

17th ANNUAL REPORT

2010-2011



17th ANNUAL REPORT 2010 -2011

CONTENTS

Sr. No	PARTICULARS	PAGE No.
1.	Corporate Information	1
2.	Notice	2
3.	Directors Report and Management Discussion & Analysis	9
4.	Report on Corporate Governance	14
5.	Auditors' Report	25
6.	Balance Sheet	28
7.	Profit & Loss Account	29
8.	Schedules to Accounts	30
9.	Cash Flow Statement	38
10.	Balance Sheet Abstract	39
11.	Proxy Form & Attendance Slip	44



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. Ashok Kumar Jain

Director
Mrs. Usha Ashok Jain

Director
Mr. Amar Ashok Ainapure *

Director

Director

Director

*(Resigned on 29th January 2011)

STATUTORY AUDITORS

M/s. Haren Sanghvi & Associates Chartered Accountants

BANKERS

HDFC Bank, Sion Branch, Mumbai

REGISTERED OFFICE

209, Embassy Centre, Marine Drive, Nariman Point, 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 SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF A. V. COTTEX LIMITED WILL BE HELD AT WORLD TRADE CENTRE, LOTUS HALL, CENTRE – 1 BLDG, 30th FLOOR, WTC COMPLEX, CUFFE PARADE, MUMBAI - 400005 ON THURSDAY, 29th SEPTEMBER 2011, AT 4.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit and Loss Account of the Company for the year ended on that date and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri. Uday Shivram Marathe who retires by rotation and being eligible, offers himself for re appointment.
- 3) To appoint M/s. Haren Sanghvi & Associates, Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4) To consider and if thought fit to pass with or without modification(s), the following Resolution as Special Resolution:-

"RESOLVED THAT in super session of any Resolution passed by the Shareholders of the Company for investment by FIIs in the Equity Capital of the Company and in conformity with the notification issued by the Government of India, Ministry of Commerce and Industry and applicable provisions, if any, of the Foreign Exchange Management Act, 1999 and any other enactments, orders or guidelines in force, the approval of the Company be and is hereby accorded to allow Foreign Institutional Investors (FIIs), Non resident Indians (NRIs)/ to acquire Shares/Convertible Debentures and/or any other financial instruments convertible into Equity through Stock exchanges in India under Portfolio Investment Schemes, by way of Preferential issue or any other issue of securities made by the Company provided that the overall investment made by FIIs shall not exceed 90 % of the Paid-Up Equity Capital of the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

RESOLVED FURTHER THAT Shri Sudhir Milapchand Naheta, Managing Director of the Company be and is hereby authorised to sign all necessary documents as may be required and to take all necessary further steps to give effect to the aforesaid Resolution and that the Common Seal of the Company be affixed, wherever necessary, in accordance with Articles of Association of the Company.

5) To consider and if thought fit to pass with or without modification(s), the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, Regulations for Qualified Institutions Placement contained in Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the notifications issued by the Reserve Bank of India ("RBI") and other applicable Laws, Listing agreement entered into by the Company with the Stock Exchange where the Shares of the Company are listed, Articles of Association and subject to all other Statutory and Regulatory approval(s), consent(s), permission(s) and/or sanction(s) of the Government of India, RBI, Securities And Exchange Board of India ("SEBI") and all other concerned authorities (herein after singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as



may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company(the "Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constituted for the time being exercising the power conferred on the Board by this Resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorized to create, issue, offer and allot Equity Shares and/or Securities in one or more tranches, whether denominated in Rupee or foreign Currency(ies), in the course of International and/or domestic offering(s) in one or more Foreign Market(s), for a value of upto Rs. 700 Crores(Rupees Seven Hundred Crores only) including Equity Shares and/or Other Financial Instruments ("OFIs") through Qualified Institutions Placements ("QIP") basis to Qualified Institutional Buyers ("QIB"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism and/or convertible into Equity Shares (either at the option of the Company or the Holders thereof) at a later date, any such instrument or security [including Debentures or Bonds or Foreign Currency Convertible Bonds ("FCCBs") being either with or without Detachable Warrants attached thereto entitling the Warrant Holder to apply for Equity Shares/ Instruments or Securities including Global Depository Receipt and American Depository Receipts representing Equity Shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian and/or any Foreign Currency(ies) by resident or non-resident / Foreign Investors (whether Institutions and/or Incorporated Bodies and/or Individual and/or Trust and/or otherwise)/ Foreign Institutional Investors ("FIIs") / Mutual Funds/ Pension Funds/ Venture Capital Funds / Banks and such other persons or entities, whether or not such investors are members of the Company to all or any of them, jointly or severally through prospectus, offer document and/or other letter or circular(" Offer Document") and/or on Private Placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such Issue and Allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the Market price prevailing at the time of the Issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/prepayment, number of further Equity Shares, to be allotted on conversion / redemption / extinguishment of debt(s), exercise of rights attached to the Warrants, the ratio of exchange of Shares and/or Warrants and/or any other Financial Instrument, period of Conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), the Merchant Banker(s) and /or Lead Manger(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the Shareholders and also subject to the applicable Regulations for the time being in force."

"RESOLVED FURTHER THAT a minimum of 10% of the Securities issued pursuant to the said Regulations shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIB(s) or otherwise."

"RESOLVED FURTHER THAT the Relevant Date for determining the pricing of the Securities [whether on Qualified Institutional Placement to QIBs as per the provisions of Chapter VIII of SEBI (Issue of Capital & Disclosure Requirement) Regulations,2009] or issue of Equity Shares underlying the Global Depository Receipts or Securities issued on conversion of FCCBs is the date of meeting in which the Board decide to open the proposed issue or such date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to allot further Shares upto 15(fifteen) percent of its issue size to the Stabilisation Agent by availing the Green Shoe Option subject to the provisions of relevant SEBI Regulations and enter into and execute all such agreements and arrangements with any Merchant Banker or Book Runner, as the case may be, involved or concerned in such offerings of Securities and to pay all such fee/expenses as may be mutually agreed between the Company and the said Stabilisation Agent."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manger(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilisation Agent, Banker/Escrow



Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/International Stock Exchange."

