



A. V. COTTEX LIMITED

**15th ANNUAL REPORT
2008-2009**

15TH ANNUAL REPORT **2008 -2009**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sudhir Milapchand Naheta
Mr. Ashwani Dewan
Mrs. Rajkumari Sudhir Naheta
Mr. Uday Shivram Marathe
Mr. Pramod Bharat Mulik
Mrs. Anagha Amar Ainapure
Mr. Amar Ashok Ainapure
Mrs. Aditi Aditya Dugar

Managing Director
Director
Additional Director
Additional Director
Additional Director
Additional Director
Additional Director

STATUTORY AUDITOR

M/s. Haren Sanghvi & Associates
Chartered Accountant

BANKERS

HDFC, Deer Park, New Delhi.
HDFC, SION Branch, Mumbai.
UCO Bank, New Delhi.

REGISTERED OFFICE

209, Embassy Center, Nariman Point,
Marine Drive, Mumbai 400 021.

SHARE TRANSFER AGENT & DEPOSITORY REGISTRAR

Beetal Financial & Computer Services Private Limited
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi- 110062

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **A.V COTTEX LIMITED** will be held on 25th September, 2009 at 4.00 P.M. at The National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai- 400 018 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009 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 Mr. Ashwani Dewan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Managing Director in place of Mr. Sudhir Naheta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Haren Sanghvi & Associates, Chartered Accountants, Mumbai, the retiring Auditors, be and are hereby re-appointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on the remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT Mrs. Rajkumari Naheta, who was appointed as an Additional Director of the Company on 30th October, 2008 under Section 260 of the Companies Act, 1956 and as per the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mrs. Aditi Dugar, who was appointed as an Additional Director of the Company on 30th October, 2008 under Section 260 of the Companies Act, 1956 and as per the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company."

BY ORDER OF THE BOARD OF DIRECTORS

Date: 30th June, 2009
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 atleast 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 close from Monday, 21th September, 2009 to Friday, 25th September, 2009 (both days inclusive)
4. The members are requested to intimate to the Registrar & Share Transfer Agents, Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062. 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: 30th June, 2009
Place: Mumbai

SUDHIR NAHETA
MANAGING DIRECTOR

EXPLANATORY STATEMENT

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

Item No. 5

Mrs. Rajkumari Naheta was appointed as an Additional Director of the Company with effect from 30th October, 2008 under Section 260 of the Companies Act, 1956 and as per the Articles of Association of the Company and she holds office upto the date of this Annual General Meeting.

The Company has received notice alongwith deposit under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mrs. Rajkumari Naheta as director of the company.

The Directors, therefore, recommend the resolution appearing under the Item No. 5 of the accompanying Notice for your approval.

Except Mrs. Rajkumari Naheta, Mr. Sudhir Naheta and Mrs. Aditi Dugar , no other Director is deemed to be concerned or interested in the above mentioned resolution.

Item No. 6

Mrs. Aditi Dugar was appointed as an Additional Director of the Company with effect from 30th October, 2008 under Section 260 of the Companies Act, 1956 and as per the Articles of Association of the Company and she holds office upto the date of this Annual General Meeting.

The Company has received notice alongwith deposit under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Mrs. Aditi Dugar as director of the company.

The Directors, therefore, recommend the resolution appearing under the Item No. 6 of the accompanying Notice for your approval.

Except Mrs. Aditi Dugar, Mrs. Rajkumari Naheta and Mr. Sudhir Naheta no other Director is deemed to be concerned or interested in the above mentioned resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Date: 30th June 2009.
Place: Mumbai

SUDHIR NAHETA
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Being the Fifteenth year of our alliance, your Directors are pleased to present the Fifteenth Annual Report of your Company and the Audited Statement of Accounts for the financial year ended 31st March, 2009.

Operating Review And Future Outlook

Presently the company is involved in the trading of yarn and providing of consultancy services to stressed/distressed companies. The management in the process of restructuring the company and is also planning to start a new business segment by concentrating its efforts on Trading in Bullion, Gems & Jewelry and Share & Securities Business. As of now no major agreement or commitment is made for the proposed business segment. The company booked a total turnover of **Rs. Nil** in the current year ended on 31st March, 2009 as compare to **Rs. 1127.25 Lacs** in the previous year. During the Current year the company earned a Loss after tax of **Rs. 2.35 Lacs** as compared to Profit after tax of **Rs. 5.21 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. For this purpose, the company had in its AGM held on September 30, 2005 accorded the consent of the shareholders for the Delisting of Equity Shares of the company from the Delhi Stock Exchange (DSE), Jaipur Stock Exchange (JSE), and Ahmedabad Stock Exchanges (ASE). The Equity Shares of the company had been De-listed from the ASE and JSE on December 20, 2007 and January 9, 2008 respectively. 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:

(Rs. In Lacs)

PARTICULARS	Year Ended 31st March, 2009	Year Ended 31st March, 2008
PROFIT AND LOSS ACCOUNT		
Income from Operations	Nil	1127.25
Other Income	16.12	5.31
Total Income	16.12	1132.56
Total Expenses	15.85	1132.60
Profit/ (Loss) before Depreciation	0.27	(0.04)
Depreciation	0.30	0.40
Profit/ (Loss) before Extraordinary Item and prior period item	(0.03)	(0.44)
Profit/(Loss) after Extraordinary Item and prior period item	(0.03)	(0.44)
Less: Tax Expense	2.32	*(5.13)
Profit/ (Loss) after Tax	(2.35)	5.28
Earnings Per Share	(0.04)	0.09

*The Amount also includes short provision of FBT for the Previous year of Rs. 0.05 lacs.

