

23rd ANNUAL REPORT

MAVI INDUSTRIES LIMITED

REGISTERED OFFICE

Betegaon Village, Boisar (East), Taluka Palghar Dist. Thane - 401 501

MAVI INDUSTRIES LIMITED

TWENTY THIRD ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Mr. Krishnakumar Agarwal	Director
Ms. Anuja Kulkarni	Director
Mrs.Amita Agarwal	Director

AUDITORS

M/s. B.N.Kedia & Co.,
Chartered Accountants
Mumbai.

SOLICITORS AND ADVOCATES

Little & Co., Mumbai

REGISTERED OFFICE & FACTORY

Betegaon Village,
Boisar (E), Tal. Palghar,
Dist. Thane - 401 501.
Maharashtra, India.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.

MAVI INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the Members of **MAVI INDUSTRIES LIMITED** will be held on Friday, 30th September 2011 at Registered Office of the Company situated at Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane – 401 501 at 10.30 a.m. to transact the following business –

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2011 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint Director in place of Mrs.Amita Agarwal, who retires by rotation, and being eligible offers herself for re-appointment.
- 3) To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**.

“RESOLVED that M/s B.N.Kedia & Co. Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

**By Order of the Board of Directors
For MAVI INDUSTRIES LIMITED**

**Place : Betegaon
Date : 02/09/2011**

DIRECTOR

Registered Office :
Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.

NOTES

1. A SHAREHOLDER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
3. The instrument appointing a proxy should, however be deposited at the registered office of the company not later than 48 hours before the time for holding the meeting the proxy need not be a member of the company.

MAVI INDUSTRIES LIMITED

4. The Register of Members and the Share Transfer Register of the Company shall remain close from 26th September, 2011 to 30th September 2011 (both days inclusive).
5. Members are also requested to notify changes in address, details of bank account number, name of the bank, bank's branch name and address, if any, immediately to the Company's Registrar & Share Transfer Agents – Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
6. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrar's and Transfer Agents, at the address as stated in note.5 above.
7. Members may please address all their documents/ correspondences relating to the equity shares directly to the Company's Registrars and Transfer Agents, at the address as stated above.
8. Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated above.
9. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchange would be facilitated if share certificates are dematerialized. Members having the physical shares certificate are advised to consider opening of a Demat Account with an authorized Depository Participant and arrange for dematerializing their shareholdings in the Company.
 - a) All unclaimed dividend for the financial year 1997-98 (Interim Dividend) and 1997-98 (Final Dividend) of the company has been transferred to the Investors Education and Protection Fund in terms of Section 205C of the COMPANIES ACT, 1956.

MAVI INDUSTRIES LIMITED

10 Members attending the Annual General Meeting are requested to bring with them the following:

- a) Members holding shares in dematerialized form, their DP & Client ID Numbers.
- b) Members holding shares in physical form, their folio Numbers.
- c) Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
- d) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The company would accept only the Attendance Slip from a member actually attending the Meeting or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slip of Members/ valid proxies not personally present at the Meeting, or relating to proxies which are invalid, will not be accepted from any other member/person.

**By Order of the Board of Directors
For MAVI INDUSTRIES LIMITED**

**Place : Betegaon
Date : 02/09/2011**

DIRECTOR

Registered Office :
Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.

MAVI INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors present the Twenty-Third Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2011.

Financial Results

Description	(Rupee in Lakhs)	
	Year Ended 31-03-2011	Year Ended 31-03-2010
Other Income	6.73	70.23
Profit before Interest, Depreciation & Tax	(6.95)	52.45
Interest	0.02526	0.00719
Profit/(Loss) before Depreciation and Tax	(6.98)	52.44
Depreciation	2.97	27.33
Profit/(Loss) before Tax & Provisions	(9.95)	25.11
Add: Interest written back	-	865.91
Provision for Tax	Nil	Nil
Profit/(Loss) after Tax	(9.95)	891.03
Add : Non-operating loss	Nil	Nil
Add : Surplus b/f from the previous year	(32462.06)	(33353.09)
Balance carried forward to Balance Sheet	(32472.01)	(32462.06)

Dividend

In view of the losses incurred by the Company during the year under review, your directors regret their inability to declare any dividend on equity shares of the Company.

Operations and Outlook

During the year there was no manufacturing operation at plant of the company due to unavoidable circumstances beyond control of the company.

Directors

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Amita Agarwal, retires by rotation at the conclusion of ensuing Annual General Meeting and being eligible, offers herself for reappointment.