"RESOLVED FURTHER THAT the Board and/or an Agency or body authorized by the Board may issue Depository Receipts(s) or Certificate(s), representing the underlying Securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/International practices and regulations and under the norms and practice prevalent in the Indian/International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of further Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of offering, all such further equity Shares ranking pari-passu with the existing Equity Shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document."

"RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/ Foreign Institutional Investors ("FIIs")/ Qualified Institutional Buyers ("QIBs")/ Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the company shall be deemed to have given its approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT to the extent permissible under law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this Resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this Resolution."

By Order of the Board of Directors

Sd/-Sudhir M Naheta Managing Director

Place : Mumbai

Date: 30th August 2011



NOTES:

- 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not later than 48 hours before the meeting.
- 2. The Register of Members and the Share Transfer Book of the Company will remain closed from 24th September 2011 to 29th September 2011 (both days inclusive).
- 3. Members are requested to notify immediately any change in their address to the Registrar & Share Transfer Agents.
- 4. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars, M/s Link Intime India Private Limited., C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078.
- 5. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges the particulars of Directors who are proposed to be re-appointed are given in the Corporate Governance Section.
- 6. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.
- 7. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to closure of the Register of Members as stated above.
- 8. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
- 10. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its green initiatives in corporate Governance.
 - Recognizing the spirit of the circular issued by the MCA, the Company henceforth proposes to send Documents like the Notice convening the General Meetings, Financial Statements, Directors', Auditors' Report, etc to the email address provided by you with your depositories.
 - We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred registered email address.
- 11. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
- 12. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to System Support Services.



14. The Board of Directors are seeking consent of the members of the Company through Postal Ballot pursuant to provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolutions through Postal Ballot) Rules, 2001 for passing the following Resolutions:-

a) By way of Special Resolutions

- i. To change the name of the Company from A. V. Cottex Limited to Tavernier Resources Limited or any other name as may be made available by the Registrar of Companies, Mumbai subject to the approval of the Central Government under Section 21 read with Section 23 of the Companies Act, 1956.
- ii. To alter the Main Objects and Other Objects Clause of the Memorandum of Association under Section 17 of the Companies Act, 1956.

b) By way of Ordinary Resolution

- i. To sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or by creation of charge by way of hypothecation, mortgage etc not exceeding the limit of Rs. 700 Crores under Section 293 (1)(a) of the Companies act, 1956.
- ii. To borrow monies (apart from temporary loans from the bankers of the Company) upto a sum not exceeding Rs. 700 Crores u/s 293(1)(d) of the Companies Act, 1956.
- iii. To grant loans, make investments, issue guarantees etc upto a sum not exceeding Rs. 700 Crores u/s. 372 A of the Companies Act, 1956.

A separate Notice along with Postal Ballot Form and self addressed prepaid envelope is being sent to the shareholders of the Company.



ANNEXURE TO THE NOTICE

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

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 4 and 5 of the accompanying Notice.

4) Since the Company is proposing to raise Equity capital through Private Placement with Qualified Institutional Buyers, by issue of ADR/ GDR/ FCCB and or any other financial instruments convertible into Equity upto a sum not exceeding Rs. 700 Crores, it is imperative that the FII limit for Investment in the Equity capital of the Company upto 90 % be prescribed and accordingly the consent of the members of the Company is being sought.

The Board of Directors recommend passing of the Special Resolution set out in Item No. 4 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 4 to the extent of shares and/or securities that may be issued to them and/or entities in which any of respective Director is deemed to be interested.

None of the Directors of the company is, in any way, concerned or interested in the Resolution proposed in Item No.4 of the Notice.

5) The Company has been exploring various avenues for arranging funds by way of issue of Shares/Convertible Securities in form of issues to Qualified Institutional Buyers and/or Private Placement and/or GDRs/ADRs/FCCBs issue, etc. The Company may require long term funds for various purposes, viz. to meet long term working capital requirements, capital expenditure and other general corporate purposes as per its growth and business related plans from time to time. Accordingly, the management may consider to raise direct Equity Capital equivalent to an amount not exceeding Rs. 700 Crores (Rupees Seven Hundred Crores only) in one or more tranches as may be advised by issue of Equity Shares and/or any other financial instruments convertible into equity through Qualified Institutions Placements (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ["SEBI (ICDR) Regulations, 2009] and/or through issuance of securities in the international markets by way of GDRs/ ADRs/ FCCBs, etc. in one or more tranches.

As per the provisions of Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, 2009, issue of specified securities shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date. The relevant date for the purpose of Regulation 85 means the date of meeting in which the Board or any Committee of Directors duly authorized by the Board of the Company decides to open the proposed issue.

Further pursuant to the provisions of Chapter VIII of the SEBI (ICDR) Regulations, 2009, the aggregate of the proposed Qualified Institutions Placements and all previous Qualified Institutions Placements made by the Company in the same financial year shall not exceed 5 times the net worth of the Company as per the audited balance sheet of the previous financial year.

For making any further issue of Shares to any person/s other than existing Equity Shareholders of the Company as also under the provisions of SEBI (ICDR) Regulations, 2009, approval of Shareholders is required to be obtained by way of passing a Special Resolution, in pursuance to the provisions of Section 81(1A) of the Companies Act, 1956 (the Act).

Therefore, the Board of your Company has recommended the Resolution contained in Item No. 5 to be passed by the Shareholders, so as to enable it to issue further Equity Shares and/or other securities which will include issue on QIP basis.

The said Special Resolution is only an enabling one seeking authority to the Board to raise funds from time to time as may be required.



The Board of Directors recommend passing of the Special Resolution set out in Item No. 5 of the Notice.

All the Directors may be deemed to be interested in the Resolution at Item No. 5 to the extent of shares and/or securities that may be issued to them and/or entities in which any of respective Director is deemed to be interested.

None of the Directors of the company is, in any way, concerned or interested in the Resolution proposed in Item No.5 of the Notice.

