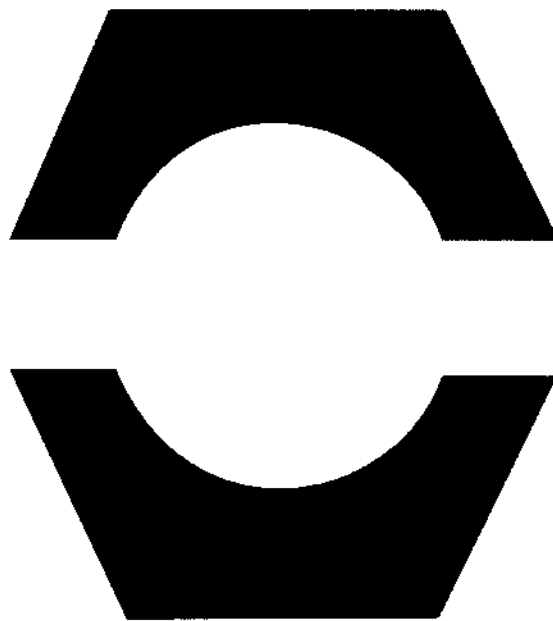


A.V. COTTEX LIMITED



16th ANNUAL REPORT

2009-2010

**16TH ANNUAL REPORT 2009 - 2010****CONTENTS**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sudhir Milapchand Naheta	Managing Director
Mrs. Rajkumari Sudhir Naheta	Director
Mrs. Aditi Aditya Dugar	Director
Mr. Uday Shivram Marathe	Director *
Mr. Amar Ashok Ainapure	Director
Mrs. Anagha Amar Ainapure	Director
Mr. Ashok Kumar Jain	Director
Mrs. Usha Ashok Jain	Director
Mr. Ashwani Dewan *	Director
Mr. Pramod Bharat Mulik *	Director

* (Resigned on 20th July 2010)

STATUTORY AUDITORS

M/s. Haren Sanghvi & Associates
Chartered Accountants

BANKERS

HDFC Bank, Sion Branch, Mumbai

REGISTERED OFFICE

209, Embassy Center, Nariman Point,
Marine Drives, Mumbai – 400021

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078

**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **A V COTTEX LIMITED** will be held on 17th September, 2010 at 04.00 P.M. at World Trade Centre, Seminar Hall-I & II, Centre-1 Bldg, 31st Floor, WTC Complex, Cuffe Parade, Mumbai- 400005 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Aditi Dugar, who retires by rotation at the ensuing General Meeting and offers herself for re-appointment.
3. To appoint a Director in place of Mrs. Rajkumari Naheta, who retires by rotation at the ensuing General Meeting and offers herself for re-appointment.
4. To appoint M/s. Haren Sanghvi & Associates, Chartered Accountants as Auditors of the Company from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

To appoint Mr. Uday Marathe as a Director of the Company

"RESOLVED THAT pursuant to the notice received from one of the shareholders of the Company in pursuance of the provisions of Section 257 of the Companies Act, 1956, the appointment of Mr. Uday Marathe as a Director liable to retire by rotation be and is hereby approved."

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

To appoint Mrs. Anagha Ainapure as a Director of the Company

"RESOLVED THAT pursuant to the notice received from one of the shareholders of the Company in pursuance of the provisions of Section 257 of the Companies Act, 1956, the appointment of Mrs. Anagha Ainapure as a Director liable to retire by rotation be and is hereby approved."



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

To appoint Mr. Amar Ainapure as a Director of the Company

"RESOLVED THAT pursuant to the notice received from one of the shareholders of the Company in pursuance of the provisions of Section 257 of the Companies Act, 1956, the appointment of Mr. Amar Ainapure as a Director liable to retire by rotation be and is hereby approved."

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

To appoint Mr. Ashok Jain as a Director of the Company

"RESOLVED THAT pursuant to the notice received from one of the shareholders of the Company in pursuance of the provisions of Section 257 of the Companies Act, 1956, the appointment of Mr. Ashok Jain as a Director liable to retire by rotation be and is hereby approved."

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

To appoint Mrs. Usha Jain as a Director of the Company

"RESOLVED THAT pursuant to the notice received from one of the shareholders of the Company in pursuance of the provisions of Section 257 of the Companies Act, 1956, the appointment of Mrs. Usha Jain as a Director liable to retire by rotation be and is hereby approved."

BY ORDER OF THE BOARD

Date: 5th August 2010.
Place: Mumbai

SUDHIR NAHETA
MANAGING DIRECTOR



NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. proxies, in order to be valid and effective, should be duly stamped, completed, signed and deposited at the registered office of the Company at least 48 hours before the commencement of the meeting.
2. The Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 are annexed herewith.
3. The register of Beneficial Owners, register of members and share transfer books of the Company will remain closed from Tuesday, 14th September, 2010 to 17th September, 2010 (both days inclusive).
4. The members are requested to intimate to the Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078. about change of address, if any, at the earliest quoting their registered folio number.
5. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Members holding shares in physical form are requested to immediately intimate to the Company/Share Transfer Agents, changes, if any, in their registered addresses along with the pin code number. Members holding shares in dematerialized mode are requested to forward intimation for change of address, if any, to their respective Depository Participants.

BY ORDER OF THE BOARD

Date: 5th August 2010.
Place: Mumbai

SUDHIR NAHETA
MANAGING DIRECTOR

**EXPLANATORY STATEMENT**

Explanatory Statement under Section 173(2) of the Companies Act, 1956 ("the Act").

Item No. 5

Mr. Uday Marathe was appointed as Additional Director by the Board at its 1956, the Company has received notices vacates office at the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act meeting held on 21st October 2009 and in writing along with a deposit of Rs. 500 for each notice, from some of it's members signifying their intention to propose the candidature of Mr. Uday Marathe as Director.

The Board of Directors recommends the resolution for approval of Members. The Members are requested to pass the resolutions as ordinary resolution appointing Mr. Uday Marathe as Director of the Company.

None of the Directors is, in any way, concerned or interested in the proposed ordinary resolution.

Item No. 6

Mrs. Anagha Ainapure was appointed as Additional Director by the Board at its meeting held on 21st October 2009 and vacates office at the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act 1956, the Company has received notices in writing along with a deposit of Rs. 500 for each notice, from some of it's members signifying their intention to propose the candidature of Mrs. Anagha Ainapure.

The Board of Directors recommends the resolution for approval of Members. The Members are requested to pass the resolutions as ordinary resolution appointing Mrs. Anagha Ainapure as Director of the Company.

None of the Directors is, in any way, concerned or interested in the proposed ordinary resolution, except Mr. Amar Ainapure.

Item No. 7

Mr. Amar Ainapure was appointed as Additional Director by the Board at its meeting held on 21st October 2009 and vacates office at the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act 1956, the Company has received notices in writing along with a deposit of Rs. 500 for each notice, from some of it's members signifying their intention to propose the candidature of Mr. Amar Ainapure.

The Board of Directors recommends the resolution for approval of Members. The Members are requested to pass the resolutions as ordinary resolution appointing Mr. Amar Ainapure as Director of the Company.

None of the Directors is, in any way, concerned or interested in the proposed ordinary resolution, except Mrs. Anagha Ainapure.

**Item No. 8**

Mr. Ashok Jain was appointed as Additional Director by the Board at its meeting held on 20th July 2010 and vacates office at the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act 1956, the Company has received notices in writing along with a deposit of Rs. 500 for each notice, from some of its members signifying their intention to propose the candidature of Mr. Ashok Jain.

The Board of Directors recommends the resolution for approval of Members. The Members are requested to pass the resolutions as ordinary resolution appointing Mr. Ashok Jain as Director of the Company.

None of the Directors is, in any way, concerned or interested in the proposed ordinary resolution, except Mrs. Usha Jain.

Item No. 9

Mrs. Usha Jain was appointed as Additional Director by the Board at its meeting held on 20th July 2010 and vacates office at the forthcoming Annual General Meeting. In terms of Section 257 of the Companies Act 1956, the Company has received notices in writing along with a deposit of Rs. 500 for each notice, from some of its members signifying their intention to propose the candidature of Mrs. Usha Jain.