Shifting of Registered Office

We are glad to inform that your company has successfully undertaken the procedure of shifting of Registered Office of the Company from the state of Delhi to the State of Maharashtra. The new address of registered office of the company would be as follows:

209, Embassy Center,
Nariman Point, Marine Drive,
Mumbai 400 021
Maharashtra

Dividend

No Dividend is recommended for the year under review.

Board of Directors

During the year, the Managing Director and 3 Non executive directors gave his resignation and 7 new directors joined the board which is detailed as below:

Name of Director Resigning	Date of Resignation	Name of Director being Appointed	Date of Appointment
Mr. Aswani Dewan (Retired as Managing Director)	03/03/2009	Mr. Sudhir Naheta (Appointed as Managing Director)	03/03/2009
Mr. Anuj Dewan	03/03/2009	Mr. Aswani Dewan as Director	03/03/2009
Mr. Vijay Gupta	03/03/2009	Mrs. Rajkumari Sudhir Naheta	30/10/2008
Mr. Niraj Jain	03/03/2009	Mrs. Aditi Aditya Dugar	30/10/2008
		Mr. Uday Shivram Marathe	03/03/2009
		Mr. Pramod Bharat Mulik	03/03/2009
		Mrs. Anagha Amar Ainapure	03/03/2009
		Mr. Amar Ashok Ainapure	03/03/2009

In accordance with the Section 255 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Sudhir Naheta (Managing Director) and Mr. Ashwani Dewan (Director), will be retiring by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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 on accounts.

Auditors

The Auditors, **M/s Haren Sanghvi & Associates**, Chartered Accountants, retire at this Annual General Meeting and being eligible offers 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 AGM until the conclusion of the next AGM.

Audit Committee

Audit Committee previously comprised of Mr. Neeraj Jain (Non-Executive Independent Director), Mr. Vijay Gupta (Non-Executive Independent director), and Mr. Anuj Dewan (Non-Executive Director). Due to change in composition of Board of Directors and resignation of all 3 Non-Executive Directors the composition of Audit Committee has also been changed, presently it comprises of Mr. Uday shivram Marathe (Non-Executive Independent Director), Mrs. Rajkumari Sudhir Naheta (Non-Executive Director), and Mr. Pramod Bharat Mulik (Non-Executive Independent Director). 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 of the internal control mechanism.

Shareholder's Grievance & Transfer Committee

The Committee previously comprised of Mr. Neeraj Jain (Non-Executive Independent Director), Mr. Vijay Gupta (Non-Executive Independent Director) and Mr. Ashwani Dewan (Director/ Previous M.D.). As mentioned earlier due to change in composition of Board of Director, there was a change in composition of Shareholder's Grievance & Transfer Committee, presently it comprise Mr. Uday shivram Marathe (Non-Executive Independent Director), Mrs. Anagha Amar Ainapure (Non-Executive Independent Director) and Mrs. Aditi Aditya Dugar (Non-Executive Director).

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 Mumbai Stock Exchange upto the current financial year.

Share Transfer Agent

We are glad to inform you that company has applied for changed in Share Transfer Agent and the new agent to be appointed is "Link Intime India Private Limited", Mumbai.

Till the completion of transfer, present agent would continue to server, which is:

Beetal Financial & Computer Services Private Limited
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi- 110062

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 (PCS) 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' Responsible 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, 2009 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, 2009 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, 2009 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 31.3.2009)	Previous year (as on 31.3.2008)
	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

Mr. Sudhir Naheta
Managing Director

Place: Mumbai
Date: 30th June 2009.

ANNEXURE TO DIRECTORS' REPORT

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. 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.

The company has plans to get into Trading in Bullion, Gems & Jewel and Share & Securities to explore the vast experience of present managing director into the said field of business.

The gem and jewelry industry, which has been affected by the global slowdown, is hoping a fruitful year ahead. The current situation is good with higher footfalls and less "recession fears, We expect the industry to grow at 15-18 per cent per annum in the next few years. The All India Gem and Jewelry Trade Federation is targeting for 2013 a 50 per cent growth in the retail turnover of the domestic jewelry industry, which is currently worth Rs 1,12,000 crore.

The World Gold Council has predicted that "There will be a modest growth of 10-15 per cent in the Indian domestic jewellery business," said K Shivram, Vice-President, World Gold Council.

With Respect to trading in shares and securities the upcoming market provide a positive sight to the management.

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. Nil as compared to Rs. 1127.25 Lacs in the year 2008.

The company had assigned all its pending claims and debts and had cleared all its outstanding dues initiating a step towards becoming a debt free company.

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 Jewelry, 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 2009. 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 2009. 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 sold off all of its Fixed Assets and Investments at a very competitive rate and able to realize Rs. 2.98 Crore out of the same. The said fund is/will be re-invested in other investment avenues and Capital Assets.

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.

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 considering the business structure.

During the year 3 Non executive directors gave resignation on 3rd March, 2009 and the Board consists of 8 Directors, of whom 6 are Additional Directors and 1 is Non Executive Director. The directors bring to the board wide range of experience and skills. 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, 2009 is given hereunder.