FOR AND ON BEHALF OF THE BOARD

Sd/-Sudhir M Naheta Managing Director

Place: Mumbai

Date: 30th August 2011



DIRECTOR'S REPORT

The Directors have pleasure in presenting their 17th Annual Report on the business and operations of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

PARTICULARS	YEAR	YEAR ENDED		
	31 st March 2011	31 st March 2010		
Income from Operations	1015.49	305.89		
Other Income	50.69	(49.18)		
Profit (Loss) before Depreciation	58.89	(55.71)		
Less: Depreciation	0.17	0.18		
Profit/ (Loss) after Depreciation	58.73	(55.89)		
Less: Provision for Tax	11.21	0.05		
Profit/ (Loss) after Tax	47.52	(55.94)		
Add: Amount brought forward from	3.33	59.27		
Previous Year				
Amount available for appropriation	50.85	3.33		
<u>Appropriations</u>				
Proposed Dividend @ Re.1/-per share	Nil	Nil		
Interim Dividend paid	Nil	Nil		
Corporate Dividend Tax	Nil	Nil		
Transfer to General Reserve	Nil	Nil		
Prior Period Items	Nil	Nil		
Balance carried to Balance Sheet	50.85	3.33		
(Profit/(Loss)Account)				
Earnings Per Share	0.79	(0.94)		

2. **OPERATIONS**:

During the year under Report your Company achieved an Operating Income of Rs. 1015.49 Lacs as against Rs.305.89 Lacs in the previous year. Other Income earned during the year stood at Rs.50.69 lacs as against Loss of Rs 49.18 lacs in the previous year. The Profit before Depreciation was Rs.58.90 Lacs as against Loss of Rs. 55.71 Lacs in the previous year. The profit after Depreciation and Tax was Rs. 47.52 lacs as against Loss of Rs.55.94 lacs for the year ended 31st March, 2011.

3. DIVIDEND

No Dividend is recommended for the year under review.

4. **DIRECTORS**:

Shri. Uday Marathe, Non Executive Independent Director of the Company retires by rotation under Article 116 of Articles of Association of the Company but being eligible offers himself for re-appointment.



5. AUDITORS:

M/s. Haren Sanghvi & Associates, Chartered Accountants of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible offers himself for reappointment as Statutory Auditors of the Company. 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.

6. AUDITOR'S REPORT:

There are no adverse observations in the Auditor's Report.

7. DONATIONS:

During the year under report no donations were made to Social/Educational Institutions.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) in the presentation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made:
- b) the Directors had selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care 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, and,
- d) the Directors had prepared the Annual Accounts on a going concern basis.

9. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the 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 Annexure "A".

10. PUBLIC DEPOSITS

The Company has not accepted any Public Deposits during the year under report.

11. PARTICULARS OF EMPLOYEES:

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

12. LISTING

The Shares of the Company are at present Listed at Bombay Stock Exchange. The Company has paid the listing fees for the current financial year to the Bombay Stock Exchange. The Company has made an Application for delisting of its Shares at Delhi Stock Exchange.

13. 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.

FOR AND ON BEHALF OF THE BOARD

Sd/-Sudhir M Naheta Chairman & Managing Director

Place : Mumbai

Date: 30th August 2011



ANNEXURE 'A' TO DIRECTORS' REPORT

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under:

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM – AIS GIVEN HEREUNDER:

A CONCEDUATION OF ENERGY	2010-11	2009-10
A. CONSERVATION OF ENERGY ELECTRICITY CONSUMPTION (FOR MANUFACTURING)	NIL	NIL
Unit (KWH) Total Amount(Rs.) Rate/Unit (average)	NIL	NIL
B. TECHNOLOGY ABSORBTION	NIL	NIL
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	NIL	NIL

FOR AND BEHALF OF THE BOARD

Sd/-Sudhir M Naheta Chairman & Managing Director

Place: Mumbai

Date: 30th August 2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The global economy kicked off a sputtering growth in FY 2010-11 with developed economies showing faint signs of revival. During the year, the price of cotton yarn has increased.

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 increase the turnover of the company by applying the strategy of business diversification.

The company has plans to get into trading in Bullions, Gems & Jewellery and Shares & Securities. The present management team headed by the Managing Director has vast experience in the trading business and hence do not perceive any risk/threat to its business.

Discussion on Financial Performance With Respect to Operational Performance

During the year under Report your Company achieved an Operating Income of Rs. 1015.49 Lacs as against Rs.305.89 Lacs in the previous year. Other Income earned during the year stood at Rs.50.69 lacs as against Loss of Rs 49.18 lacs in the previous year. The Profit before Depreciation was Rs.58.90 Lacs as against Loss of Rs. 55.71 Lacs in the previous year. The profit after Depreciation and Tax was Rs. 47.52 lacs as against Loss of Rs.55.94 lacs for the year ended 31st March, 2011.

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

The Board of Directors after detailed deliberations and considering the present business scenario decided to broad base its business activities. With this objective it has been decided to commence trading activities in Bullions, gems, jewelleries, handicrafts and other merchandise. It has also been decided to discontinue its trading activity in yarn as the market conditions are highly volatile. The Board has also decided to invest its surplus funds in shares and securities to fetch better returns on the capital employed in this segment.

The management is optimistic of substantial growth in its business operations.

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 2011. 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 31st March 2011. The policy of company is to use a judicial mix of fixed and floating rate debts within the stipulated parameters, wherever required.



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 Report 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

Sd/-Sudhir M Naheta Chairman & Managing Director

Place: Mumbai

Date: 30th August 2011



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review, strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2010-11 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2011.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Chairman of the Board is a Executive Promoter Director and 1/2 of the Directors are Independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2011 have been made by the Directors.

During the financial year ended 31st March, 2011, 7 (Seven) Meetings of the Board of Directors were held as on 27/05/2010, 20/07/2010, 05/08/2010, 24/09/2010, 10/11/2010, 29/01/2011 and 18/03/2011.