The Board of Directors recommends the resolution for approval of Members. The Members are requested to pass the resolutions as ordinary resolution appointing Mrs. Usha Jain as Director of the Company.

None of the Directors is, in any way, concerned or interested in the proposed ordinary resolution, except Mr. Ashok Jain.

BY ORDER OF THE BOARD OF DIRECTORS

Date: 5th August 2010.
Place: Mumbai

SUDHIR NAHETA
MANAGING DIRECTOR



DIRECTORS' REPORT

Dear Members,

Being the Sixteenth year of our alliance, your Directors are pleased to present the Sixteenth Annual Report of your Company and the Audited Statement of Accounts for the financial year ended 31st March, 2010.

Operating Review And Future Outlook

Presently the company is involved in the trading of yarn. The company booked a total turnover of **Rs. 305.89 Lacs** in the current year ended on 31st March, 2010 as compared to **Rs. Nil** in the previous year. During the Current year the company earned a Loss after tax of **Rs. 55.94 Lacs** as compared to Profit after tax of **Rs. 2.35 Lacs** for the previous year.

As the company's shares are listed on Bombay Stock Exchange Limited having nationwide terminal, it is not required for the company to continue listing of its scrips in other Stock Exchanges. An application had been filed with Delhi Stock Exchange for De-listing of Equity Shares but it is yet to be de-listed.

Financial Results

The financial results of your Company for the year under review are summarized below:

PARTICULARS	(Rs. In Lacs)	
	Year Ended 31st March, 2010	Year Ended 31st March, 2009
PROFIT AND LOSS ACCOUNT		
Income from Operations	305.89	Nil
Other Income	(49.18)	16.12
Total Income	256.71	16.12
Total Expenses	312.42	15.85
Profit/ (Loss) before Depreciation	(55.71)	0.27
Depreciation	0.18	0.30
Profit/ (Loss) before Extraordinary Item and prior period item	(55.89)	(0.03)
Profit/(Loss) after Extraordinary Item and prior period item	(55.89)	(0.03)
Less: Tax Expense	0.05	2.32
Profit/ (Loss) after Tax	(55.94)	(2.35)
Earnings Per Share	(0.94)	(0.04)

Dividend

No Dividend is recommended for the year under review.



Board of Directors

During the year, 6 Non Executive Independent Directors appointed last year out of which 2 were appointed as Directors at the last Annual General Meeting and rest 4 were appointed as Additional Directors which is detailed as below:

Name of Director being Appointed	Date of Appointment	Appointed as
Mr. Sudhir Naheta [^]	30/10/2008	Managing Director
Mr. Ashwani Dewan *	07/11/1994	Director
Mrs. Rajkumari Sudhir Naheta	30/10/2008	Director
Mrs. Aditi Aditya Dugar	30/10/2008	Director
Mr. Uday Shivram Marathe [#]	21/10/2009	Independent Additional Director
Mr. Pramod Bharat Mulik [@]	21/10/2009	Independent Additional Director
Mrs. Anagha Amar Ainapure [#]	21/10/2009	Independent Additional Director
Mr. Amar Ashok Ainapure [#]	21/10/2009	Independent Additional Director

* Resigned w.e.f. 20th July 2010.

Resigned w.e.f. 25th September 2009 and Appointed w.e.f. 21st October 2009.

@ Appointed w.e.f. 21st October 2009 and Resigned w.e.f. 20th July 2010.

[^] Appointed as Managing Director w.e.f. 3rd March 2009.

In accordance with the Section 255 of the Companies Act, 1956 read with the Articles of Association of the Company, Mrs. Rajkumari Naheta (Director) and Mrs. Aditi Dugar (Director), will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Uday Shivram Marathe, Mrs. Anagha Amar Ainapure and Mr. Amar Ashok Ainapure were appointed as Additional Directors during the year w.e.f. 21st October 2009. Further, Mr. Ashok Jain and Mrs. Usha Jain were appointed as Additional Directors w.e.f. 20th July, 2010. These directors vacate the office as additional director at the forthcoming Annual General Meeting. However, in terms of Section 257, the Company has received notices in writing from some of its members signifying their intention to appoint them as Directors.

Auditors Report

The Auditors Report to the Shareholders does not contain any qualification. The Auditors of the company had in their report stated their observations which are self-explanatory and/or are explained suitably in the notes to accounts.

Auditors

The Auditors, **M/s Haren Sanghvi & Associates**, Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves for re-appointment. The Company has obtained a certificate as per Section 224 (1B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the limits prescribed therein. You are requested to re-appoint the Auditors for the current year to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

**Audit Committee**

Audit Committee presently comprises of Mr.Uday Shivram Marathe (Additional Director), Mrs. Rajkumari Sudhir Naheta (Director), and Mrs. Anagha Amar Ainapure (Additional Director). The Chairman of Audit Committee is Mr. Uday Shivram Marathe.

The composition of Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and those of Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are as per the guidelines mentioned in the Code of Corporate Governance which inter-alia includes the monitoring of the financial reporting process; ensuring adequate disclosure in the financial statements; reviewing the internal control mechanism.

Shareholder's Grievance & Transfer Committee

Shareholder's Grievance & Transfer Committee, presently comprises of Mr. Uday Shivram Marathe (Additional Director), Mrs. Anagha Amar Ainapure (Additional Director) and Mrs. Aditi Aditya Dugar (Director). The Chairman of the Committee is Mrs. Aditi Aditya Dugar.

Deposits

During the year under review, your company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

Listing

The company has paid the listing fees to the Bombay Stock Exchange upto the current financial year.

Share Transfer Agent

The Share Transfer Agent for the Company is "Link Intime India Private Limited", Mumbai.

Further any queries would continue to serve, which is:

Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compounds,
LBS Marg, Bhandup(West)
Mumbai - 400078

Corporate Governance

A comprehensive report on Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this Report. The Practicing Company Secretary (P CS) certifying the compliance with the conditions of clause 49 of the listing agreement is also annexed to the report.

Management Discussion and Analysis

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report forms part of this report and is annexed herewith.



Particulars of Employees

The Company has no employees whose particulars are to be disclosed in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act"), we hereby state that:

- i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2010 the applicable accounting standards had been followed and there is no material departure;
- ii) such accounting policies were selected and applied consistently and such judgments and estimates were made as 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, 2010 and of the loss for the year ended on that date;
- iii) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) Your directors have prepared the annual accounts for the year ended 31st March, 2010 on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo:

1. Conservation of Energy: NIL

2. Technology Absorption: NIL

3. Foreign Exchange Earnings and Outgo:	Current year (as on 31.3.2010)	Previous year (as on 31.3.2009)
Activities relating to export	NIL	NIL
Foreign Exchange used	NIL	NIL
Foreign Exchange earned	NIL	NIL

Acknowledgement

Your Directors wish to place on record their sincere thanks to the various Central and State Government departments for their extended support and assistance to the company. The Board of Directors would like to sincerely thank all the shareholders and creditors for their continued support and confidence in the company.

By Order of the Board

Place: Mumbai
Date : 5th August 2010

Mr. Sudhir Naheta
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure and Development

The textile sector has witnessed a fast growth in the past. But during the previous year there were depressed market conditions and slowdown in global economy, Yarn sales in the local market dropped significantly mainly due to depreciation of Indian currency against US dollar and a slump in the demand for apparel items in international market. Overall future growth seems to be restrictive for the textile market.

Opportunities and threats

The company has been trading in yarn and has a good reputation in the market. The Company is willing and would be putting its efforts to re-establish the reduced turnover of the company by applying the strategy of business diversification.

Discussion on Financial Performance With Respect to Operational Performance

The company is in the process of restructuring and due to depressed market conditions the sale of yarn fell. Thus, during the year under review, the company booked a total turnover of Rs. 305.89 Lacs as compared to Rs. NIL in the year 2009.

Segment -Wise /Product Wise Performance

Since at present the company trades in only one product i.e. cotton yarn, reporting of product wise performance is not applicable to the company.