MAVI INDUSTRIES LIMITED

Directors' Responsibility Statement

As required by section 217(2AA) of the companies Act, 1956, your directors state:

- ◆ that in the preparation of annual accounts, for the year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures except AS 5 with respect to secured loan liability w/back on settlement of secured loans, amounting to Rs. 3.56 crores, which should have routed through profit & Loss Account instead of directly crediting to General Reserve
- ◆ that the directors had selected such accounting policies and applied them consistently and made judgements 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 financial year and of the loss of the company for that year;
- ◆ that the directors had taken proper and sufficient care 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 irregularity;
- ◆ that the directors had prepared the annual accounts for the year ended 31st March 2011, on a going concern basis.

Corporate governance

Pursuant to Clause 49 of the Listing Agreement a separate report on Corporate Governance and a certificate from the Mr.Pradip C. Shah, FCS, Practicing Company Secretary regarding compliance of the conditions of Corporate Governance are annexed to the Directors Report.

Auditors

M/s. B.N.Kedia & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the limits specified under Section 224(1 B) of the Companies Act, 1956.

The Board recommends their re-appointment.

The Notes to the Accounts referred to in the annual report are self explanatory and therefore do not call for any further explanation.

Auditors' Report -

The observations and qualifications made by auditors in the Auditors' Report are explained as under:

MAVI INDUSTRIES LIMITED

- ◆ With reference to point no. 2 (d) in the Auditor' Report, the company has not complied with AS 5 with respect to secured loan liability w/back on settlement of secured loans , amounting to Rs.3.56 crores, which should have routed through profit & loss Account instead of directly crediting to General Reserve.
- ◆ With reference to point no. 2 (g) in the Auditors' Report, the net worth of the company is fully eroded due to heavy losses and financial institutions and Bankers of the Company have already recalled the credit facilities extended to the company

Particulars of Employees

There were no employees drawing a salary in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo

In accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, the required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this report.

Acknowledgements

The Board of Directors wishes to thank the Company's members and esteemed business associates for their valued contributions and support.

**By Order of the Board of Directors
For MAVI INDUSTRIES LIMITED**

**Place : Betegaon
Date : 02/09/2011**

DIRECTOR DIRECTOR

Registered Office :
Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.

MAVI INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

- a. **Conservation of Energy** : The above details are not required to be given by the Company in Form A as our activities do not fall under list of industries specified in the Schedule attached to Rule 2. Ours is not a major power consuming industry.
- b. **Technology absorption** : The Company has not undertaken any R & D work.
- c. **Foreign Exchange Earnings and Outgo**: Nil

**By Order of the Board of Directors
For MAVI INDUSTRIES LIMITED**

**Place : Betegaon
Date : 02/09/2011**

DIRECTOR

DIRECTOR

**Registered Office :
Betegaon Village, Boisar (E),
Tal. Palghar,
Dist. Thane - 401 501.**

MAVI INDUSTRIES LIMITED

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company's philosophy on corporate governance is aimed at assisting the top management of the company in efficient conduct of its business, transparency in management and in meeting its obligations towards shareholders.

I. BOARD OF DIRECTORS

A) Composition :

As at March 31, 2011 the board consisted of 3 members. The Board comprises of 1 (One) Executive Director and 2 (Two) Non-Executive Directors. The Board's role, functions, responsibility and accountability are clearly defined. The company has appointed Mr. Krishnakumar Agarwal, Director as Chairman of the Board of Directors of the company.

B) Board meeting held during the year:

The Meeting of the Board of Directors was chaired by Mr. Krishnakumar Agarwal or in his absence, Mrs.Amita Agarwal. The Board held Six Meetings during the financial year 2010-11 on 29/05/2010, 30/07/2010 , 02/09/2010 , 04/10/2010 , 12/11/2010 ,11/02/2011.

C) Attendance of Directors at Board Meetings and last AGM:

The attendance of each Director at the Board Meetings and the last AGM is given below –

Name of the Director	Category of Directorship	Attendance particulars		No. of Directorships of public Ltd. Cos.
		Board Meeting	Last AGM	
Mr.Krishnakumar Agarwal	Executive Director	6	Yes	2
Ms.Julie Jani (*Resigned on 04.10.2010)	Non-Executive Director	3	Yes	1
Mrs.Amita Agarwal	Non-Executive Director	6	YES	2
Ms.Anuja Kulkarni (W.E.F. 04.10.2010)	Non-Executive Director	2	No	1

D) Directors with materially peculiarly or business relationship with Co.

There has been no material relevant peculiarly transaction or relationships between the Company and its non-executive director.

II. AUDIT COMMITTEE

The following Directors have been appointed as Members of the Audit Committee;

Ms. Anuja Kulkarni	-	Chairperson
Mr. Krishnakumar Agarwal	-	Member
Mrs. Amita Agarwal	-	Member

MAVI INDUSTRIES LIMITED

The Audit Committee met periodically during the year 2010-2011 and gave its reports and recommendations to the Board of Directors for Corporate Governance and overall improvement in the functioning of the Company.