Name of Directors	Category of Directors	No. of Board Meetings attendedlast during 2010-11	attended Committe		eetings attended Committee Memberships/ endedlast AGM Chairmanships in other	
				Chairman ship	Commit- tee Member ship	Director ship
Shri Sudhir M Naheta	Executive -Managing Director, (Promoter)	7	Yes	Nil	Nil	Nil
Smt. Rajkumari S Naheta	Executive -Director (Promoter)	7	Yes	Nil	Nil	Nil
Smt. Aditi Dugar	Executive Director	7	Yes	Nil	Nil	Nil
Shri Uday Marathe	Non Executive -Independent-Director	7	Yes	Nil	Nil	Nil
Shri Ashok Jain @	Non-Executive -Independent Director	6	Yes	Nil	Nil	Nil
Smt. Usha Jain @	Non-Executive -Independent Director	6	Yes	Nil	Nil	Nil
Shri Pramod Mulik *	Non-Executive -Independent Director	2	Yes	Nil	Nil	Nil
Smt Anagha Ainapure ^	Non-Executive -Independent Director	6	Yes	Nil	Nil	Nil
Shri Amar Ainapure ^	Non-Executive -Independent Director	6	Yes	Nil	Nil	Nil
Shri Ashwani Dewan *	Non-Executive Director	2	Yes	Nil	Nil	Nil

^{*} Shri. Pramod Mulik and Shri. Ashwani Dewan Resigned w.e.f 20th July, 2010.

[^] SmtAnaghaAmarAinapure and Shri. AmarAshokAinapure Resigned w.e.f29th January, 2011.

[@] Shri. Ashok Jain and Smt Usha Ashok Jain were appointed w.e.f 20th July, 2010.



- # excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
- # excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board members and senior management of the Company.

Particulars of Re-appointed Directors:

Name : Shri Uday Shivram Marathe

Designation : Non-Executive Independent Director.

Age : 41 Years

Qualification : Graduation in Commerce

Experience : Held many positions in Banking Companies

Other Directorship: Nil

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

i. Terms of Reference

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee was reconstituted on 20th July, 2010 as Shri. Pramod Mulik, Director and Member of Audit Committee resigned on 20th July, 2010. The reconstituted Audit Committee comprises of Shri. Uday Marathe, Independent Director as Chairman, Smt. Usha Ashok Jain, Independent Director and Smt. Rajkumari Sudhir Naheta, Director of the Company as Members of the Audit Committee.

During the 2010-11 under review 5 (Five) meetings of the Audit Committee were held on 27/05/2010, 20/07/2010, 05/08/2010, 10/11/2010, 29/01/2011. The attendance of members is as follows:

Name	Category	Meetings during the year 2010-11	
		Held	Attended
Shri. Uday Marathe, Chairman	Non-Executive Independent Director	5	5
Smt. Usha Ashok Jain, Member #	Non-Executive Independent Director	5	3
Smt. Rajkumari Naheta, Member	Executive Director	5	5
Shri. Pramod Mulik, Member *	Non-Executive Independent Director	5	2

^{*} Shri Pramod Mulik resigned from the Audit Committee w.e.f. 20th July, 2010.

[#] Smt Usha Ashok Jain was appointed as Member of the Audit Committee on 20th July, 2010.



The Constitution of the Audit Committee is in conformity with Clause 49 (II)(A)(ii) of the Listing Agreement. The Chairman of the Audit Committee is an Independent Director and is financially literate and has accounting and related financial management expertise.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

(a) Share Transfer & Shareholders' / Investors' Grievance Committee:

i. Terms of references

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

ii. Composition

The Shareholders' / Investors' Grievance Committee was reconstituted on 29th January, 2011 as Smt. Anagha Amar Ainapure, Member of Shareholders' / Investors' Grievance committee resigned on 29th January, 2011. The reconstituted Shareholders' / Investors' Grievance Committee comprises of Smt. Aditi Aditya Dugar as Chairman, Smt. Usha Ashok Jain, Member and Shri. Uday Shivram Marathe, as Member of the Shareholders' / Investors' Grievance Committee.

During the year under review 5(Five) meetings of the Shareholders/Investors Grievance Committee were held on 27/05/2010, 20/07/2010, 05/08/2010, 10/11/2010, 29/01/2011. The attendance of Members is as follows:

Name	Category	Meetings during the year 2010-11		
		Held	Attended	
Smt. Aditi Aditya Dugar	Chairman	5	5	
* Smt. Usha Ashok Jain	Member	5	1	
# Smt. Anagha Amar Ainapure,	Member	5	5	
Shri. Uday Shivram Marathe	Member	5	5	

[#] Smt. Anangha Amar Ainapure resigned wef 29th January, 2011.

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

^{*} Smt. Usha Ashok Jain appointed wef 29th January, 2011.



This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Name and designation of Compliance officer:

Shri. Sudhir Milapchand Naheta, Compliance Officer.

No. of shareholders' complaints received during the year
 No. of complaints not resolved to the satisfaction of shareholders
 No. of pending share transfers
 Nil

1. General Body Meetings:

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2009-10	17/09/2010	4.00 P.M.	World Trade Centre, Centre 1 Bldg, Seminar Hall I & II, 31 st Floor, WTC Complex, Cuffe Parade, Mumbai – 400005.
2008-09	25/09/2009	4.00 P.M	National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai- 400018.
2007-08	29/08/2008	11.00 A. M.	P-10 (Basement) Green Park Extension, New Delhi - 110016.

(b) Whether any Special Resolutions passed in three Previous Annual General Meeting:

No

(c) Whether Special Resolutions were put through postal ballot last year:

Yes, The Company had passed the Resolutions through Postal Ballot for alteration in the Other Object Clause of the Company and for Commencement of business u/s 149 (2A) of the Companies Act, 1956 as mentioned in the Other Object Clause of the Company. The Result of the Postal Ballot was announced on 23rd September, 2010.

(d) Are votes proposed to be conducted through postal ballot this year:

Yes

4. Other disclosures:

(a) Related Party Transactions

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 interests of Company at large:

There are no related party transactions during the year.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and



minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Principles for the Members of Board of Directors and Senior Management Personnel Director. The said Code has been communicated to all the Directors.

(e) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

REMUNERATION TO DIRECTORS

Details of remuneration paid to Directors

A. Details of remuneration paid to the Company's Managing Director(s) during the year 2010-2011:

The Directors have not been paid any Remuneration during the year 2010-11.