Outlook

With the growing demand both in the domestic market and international market for the Indian products, the company looks forward to expand its trading activities and to cover up the untapped areas. For the purpose, it has been decided that a marketing strategy of the company may be evolved that shall work towards other areas of business which can fetch good returns.

Risk and Concerns

An integrated risk management process is being adopted by the company that works towards the evaluation of the associated business risk and enables the company to survive in the competitive environment. As the company plans to enter into the trading of Gems and Jewellery, a complete evaluation of the market in respect of these products will be carried out and calculations for the risk factor involved will be undertaken to enable the company to make a foray into the new market.

Foreign Exchange Risk

Your company has no foreign exchange exposures during the year ended on 31st March 2010. The policy of company is to hedge its long-term foreign exchange risk as well as short-term exposures within the defined parameters.

**Interest Risk**

Your company has no loan fund in the year ended on 31st March 2010. The policy of company is to use a judicious mix of fixed and floating rate debts within the stipulated parameters wherever required.

Investments and Fixed Assets

During the year company has purchased Fixed Assets worth Rs. 0.63 Lacs .

Internal Control System and Adequacy

The company has set up an internal control system that functions at various levels of the organization. The system ensures compliance with the respective laws & regulations, efficiency of operations, minimization of wastage, disclosure and adequate reporting of financial transactions, proper administration at all levels of the organization.

The Audit Committee of the company periodically reviews and ensures adequacy of the internal control system prevalent at each level of the organization and passes on its recommendation to the management.

Human Resources

The Company had no turnover and no major human resource being deployed at work. During the year, the company maintained harmonious and cordial industrial relations.

Cautionary Statement

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the company's objectives, projections and estimates, contain words or phrases such as "will", "plan" and similar expressions or variations of such expressions that are forward looking and progressive within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

For and On Behalf of the Board

Place: Mumbai
Date : 5th August 2010

Mr. Sudhir Naheta
Managing Director



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

Corporate Governance is the Combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term Shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

Board of Directors

Introduction

The primary role of the Board is that of trusteeship to protect and enhance shareholder's value. As, trustee the Board ensures that the Company has clear goals and policies for achieving these goals. The Board oversees the Company's strategic direction; reviews corporate performance, authorizes and monitors strategic decision, ensures regulatory compliance and safeguards the interests of the shareholders. The Board ensures that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

A Composition of the Board & their Responsibility

The Company has an optimum combination of Executive Directors and Non-Executive Directors. The Board consists of 8 Directors out of which 4 are Independent Directors. The Board is headed by Mr. Sudhir Naheta as the Managing Director and consists of personalities with exceptional expertise and experiences in diversified fields of specialization.

The category, composition, attendance of each Director at the Board Meeting, Last Annual General Meeting and the number of other Directorship and the Chairmanship/ Membership of committees of each Director in various companies as on 31st March, 2010 is given hereunder.

Category	Name of Director	Designation	No. of Shares held as on 31st March, 2010.
Promoter Directors	Mr. Sudhir Naheta	Managing Director	3177325
	Mr. Ashwani Dewan*	Director	21546
	Mrs. Rajkumari Naheta	Director	1000000
	Mrs. Aditi Aditya Dugar	Director	NIL
Additional Director	Mr. Uday Shivram Marathe#	Additional Director	NIL
	Mr. Pramod Bharat Mulik@	Additional Director	NIL
	Mrs. Anagha Amar Ainapure#	Additional Director	NIL
	Mr. Amar Ashok Ainapure#	Additional Director	NIL


Details Of Board Meeting held during the year and Attendance of Directors.

Name of Director	No. of Board Meeting Attended	Attendance Particulars Last AGM (25.09.09)	No. of Directorships/ Committee Memberships/Chairmanships in other public Companies.		
			Chairmanships	Committee Membership	Directorship
Mr. Ashwani Dewan*	5	Present	-	-	-
Mr. Sudhir Milapchand Naheta	6	Present	-	-	-
Mrs. Rajkumari Naheta	6	Present	-	-	-
Mrs. Aditi Aditya Dugar	6	Present	-	-	-
Mr. Pramod Bharat Mulik@	6	Present	-	-	-
Mr. Uday Shivram Marathe#	6	Present	-	-	-
Mrs. Anagha Amar Ainapure #	6	Present	-	-	-
Mr. Amar Ashok Ainapure #	6	Present	-	-	-

* Resigned w.e.f. 20th July 2010.

Resigned w.e.f. 25th September 2009 and Appointed w.e.f. 21st October 2009.

@ Appointed w.e.f. 21st October 2009 and Resigned w.e.f. 20th July 2010.

Note:

Number of other Directorships indicated above is exclusive of Directorships on the Board of Private Limited Companies and non-body corporate institutions.

Number of Board Meetings Held and Dates

During the financial year 2009-10, the Board of A.V Cottex Limited had met 06 times. The dates of the meeting are 30th of June 2009, 30th of July 2009, 21st of October 2009, 30th of January 2010, 22nd of March and 25th of March, 2010. The maximum gap between two meetings is not more than 4 months.

The meetings are convened after giving appropriate notice. Agenda papers of the Board Meetings are duly circulated among the Board Members well in advance of each meeting. The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board.

The meetings are generally held in Mumbai.

Attendance of the Directors at the Board meetings as on 31st March, 2010 is as follows:

Director	Category	No. of Meetings	
		Held	Attended
Mr. Sudhir Milapchand Naheta	Chairman	6	6
Mr. Ashwani Dewan	Member	6	5
Mrs. Rajkumari Naheta	Member	6	6
Mrs. Aditi Aditya Dugar	Member	6	6
Mr. Pramod Bharat Mulik	Member	6	6
Mr. Uday Shivram Marathe	Member	6	6
Mrs. Anagha Amar Ainapure	Member	6	6
Mr. Amar Ashok Ainapure	Member	6	6



Code of Conduct

Code of conduct of the Company has been based on fair and prudent principles. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director in respect of the compliance of the same forms part of the Annual report.

Committees of the Board of Directors

The Board has constituted the following Committees:

1. Audit Committee
2. Shareholders Grievance & Transfer Committee

AUDIT COMMITTEE

The constitution, quorum, scope etc. of the Audit Committee is in line with the provisions of Section 292A of the Companies Act, 1956 and provisions of Listing Agreement. All the members of the Audit Committee are qualified and having insight to interpret and understand financial statements.

The Powers and the role of the Audit Committee are as per the guidelines provided in the revised clause 49 of the Listing agreement which inter-alia include the overview of Company's Financial reporting process, review of quarterly, half yearly and Annual financial statements, adequacy of internal control, review of related party transactions etc.

Composition

As on 31st March, 2010, the Audit Committee comprised of the following members:

1. Mr. Pramod Bharat Mulik, Additional Independent Director
2. Mr. Uday Shivram Marathe, Additional Independent Director
3. Mrs. Rajkumari Sudhir Naheta , Director

The Auditors of the Company are also invited in the Audit Committee Meeting but they have no right to vote. Mr. Uday Shivram Marathe is the Chairman of the Audit Committee.

Meetings and Attendance:

During the financial year ended 31st March, 2010 the audit committee has met Four times on 30th of June 2009, 30th of July 2009, 21st October 2009 and 31st January 2010.

Attendance of the Directors at the Audit Committee meetings as on 31st March, 2010 is as follows:

Director	Category	No. of Meetings	
		Held	Attended
Mr. Uday Shivram Marathe	Chairman	4	4
Mrs. Rajkumari Sudhir Naheta	Member	4	4
Mr. Pramod Bharat Mulik	Member	4	4

The role of the audit committee includes the following:

- It shall have authority to investigate any matter in relation to the items specified in section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.



- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submissions to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submissions to the Board.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit sought by the members of the Company.

SHAREHOLDER'S GRIEVANCE & TRANSFER COMMITTEE

As on 31st March, 2010, the Shareholder Grievance & Transfer Committee of the Company comprises of Mrs. Aditi Aditya Dugar (Director), Mr. Uday Shivram Marathe (Non-Executive Independent Director) and Mrs. Anagha Amar Ainapure (Non-Executive Independent Director). Mrs. Aditi Aditya Dugar is the Chairman of the Shareholder Grievance & Transfer Committee.