There were 5 meetings of the Audit Committee during the year 2010-2011. The attendance of each member of the Committee is given below;

<u>Name of the Director</u>	<u>No. of Meetings Attended</u>
Ms. Anuja Kulkarni	2
Ms. Julie Jani	3
Mr. Krishnakumar Agarwal	5
Ms. Amita Agarwal	3

As per the terms of reference prescribed by the Board as stipulated in Clause 49(II)(d) of the Listing Agreement, the committee performs such duties and tasks as is assigned to it by the Board. The Committee has access to all records of the Company. The committee reviews the report of the internal and statutory auditors, internal audit systems and procedures, internal control systems, etc. and also addresses the requirements of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges.

I. REMUNERATION COMMITTEE

The company does not have a remuneration committee, however the Board determines and recommend the remuneration package/ commission on profits payable to the Managing/Wholetime Directors subject to approval by members in the General Meeting.

Remuneration of Directors

During the year review the details of remuneration paid to directors are as follow :

Mr. K.K. Agarwal	Rs. Nil
Ms. Julie Jani	Rs. Nil
Ms. Amita Agarwal	Rs. Nil
Ms. Anuja Kulkarni	Rs. Nil

Disclosures by Management to the Board

During the year there were no transactions relating to financial and commercial transactions where Directors have a potential interest, the disclosure requirements by the Directors do not arise.

None of the Director is either a Chairman in more than five committees or member in ten committees.

II. Shareholders

Disclosure regarding appointment and reappointment of Directors

As per the statute two thirds of the directors should be retiring directors. One third of the directors are required to retire every year and if eligible, these directors qualify for re-appointment.

Mrs. Amita Agarwal retires by rotation at the ensuing Annual General Meeting. She is eligible for reappointment.

MAVI INDUSTRIES LIMITED

Means of Communication

The Board takes on record the unaudited financial results in the prescribed proforma of the stock exchanges within a month of closure of the quarter and announces forthwith the results to all the stock exchanges where the company is listed. Further, information is also provided to concerned registrar & depository participant.

Details of Non Compliance

There have been no instances of Non compliance on any matter relating to the capital market during the last three years.

General Shareholder information

Investors/Shareholders Grievance cum Share Transfer Committee

The Board has constituted an investors/shareholders Grievance cum Share Transfer Committee. Compliance Officer is Mr. S. H. Kabra. The Committee was headed by Ms. Amita Agarwal. The Committee looks into investors/shareholders complaints. Four meetings of the Shareholders/Investors Grievance Committee were held during the year on 30th April 2010 , 30th July 2010 , 30nd October 2010 and 30th January 2011.

All share transfer work of the company is carried out by the Company's Share Transfer Agents M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

The status of investor queries/complaints is as under:

No. of investor queries / complaints received during the year 2010-11	Pending at the end of the year	No. of pending share transfer
Nil	Nil	Nil

General Body Meetings

a) Details of General Meetings held in last three years:

Financial Year	Date	Time	Venue
2009-10	30.09.2010	10.30 a.m.	Boisar
2008-09	30.09.2009	10.30 a.m	Boisar
2007-08	30.09.2008	10.30 a.m	Boisar

b) No special resolutions were passed in the previous 3 Annual General Meetings.

c) No resolutions are proposed to be passed at the ensuing Annual General Meeting which requires approval of members through postal ballot.

MAVI INDUSTRIES LIMITED
(Formerly known as Krishna Filaments Limited)

Annual General Meeting

AGM will be held on Friday, 30th September, 2011 at Boisar at the Registered Office of the Company at 10.30 a.m.

Financial Year

01st April to 31st March.

Book Closure

26th September, 2011 to 30th September, 2011 (Both days inclusive)

Dividend

No dividend was declared for last financial year.

Dividend declared in earlier years

31 st March, 2010	–	Nil
31 st March, 2009	–	Nil
31 st March, 2008	–	Nil

Listing of Shares

The Company's shares are listed at Bombay Stock Exchange and National Stock Exchange. Listing fees for the BSE has been paid.

Stock code

Stock Exchange, Mumbai

Physical Script Code No. 248

Demat Script Code No. 500248

National Stock Exchange, MUMBAI.

NSC SYMBOL: KRISHNAFILA

Registrar & Transfer Agents

Share Transfers in physical and demat forms is handled by the Company's Share Transfer Agents M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078.

Share Transfer System

All the transfers are received, processed and approved by the Share Transfer Agents and sent back to transferee.

Shareholding Pattern

The following tables give the pattern of shareholding as on 31st March, 2011.

MAVI INDUSTRIES LIMITED
(Formerly known as Krishna Filaments Limited)

Pattern of shareholding by ownership as on 31st March, 2011.