Notes: (a) Presently the Company does not have a scheme for grant of stock options either to the working directors or employees.

B. Details of payments made to Non-Executive Directors during the financial year 2010-2011:

Non-Executive Directors have not been paid any amount during the financial year 2010-2011.

1. CEO/CFO Certification

A Certificate from Sudhir Naheta and Rajkumari Naheta on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

Means of communication:

(a) Quarterly results:

The unaudited quarterly results are announced within Forty Five Days from the end of the quarter and the audited annual results within two months from the end of the last quarter, as stipulated under the listing agreement with the Bombay Stock Exchange Limited.

(b) Newspapers wherein normally published:

Navshakti (Marathi) Free Press Journal (English)

Any Website, wherein displayed:

Yes

(c) Whether Website also displays official news releases:

- Yes
- (d) Whether presentations made to institutional investors or to the analysts:

No Yes

(e) Whether Management Discussion & Analysis Report is a part of Annual Report:

2. General Shareholder information:

- (a) **AGM date, time and venue**: Annual General Meeting will be held on Thursday 29th September, 2011 at 4.00 P. M. at World Trade Centre, Lotus Hall Centre 1 Building, 30th Floor, WTC Complex, Cuff Parade, Mumbai-400005.
- (b) **Financial Year:** The Financial Year is from 1st April 2011 to 31st March 2012

Tentative Schedule

Financial Reporting (Unaudited Results) for the Quarter ending



June 30 2011 : 14th August 2011

 September 30, 2011
 : 14th November 2011

 December 31, 2011
 : 14th February 2012

March 31, 2011 : 14th May 2012

AGM for year ending March 31, 2012 : September end 2012

(c) **Book Closure period:** 24th September 2011 to 29th September 2011 (both days inclusive).

(d) Stock Exchanges where securities are listed.

The Company's securities are listed at: Bombay Stock Exchange. The Company has made Application for delisting of Shares with the Delhi Stock Exchange.

(e) Scrip code: 531190 - Bombay Stock Exchange

(f) ISIN No.: INE355H01015.

(g) STOCK MARKET DATA:

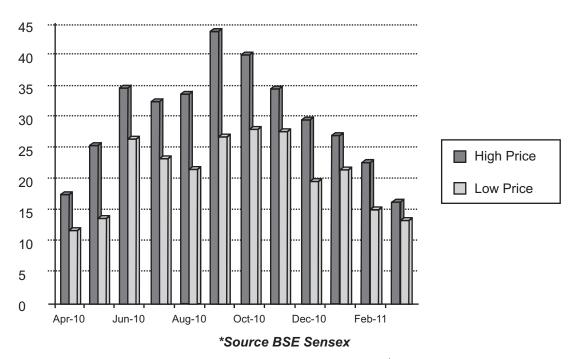
Monthly high and low prices and trading volumes of Equity Shares

Monthly high and low prices and trading volumes of Equity Shares of the Company at BSE for the year ended 31st March, 2011.

Date	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April 2010	17.66	12.01	61,428
May 2010	25.65	14.02	94,365
June 2010	35.05	26.90	1,54,557
July 2010	32.75	23.55	53,745
August 2010	33.95	21.80	63,794
September 2010	44.00	27.10	3,83,145
October 2010	40.45	28.30	79,869
November 2010	34.70	27.95	16,517
December 2010	30.00	20.00	30,276
January 2011	27.30	21.70	2,464
February 2011	22.95	15.35	6,453
March 2011	16.50	13.55	57,432



Price during the Year



(h) Distribution of Shareholding and Shareholding Pattern as on 31st March, 2011.

(i) Distribution of Shareholding as on 31st March, 2011:

No. of Shares	No. of Shareholders	% of holding	No. of Shares	% of holding
0-500	508	60.2610	98804	1.6490
501-1000	117	13.8790	98501	1.6439
1001-2000	75	8.8968	115045	1.9200
2001-3000	27	3.2028	68861	1.1492
3001-4000	17	2.0166	62443	1.0421
4001-5000	25	2.9656	120111	2.0046
5001-10000	35	4.1518	260110	4.3410
10001 & Above	39	4.6263	5168025	86.2502
Total	843	100.00	5991900	100.00



(ii) Shareholding pattern as at 31st March, 2011:

	No. of Shares held	% to Total Shares
Promoter Group*	4177325	69.72
Corporate Bodies	333405	5.56
General Public	1426135	23.80
NRIs/OCBs	28374	0.47
Clearing Members	26661	0.45
TOTAL	5991900	100 %
Demat - 1. N.S.D.L.	4755410	79.37
2. C.D. S L.	1100570	18.36
3. Physical	135920	2.27
TOTAL	5991900	100 %

(i) Registered Office: 209, Embassy Centre, Marine Drive, Nariman Point, Mumbai-400021.

(j) Registrar and Transfer Agent:

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

(k) Address for correspondence:

For Share Transfer: Registrar, Share Transfer Agents For Investor Assistance: Registered Office.

(I) Share transfer system with number of shares transferred:

Share transfers in physical form are registered and returned within a period of 15-20 days from the date of receipt and Demat requests are normally confirmed within an average of 7 days from the date of receipt in case documents are complete in all respects. The Share Transfer & Shareholders' / Investors' Grievance Committee meets at least every fortnight. The total number of shares transferred during the financial year under review was as under:

	No. of transfers	No. of Shares
Transfer:	9	5300
Other cases (like; deletion, transmission, transposition etc.)	-	-
Total:	9	5300

(m)Dematerialization of shares and liquidity:

The trading in A.V.Cottex Limited Shares is permitted in the dematerialized form, as per notification issue by the Securities and Exchange Board. The Equity Shares of the Company are actively traded on Bombay Stock Exchange. International Security Identification No. INE355H01015.