The committee meets at regular intervals to specifically look into the redressing of the Shareholder/ Investor complaints like non-receipt of share certificate after transfer, non-receipt of Annual Report, non-receipt of declared dividend and also to approve the share transfer. The Board has designated the Managing Director of the Company as the compliance officer.

The numbers of pending complaints as on 31st March, 2010 against the Company were NIL.



Meetings and Attendance:

During the financial year ended 31st March, 2010 the Shareholder Grievance & Transfer Committee has met Four times on 30th of June 2009, 30th of July 2009, 21st October 2009 and 31st January 2010.

Attendance of the Directors at the Shareholder Grievance & Transfer Committee meetings as on 31st March, 2010 is as follows:

Director	Category	No. of Meetings	
		Held	Attended
Mrs. Aditi Aditya Dugar	Chairman	4	4
Mr. Uday Shivram Marathe	Member	4	4
Mrs. Anagha Amar Ainapure	Member	4	4

REMUNERATION TO THE DIRECTORS

The Company does not have any standing Remuneration Committee. No remuneration is being paid to the Managing Director. The Company had not paid any sitting fee to the Directors for attending the Board meetings.

GENERAL BODY MEETINGS

Location and time, where last three AGM's were held:

AGM	DATE	LOCATION	TIME	SPECIAL RESOLUTION PASSED IN AGM
15 th AGM	25.09.2009	National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai - 18.	4.00 P.M	NIL
14 th AGM	29.08.2008	P - 10 (Basement), Green Park Extension, New Delhi - 110016.	11.00 A.M	NIL
13 th AGM	28.09.2007	P - 10 (Basement), Green Park Extension, New Delhi - 110016.	10.00 A.M	NIL

* Last EGM was held in the year 2008-09.

DISCLOSURES

- (a) Disclosure 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 the potential conflict with the interest of the Company at large.



The Company had following related party transactions during the year:

Name of Related Party	Relationship	Nature of transactions	Amount transacted during the year (in Lakhs)
Connexions air travel services Pvt. Ltd	Associate Concern	Ticket Booking	1.78 (0.52)
Jas Expoship Pvt. Ltd.	Associate Concern	Financial	Amount given NIL(243.40) Amount received 4.42 (238.83)

Figures shown in brackets represent last year's amount.

(b) Details of non-compliance by the Company, penalties imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to the capital market, during the last 3 years.

- a. The Company had defaulted in holding its Thirteenth Annual General Meeting on due date. For this purpose M/s A.V. Cottex Limited and Shri Ashwani Dewan, Neeraj Jain, Vijay Gupta, Anuj Dewan, Directors & Mrs. Niti Arya, Company Secretary had jointly moved an application u/s 621A of the Companies Act, 1956 for compounding of offences committed under Section 166(1) of the Companies Act, 1956. And the Company Law Board vide its Order dated 17th of April 2008 compounded the offence on payment of Rs. 1,000/- (Rupees One Thousand only) by each defaulter.
- b. M/s. A. V. Cottex Limited and Shri Ashwani Dewan had jointly moved an application u/s 621A of the Companies Act, 1956 for compounding of offences committed under Section 255 & 301(2) of the Companies Act, 1956. The Company has received order Dated 02.02.2010 for compounding of Violation made U/s. 255 & 301(2) of the companies Act 1956 for the year ended on 31.03.2005. The said offences being compounded on payment of Rs. 8,500 & Rs. 6,000 respectively by each applicant.

Except the above no penalties have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority or any other matter related to capital market during the last three years.

The Company has applied to Delhi Stock Exchange for Delisting but no confirmation has been received by the Company from the exchange.

The audit committee provides access to all the personnel who are associated/ involved in the matters which are placed before the committee meetings for discussion.

- c. The Company has received show cause notice dated March 05, 2010 from the SEBI under rule 4(1) of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating officer) Rules, 1995 read with Section 15I of the Securities and Exchange Board of India Act, 1992 for the alleged violation of the provisions of the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997. The Company had violated the provisions of the said act by filing the disclosure documents for the years 2003, 2004, 2008 and 2009 with delay.

The Company has filed an application form in Form A on 30th March, 2010 for consent order in the matter of filing of returns under Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for regularization of the delay in the filing of returns for the years 2003, 2004, 2008 and 2009, for regularization of the delay in the filing of returns for the years 2003, 2004, 2008 and 2009. The Company is now waiting for approval from the SEBI for regularization of delay.



MEANS OF COMMUNICATION

The quarterly results as per the format prescribed by the Stock Exchange are published in the Free Press and Navshakti. Further these results are also submitted to all the Stock Exchanges where the Company's shares are listed.

Management Discussion & Analysis Report forms part of the Annual Report and is given separately.

GENERAL INFORMATION FOR SHAREHOLDERS

Registered office	209, Embassy Center, Nariman Point, Marine Drive, Mumbai-400 021.
Annual General Meeting	
To be Held on	17 th of September 2010
Time	4:00 P.M.
Venue	World Trade Centre, Centre 1 Bldg, Seminar Hall-I & II, 31 st Floor, WTC Complex, Cuffe Parade, Mumbai- 400005
Financial Reporting for the Quarter ending	
30 th June, 2009.	31 st July, 2009
30 th September, 2009.	31 st October, 2009
31 st December, 2009.	31 st January, 2010
31 st March, 2010.	30 th June, 2010
AGM for the Year ending 31 st March, 2010.	17 th of September 2010
Date of Book Closure	14/09/2010 To 17/09/2010
Dividend payment date	Not applicable
Listing of shares	The shares of the Company are listed on the Bombay Stock Exchange.
Listing Fees	Listing Fees for the Financial year 09-10 has been paid.
Stock Code	BSE code - 531190 ISIN No - INE355H01015

The High and Low Stock prices on monthly basis for the whole year (i.e. 1st April, 2009 to 31st March, 2010) are as follows:

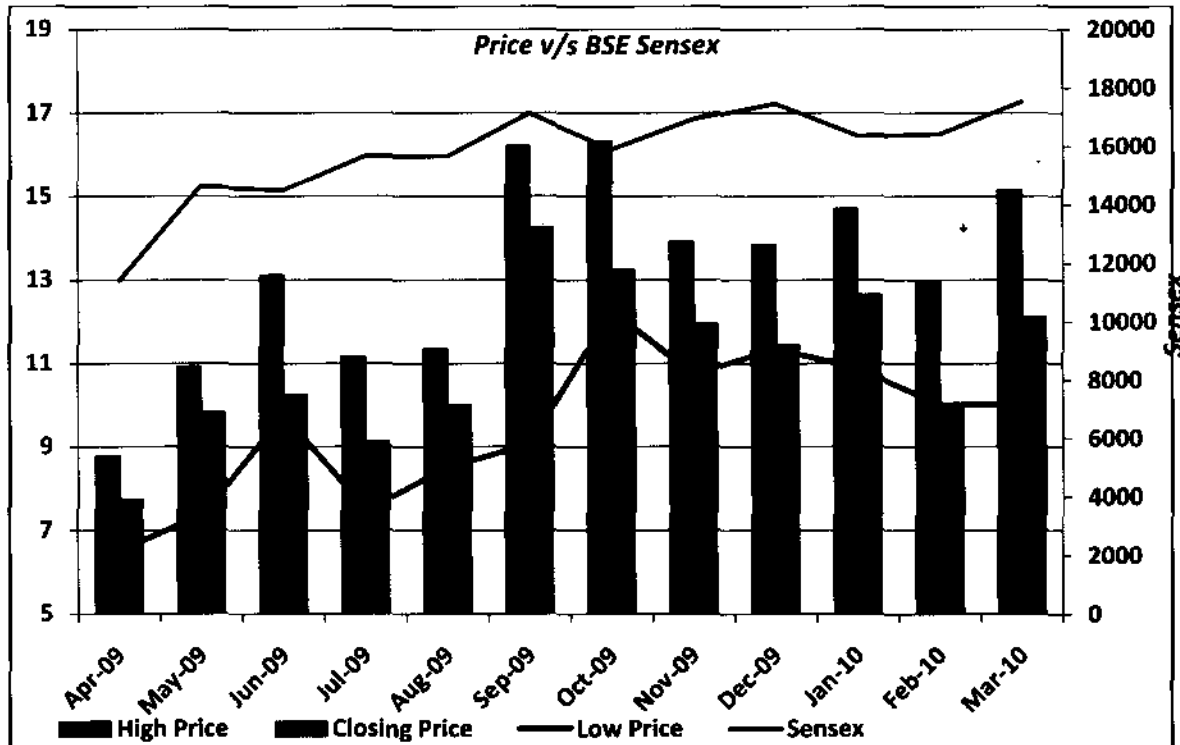
Month	Price Per Share (Rs.)		Shares Traded (Nos.)
	High	Low	
April, 09	8.79	6.51	20,390
May, 09	10.92	7.37	47,401
June, 09	13.12	9.76	50,686
July, 09	11.17	7.50	1,04,023
August, 09	11.35	8.51	50,249
September, 09	16.20	9.06	1,16,024
October, 09	16.32	12.26	29,981
November, 09	13.91	10.75	14,112
December, 09	13.85	11.35	35,861
January, 10	14.70	10.90	51,678
February, 10	12.95	10.01	8,705
March, 10	15.16	10.01	71,901