Category	No. of Shares held	Shareholding %
Promoters	4875656	62.62
Financial Institutions/Insurance Companies/ Nationalized Banks	100	0.00
Mutual Funds – UTI	100	0.00
Foreign Institutional Investors	500	0.00
Bodies Corporate	1356738	17.42
Non Resident Indians	56642	0.73
Others	1489630	19.13
Clearing Members	6934	0.10
Total	7786300	100.00

Pattern of shareholding by share class as on 31st March 2011

Shareholding Class	No. of Shareholders	No. of Shares held	Shareholding %
1-5000	3488	447980	5.75
5001-10000	134	108828	1.40
10001-20000	81	122995	1.58
20001-30000	23	57160	0.73
30001-40000	16	55653	0.71
40001-50000	6	28925	0.37
50001-100000	21	164392	2.11
100001 and above	41	6800367	87.34
Total	3810	7786300	100.00

Market Price Data:

The market price and volume of the company's shares traded in stock exchange during the year was as follow:

Year 2010-11	High	Low	Volume
Month	(Rs.)	(Rs.)	(Nos)
April 2010	45.00	31.10	382052
May 2010	47.90	33.25	183726
June 2010	40.00	30.60	42079
July 2010	39.90	28.10	20077
August 2010	35.30	27.75	28265
September 2010	33.40	26.15	40878
October 2010	34.00	23.00	58520
November 2010	29.00	18.70	34221
December 2010	23.80	17.35	26348

MAVI INDUSTRIES LIMITED

Year 2010-11	High	Low	Volume
January 2011	20.90	16.35	21497
February 2011	21.40	15.00	11515
March 2011	18.50	12.65	104063

Dematerialization of shares and liquidity

74.93 % of shareholding has been dematerialized.

Registered Office & Plant Location.

Betegaon Village,
Boisar (East),
Tal. Palghar...,
Dist. Thane 401501

Ph.No. : 952525 - 284961

Fax No. : 952525 - 284978

For and on behalf of the Board

K. K. Agarwal
Director

MAVI INDUSTRIES LIMITED

Certificate

To,
The Board of Directors,
MAVI INDUSTRIES LIMITED
Betegaon Village ,
Boisar (E), Tal. Palghar,
Dist. Thane-401501

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March, 31, 2011 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, except non compliance of sub-clauses I (D) (i) and (IV) (G) (ii) (non posting of code of conduct and quarterly results on the website of the Company).

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

For P.P. SHAH & Co.
Practicing Company Secretary

P.C. SHAH
Proprietor
Mumbai,02/09/2011
FCS -1483
COP- 436

MAVI INDUSTRIES LIMITED

AUDITORS REPORT

TO THE MEMBERS

MAVI INDUSTRIES LTD

(Formerly known as KRISHNA FILAMENTS LTD)

We have audited the attached Balance Sheet of **MAVI INDUSTRIES LIMITED** (Formerly Known as KRISHNA FILAMENTS LIMITED) as at 31st March, 2011 and the Profit & Loss account and also Cash Flow statement of the Company of 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 auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts 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.

We report as under:

- 1) as required by the Companies (Auditors' Report) Order, 2003 as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the act), and on the basis of such checks of the books and records we considered appropriate and according to the information and explanations given to us by the management, we annex hereto a statement on the matters specified in paragraph in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, the Profit and loss account and the Cash Flow Statement comply with the Accounting Standards (AS) as referred to in section 211(3C) of the Companies Act, 1956, to the extent ,applicable to the Company, except the following:-

The company has not complied with AS 5 with respect to secured loan liability w/back on settlement of secured loans, amounting to Rs. 3.56

MAVI INDUSTRIES LIMITED

crores, which should have routed through profit & Loss Account instead of directly crediting to General Reserve.

- e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, read together with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required.
- f) In our opinion and according to the information and explanations given to us, none of the Directors of the Company as on 31st March 2011 are disqualified from being appointed as Directors as per the provisions of Section 274(1)(g) of the Companies Act, 1956.
- g) The net worth of the Company is fully eroded due to heavy losses and financial institutions and Bankers of the Company had already recalled the credit facilities extended to the Company. Further, the value of its assets would not be adequate to meet its liabilities. In view of all these, the Company does not appear to be a 'Going Concern'.
- h) We are unable to comment on the resulting effect of our observation in paragraph (d), above on relevant assets, liabilities and on loss for the year. Subject to this, the said accounts read together with the notes thereon, gives 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 the Profit & Loss Account, of the profit of the Company for the year ended on that date and
- iii) in case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For B N KEDIA & CO
Chartered Accountants
Firm Registration No: 001652N

K K Kedia
(Partner)
ICAI M No: 052461

Date: 30.05.2011

MAVI INDUSTRIES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MAVI INDUSTRIES LTD FOR THE YEAR ENDED 31st March 2011

Fixed Assets:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. We are informed that fixed assets have not been physically verified by the management as the same have been taken over by the Hon'ble Court Receiver. We are unable to comment on discrepancies and consequential adjustments, if any, in absence of such verification.
3. We are informed that during the year, the Company has not disposed off major part of fixed assets.

