707	1,44,10,582
Others Material			9,23,24,726		7,10,16,048
Total			163,64,50,246		123,59,11,948

Raw material consumption shown in Profit & Loss Account includes sale of raw material and items of traded goods.

The consumption of yarn is for conversion into fabrics on job work basis.

C. Finished Product

I. Opening Stock

Particulars	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Qty	Value (Rs)	Qty	Value (Rs)
Accessories, Apparel & Garments	Numbers	6,65,974	9,95,05,299	5,81,806	5,59,53,911
Fabric	Meters	50,30,840	38,35,45,874	19,22,071	18,06,61,233

II. Production/Purchases

Particulars	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Qty	Value (Rs)	Qty	Value (Rs)
Accessories, Apparel & Garments	Numbers	57,19,685	-	78,99,647	-
Fabric	Meters	77,01,646	38,35,45,874	50,70,033	-
Fabric	Kgs	39,880		0	-
Others	MT	0		492	-

A. Sales

Particulars	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Qty	Value (Rs)	Qty	Value (Rs)
Accessories, Apparel & Garments	Numbers	61,01,507	137,36,34,293	78,15,479	141,93,67,048
Fabric	Meters	71,35,902	69,36,13,234	19,61,264	16,92,18,124
Fabric	Kgs	39,880	24,99,960	0	0
Design & Development					
Others	MT	0	492		1,04,92,975
Total		207,02,58,210			160,32,30,187

IV Closing Stock

Particulars	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Qty	Value (Rs)	Qty	Value (Rs)
Accessories, Apparel & Garments	Numbers	379317	10,07,81,729	6,65,974	9,95,05,299
Fabric	Meters	55,96,584	45,38,04,271	50,30,840	38,35,45,874

16. Value of Direct Imports (C.I.F. Value)

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Amount (Rs)	% of Consumption	Amount (Rs)	% of Consumption
Raw Materials	2,07,90,344	1.27%	3,64,34,780	2.95%

17. Expenditure in Foreign Currency

Particulars	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
Foreign Travel	1,41,600	6,01,499
Fee & Subscription	0	1,81,237
License Fee	0	10,85,402

18. Earnings in Foreign Currency

Particulars	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
FOB Value of Exports (excluding Deemed Export)	113,92,88,880	56,50,11,832

19. Other Income

Particulars	Year ended 31.03.2011 (Rs)	Year ended 31.03.2010 (Rs)
Income from Interest)	10,27,141	9,36,233
Duty Draw Back	32,93,661	1,33,88,329
Miscellaneous Income	0	29,493
Gain on Forex Trading	8,52,978	29,13,379
Excise Refund	9,273	0
Insurance Claim	0	5,08,355
Commission	2,90,000	
Royalty	27,90,000	
Job Work	23,26,503	92,718
Total	1,05,89,556	1,78,68,507

20. Previous year figures have been re-arranged, recast & regrouped wherever considered necessary.

As per our report of even date annexed hereto.

For A. S. Patwa & Co.

CHARTERED ACCOUNTANTS

(A. S. PATWA)

Proprietor

Place: Faridabad

Date: August 19, 2011

For and on behalf of the Board

Sd/-

K M Gupta

Managing Director

Sd/-

Raujeev Taneja

Director (Finance & Accounts)

Sd/-

Raghuvansh Mani

Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**FOR EVINIX INDUSTRIES LIMITED
REGISTRATION DETAILS**

Registration No.	L74210HR1996PL
State Code	05
Balance Sheet Date	31/03/2011

CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities	1761207	Total Assets	1761207
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SOURCES OF FUNDS

Paid up Capital	107000	Reserve and Surplus	833515
Secured Loans	689285	Unsecured Loans	131407

APPLICATION OF FUNDS

Net Fixed Assets	456496	Investments	NIL
Net Current Assets	1219596	Miscellaneous Exp.	85126
Accumulated Losses	0		

PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSAND)

Turn Over	2070258	Total Expenditure	2045450
Profit before Tax	34808	Profit after Tax	31708
Earnings per share in Rs.	0.23	Dividend Range %	NIL

GENERIC NAMES OF THREE PRINCIPLE PRODUCTS OF THE COMPANY

Item Code	Product Description
42022290	BAGS
65010090	CAPS
62059090	APPARELS

For and on behalf of the Board

Sd/-
K. M. GUPTA
(MANAGING DIRECTOR)

Sd/-
KAMLESH KUMAR
(DIRECTOR – Commercial & administration)

As per the report of the even date annexed hereto
For A. S. Patwa & Co.
CHARTERED ACCOUNTANTS
A.S. PATWA
Proprietor
Place: Faridabad
Date: August 19, 2011.