Source: BSE



Stock Performance v/s BSE Sensex

The performance of A. V. Cottex Limited's Equity Shares relative to the BSE Sensex is given in the charts below:



Distribution of Shareholding

The Distribution of the shareholding of the equity shares as on 31st March, 2010 are as follows:

No of Equity shares held	No. of shareholders	% of share holders	Total number of shares	% of share holding
1 - 500	549	60.86	114844	1.92
501 - 1000	127	14.08	108454	1.81
1001 - 2000	81	8.98	128333	2.14
2001 - 3001	34	3.77	87115	1.45
3001 - 4000	18	2.00	64303	1.07
4001 - 5000	22	2.44	105388	1.76
5001 - 10000	38	4.21	280035	4.67
10001 & above	33	3.66	5103428	85.17
Total	902	100	5991900	100



Categories of Shareholders as on 31st March, 2010

Category	Total No. of shares	% of Shareholding
Promoters/Relatives/Promoters Companies	4177325	69.72 %
Financial Institutions/ Banks	-	-
FII's	-	-
Mutual Funds	-	-
Private Corporate bodies	299483	4.99 %
Indian Public	1476577	24.64 %
NRI/ OCBs	18119	0.30%
Others	20396	0.34 %
Total	5991900	100.00%

Dematerialization of shares and Liquidity

As at 31st March, 2010, 58,34,000 Equity Shares representing 97.36% of the Company's paid-up Equity Share Capital have been dematerialized.

The trading of the shares of the Company is permitted in dematerialization form as per the notification issued by SEBI. The Company has entered into agreement with NSDL for giving effect to the same.

Shareholders seeking demat/remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Share Transfer Agent of the Company. Upon receipt of the request and share certificates, the Share Transfer Agent will verify the same. Upon verification, the Share Transfer Agent will request National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Share Transfer Agent. The Share Transfer Agent then request NSDL / CDSL to confirm the same. Approval of the Company is sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificate is dispatched within one month from the date of issue of shares.

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078

Share Transfer System

Both the physical transfer and Demat of the shares are handled by Registrar & Share Transfer agent M/s Link Intime India Private Limited. To expedite the share transfer a separate committee of the Directors is meeting at regular interval to approve the share transfer. Hence shares are normally transferred within 15 days. In terms of the requirement of SEBI directives, the Company is providing the facility of transfer and dematerialization of securities simultaneously.

**Outstanding GDRs / ADRs / Warrants or any Convertible Instruments**

There are no outstanding convertible warrants / instruments.

Address for Correspondence

For share certificate, change of address and any other query relating to the shares	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078
For Investor Assistance	Compliance Officer, 209, Embassy Center, Nariman Point, Marine Drive, Mumbai- 400021. e-mail- avcottex@gmail.com

Risk Assessment & Minimization Procedure

As per the revised clause 49 of Listing Agreement, the Company has established the appropriate risk assessment & minimization procedure. Details about the risk management policy forms part of Management Discussion and Analysis Report.

- Note: a. The Non - mandatory clauses of the Listing Agreement are not adopted by the Company.*
- b. The Corporate Governance report is as on 31st March, 2010*



**CHIEF EXECUTIVE OFFICER (CEO) and
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We, **Mr. Sudhir Naheta**, Managing Director and **Mrs. Rajkumari Naheta**, Director of **A.V. COTTEX LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;

2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;

3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.

4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.

5. The Company's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly for the period during which this report is being prepared; and

b. evaluated the effectiveness of the company's disclosure, controls and procedures.

6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):

a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls;

c. the company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and

d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity - based



compensation, which was inflated on account of such errors, as decided by the Audit Committee;

8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;

9. We further declare that all Board members have affirmed compliance with the code of conduct for the current year.

Place : Mumbai
Date : 5th August 2010

Sudhir Naheta

Rajkumari Naheta

Managing Director

Director



DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2010.

For **A.V. COTTEX LIMITED**

Sudhir Naheta
Managing Director

Place : Mumbai
Date : 5th August 2010



Practicing Company Secretary's Certificate on Corporate Governance

To the Members

A.V. Cottex Limited

We have examined the compliance of conditions of Corporate Governance by A.V. Cottex Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited by to 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 the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place : Mumbai

M/s. Makarand M. Joshi & Co.

Date : 5th August 2010

Sd/-
Makarand Joshi
Partner
CP No. 3662

**AUDITORS' REPORT**

To the Members of A.V. Cottex Limited,

1. We have audited the attached Balance Sheet of **A. V. COTTEX LIMITED**, as at **31st March 2010** and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report as under:-
 - I) As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the companies.
 - II) Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is



disqualified as on 31st March 2010 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

- (f) We cannot, as required by S.227(3)(g) of the Companies Act, 1956, state whether the cess payable u/s 441A of the Companies Act, 1956, has been paid and, if not, the details of the amount of cess not so paid because the Central Government has not, till the date of this report, notified u/s 441 A(1) the amount of cess payable u/s 441 A(2) and has not specified u/s 441 A(4) the manner in which the said cess is to be paid.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon and attached thereto give the information required by the Companies Act, 1956 in the manner, so required & give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In case of profit & loss Account, of the loss of the company for the year ended on that date;
 - (iii) In case of cash flow statement, of the cash flow for the year ended on that date.

For HAREN SANGHVI & ASSOCIATES
Chartered Accountants

Haren Sanghvi
Proprietor
Membership No. 109246
Firm Registration No. 120743W

MUMBAI, Dated: 5th August, 2010



Annexure referred to in paragraph '3(I)' of the Auditors' Report to the Members of A.V Cottex Limited ("The Company") for the year ended 31st March, 2010.

- (i)
- a) The company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
 - b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
 - c) No Fixed assets have been sold/disposed off during the year.
- (ii)
- a) Physical verification of inventory has been conducted by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company held no inventory as at 31st March, 2010.
 - b) In our opinion, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted or taken any loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures to commensurate with the size of Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods. During the course of our audit, no weakness has been noticed in the underlying internal controls.
- (v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5 lacs (if any) in respect of any party during the year, have been made at the prices which are reasonable having regard to the prevailing market price for such services with the other parties.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system to commensurate with the size and nature of the business.
- (viii) We are informed that the Provision for the maintenance of Cost records under Section 209(1) (d) of the Companies Act, 1956 is not applicable to the Company in accordance to the provision of Cost Accounting Record (Textile) Rules 1977 with respect to activity carried out during the year under audit.



- (ix)** According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no arrears of undisputed amounts in respect of such statutory dues, which have remained over due more than six months as at 31st March, 2010.
- (x)** In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has incurred cash losses (Rs. 55.99 Lakhs approx.) during the financial year covered by our audit but it has not incurred any cash losses immediately in the preceding financial year.
- (xi)** Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- (xii)** In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii)** In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv)** In our opinion and as per records produced before us and explanation given to us the company is dealing in or trading in shares, securities, debentures and other investments and has maintained appropriate & timely records with respect to such activity. Such activities have been dealt by the company in its own name.
- (xv)** According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi)** In our opinion and according to the information and explanation given to us, no term loan has been taken by the company.
- (xvii)** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- xviii)** The Company has not made any preferential allotment of shares to any party during the year.
- xix)** As per records produced before us and explanation given to us the company has not issued any debentures during the year.
- (xx)** The company has not raised any money by way of public issue during the year.