Category	Name of Director	Designation	No. of Shares held as on 31 st March, 2009.
Promoter Directors	Mr. Sudhir Naheta	Managing Director	3177325
	Mr. Ashwani Dewan	Director	21546
	Mrs. Rajkumari Naheta	Director	1000000
	Mrs. Aditi Aditya Dugar	Director	--
Independent Director	Mr. Uday Shivram Marathe	Director	--
	Mr. Pramod Bharat Mulik	Director	--
	Mrs Anagha Amar Ainapure	Director	--
	Mr. Amar Ashok Ainapure	Director	--

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

Name of Director	No. of Board Meeting Attended	Attendance Particulars Last AGM (29.08.08)	No. of Other Directorships/ Committee Memberships/ Chairmanships in all Cos.		
			Chairman ships	Committee Membership	Director ship
Mr. Ashwani Dewan	10	Present	1	1	1
Mr. Anuj Dewan	6	Present	2	2	2
Mr. Vijay Gupta	6	Present	-	-	-
Mr. Neeraj Jain	6	Present	-	-	-
Mr. Sudhir Milapchand Naheta	4	N.A.	-	-	-
Mrs. Rajkumari Naheta	4	N.A.	-	-	-
Mrs. Aditi Aditya Dugar	4	N.A.	-	-	-
Mr. Pramod Bharat Mulik	0	N.A.	-	-	-
Mr. Uday Shivram Marathe	0	N.A.	-	-	-
Mrs. Anagha Amar Ainapure	0	N.A.	-	-	-
Mr. Amar Ashok Ainapure	0	N.A.	-	-	-

Note:

- None of the directors have any business relationship with the company
- Number of other directorships indicated above is exclusive of directorships on the Board of Private Limited Companies and non-body corporate institutions.

No. of Board Meetings Held and Dates

During the financial year 2008-09, the Board of A.V Cottex Limited had met 10 times. The dates of the meeting are 24th of April 2008, 30th of June 2008, 30th of July 2008, 15th of September 2008, 30th of October 2008, 20th of January 2009, 30th of January 2009, 01st February 2009, 26th February 2009 and 03rd of March, 2009. The maximum gaps between two meetings are 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.

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, 2009, 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 , Additional Director

The Auditors of the company are also invited in the Audit Committee Meeting but they have no right to vote.

Meetings and Attendance:

During the financial year ended 31st March, 2009 the audit committee has met Six times on 30th of June 2008, 23rd of September 2008, 10th October 2008, 24th of December 2008, 20th January 2008 and 2nd of March 2009.

Attendance of the Directors at the Audit Committee as on 31st March, 2009 is as follows:

Director	Category	No. of Meetings Held	
		Held	Attended
Mr. Neeraj Jain	Chairman	6	6
Mr. Vijay Gupta	Member	6	6
Mr. Anuj Dewan	Member	6	6
Mr. Pramod Bharat Mulik	Member*	-	-
Mrs. Rajkumari Sudhir Naheta	Member*	-	-
Mr. Uday Shivram Marathe	Member*	-	-

* Being appointed in the committee from 03.03.09 hence no meeting attended.

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 judgment 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, 2009, the Shareholder Grievance & Transfer Committee of the company comprises of Mrs. Aditi Aditya Dugar (Non-Executive Director) - Chairman , Mr. Uday shivram Marathe (Non-Executive Independent Director) Member and Mrs. Anagha Amar Ainapure (Non-Executive Independent Director) Member. 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. No Complaints were received from the Shareholders during the reported financial year and the numbers of pending complaints as on 31st March, 2009 against the Company were NIL.

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 held:

AGM	DATE	LOCATION	TIME	SPECIAL RESOLUTION PASSED IN AGM
14 th AGM	28.08.2008	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
12 th AGM	05.06.2006	Delhi Blue Apartments, 2 Factory Road, Safdarjung Ring Road, New Delhi- 110 029	9.00 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)
Jas Expoship Pvt. Ltd.	Associate Concern	Financial	Amount Taken 238.83 (293.23) Amount Returned 243.40 (293.23)
CT Cotton Yarn Ltd.	Associate Concern	Purchase of investment	5 (937.96)
Conchem Construction Pvt. Ltd	Associate Company	Financing of the daily operation of the Co. & sale of investment	Amount Given 84.21 (45) Amount Returned 84.21 (Nil)
Ashwani Dewan	Director (Managing Director)	Sale of fixed assets	1.76 (Nil)
Connexions air travel services Pvt. Ltd	Associate Concern	Ticket Booking	0.52 (Nil)

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.

The company had defaulted in holding its Thirteenth Annual General Meeting on due date. For this purpose M/s A.V. Cottex Limited and S/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.

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.

MEANS OF COMMUNICATION

The quarterly results as per the format prescribed by the Stock Exchange are published in the Financial Express and Jansatha. 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	25 th of September, 2009
Time	4:00 P.M.
Venue	The National Sports Club of India Lala Lajpat Rai Marg, Worli, Mumbai- 400 018.
Financial Reporting for the Quarter ending	
30 th June, 2008.	31 st July, 2008
30 th September, 2008.	31 st October, 2008
31 st December, 2008.	31 st January, 2009
31 st March, 2009.	30 th June, 2009
AGM for the Year ending 31 st March, 2009.	25 th September, 2009
Date of Book Closure	From 21 st September, 2009 to 25 th September, 2009 (both days inclusive)
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 08-09 has been paid.
Stock Code	BSE code 531190 ISIN No - INE355H01015

Stock Market Price Data

The High and Low Stock prices on monthly basis for the whole year (i.e. 1st April, 2008 to 31st March, 2009) are as follows:

Month	Price Per Share (Rs.)		Shares Traded (Nos.)
	High	Low	
April, 08	24.65	16.50	4,97,677
May, 08	40.85	23.45	1,13,29,301
June, 08	45.40	23.90	1,15,01,010
July, 08	22.75	11.45	1,56,00,915
August, 08	21.00	12.35	51,40,020
September, 08	16.20	13.01	21,41,171
October, 08	14.49	9.41	3,48,568
November, 08	10.00	7.75	1,42,818
December, 08	9.26	7.61	22,876
January, 09	9.24	7.15	1,02,793
February, 09	9.60	8.40	57,390
March, 09	8.90	7.22	1,91,837

Source: BSE

Registrar & Share Transfer Agent

Beetal Financial & Computer Services Private Limited
 Beetal House, 3rd Floor, 99, Madangir,
 Behind Local Shopping Centre,
 Near Dada Harsukhdas Mandir,
 New Delhi- 110062.