Inventories:

4. We are informed that the physical verification of inventory has not been carried out by the management at regular intervals.
5. We are unable to comment on the procedures for the physical verification in absence of such verification.
6. On the basis of our examination of the records of the company, we are of the opinion that the company has maintained proper records of inventory. We are unable to comment on the discrepancies in absence of such physical verification.

Related party transactions:

7. The company has granted any loans or advances in the nature of loans to companies. Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. The Company has taken interest free loan amounting to Rs. 7.50 lacs from the Company listed in the register maintained under section 301 of the Companies Act, 1956 and outstanding balance at year end is Rs. 86.93 lacs. The terms and conditions are prime facie, not prejudicial to the interest of the company and there is no stipulation with respect to its repayment.
9. In our opinion and according to the information and explanations given to us, the transactions for services made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

MAVI INDUSTRIES LIMITED

10. We are informed that the company has not given guarantee for loan, if any, taken by others from bank.
11. Based on the information and explanation and verification of records, we are of the opinion that there is adequate internal control system considering the size of the Company and nature of its business.
12. The Company does not have an internal audit system but its financial and other internal checks ensures proper recording of financial transactions.

Deposits:

13. The Company has not accepted any deposit from 'public' to which the provisions of section 58A and section 58AA of the Companies Act, 1956, and the rules framed there under apply. No orders have been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any court or any other tribunal against the company.

Taxation:

14. The Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, ESIC dues, Income Tax, Investor Education and Protection Fund, Sales tax, Wealth tax, Excise Duty and other material statutory dues applicable to its except sale tax payable amounting to Rs. 3.21 Lacs which has been outstanding for more than 6 months.
15. According to the information and explanations given to us and based on the management's representation, there were no disputed dues of income tax, wealth tax, custom duty, excise duty and sales tax except the following:

Name of the statute	Nature of the dues	Amount (Rs)	Forum where dispute is pending
Income tax Block Asst.	Income Tax	1,06,50,61,820	Settlement commission
Income Tax A Y 1999-00	Income Tax	57,37,80,044	Settlement commission
Income Tax A Y 2002-2003	Income Tax	30,50,844	CIT (Appeals)
Income Tax A y 2003-2004	Income Tax	26,02,006	CIT (Appeals)

MAVI INDUSTRIES LIMITED

Miscellaneous:

16. We are informed that the Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
17. The Company has accumulated losses exceeding net worth as at 31st March, 2011 and it has incurred cash losses in the year under audit as well as in the immediately preceding year.
18. Based on our audit procedures and on the information and explanation given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to various financial institutions and banks (PY default Rs 4.40 crores).
19. Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
20. The Company has not dealt or traded in shares, debentures, or other investments during the year.
21. Based on our examination of the balance sheet of the company on an overall basis and as per the information given to us, we find that no funds raised on short term basis were utilized for long term purpose.
22. During the year, the Company has not taken any term loans.
23. 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.
24. Clauses 4(iii) © (d) (g) (v)(b), 4(xviii), 4(xix), 4(xx) are not applicable to the Company and hence, not reported upon.

For B N KEDIA & CO
Chartered Accountants
FRN: 001652N

K K kedia
(Partner)
ICAI M No: 052461

Date: 30.05.2011

MAVI INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH , 2011

PARTICULARS	Sch.	Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-10 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	77,863,000		77,863,000
Reserves & Surplus	B	2,821,151,532		2,785,457,927
			2,899,014,532	2,863,320,927
Loan Funds				
Secured Loans	C	-		44,049,665
Unsecured Loans	D	8,693,170		7,943,170
			8,693,170	51,992,835
			2,907,707,702	2,915,313,762
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	1,104,879,604		1,104,879,604
Less : Depreciation		1,101,454,228		1,101,157,725
Net Block			3,425,375	3,721,878
Investments				
	F		38,000	38,000
Current Assets, Loans & Advances				
Cash & Bank Balances	G	402,803		2,190,675
Sundry Debtors	H	-		-
Loans & Advances	I	32,271,984		31,681,984
				33,872,659
	J			
Less:Current Liabilities & Provisions				
Current Liabilities		369,136,460		362,029,491
Provisions		6,495,180		6,495,180
				368,524,671
Net Current Assets			(342,956,854)	(334,652,011)
Profit & Loss Account			3,247,201,180	3,246,205,895
			2,907,707,702	2,915,313,762
Significant Accounting Policies & Notes forming part of the Accounts	M			
As per our attached Report of even date annexed				
For B.N.KEDIA & CO. Chartered Accountants			For and on behalf of the Board	
K.K.KEDIA Partner Mem. No.052461 Place : Mumbai Date: 30th May, 2011			Director	Director
			Place : Mumbai	Date: 30th May, 2011