(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company, has been noticed or reported during the course of our audit for the year ended 31st March, 2010.

For HAREN SANGHVI & ASSOCIATES
Chartered Accountants

Haren Sanghvi
Proprietor
Membership No. 109246
Firm Registration No. 120743W

MUMBAI, Dated: 5th August, 2010



A.V. COTTEX LIMITED

(Figures in Rs.)					
	Schedule	As at 31st March, 2010		As at 31st March, 2009	
SOURCE OF FUNDS:					
Shareholders' Funds					
Share Capital	1		59,819,250		59,819,250
Reserves & Surplus	2		1,332,642		6,926,675
APPLICATION OF FUNDS:					
Fixed Assets	3				
Gross Block		63,156		-	
Less: Depreciation		18,250		-	
Net Block			44,906	-	
Investments					
Current Assets, Loans & Advances					
Sundry Debtors	4	16,402,090		-	
Cash & Bank Balances	5	57,190,611		65,096,378	
Other current Assets	6	1,592,618		1,198,670	
Deposit, Loans & Advances	7	578,623		875,030	
		75,763,942		67,170,078	
Less: Current Liabilities & Provisions					
Current Liabilities & Provisions	8	14,656,956		424,153	
Net Current Assets			61,106,986		66,745,925
Accounting Policy & Notes to accounts	12				

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date
For Haren Sanghvi & Associates
 Chartered Accountants

For and on behalf of Board of Directors

Haren Sanghvi
 Proprietor
 Membership NO. 109246
 Firm Registration No. 120743W
MUMBAI, Dated: 5th August 2010

Mr. Sudhir Naheta
 (Managing Director)

Mrs. Rajkumari Naheta
 (Director)



A.V. COTTEX LIMITED

	Schedule	(Figures in Rs.)	
		For the year Ended	
		31st March, 2010	31st March, 2009
INCOME			
Gross Sales		30,589,514	-
Less:- Excise duty on sales		-	-
Net Sales		30,589,514	-
Other Income	9	(4,918,360)	1,612,711
Total Income		25,671,155	1,612,711
EXPENDITURE			
Material Cost of goods sold	10	29,506,323	-
Administrative & General Expenses	11	1,735,614	1,586,003
Depreciation	3	18,250	30,420
Total Expenditure		31,260,187	1,616,423
Profit/(Loss) Before Tax		(5,589,033)	(3,712)
Less: Income Tax Expenses			
-Provision for Income Tax		5,000	256,161
-Deferred Tax Assets		-	(24,373)
Profit/(Loss) After Tax		(5,594,033)	(235,500)
Balance in profit and loss account brought forward		5,926,675	6,162,175
Amount available for appropriation		332,642	5,926,675
Appropriation		-	-
Balance Carried to Balance Sheet		332,642	5,926,675
Earnings per share			
Basic Earning Per Share (Face Value of Rs. 10/- Each)		(0.94)	(0.04)
Accounting Policies & Notes to Accounts	12		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

For Haren Sanghvi & Associates

Chartered Accountants

For and on behalf of Board of Directors

Haren Sanghvi

Proprietor

Membership NO. 109246

Firm Registration No. 120743W

MUMBAI, Dated: 5th August 2010

Mr. Sudhir Naheta

(Managing Director)

Mrs. Rajkumari Naheta

(Director)



A.V. COTTEX LIMITED

(Figures in Rs.)

**SCHEDULE-1
SHARE CAPITAL**

	As at 31st March, 2010	As at 31st March, 2009
Authorized 7,000,000 (Previous Year:7,000,000)Equity Shares of Rs. 10/- each	70,000,000	70,000,000
Issued 5,991,900 (Previous year: 5,991,900) Equity Shares of Rs. 10/- each fully paid up	59,919,000	59,919,000
Subscribed & Paid Up 5,991,900 (Previous year: 5,991,900) Equity Shares of Rs. 10/- each fully paid up	59,919,000	59,919,000
Less: Calls unpaid (Due by others) 2700 (Previous Year:2,700) Equity shares of Rs. 10/- each, call unpaid of Rs. 6.67/- each 10900 (Previous Year ;2,700) Equity shares of Rs. 10/- each, call unpaid of Rs. 7.50/-each	18,000 81,750	18,000 81,750
	59,819,250	59,819,250

**SCHEDULE-2
RESERVE & SURPLUS**

	As at 31st March, 2010	As at 31st March, 2009
General Reserve	1,000,000	1,000,000
Profit and loss Account: As per Annexed Profit and Loss Account	332,642	5,926,675
	1,332,642	6,926,675

**SCHEDULE - 3
FIXED ASSETS**

S r. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		As at 1st April, 2009	Additions	Deletions	As at 31st March, 2010	As at 1st April, 2009	Deletions	For the Year	As at 31st March, 2010	31st March, 2010	31st March, 2009
	Tangible Assets										
1	Furniture & Fixture	-	5,531	-	5,531	-	-	543	543	4,988	-
2	Computer	-	57,625	-	57,625	-	-	17,707	17,707	39,918	-
	Total	-	63,156	-	63,156	-	-	18,250	18,250	44,906	-
	Previous Year	261,700	-	261,700	-	55,444	85,864	30,420	-	-	-

**SCHEDULE-4
SUNDRY DEBTORS**

	As at 31st March, 2010	As at 31st March, 2009
Unsecured: Considered Goods (Debtors Personal Security)* Debts outstanding for a period exceeding 6 months Other Debts	- 16,402,090	- -
	16,402,090	-

**SCHEDULE-5
CASH and BANK BALANCES**

	As at 31st March, 2010	As at 31st March, 2009
Cash Balance on Hand	38,611	378
Bank Balance with scheduled Banks - Current Account - Deposit Account	44,952,000 12,200,000	16,896,000 48,200,000
	57,190,611	65,096,378



A.V. COTTEX LIMITED

(Figures in Rs.)

SCHEDULE-6**OTHER CURRENT ASSETS**

	As at 31st March, 2010	As at 31st March, 2009
Advance Tax (includes FBT of Rs. 1200)	1,391,200	-
Accrued Interest on FDR	201,418	1,198,670
	1,592,618	1,198,670

SCHEDULE-7**DEPOSIT, LOAN & ADVANCES**

	As at 31st March, 2010	As at 31st March, 2009
Unsecured (Considered Good)		
Deposits with others	26,000	-
Loan & Advance Recoverable in cash or kind	552,623	875,030
	578,623	875,030

SCHEDULE-8**CURRENT LIABILITIES & PROVISIONS**

	As at 31st March, 2010	As at 31st March, 2009
Sundry Creditors		
i) Small & Medium Enterprises	-	-
ii) Others	14,329,886	6,531
Liabilities Others	11,961	148,557
Duties & Taxes	315,109	269,065
	14,656,956	424,153



A.V. COTTEX LIMITED

(Figures in Rs.)