Share Transfer System

Both the physical transfer and Demating of the shares are handled by Registrar & Share Transfer agent M/s Beetal Financial and Computer Services 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.

Distribution of Shareholding

The Distribution of the shareholding of the equity shares as on 31st March, 2009 are as follows:

No of Equity shares held	No. of shareholders	% of share holders	Total number of shares	% of share holding
1 100	249	28.85	14763	0.25
101 200	89	10.31	17380	0.29
201 300	40	4.63	11635	0.19
301 400	32	3.71	12475	0.21
401 500	117	13.56	58450	0.98
501 1000	128	14.83	109622	1.83
1001-10000	174	20.16	605582	10.11
10001 & above	34	3.94	5161993	86.15
Total	863	100.00	5991900	100.00

Categories of Shareholders as on 31st March, 2009

Category	Total No. of shares	% of Shareholding
Promoters/Relatives/Promoters Companies	4177325	69.72 %
Financial Institutions/ Banks	-	-
FII's	-	-
Mutual Funds	-	-
Private Corporate bodies	375418	6.26 %
Indian Public	1425856	23.80 %
NRI/ OCBs	13301	0.22 %
Others	-	-
Total	5991900	100.00 %

Dematerialization of shares and Liquidity

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.

Outstanding GDR/ ADRs/ Warrants/ Options

Not applicable

Address for Correspondence

For share certificate, change of address and any other query relating to the shares	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062
For Investor Assistance	Compliance Officer, 209, Embassy Center, Nariman Point, Marine Drive, Mumbai- 400021.

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, 2009

CEO/CFO CERTIFICATION

As required by the revised clause 49 of the Listing Agreement, the certificate duly signed by Mr. Sudhir Naheta, Managing Director was placed before the Board of Directors at their meeting held on 30th June, 2009.

Practicing Company secretary Certificate on compliance with the condition of Corporate Governance under Clause 49 of the Listing Agreements(s).

To the Members of A.V. Cottex Limited

We have examined the compliance of conditions of Corporate Governance of A.V. Cottex Limited for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the Responsibility of the management. Our Examination was limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance with 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 Clause 49 of the above mentioned listing Agreement.

We state that in respect of Investors grievances received during the year ended 31st March, 2009, no investor grievances are pending against the company for the period exceeding one month as per the records maintained by the Company, which are presented to the Shareholders/ Investor Grievance committee.

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

For Ranjeet Pandey & Associates
Company Secretaries

Place : New Delhi
Date: 30th June, 2009

CS. Ranjeet Pandey

AUDITORS' REPORT

To the Member of A.V. Cottex Limited,

We have audited the attached Balance Sheet of **A.V COTTEX LIMITED**, as at **31st March 2009** 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.

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 of 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.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, 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.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) The Balance sheet and Profit & Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and 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.
- (v) 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 2009 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanation 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 the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2009;
- ii) In the case of profit & loss Account, of the loss of the company for the year ended on that date;
- iii) In the case of cash flow statement, of the cash flow for the year ended on that date.

**For HAREN SANGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE : MUMBAI
DATE : 30th June '09.**

**CA HAREN SANGHVI
(PROPRIETOR)**

Annexure referred to in paragraph '3' of the Auditors' Report to the Members of A.V Cottex Limited on the accounts for the period starting from 1st April, 2008 to 31st March, 2009.

- (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 program 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) During the year company has disposed of all of it's assets which comprises of Computer and Photo Copy Machine under the process of shifting of registered office of the Company & Changeover of management. Company would be developing fresh block of assets in future and the going concern of the company has not been affected.
- (ii)
- a) The Company held no inventory during the year.
- (iii)
- a) Company has granted unsecured loan to the companies during the year as covered under the register maintained u/s. 301. Details of the same is as Below:

No. Of Parties covered	Amount Involved
1	5,50,000/-

- b) The Rate of Interest and other terms and conditions of loans granted are appropriate and the said terms is not prejudicial to the company. Receipt of principal is regular. There is no overdue amount to be recovered.
 - c) During the year company has not accepted any unsecured loan from the person specified u/s. 301 and is appropriately recorded in the register maintained u/s. 301 of the companies Act, 1956.
 - d) The Rate of Interest and other terms and conditions of loans accepted are appropriate and the said terms is not prejudicial to the company. There is no overdue amount to be paid as on the Balance sheet date.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sales of goods. During the course of our audit, no weakness has been noticed in the underlying internal controls. The company does not deal in any services.
- (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 in respect of any party during the year, are considered to be of special nature as explained by the management of the Company, for which no suitable market prices for similar services are available.