MAVI INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Sch.	Year Ended 31-Mar-11 Rupees	Year Ended 31-Mar-10 Rupees
INCOME			
Other Income	K	672,500	7,023,171
		672,500	7,023,171
EXPENSES			
Administrative Expenses	L	1,371,282	1,778,094
Depreciation		296,503	2,733,432
		1,667,785	4,511,525
Profit/(Loss) for the year		(995,285)	2,511,646
Add: Interest on Secured Loans provided in earlier Years now written Back		-	86,591,096
Less: Provision for Taxation		-	-
Profit after Tax		(995,285)	89,102,742
Add :Profit/(Loss) Brought Forward From Previous Year		(3,246,205,895)	(3,335,308,637)
Amount Available for Appropriation		(3,247,201,180)	(3,246,205,895)
Balance Carried to Balance Sheet		(3,247,201,180)	(3,246,205,895)
Earning per share : (Refer note 7 of Schedule N)			
Basic / Diluted (Before Extra-ordinary items)		(0.13)	0.32
Basic / Diluted (After Extra-ordinary items)		(0.13)	11.44
Significant Accounting Policies & Notes forming part of the Accounts	M		

As per our attached Report of even date annexed

For B.N.Kedia & Co.
Chartered Accountants

For and on behalf of the Board

K.K.Kedia
Partner
Mem. No.052461
Place: Mumbai
Date: 30th May, 2011

Director **Director**

Place: Mumbai
Date: 30th May, 2011

MAVI INDUSTRIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2011

PARTICULARS	Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-10 Rupees
SCHEDULE - A			
SHARE CAPITAL			
Authorised			
80,00,000 (P.Y.80,00,000) Equity Shares of Rs.10/- each		80,000,000	80,000,000
2,20,00,000 (P.Y.2,20,00,000) Unclassified Shares of Rs 10/- each		220,000,000	220,000,000
		300,000,000	300,000,000
Issued , Subscribed & Paid - up			
77,86,300 (P.Y.77,86,300) Equity Shares of Rs. 10/-each fully paid		77,863,000	77,863,000
		77,863,000	77,863,000
SCHEDULE - B			
RESERVE & SURPLUS			
Capital Reserve		4,336,000	4,336,000
Share Premium		629,347,600	629,347,600
General Reserve			
Opening Balance	2,151,774,327		2,043,756,529
Add:Secured Loan / Unsecured Loan Liability Written Back	35,693,605		108,017,798
		2,187,467,932	2,151,774,327
		2,821,151,532	2,785,457,927
SCHEDULE - C			
SECURED LOANS			
Working Capital Loan from Banks		-	44,049,665
		-	44,049,665
Notes :			
Working Capital Loans from Banks referred above are Secured by hypothecation of present & future Stocks, Book Debts & Bills drawn against confirmed orders.			
SCHEDULE - D			
UNSECURED LOANS			
From Others	8,693,170		7,943,170
		8,693,170	7,943,170
		8,693,170	7,943,170

MAVI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 ST MARCH, 2011

**SCHEDULE - E FIXED ASSETS
FIXED ASSETS**

(Amount in Rs.)

Sr. No.	Assets	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K	
		As At 1-Apr-10	Additions/ (Deductions)	As At 31-Mar-11	As At 1-Apr-10	Provided/ (W/Back)	As At 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
1	Land (Leasehold land)	3,425,377	-	3,425,377	-	-	-	3,425,377	3,425,377
2	Factory Building	79,922,083	-	79,922,083	79,656,470	265,613	79,922,083	-	265,613
3	Plant & Machinery	953,316,541	-	953,316,541	953,316,541	-	953,316,541	-	-
4	Electrical Installations	52,157,712	-	52,157,712	52,157,712	-	52,157,712	-	-
5	Furnitures & Fixtures	6,163,163	-	6,163,163	6,163,163	-	6,163,163	-	-
6	Office Equipments	1,570,904	-	1,570,904	1,570,904	-	1,570,904	-	-
7	Vehicles	319,970	-	319,970	319,970	-	319,970	-	-
8	Weighing Scale	367,600	-	367,600	336,710	30,890	367,600	-	30,890
9	Generator	752,220	-	752,220	752,220	-	752,220	-	-
10	Fork Lift Truck	821,160	-	821,160	821,160	-	821,160	-	-
11	Gas Cylinders	1,227,200	-	1,227,200	1,227,200	-	1,227,200	-	-
12	Computers	4,835,675	-	4,835,675	4,835,675	-	4,835,675	-	-
	Total (Rs.)	1,104,879,604	-	1,104,879,604	1,101,157,725	296,503	1,101,454,228	3,425,377	3,721,880
	Previous Year	1,104,879,604	-	1,104,879,604	1,098,424,294	2,733,432	1,101,157,725	3,721,880	