(n) Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity: Nil



(o) Non-Mandatory Requirements:

The Company is not yet implementing the non – mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

DECLARATION

ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO CLAUSE 49 (i) (d) (ii) OF THE LISTING AGREEMENT

As the Chief Executive Officer of A.V. Cottex Limited and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2010 -11

FOR AND ON BEHALF OF THE BOARD

SUDHIR M NAHETA Chairman & Managing Director

Place : Mumbai

Date: 30th August 2011



CEO/ CFO CERTIFICATE

We (i) Sudhir Milapchand Naheta, Managing Director and (ii) Rajkumari Naheta as Director of A.V. Cottex Limited ("the Company"), to the best of our knowledge and belief certify that:-

We have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement.

Based on our knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made.

Based on our knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations and full explanation has been given for any material departure in compliance of Accounting Standards.

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

We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

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 all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

We have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

Place : Mumbai SUDHIR M NAHETA RAJKUMARI NAHETA

Date : 30th August 2011 Managing Director Director



PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To, The Members of: A.V.Cottex Limited 209, Embassy Centre Nariman Point, Mumbai – 400021.

We have examined the compliance of conditions of Corporate Governance by A.V. COTTEX LIMITED for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s).

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company.

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.

SONAL KOTHARI & ASSOCIATES

Sd/-

Place : Mumbai

Date: 30th August 2011

Sonal Praful Kothari Proprietor CP No. 8769



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 **31**st **March 2011** and the related 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 2011 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, 2011;
 - (ii) In case of Profit & Loss Account, of the profit 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

Sd/-Haren Sanghvi Proprietor Membership No. 109246 Firm Registration No. 120743W MUMBAI. Dated: 30th May 2011



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, 2011.

 (i)

 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, 2011.
 - 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, 2011.
- (x) According to the information and explanations given to us, the company has no accumulated losses on 31st March, 2011. The Company has not incurred any cash losses during the said 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, 2011.

For HAREN SANGHVI & ASSOCIATES

Chartered Accountants

Haren Sanghvi

Proprietor

Membership No. 109246 Firm Registration No. 120743W MUMBAI, Dated: 30th May 2011



A.V. COTTEX LIMITED BALANCE SHEET AS AT 31ST MARCH, 2011

(Figures in Rs.)

	Schedule		As at 31st March, 2011		As at 31st March, 2010
SOURCE OF FUNDS:					
Shareholders'Funds					
Share Capital	1		59,819,250		59,819,250
Reserves & Surplus	2		6,084,411		1,332,642
			65,903,661		61,151,892
APPLICATION OF FUNDS:					
Fixed Assets	3				
Gross Block		63,156		63,156	
Less: Depreciation		35,120		18,250	
Net Block			28,036		44,906
Investments		18,897,388	18,897,388		-
Current Assets, Loans					
& Advances					
Sundry Debtors	4	-		16,402,090	
Cash & Bank Balances	5	45,084,969		57,190,611	
Other current Assets	6	2,543,290		1,592,618	
Deposit, Loans & Advances	7	951,304		578,623	
		48,579,564		75,763,942	
Less: Current Liabilities					
& Provisions					
Current Liabilities & Provisions	8	1,601,327		14,656,956	
Net Current Assets			46,978,237		61,106,986
Accounting Policy &					
Notes to accounts	12				
			65,903,661		61,151,892

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 SanghviMr. Sudhir NahetaMrs. Rajkumari NahetaProprietor(Managing Director)(Director)

Membership No. 109246 Firm Registration No. 120743W MUMBAI,Dated: 30th May 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Figures in Rs.)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
INCOME			
Gross Sales		101,548,793	30,589,514
Other Income	9	5,069,715	(4,918,360)
Total Income		106,618,507	25,671,154
EXPENDITURE			
Material Cost of goods sold	10	98,541,430	29,506,323
Administrative & General Expenses	11	2,187,213	1,735,614
Depreciation	3	16,870	18,250
Total Expenditure		100,745,513	31,260,187
Profit/(Loss) Before Tax		5,872,994	(5,589,033)
Less: Income Tax Expenses			
-Short Provision for Tax		35,755	-
-Provision for Income Tax		1,085,470	5,000
-Deferred Tax Assets		-	-
Profit/(Loss) After Tax		4,751,769	(5,594,033)
Balance in profit and loss account brought f	orward	332,642	5,926,675
Amount available for appropriation		5,084,411	332,642
Appropriation		-	-
Balance Carried to Balance Sheet		5,084,411	332,642
Earnings per share			
Basic Earning Per Share (Face Value of Rs	. 10/- Each)	0.79	(0.94)
Accounting Policies & Notes to Accounts	s 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

Firm Registration No. 120743W MUMBAI, Dated: 30th May 2011

Mr. Sudhir Naheta (Managing Director)

Mrs. Rajkumari Naheta



SCHEDULES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH,2011

(Figures in Rs.)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 1 SHARE CAPITAL 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	18,000	18,000
10900 (Previous Year 10900) Equity shares of Rs. 10/- each, call unpaid of Rs. 7.50/-each	81,750	81,750
	59,819,250	59,819,250

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 2 RESERVE & SURPLUS		
General Reserve Profit and loss Account:	1,000,000	1,000,000
As per Annexed Profit and Loss Account	5,084,411	332,642
	6,084,411	1,332,642

SCHEDULE - 3 FIXED ASSETS

		GF	ROSS B	LOCK	(DEP	RECIATION	1	NET	BLOCK
S r. N o.	PARTICULARS	As at 1st april, 2010	Additions	Deletions	As at 31st March, 2011	As at 1st april,2010	Deletions	For the Year	As at 31st March, 2011	31st March, 2011	31st March, 2010
Taı	ngible Asset	s									
1	Furniture & Fixture	5,531	-	-	5,531	543	-	903	1,446	4,085	4,988
2	Computer	57,625	-	-	57,625	17,707	-	15,967	33,674	23,951	39,918
	Total	63,156	-	-	63,156	18,250	-	16,870	35,120	28,036	44,906
Pr	evious Year	-	63,156	-	63,156	-	-	18,250	18,250	-	44,906



SCHEDULES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH,2011 (continued) (Figures in Rs.)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 4 SUNDRY DEBTORS		
Unsecured: Considered Goods (Debtors Personal Security)*		
Debts outstanding for a period exceeding 6 months	-	-
Other Debts	-	16,402,090
	-	16,402,090

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 5 CASH and BANK BALANCES		
Cash Balance on Hand	34,597	38,611
Bank Balance with scheduled Banks		
- Current Account	36,379,639	44,952,000
- Deposit Account	8,670,734	12,200,000
	45,084,969	57,190,611

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 6 OTHER CURRENT ASSETS		
Advance Tax (includes FBT of Rs. 1200) (A.Y. 2010-11)	1,391,200	1,391,200
Advance Tax (A.Y. 2011-12)	1,000,000	-
Accrued Interest on FDR	152,090	201,418
	2,543,290	1,592,618

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 7 DEPOSIT, LOAN & ADVANCES		
Unsecured (Considered Good)		
Deposits with others	26,000	26,000
Loan & Advance Recoverable in cash or kind	925,304	552,623
	951,304	578,623



SCHEDULES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH,2011 (continued)

(Figures in Rs.)