**SCHEDULE-9
OTHER INCOME**

	For year ended 31st March, 2010	For year ended 31st March, 2009
Profit/ Loss in Shares & Derivatives Transactions**	(6,311,433)	-
Income from speculation in Shares Transactions	14,287	-
Brokerage & Commission (Gross, tax deducted at source; 25902; Previous Year; Rs. Nil)	251,478	-
Interest Earned/Accrued on FDR (Gross, tax deducted at source; Rs. 91906; Previous year; Rs. 395062)	1,074,114	1,607,093
Interest on Loan & Advance (Gross, tax deducted at source; Rs. 4931; Previous year; Rs. Nil)	49,315	*
Miscellaneous Income	3,879	5,618
	(4,918,360)	1,612,711

Schedule-9a**Profit / Loss in share & Derivatives Transaction****

	For year ended 31st March, 2010	For year ended 31st March, 2009
Profit/ Loss in Shares & Derivatives Transactions		
Less:-	(5,229,402)	-
Brokerage	628,998	-
Shares - Other Charges	85,655	-
Shares - STT	367,378	-
	(6,311,433)	-

**SCHEDULE-10
MATERIAL COST OF GOODS SOLD**

	For year ended 31st March, 2010	For year ended 31st March, 2009
Cotton Yarn Purchase	29,506,323	-
	29,506,323	-

**SCHEDULE-11
ADMINISTRATIVE & GENERAL EXP.**

	For year ended 31st March, 2010	For year ended 31st March, 2009
Local Conveyance & Travelling Exp	220,634	123,631
Printing & Stationary	11,202	16,020
Misc.Exp.	3,409	11,775
Postage & Courier Charges	6,120	4,192
Salary	132,374	36,000
Accountancy Charges	-	18,000
Telephone & Mobile Exp.	10,461	24,000
Listing Fees-Stock Exchange & Connectivity Charges	62,290	38,072
Auditors Remuneration	441,200	248,175
Filing Fees	-	1,614
Rent	15,000	60,000
Professional Exp.	714,938	215,670
Publication & Advertisement exp	65,078	35,600
Fees & Subscription	6,708	1,056
Rates & Taxes	17,868	341
AGM Expenses	27,880	-
Written Off	-	737,450
Bank Charges	452	14,407
	1,735,614	1,586,003



**SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2010 (Continued)**

SCHEDULE – 12 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

a) ACCOUNTING CONVENTIONS

The financial statements are prepared on accrual basis under historical cost convention on the basis of going concern and materially comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.

b) DEPRECIATION

Depreciation on fixed assets has been provided on WDV method at the rates prescribed in schedule XIV of the Companies Act, 1956 and on additions/deletions during the year is on prorata basis with reference to the month of additions/deletions thereof.

Depreciation method has been changed during the year from SLM to WDV. There are no retrospective effects in the books of accounts of the change in method of Depreciation because all assets, on which depreciation had been provided as per SLM method, were sold before 1st April, 2009.

c) INVESTMENTS

All the Investments have been valued at cost less any provisions for permanent diminution in value.

d) VALUATION OF INVENTORIES

As a policy Valuation of Inventory considered on following basis:

- i. Raw Materials, Packing Materials, Finished Goods and Trading Goods - At Cost or Net Realizable Value whichever is lower.
- ii. Work-In-Progress - At direct Cost plus related overheads up to the stage of completion

As at the end of reported year company did not hold any inventory and hence valuation process has not been carried out.

e) CURRENT ASSETS

Debtors and Loan & advances are valued on net realisation basis.

f) RETIREMENT BENEFITS

- i. The company's contribution to provident fund in accordance with the Employee's Provident & Misc. Provision Act 1952 is not applicable.
- ii. The liability for gratuity to be provided in according to the provisions of the Payment of Gratuity Act 1972 is not applicable.

g) FOREIGN EXCHANGE TRANSACTION

Transaction (if any) in foreign currency is recorded at the exchange rates prevailing at the time of the transaction. No Foreign currency transaction has been entered into by the company during the current financial year.

h) PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income tax Act, 1961. Deferred tax resulting from timing difference between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent there is a reasonable certainty that the deferred tax assets will be adjusted in future.

i) REVENUE RECOGNITION

Items of revenue have been recognised in accordance with the Accounting Standard (AS-9). Accordingly wherever there are uncertainties in the ascertainment /realisation of income, the same is not accounted for.

Expenditure and other income are accounted for on accrual basis.

j) PROVISIONS/ CONTINGENCIES

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Contingent liabilities (If any) are not recognised and are disclosed in the Notes on Accounts.

k) SEGMENT REPORTING

The Company operates in a single business segment viz. "Yarn" in Maharashtra. Hence, Segment Reporting is not applicable as per Accounting Standard on Segment Reporting (AS-17).

B) NOTES TO ACCOUNTS

- a) The Company has incurred a loss before tax of Rs. 55, 89,033 /- during the year. It mainly comprises of loss due to trading in shares and derivatives carried out during the year. Schedule to Profit & Loss Account (Schedule-9) provides complete details of the same.
- b) **CONTINGENT LIABILITIES:** - As reviewed by the management, company is liable to pay penalty for delay in furnishing the returns under regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. But vide SEBI Circular no. EFD/ED/Cir-1/2007 dated April 20, 2007; Company is given the option to avail of the consent process of settling the administrative/civil cases. Company has opted to avail of the above option. As a result, Company would be liable to pay the legal expenses in relation to settlement of said case through consent order of SEBI and the settlement charges to be levied by SEBI. The amount so payable to SEBI can not be quantified until the conclusion of the case. As a result, provision to that effect can not be made in books. Hence, the disclosure is made as per the requirements of AS-29 (Provisions, Contingent Liabilities and Contingent Assets) in Notes on Accounts.
- c) Fixed deposit of Rs. 7, 00,000 is pledged in favour of "President Of India- Development Commissioner Indore SEZ" on behalf of M/S CT Cotton Yarn Limited.

The aforesaid Fixed Deposit is duly matured but same is yet to be released by the said Authority. Balance of FDR as stated in Balance sheet is subject to confirmation from the UCO Bank.



- d) INCOME-TAX: - Adequate provision for taxation has been made for the year ended 31st March 2010.
- e) Previous year figures have been regrouped /reclassified wherever necessary.
- f) BALANCE CONFIRMATION

The Balances of the parties under the head debtors, creditors and loans and advances are subject to confirmation.

- g) AUDITORS REMUNERATION

Amount paid to Auditor:

(In Rupees)			
Sr. No.	Particulars	Year ended 31.03.2010	Year Ended 31.03.2009
1.	Audit Fees.	441,200	248,175
2.	As adviser, Or in any other capacity, In respect of-		
	i) Taxation Matters.	39,013	27,575
	ii) Company Law Matters.	2,44,483	-----
	iii) In Other Matters.	1,36,778	1,11,986

- h) RELATED PARTY DISCLOSURE

As per AS-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosures of transaction with the related parties as defined in the Accounting Standard are given below.

I. Key Management Personnel:

- 1) Sudhir Naheta.- Managing Director
- 2) Rajkumari Sudhir Naheta - Director

II. List of the parties holding substantial interest:

- 1) Jas Expoship Pvt. Ltd. - Associate Company
- 2) Connexions air travel services P. Ltd. - Associate Company
- 3) Mr. Ashwani Dewan - Director

Transaction during the year with related parties:

Name of Related Party	Relationship	Nature of transactions	Amount transacted during the year * (In Lakhs)	Outstanding Amount as on 31 st March 2010
Jas Expoship Pvt. Ltd.	Associate Concern	Financial	Amount given NIL(243.40) Amount received 4.42 (238.83)	NIL
Connexions air travel services Pvt. Ltd	Associate Concern	Travel Agency Charges	1.78 (0.52)	NIL
Ashwani Dewan	Director	Reimbursement	0.15(nil) given	NIL

*Figures shown in brackets represent previous year's amount

i) EARNINGS PER SHARE (EPS)

In terms of Accounting Standards (AS-20) issued by the Institute of Chartered Accountants of India, the Calculation of EPS is given below: -

Particulars	2009-10	2008-09
Profit/(Loss) after tax (Rs.)	(55,94,033)	(2,35,500)
Total No of equity shares outstanding at the end of the year	5991900	5991900
Weighted average No. of equity Shares Outstanding during the year	5989125	5981925
Basic and Diluted EPS	(0.94)	(0.04)

j) Additional Information pursuant to provision of paragraph 3 & 4 of schedule VI of the Companies Act, 1956.

i) Particulars of Licensed Capacity, installed Capacity and production for the year ending 31.03.2010:

Class of Goods	Tons	For the year ended 31st March, 2010			For the year ended 31st March, 2009		
		Licensed Capacity	Installed Capacity	Actual Capacity	Licensed Capacity	Installed Capacity	Actual Capacity
Cotton Yarn		N.A*	N.A.**	N.A.**	N.A	N.A.	N.A.