MAVI INDUSTRIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2011

PARTICULARS	Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-10 Rupees
SCHEDULE - F			
INVESTMENTS			
Long Term Investments - At Cost			
In Equity shares			
Unquoted :			
9,10,200 (P.Y.9,10,200) of Rs. 10/- each of			
Jaiho Industries Limited	63,714,000		63,714,000
Less : Provision for Diminution	63,714,000	-	63,714,000
			-
2,00,000 (P.Y.2,00,000) of Rs. 10/- each of			
Clever Capital Service Limited	2,000,000		2,000,000
Less : Provision for Diminution	2,000,000	-	2,000,000
			-
Others :			
Kisan Vikas Patra		38,000	38,000
(Deposited with Sales Tax Authorities)			
		38,000	38,000
SCHEDULE - G			
CASH & BANK BALANCES			
Cash on Hand		167,247	537,896
Balances with Scheduled Banks :			
In Current Accounts	230,556		297,780
In Fixed Deposit Accounts	5,000		5,000
In Margin Money Accounts	-		1,350,000
		235,556	1,652,780
		402,803	2,190,675
SCHEDULE - H			
SUNDRY DEBTORS			
(Unsecured, considered good unless otherwise stated)			
Debts outstanding for more than six months			
- Considered Good	-		-
- Considered Doubtful	326,070,450		326,070,450
Less : Provision for doubtful debts	326,070,450		326,070,450
		-	-
		-	-

MAVI INDUSTRIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH, 2011

PARTICULARS	Rupees	As at 31-Mar-11 Rupees	As at 31-Mar-10 Rupees
SCHEDULE - I			
LOANS & ADVANCES			
(Unsecured, considered good unless otherwise stated)			
(i) Loans			
- Considered Doubtful	16,341,058		16,341,058
Less : Provision for doubtful loans	8,841,058	7,500,000	8,841,058
			7,500,000
(ii) Deposits		4,261,330	4,261,330
(iii) Advances receivable in cash or kind or for value to be received			
- Considered Good		994,300	404,300
- Considered Doubtful	2,372,478		2,372,478
Less : Provision for doubtful advances	2,372,478	-	2,372,478
			-
(iv) Advance Tax & Tax Deducted at Source		19,516,354	19,516,354
		32,271,984	31,681,984
SCHEDULE - J			
CURRENT LIABILITIES & PROVISIONS			
<u>Current Liabilities</u>			
Other Current Liabilities		369,136,460	362,029,491
		369,136,460	362,029,491
<u>Provisions</u>			
Provision for Taxation		6,495,180	6,495,180
		6,495,180	6,495,180
		375,631,640	368,524,671

MAVI INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 ST MARCH 2011

PARTICULARS	Year ended 31-Mar-11 Rupees	Year ended 31-Mar-10 Rupees
SCHEDULE - K		
OTHER INCOME		
Rent -Income	-	180,000
Sundry Balances Written Back	-	6,840,671
Dividend	7,500	2,500
Other Income	665,000	-
	672,500	7,023,171
SCHEDULE - L		
ADMINISTRATIVE EXPENSES		
Rent , Rates & Taxes	223,001	226,982
Legal & Professional Fees	938,751	1,327,633
Auditors' Remuneration	44,120	44,120
Insurance Charges	-	33,669
Listing Fees	16,545	16,545
Printing & Stationary	11,117	12,998
Postage & Telegram	-	22,824
Filing Fees	2,150	23,090
Bank Charges & Commission	2,526	719
Sundry Balance Written-off	34,195	-
Miscellaneous Expenses	98,879	69,514
	1,371,282	1,778,094

MAVI INDUSTRIES LIMITED

MAVI INDUSTRIES LIMITED

Schedule Forming Part of the Accounts For the Year Ended 31st March, 2011

SCHEDULE - M

A. SIGNIFICANT ACCOUNTING POLICIES:

1. GENERAL :

The Company maintains its accounts on accrual basis under historical cost convention on a going concern basis. The financial statements are prepared in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, to the extent applicable and as per the requirements of the Companies Act, 1956.

2. FIXED ASSETS :

Fixed Assets are stated at cost of acquisition or as revalued and reduced by accumulated depreciation. The cost of an asset includes direct/indirect and incidental costs incurred to bring such asset into its present location and working condition for its intended use.