- (vi) The Company has not accepted any deposits from the public
- (vii) The company has no internal audit system 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 outstanding as at 31st March, 2009.
- (x) According to the information and explanations given to us, the company has no accumulated losses on 31st March, 2009. 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 not dealing in or trading in shares, securities, debentures and other investments. However record for long term investment made in share and securities has been maintained appropriately.
- (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 have 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.
- (xx) The company has not raised any money by way of public issue.
- (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, 2009.

**For HAREN SANGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE : MUMBAI
DATE : 30th June, 2009.**

**HAREN SANGHVI
Proprietor**

A.V. COTTEX LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

(Figures in Rs.)

PARTICULARS	SCHE DULE		AS AT 31.03.2009		AS AT 31.03.2008
SOURCE OF FUNDS					
SHARE HOLDERS FUND					
Share Capital	1		59,819,250		59,819,250
Reserves & Surplus	2		6,926,675		7,162,175
LOAN FUNDS					
Secured Loans			-		-
Unsecured Loans	3		-		3,750,000
DEFERRED TAX LIABILITY					24,374
			66,745,925		70,755,799
APPLICATION OF FUNDS					
FIXED ASSESTS	4				
a. Gross Block		261,700		261,700	
b. Less: Depreciation		-		55,444	
c. Less: Sale of fixed assets		261,700		-	
NET BLOCK		-		206,256	
CAPITAL WORK IN PROGRESS					206,256
INVESTMENT	5		-		29,603,678
CURRENT ASSETS, LOANS & ADVANCES					
a. Sundry Debtors	6	-		100,424	
b. Cash & Bank Balances	7	66,295,048		42,440,669	
c. Other Current Assets		-		-	
d. Loans & Advances	8	875,030		1,893,867	
		67,170,078		44,434,960	
LESS: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities & Provisions	9	424,152		3,489,094	
NET CURRENT ASSETS			66,745,925		40,945,866
ACCOUNTING POLICY & NOTES ON ACCOUNTS	15				
			66,745,925		70,755,799

The schedules Refer to above and notes there on forms an integral part of this accounts

As per our report of even date
For HAREN SANGHVI & ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Haren Sanghvi
Proprietor

Mr. Sudhir Naheta Mrs.
(Managing Director)

Rajkumari Naheta
(Director)

PLACE : MUMBAI
DATE : 30th June, 2009.



A.V. COTTEX LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31 MARCH 2009

(Figures in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.2009	As at 31.03.2008
INCOME			
Net Sales	10	-	112,725,673
Interest and Dividend Income		1,607,093	-
Other Income	11	5,618	530,680
		1,612,711	113,256,353
EXPENDITURE			
Purchase/Raw Material Consumption	12	-	111,708,334
Administrative & General Expenses	13	1,571,596	867,374
Interest & Finance Expenses	14	14,407	684,932
Selling & Distribution Expense		-	-
		1,586,002	113,260,640
Profit/(Loss) Before Tax & Depreciation		26,709	(4,287)
Depreciation	4	30,420	40,213
Profit/(Loss) Before Tax & Exceptional Item		(3,711)	(44,500)
Less: Exceptional Items		-	-
Profit Before Tax from Ordinary Activity		(3,711)	(44,500)
Provision for Income Tax written back		-	(542,486)
Short Provision for FBT of Previous year		-	(2,741)
Fringe Benefit Tax		(5,063)	(2,727)
Provision for Income Tax		(251,098)	-
Deferred Tax		24,373	35,171
Profit/(Loss) After Tax		(235,500)	527,689
Balance Brought Forward		6,162,175	5,634,486
Balance Carried to Balance Sheet		5,926,675	6,162,175
Basic/Diluted Earning Per Share (Face Value of Rs. 10/- Each)		(0.04)	0.09
Accounting Policies & Notes to Accounts	15		

The schedules Refer to above and notes there on forms an integral part of this accounts.

As per our report of even date
For HAREN SANGHVI & ASSOCIATES
 Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Haren Sanghvi
 Proprietor

Mr. Sudhir Naheta
 (Managing Director)

Mrs. Rajkumari Naheta
 (Director)

PLACE : Mumbai
 DATE : 30th June, 2009.

A.V. COTTEX LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

(Figures in Rs.)