		()
	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 8 CURRENT LIABILITIES & PROVISIONS		
i) Small & Medium Enterprises	-	-
ii) Others	432,352	14,329,886
Liabilities Others	17,123	11,961
Duties & Taxes	1,151,851	315,109
	1,601,326	14,656,956

	For year ended 31st March, 2011	For year ended 31st March, 2010
SCHEDULE-9 OTHER INCOME		
Profit/ Loss in Shares & DerivativesTransactions**	3,158,756	(6,311,433)
Income from speculation in Shares Transactions	500	14,287
Brokerage & Commission (Gross, tax deducted at source;Nil;Previous Year;Rs.25902)	-	251,478
Interest Earned/Accrued on FDR (Gross, tax deducted at souce:Rs.189908; Previous year:Rs. 91906)	1,899,080	1,074,114
Interest on Loan & Advance (Gross,tax deducted at source;Rs. Nil; Previous year; Rs. 4931)	-	49,315
Miscellaneous Income	11,379	3,879
	5,069,715	(4,918,360)

	For year ended 31st March, 2011	For year ended 31st March, 2010
Schedule - 9A Profit /Loss in share & Derivatives Transaction**		
Profit/ Loss in Shares & Derivatives Transactions	3,407,077	(5,229,402)
Less:-		-
Brokerage	147,196	628,998
Shares - Other Charges	16,223	85,655
Shares - STT	84,902	367,378
	3,158,756	(6,311,433)



SCHEDULES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH,2011 (continued)

(Figures in Rs.)

	For year ended 31st March, 2011	For year ended 31st March, 2010
SCHEDULE-10 MATERIAL COST OF GOODS SOLD		
Cotton Yarn Purchase	98,541,430	29,506,323
	98,541,430	29,506,323

	For year ended 31st March, 2011	For year ended 31st March, 2010
SCHEDULE-11 ADMINISTRATIVE & GENERAL EXP.		
AGM Expenses	44,218	27,880
Auditors Remuneration	579,075	441,200
Bank Charges	-	452
Fees & Subscription	5,373	6,708
Listing Fees-Stock Exchange & Connectivity Charges	49,785	62,290
Local Conveyance & Travelling Exp	3,490	220,634
Misc.Exp.	2,422	3,409
Postage & Courier Charges	10,737	6,120
Printing & Stationary	43,826	11,202
Professional Exp.	956,334	714,938
Publication & Advertisement exp	69,154	65,078
Rates & Taxes	20,295	17,868
Rent	8,824	15,000
Salary	125,408	132,374
Settlement of Contract	260,000	-
Telephone & Mobile Exp.	8,272	10,461
	2,187,213	1,735,614



SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (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.

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:

- 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) CURRENTASSETS

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. Other Income shown in Profit & Loss A/c is net of brokerage, STT and other charges on shares.

i) 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).

A) NOTES TO ACCOUNTS

- a) CONTINGENT LIABILITIES: As reviewed by management, there were no contingent liability as at the end of the Financial Year reported.
- b) 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.

c) The Company intends to switch to IFRS accounting standards at some point during the year towards the endeavour of improving corporate governance and providing a true and accurate state of accounts to all stake holders. This will provide a significant level of transparency and enable better performance measurement for all the new activities that company is undertaking.

d) INCOME-TAX

Provision for taxation for the year ended 31st March 2011 has been calculated as per Section 115JB of the Income Tax Act, 1961 i.e. MAT provisions and MAT credit available is Rs.4,42,795/- which will be carried forward for set-off against regular tax payable during the subsequent five year period.

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 31.03.2011	Year Ended 31.03.2010
1.	Audit Fees.	579,075	441,200
2.	As adviser, Or in any other capacity, In respect of-		
	i) Taxation Matters.	38,054	39,013
	ii) Company Law Matters.	3,75,020	2,44,483
	iii) In Other Matters.	4,43,958	1,36,778



h) RELATED PARTY DISCLOSURE

There are no related party transactions entered into during the year.

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	2010-11	2009-10
Profit/(Loss) after tax (Rs.)	47,51,769	(55,94,033)
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	0.79	(0.94)

- 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 31.03.2011:

Class of Goods		For the year ended 31st March, 2011		For the year ended 31st March, 2010			
	Tons	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.

ii) Particulars of purchases, Sales and Stock:-

Class Units		Opening	g Stock	Purch	nases	Sa	les	Closin	g Stock
Goods	Ullits	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Cotton Yarn	Tons	NIL	NIL	601474	98541430	601474	101548799	NIL	NIL

1111	l Raw	matarial	I consumed	
1111	ı ıxavv	materia	i consumed	

Qty. (tons) Amount (Rs. in lacs)
2010-11 NIL NIL
2009-10 NIL NIL

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

v) Capital Goods

Value of imports CIF basis (Capital goods)

Current Year

Previous Year

NIL

NIL

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



k) DIRECTORS REMUNERATION

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

	Amount in Rs. (2010-11)	Amount in Rs. (2009-10)
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.