*Company is not holding any manufacturing license from the department of industrial license; hence it is not required to disclose Licensed Capacity.

**Company is not having any manufacturing facility, hence not required to disclose information as to installed capacity and production.

ii) Particulars of purchases, Sales and Stock:-

Class of Goods	Units	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Cotton Yarn	Tons	NIL	NIL	220639	29506323	220639	30589514	NIL	NIL

iii) Raw material consumed

	Qty. (tons)	Amount (Rs.in lacs)
2009-10	NIL	NIL
2008-09	NIL	NIL

iv) Value of imported/indigenous Raw Material, Spare parts Components and stores consumed: **NIL**



v) Capital Goods

	Current Year	Previous Year
Value of imports CIF basis (Capital goods)	NIL	NIL

k) DIRECTORS REMUNERATION

Detail of Aggregate Remuneration to Whole Time Director are as follows:-

	Amount in Rs. (2009-10)	Amount in Rs. (2008-09)
Salary & Allowances	NIL	NIL
Contribution to Provident Fund & Other Funds	NIL	NIL
Others	NIL	NIL

No board meeting fee charged by the directors for the meetings held during the year.

l) BALANCE SHEET ABSTRACT

A statement showing the Balance Sheet abstract and the Company's General Business profile in terms of Part IV to the Companies Act, 1956 is attached.

- m) As per the Listing Agreement under clause 38 of Companies Act 1956, Company has paid the entire listing fee due for the year ended 31st March 2010.

n) FOREIGN EXCHANGE EARNING & OUTGO

Additional information pursuant to the provisions of Paragraph 4D of Part ii of schedule VI of the Companies Act, 1956

	Amt. Rs.
a. Earnings in Foreign Exchange	Nil
b. Expenditure in Foreign Exchange	Nil

- o) DEFERRED TAX: - As per the deferred tax computation as at 31st March, 2010, Deferred tax assets of Rs.17,45,751/- have been worked out on carry forward losses and unabsorbed depreciation. In view of the losses incurred by the Company, there is no virtual certainty that deferred tax assets will be realized and accordingly, no deferred tax assets have been recognized in the books in the line of Paragraph 17 of AS -22 and paragraph 3 and 4 of ASI -9. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of virtual certainty.

p) MICRO, SMALL & MEDIUM ENTERPRISES

As required by section 22 Of the Micro, Small & Medium Enterprises Development Act 2006 there is no amount overdue to any Micro, Small & Medium Enterprises and hence no disclosure required.

As Per Our Report Of Even Date Attached

For Haren Sanghvi & Associates.
Chartered Accountants

For and on behalf of the board of Directors

Haren Sanghvi
(Proprietor)
Membership No. 109246
Firm Registration No. 120743W

Mr. Sudhir Naheta
(Managing Director)

Mrs. Rajkumari Naheta
(Director)

MUMBAI, Dated: 5th August, 2010



A.V. COTTEX LIMITED

	(Figures in Rs.)	
	As at 31st March, 2010	As at 31st March, 2009
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(5,589,033)	(3,711)
Adjustment for:		
Depreciation	18,250	30,420
Interest earned on Fixed Deposits	(1,123,429)*	(1,607,093)
Interest Received on Fixed Deposits	2,071,366	408,423
Operating Profit Befor Working Capital Change	<u>(4,622,846)</u>	<u>(1,171,961)</u>
Adjustment for:		
(Increase)/Decrease in Loans & Advances	296,407	318,837
(Increase)/Decrease in Trades & Other Receivables	(16,402,090)	100,424
Increase/(Decrease) in Current Liabilities	14,227,803	(3,316,041)
Cash Generated from Operations	<u>(6,500,726)</u>	<u>(4,068,741)</u>
Less:		
Direct tax Paid	(1,391,200)	(5,063)
Extraordinary item & Prior Period (Income)/Expenses	-	-
Net cash from operating activity (A)	<u>(7,891,926)</u>	<u>(4,073,804)</u>
B CASH FLOW FROM INVESTMENT ACTIVITES:		
Sale of Investments	-	39,415,278
Purchase of Investments	-	(9,811,600)
Sale of Fixed Assets	-	175,836
Purchase of Fixed Assets	(63,156)	-
Interest earned on loan given	49,315	-
Net cash flow from investing activities (b)	<u>(13,841)</u>	<u>29,779,514</u>
C CASH FLOW FROM FINANCING ACTIVITES:		
Loan received	3,250,000	-
Loan Repaid back	(3,250,000)	(3,750,000)
Net cash flow from investing Activities (C)	<u>-</u>	<u>(3,750,000)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,905,767)	21,955,710
Cash and cash equivalents at the beginning of the year period	65,096,378	43,140,668
Cash and cash equivalents at the end of the year (refer schedule- 5)	<u>57,190,611</u>	<u>65,096,378</u>

As per our report of even date

For Haren Sanghvi & Associates
Chartered Accountants

For and on behalf of Board of Directors

Haren Sanghvi
Proprietor
Membership No. 109246
Firm Registration No. 120743W

Mr. Sudhir Naheta
(Managing Director)

Mrs. Rajkumari Naheta
(Director)

MUMBAI, Dated: 5th August 2010

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956.**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. REGISTRATION DETAILS**

Registration Number	62525
State Code	55
Balance Sheet date	31/03/2010

2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. '000)

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

3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (AMOUNT IN Rs. '000)

Total Liabilities	61152
Total Assets	61152

Source of Funds

Paid up capital	59819
Reserve & Surplus	1333
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	NIL

Application of Funds

Net Fixed Assets	44.91
Investments	NIL
Accumulated Losses	NIL
Net Current Assets	61106
Miscellaneous Exp.	NIL
Deferred Tax Assets	NIL

4. PERFORMANCE OF THE COMPANY (AMOUNT IN Rs. 000)

Turnover including Misc. Income	25671
Total Expenditure	31260.2
Profit before Tax	(5589.03)
Profit after Tax	(5594.03)
Earning per share (In Rs.)	(0.94)
Dividend Rate (%)	NIL

5. GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY

Item Code No.	: 2350
Description	: All kinds of Cotton, synthetic Polyester, Jute Yarns.

As per our report of even date attached

**For Haren Sanghvi & Associates
Chartered Accountants****FOR & ON BEHALF OF THE BOARD**

Haren Sanghvi
(Proprietor)
PLACE: MUMBAI
DATE: 5th August, 2010.

Mr. Sudhir Naheta **Mrs. Rajkumari Naheta**
(Managing Director) (Director)



PROXY FORM

Sixteenth Annual General Meeting

Folio No.:

Number of Shares held:

I/We, _____

resident of _____, being a member of M/s **A.V. Cottex Limited**, hereby appoint Mr./Ms.

_____ of _____ in the district of _____ or failing him/her Mr./Ms. _____ of _____ the district of _____ as my / our

proxy to attend and vote for me/us on my/our behalf at the **Sixteenth Annual General Meeting** of the Company, to be held at World Trade Centre, Seminar Hall-I & II, Centre 1 Bldg, 31st Floor, WTC Complex, Cuffe Parade, Mumbai- 400005 on Friday 17th September, 2010 at 04.00 pm and any adjournments thereof.

Signed this _____ day of _____, 2010.

Signature

Affix Rupee
One
Revenue
Stamp

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, SHOULD BE RETURNED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED (BY SIGNING ACROSS THE STAMP) NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



ATTENDANCE SLIP

Sixteenth Annual General Meeting

Folio No.:

Number of Shares held:

I / We certify that I / We am/ are a Member/ proxy for the member of the Company.

I/ We hereby record my presence at the sixteenth Annual General Meeting of the Company at World Trade Centre, Seminar Hall-I & II, Centre 1 Bldg, 31st Floor, WTC Complex, Cuffe Parade, Mumbai-400005 on Friday 17st September,2010 at 04.00 pm.

Member's/ Proxy name in
BLOCK Letters
Proxy

Signature of Member/

NOTE: Please fill this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their Copy of the Annual Report to the meeting.

BOOK POST

If Undelivered please return to :
A V COTTEX LIMITED
209, Embassy Center, Nariman Point,
Marine Drive, Mumbai 400 021