PARTICULARS		
	As at 31.03.2009	As at 31.03.2008
SCHEDULE-1		
SHARE CAPITAL		
a. Authorized		
70,00,000 Equity Shares of Rs. 10/- each	70,000,000	70,000,000
	<u>70,000,000</u>	<u>70,000,000</u>
b. Issued, Subscribed & Paid Up		
59,91,900 Equity Shares of Rs. 10/- each fully paid up (Previous year 59,91,900)	59,919,000	59,919,000
Less: Calls unpaid (Due by others)	99,750	99,750
	<u>59,819,250</u>	<u>59,819,250</u>
SCHEDULE-2		
RESERVE & SURPLUS		
Balance carried forward		1,000,000
Surplus as per Profit & loss a/c	08-09	07-08
Opening Balance	6162174	5634486
Add: Profit after tax	(235500)	527688
		<u>5,926,675</u>
		<u>6,926,675</u>
SCHEDULE-3		
UNSECURED LOANS		
From Banks:	-	-
From Others:	-	-
T. C. Spinners Ltd.	-	3,750,000
	<u>-</u>	<u>3,750,000</u>
SCHEDULE-5		
INVESTMENTS (VALUED AT COST)		
UNQUOTED		
Partly Paid Up Shares		
4800 Equity shares of Rs.10 each of H.F.C.	-	100,000
97200 Equity shares of Rs.10 each of Nova India Ltd.	-	119,690
Fully Paid Up Shares		
100000 Equity shares @ Rs. 10/- each Alankit Techno. Ltd.	-	1,000,000
50000 Equity shares @ Rs. 10/- each of Nipun Steels Pvt.Ltd	-	500,000
5000 equity shares @ Rs. 100/- each Scud Steel Pvt. Ltd.	-	500,000
150000 equity shares @ Rs. 10/- each of Shri Parasram Ind. Pl.	-	1,500,000
2000 equity shares @ Rs. 100/- each of Sumitra Nursing & Maternity Home Limited	-	1,000,000
250000 equity shares @ Rs. 10/- each of Sristhi Growth Fund Pvt. Ltd.	-	2,500,000
450000 equity shares @ Rs. 10/- each of KLM Growth Fund Pvt. Ltd.	-	4,500,000
1200 equity shares @ Rs. 1000/- each of Y.K. Jewellers Pvt. Ltd.	-	1,200,000
50000 equity shares @ Rs. 10/- each of Abhishek Securities (P) Ltd.	-	500,000
100000 equity shares @ Rs. 10/- each of Balaji Mercantile (P) Ltd.	-	1,000,000
75000 equity shares @ Rs. 10/- each of Tanish Aluminium (p) Ltd.	-	750,000
150000 equity shares @ Rs. 10/- each of Alankit Com. Stock (P) Ltd.	-	1,500,000
Under same management		
625260 NB LTD. (Overseas)	-	4,138,236
618762 NB LTD. (Overseas)	-	4,948,999
617266 NB LTD. (Overseas)	-	3,846,753
Quoted Investment		
	-	-
	<u>-</u>	<u>29,603,678</u>
Total value of Unquoted investments Rs. Nil (Previous year Rs. 2,96,03,678)		

A.V. COTTEX LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS

SCHEDULE - 4
FIXED ASSETS

(Figures in Rs.)

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		As at 01.04.2008	Additions During the year	Deduction/ Adj. During the Year	As at 31.03.2009	Upto 31.03.2008	Deductions	For the Year	Upto 31.03.2009	As at 31.03.2008	As at 31.03.2009
Tangible Assets											
1	Plant and Machinery	16,200	-	16,200	-	417	990	573	-	15,783	-
2	Computer	245,500	-	245,500	-	55,027	84,874	29,847	-	190,473	-
Total		261,700	-	261,700	-	55,444	85,864	30,420	-	206,256	-
Previous Year		1,945,500	16,200	1,700,000	261,700	39,567	24,336	40,213	55,444	1,905,933	206,256

A.V. COTTEX LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS

PARTICULARS	(Figures in Rs.)	
	As at 31.03.2009	As at 31.03.2008
SCHEDULE-6		
SUNDRY DEBTORS		
Unsecured: Considered Goods (Debtors Personal Security)*		
Debts outstanding for a period exceeding 6 months		
Other Debts	-	100,424
	<u>-</u>	<u>100,424</u>
SCHEDULE-7		
CASH & BANK BALANCES		
a) Cash Balance on Hand	378	10,630
b) Bank Balance with scheduled Banks		
- Current Account (Including Cheque under collection)	16,896,000	42,430,039
- Deposit Account with Scheduled Banks	48,200,000	-
- Accrued Interest on FDR	1,198,670	-
	<u>66,295,048</u>	<u>42,440,669</u>
SCHEDULE-8		
LOANS & ADVANCES		
Unsecured (Considered Good)		
a) Excise Duty Refundable	-	376,226
b) Other loans & advances	3,581	632,728
c) Vat/Sales Tax Receivable	-	93,522
d) Advance Recoverable in cash or kind	871,449	791,391
	<u>875,030</u>	<u>1,893,867</u>
SCHEDULE-9		
CURRENT LIABILITIES & PROVISIONS		
a) Sundry Creditors		
i) Small & Medium Enterprises	-	-
ii) Others	6,530	3,413,661
b) Outstanding Liabilities	74,353	52,016
c) Salary Payable & Accountancy charges Payable	-	2,500
d) Professional Charges Payable	74,204	3,874
e) Tds Payable	17,967	14,316
f) Provision of Income Tax	251,098	-
g) Provision of FBT	-	2,727
	<u>424,152</u>	<u>3,489,094</u>
SCHEDULE-10		
SALES		
Yarn Sales	-	93,599,958
Sale of Fabric	-	15,549,069
Sale Cotton	-	2,461,703
Waste Sale	-	1,114,943
	<u>-</u>	<u>112,725,673</u>
SCHEDULE-11		
OTHER INCOME		
Profit on sale of Fixed Assets	-	-
Misc Income - Creditor W/o & Others	5,618	345,225
Currency Fluctuation & Other receipts	-	185,455
	<u>5,618</u>	<u>530,680</u>

A.V. COTTEX LIMITED

SCHEDULES TO THE STATEMENT OF ACCOUNTS

PARTICULARS	(Figures in Rs.)	
	As at 31.03.2009	As at 31.03.2008
SCHEDULE-12		
PURCHASE		
Yarn Purchase	-	89,321,922
Freight Inward	-	773,330
Purchase Faric	-	14,466,627
Purchase Waste	-	990,338
Cotton consumed	-	6,156,117
	-	111,708,334

SCHEDULE-13
ADMINISTRATIVE & GENERAL EXP.