I) 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 2011.
- 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 Exchangeb. Expenditure in Foreign ExchangeNil

- o) DEFERRED TAX: During the year, Deferred Tax Asset on brought forward losses and unabsorbed depreciation pertaining to Financial Year 09-10 has been reassessed and Deferred Tax Asset of Rs.10,85,188/- has been recognised and reversed.
- p) MICRO, SMALL & MEDIUM ENTERPRISES

As required by section 22 0f 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 MUMBAI, Dated: 30th May 2011 Mr. Sudhir Naheta (Managing Director)

Mrs. Rajkumari Naheta (Director)



CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2011

(Figures in Rs.)

_			(1 1941 00 11 1 10.)
		As at 31st March, 2011	As at 31st March, 2010
A	CASH FLOW FROM OPERATING ACTIVITIES:	•	· · · · · · · · · · · · · · · · · · ·
	Profit before tax	5,872,994	(5,589,033)
	Adjustment for:		,
	Depreciation	16,870	18,250
	Interest earned on Fixed Deposits	(1,899,080)	(1,123,429)
	Interest Received on Fixed Deposits	1,948,408	2,071,366
	Operating Profit Before Working Capital Change	5,939,192	(4,622,846)
	Adjustment for:		
	(Increase)/Decrease in Loans & Advances	(372,681)	296,407
	(Increase)/Decrease in Trades & Other Receivables	16,402,090	(16,402,090)
	Increase/(Decrease) in Current Liabilities	(14,141,099)	14,227,803
	Cash Generated from Operations	7,827,501	(6,500,726)
	Less:		
	Direct tax Paid	(1,000,000)	(1,391,200)
	Short Provision for Tax (A.Y. 08-09)	(35,755)	
	Extraordinary item & Prior Period (Income)/Expenses	-	-
	Net cash from operating activity (A)	6,791,746	(7,891,926)
В	CASH FLOW FROM INVESTMENT ACTIVITIES:		
	Sale of Investments	-	-
	Purchase of Investments	(18,897,388)	-
	Sale of Fixed Assets	-	-
	Purchase of Fixed Assets	-	(63,156)
	Interest earned on loan given	-	49,315
	Loan Given	(50,000,000)	(123,000,000)
	Repayment of Loan	50,000,000	123,000,000
	Net cash flow from investing activities (B)	(18,897,388)	(13,841)
С	CASH FLOW FROM FINANCING ACTIVITIES:		
	Loan received	-	3,250,000
	Loan Repaid back	-	(3,250,000)
	Net cash flow from investing Activities (C)	-	-
Ne	t increase/(decrease) in cash and cash equivalents (A+B+C)	(12,105,642)	(7,905,767)
Ca	sh and cash equivalents at the beginning of the year period	57,190,611	65,096,378
Ca	sh and cash equivalents at the end of the year (refer schedule- 5	45,084,969	57,190,611
۸ -	Day Over Danast of Even Date Attached		

As Per Our Report of Even Date Attached

For Haren Sanghvi & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Haren Sanghvi

(Proprietor)
Membership No. 109246
Firm Registration No. 120743W
MUMBAI, Dated: 30th May 2011

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



ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

. REGISTRATION DETAILS

CIN L74899MH1994PLC193901

Registration Number 193901 State Code 11

Balance Sheet date 31/03/2011

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 65904
Total Assets 65904

Source of Funds

Paid up capital 59819
Reserve & Surplus 6085
Secured Loans NIL
Unsecured Loans NIL
Deferred Tax Liability NIL

Application of Funds

Net Fixed Assets28Investments18898Accumulated LossesNILNet Current Assets46978Miscellaneous Exp.NILDeferred Tax AssetsNIL

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

Turnover including Misc. Income 106619

Total Expenditure 100746

Profit before Tax 5873

Profit after Tax 4752

Earning per share (in Rs.) 0.79

Dividend Rate (%) NIL

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

Item Code No. : 5203

Description : All kinds of Cotton, synthetic Polyester, Jute Yarns.

For Haren Sanghvi & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Haren Sanghvi Mr. Sudhir Naheta Mrs. Rajkumari Naheta (Proprietor) (Managing Director) (Director)

Membership No. 109246 Firm Registration No. 120743W MUMBAI, Dated: 30th May 2011 This page has been kept intentionally blank.



Regd. Office: 209, Embassy Centre, Marine Drive, Nariman Point, Mumbai- 400021.

PROXY FORMS

		FOIIO INO.	
I /We	of	being the me	ember/members
of the above named company hereby appoint Mr./Ms.			
of in the District & State of			
him/her, Mr./Ms.	of	in the Di	strict & State of
	a	s my /our proxy to atte	nd and vote on
my/our behalf at the 17 th Annual General Meeting of the	Company to be held	at WORLD TRADE CE	ENTRE, LOTUS
HALL, CENTRE – 1 BLDG, 30 th FLOOR, WTC COMPLE	X, CUFFE PARADE,	MUMBAI - 400005 on T	THURSDAY, 29 th
SEPTEMBER 2011, AT 4.00 P.M.			
Cinned this	0044	Affix	Re. 1/-
Signed this day of	2011	rev	renue
Signature		St	amp
A.V. COTT Regd. Office: 209, Embassy Centre, Ma	TEX LIMITED		
	DANCE SLIP	, , , , , , , , , , , , , , , , , , , ,	
Folio No.			
Number of Shares held:			
1. Name of the attending Member			
(in Block Letter)			
2. Members Folio No		_	
3. Name of the Proxy			
(To be filled in Block Letters if the proxy attends instead	d of Member)		
I/We certify that I/ We am/are a member/ proxy for the me	mber of the Company		
I/ We hereby record my presence at the Seventeenth An TRADE CENTRE, LOTUS HALL, CENTRE – 1 BLDG, 3 400005 on THURSDAY, 29th SEPTEMBER 2011, AT 4.00	30 th FLOOR, WTC CO	g of the Company to be DMPLEX, CUFFE PARA	held at WORLD ADE, MUMBAI -
		Member's /Proxy's S	Signature

Note: Please complete this Attendance Slip and handover at the entrance of the meeting. The Copy of the Annual Report may please be brought at the time of meeting

Book-Post

If undelivered, please return to:
A.V.COTTEX LIMITED

209, Embassy Centre, Marine Drive,
Nariman Point, Mumbai- 400021.