a)Local Conveyance & Travelling Exp	123,631	19,935
b)Printing & Stationary	16,020	54,625
c)Entertainment	3,153	2,654
d)Misc.Exp.	2,622	12,180
e)Postage & Courier Charges	4,192	17,254
f)Salary & Accountancy Charges	54,000	202,208
g)Vehicle running & maintenance exp.	880	5,035
h)Telephone & Mobile Exp.	24,000	24,000
i)Listing Fees-Stock Exchange	38,072	137,100
j)Auditors Remuneration	82,725	56,120
k)Filing Fees	1,614	1,560
l) Rent	60,000	60,000
m)Professional Exp.	380,240	138,887
n) Publication & Advertisement exp	35,600	75,384
o) Fees & Subscription	1,056	51,923
p) Rates & Taxes	341	184
q) Electricity & Water Charges	6,000	6,000
r) Business promotion	-	1,685
s) Written Off	737,450	-
	1,571,596	867,374

SCHEDULE-14
INTEREST & FINANCIAL EXP.

a)Interest	-	365,743
b)Bank Charges	14,407	319,189
c)Interest on Car Loan	-	-
	14,407	684,932

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 15 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 straight-line 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:

- 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

In the report year company did not hold any inventory and hence valuation process has not be done.

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 enter into by the company during the current financial year.

h) PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax & fringe benefits tax is made on the basis of estimated taxable income and fringe benefits respectively 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.

a) **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 is accounted for on accrual basis.

b) **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.

c) **SEGMENT REPORTING**

The Company only operates in one business segment viz. "Yarn".

B) NOTES TO ACCOUNTS

a) **CONTINGENT LIABILITIES**

As reviewed by the management there were no contingent liability as at the end of the Financial Year reported.

Fixed deposit of Rs. 700000 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 for the UCO Bank.

b) **INCOME-TAX**

Adequate provision for taxation has been made for the year ended as at 31st March 2009.

c) Previous year figures have been regrouped /reclassified wherever necessary.

d) During the year 07-08, a public proposal for purchase of equity shares is advertised in the newspaper with the complete offer price of Rs.14/- per fully paid up equity share of the company which got closed in the Current Year on May 12, 2008.

At the Closure of the Offer and subsequent Public Announcement the Acquirers acquired 4,177,325 Equity Shares representing 69.71% of the Issued and Subscribed Share Capital in the Open Offer. All payments had been made to the Shareholders within the stipulated time period. No Partly Paid-Up Shares were acquired by the Acquirers.

e) **BALANCE CONFIRMATION**

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



f) AUDITORS REMUNERATION

Amount paid to Auditor:

Sr. No.	Particulars	Year ended 31.03.2009	Year Ended 31.03.2008
1.	Audit Fees.	248175	56120
2.	As adviser, Or in any other capacity, In respect of-		
	i) Taxation Matters.	27575	Nil
	ii) Company Law Matters.	110300	Nil
	iii) In Other Matters.	1686	Nil

g) 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.

(a) List of related parties with whom transaction have taken place and relationships:

Sr.	Name of the Related Party	Relationship
1.	Jas Expoship Pvt. Ltd.	Associate Company
2.	CT Cotton Yarn Limited	Associate Company
3.	Conchem Constructions Pvt. Ltd.	Associate Company
4.	Connexions air travel services P. Ltd.	Associate Company
5.	Mr. Ashwani Dewan	Director

(b) Transaction during the year with related parties:

Name of Related Party	Relation ship	Nature of transactions	Amount transacted during the year * (in Lakhs)	Outstanding Amount as on 31 st March 2009
Jas Expoship Pvt. Ltd.	Associate Concern	Financial	Amount taken 238.83 (293.23) Amount returned 243.40 (293.23)	4.56
CT Cotton Yarn Ltd.	Associate Concern	Purchase of investment	5.00 (937.96)	NIL
Conchem Construction Pvt. Ltd.	Associate Company	Financing of the daily operation of the Co. & sale of investment	Amount given 84.21 (45.00) Amount returned 84.21 (NIL)	NIL
Ashwani Dewan	Director (Previously Managing Director)	Sale of fixed assets	1.76 (NIL)	NIL
Connexions air travel services Pvt. Ltd	Associate Concern	Travel Agency Charges	0.52 (NIL)	NIL

*Figures shown in brackets represent Previous year's amount

h) 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	2008-09	2007-08
Profit/Loss after tax	(235000)	5,27,688
Weighted average No. of Equity Shares Outstanding during the year	5981925	5981925
Basic and Diluted EPS	(0.04)	0.09

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

i) Particulars of capacities, production, sales and stocks for the year ending 31.03.2009:

Year	Licensed Capacity	Installed Capacity	Production		Sales		Opening Stock		Closing Stock	
	(tons)	(tons)	Qty. (tons)	Amt. (Rs.Lac)	Qty. (tons)	Amt. (Lac)	Qty. (tons)	Amt. (Lac)	Qty. (tons)	Amt. (Lac)
2007-08	Yarn 7000	---	---	---	---	---	---	---	---	---
2008-09	Yarn 7000	---	---	---	---	---	---	---	---	---

i) Raw material consumed

	Qty. (tons)	Amount (Rs.in lacs)
2008-09	NIL	NIL
2007-08	NIL	NIL

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

iv) Capital Goods

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

j) DIRECTORS REMUNERATION

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

	Amount in Rs. (2008-09)	Amount in Rs. (2007-08)
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.

k) 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.

l) As per the Listing Agreement under clause 38 of Companies Act 1956, co. has paid all the listing fee due for the year ended 31st March 2009.

m) 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

n) DEFERRED TAX

Deferred Tax Assets and Liabilities as on 31st March, 2009 are as under:

Deferred Tax Liability				
Sr. No.	Particulars	As of 31st March 2009	As of 31st March 2008	Net Difference
		(A)	(B)	C = (A-B)
1	Difference between book depreciation and depreciation under the Income Tax Act, 1961	-	42798	(-42,798)
Total Deferred Tax Liabilities (I)		-	42,798	(42,798)
Deferred Tax Assets				
Sr. No.	Particulars	As of 31st March 2009	As of 31st March 2008	Net Difference
		(A)	(B)	C = (A-B)
1	Deferred tax assets on carry forward loss.	-	18425	(-18,425)
Total Deferred Tax Assets (II)		-	18,425	(18,425)
Net Deferred Tax Assets as on 31st March 2009		-	24,373	(24,373)
Net of Deferred Tax Liability/Deferred Tax Assets Carry Forward				NIL

o) 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**

**HAREN SANGHVI
(PROPRIETOR)
PLACE: MUMBAI
DATE: 30th June, 2009.**

A.V. COTTEX LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2009

	(Amount in Rupees)	
	As at 31.03.2009	As at 31.03.2008
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and Extra ordinary	(3,711)	(44,501)
Adjustment for:		
Add: Depreciation	30,420	40,213
Less: Interest And Dividend Income	(1,607,093)	-
Other Income	-	(530,680)
Operating Profit Befor Working Capital Change	<u>(1,580,384)</u>	<u>(534,968)</u>
Adjustment for:		
(Increase)/Decrease in Loans & Advances	318,837	40,864,253
(Increase)/Decrease in Trades & Other Receivables	100,424	2,955,086
Increase/(Decrease) in Trades Payables	(3,316,041)	(5,938,715)
Cash Generated from Operations	<u>(4,477,164)</u>	<u>37,345,656</u>
Less:		
Direct tax Paid	(5,063)	(542,486)
Extraordinary item & Prior Period (Income)/Expenses	-	-
NET CASH FROM OPERATING ACTIVITY (A)	<u><u>(4,482,227)</u></u>	<u><u>36,803,170</u></u>
B CASH FLOW FROM INVESTMENT ACTIVITIES:		
Sale of Investments	39,415,278	-
Purchase of Investments	(9,811,600)	(1,184,437)
Sale of Fixed Assets	175,836	1,861,119
Purchase of Fixed Assets	-	(16,200)
Interest and Dividend Income and other income	408,423	(569,803)
Investments in Fixed deposits with banks	(67,500,000)	-
Fixed Deposits with banks Matured	20,000,000	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	<u>(17,312,063)</u>	<u>90,679</u>
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	284,250
Repayment of Loan	(3,750,000)	(1,362,383)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	<u>(3,750,000)</u>	<u>(1,078,133)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(25,544,290)	35,815,716
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR PERIOD	42,440,668	6,624,952
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>16,896,378</u></u>	<u><u>42,440,668</u></u>

As per our report of even date
For **HAREN SANGHVI & ASSOCIATE**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Haren Sanghvi
Proprietor
PLACE : Mumbai
DATE : 30th June, 2009.

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

1. REGISTRATION DETAILS	
Registration Number	62525
State Code	55
Balance Sheet date	31/03/2009
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 MOBILIZATION & DEPLOYMENT OF FUNDS (AMOUNT IN Rs. '000)	
Total Liabilities	66746
Total Assets	66746
<u>Source of Funds</u>	
Paid up capital	59819
Reserve & Surplus	6927
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	NIL
<u>Application of Funds</u>	
Net Fixed Assets	NIL
Investments	NIL
Accumulated Losses	NIL
Net Current Assets	66746
Miscellaneous Exp.	NIL
Deferred Tax Assets	NIL
4. PERFORMANCE OF THE COMPANY (AMOUNT IN Rs. 000)	
Turnover including Misc. Income	1613
Total Expenditure	1616
Profit before Tax	(3.71)
Profit after Tax	(235.50)
Earning per share (in Rs.)	(0.04)
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: 30th June, 2009.

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

A.V COTTEX LIMITED
 Regd. Off.: 209, Embassy Center, Nariman Point, Marine Drive,
 Mumbai 400 021 Maharashtra

ATTENDANCE SLIP

I certify that I am registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 15th Annual General Meeting of the A.V Cottex Ltd. held on 25th September , 2009 at 4.00 P.M at The National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai- 400 018.

Name & Address of the Shareholder.....
 (in Block Letter)

Name of Proxy holder / Authorised Representative.....
 (if applicable) (in Block Letters)

No. Of shares held.....
 Ledger Folio / Client ID & DP ID No.....

Member's / Proxy's Signature.....

Note: Please fill this attendance slip and hand it over at the Entrance of the hall.

A.V COTTEX LIMITED
 Regd. Off.: 209, Embassy Center, Nariman Point, Marine Drive,
 Mumbai 400 021 Maharashtra

PROXY FORM

I/We.....r/o.....
being a member / members ofhereby appoint
 Shri ofor failing him / her
 Shri.....of.....as my/ our proxy to vote for me / us on my/our
 behalf at the 15th Annual general meeting of the Company to be held on 25th September, 2009 and at
 any adjournment thereon.

Signed this.....
 No. of shares held.....

Affix
Revenue
Stamp

Ledger folio/Client ID & PD ID No Signature

Note: The Proxy Form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member

BOOK POST

If undelivered please return to:

A V COTTEX LIMITED

209, Embassy Center, Nariman Point,
Marine Drive, Mumbai 400 021.