All costs, including financial costs till the commencement of commercial production, and adjustments arising out of exchange rate fluctuations relating to borrowings in foreign currency attributable to the fixed assets are capitalized.

3. DEPRECIATION :

Depreciation is provided on Straight Line Method on pro-rata basis at the rates & in the manner prescribed in Schedule XIV to the Companies Act, 1956.

4. INVESTMENTS :

Investments that are readily realizable and intended to be held generally for not more than a year are classified as Current Investments. Long term investments are stated at cost. Provision for diminution in value of Investments is made only if such a decline is other than temporary in the opinion of the management.

5. INVENTORIES :

Raw materials, Stores, Spares and Packing materials are valued at cost or net realizable value whichever is lower.

MAVI INDUSTRIES LIMITED

6. PRELIMINARY AND SHARE ISSUE EXPENSES:

Preliminary and Share issue expenses are amortized over a period of ten years from the year in which such expenses are incurred.

7. CONTINGENT LIABILITIES & EVENTS OCCURING AFTER THE BALANCE SHEET DATE :

- Contingencies that can be reasonably ascertained are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially detrimental to the Company.
- Where material, events after the date of Balance Sheet up to the date of finalization of the accounts are considered.

8. FOREIGN EXCHANGE TRANSACTIONS :

Transactions in foreign currency are recorded as follows:

- A transaction in foreign currency is booked by applying the exchange rate at the date of the transaction.
- Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated either at forward contracted rates when covered by forward contracts or at the rates prevailing at the year end of such currency, as the case may be.
- In the case of Liabilities in respect of the foreign currency loans obtained for acquisition of fixed assets, the variation in the liability arising out of the exchange rates on repayment or at the year end is adjusted to the cost of acquisition of such fixed assets.

B. NOTES ON ACCOUNTS:

1. The Schedules referred to in the Balance Sheet & Profit and Loss Account form an integral part of the accounts.
2. Contingent Liabilities not provided for :
 - Disputed Income Tax demand of Rs. 1,641,443,870 /- (P.Y. Rs. 1,641,443,870/-)
3. No provision has been made for interest on working capital loans and its effect on profit for the year is unascertained.
4. Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans & Advances from parties / Banks / Financial Institution and Bank Balances are subject to confirmation however as informed to us the company has initiated legal proceeding against its debtors amounting to Rs. 11,72,26,941/- for recovery.

MAVI INDUSTRIES LIMITED

5. The future liability on account of lease rent on Land to be paid over remaining period of 81 years is Rs. 97,50,000/-.

6. Earning per share:-

Earnings per Share is calculated by dividing the (Loss)/Profit attributable to the Equity Shareholders by the weighted average no. of equity shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Share are stated below:

(Amount in Rs.)		
Particulars	31 st March, 2011	31 st March, 2010
(Loss) / Profit after taxation	(9,95,285)	8,91,02,742
Weighted average No. of shares outstanding during the period	77,86,300	77,86,300
Basic / Diluted Earnings per Shares	(0.13)	11.44
Nominal value per Shares	10.00	10.00

7. Related Party Disclosure:

(A) List of Related Parties:

(I) Associates :

- (i) Jaiho Industries Limited
- (ii) Clever Capital Services Limited

(II) Directors :

- (i) Shri Krishna Kumar Agarwal
- (ii) Ms. Julie Jani
- (iii) Mrs. Amita Agarwal

(B) Transaction during the year with related parties:

- (I) Advance received during the year from Jaiho Industries Limited Rs.7,50,000/-, balance outstanding at the year end Rs.86,93,170/-

There is no write off/ write back of any amount from related parties

8. In terms of prudence accounting policy and in view of the fact that the reference is made to BIFR, no provision is required to be made for deferred tax in accordance with Accounting Standard 22.

MAVI INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Particulars	2010-2011 Rs.	2009-2010 Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit/(Loss) Before Tax and Extraordinary Items	(995,285)	2,511,646
	Adjustments For :		
	Depreciation	296,503	2,733,432
	Interest Written back	-	86,591,096
	Dividend Income	(7,500)	(2,500)
	Operating Profit Before Working Capital Changes	(706,282)	91,833,673
	Adjustment For :		
	Trade & Other Receivables	(590,000)	(180,000)
	Trade Payables	7,106,970	13,937,208
	Cash Generated From Operation	5,810,687	105,590,881
	Net Cash From Operating Activities	5,810,687	105,590,881
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Dividend received	7,500	2,500
	Net Cash Used in Investing Activities	7,500	2,500
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowing	(7,606,060)	(107,246,790)
	Net Cash Used in Financing Activities	(7,606,060)	(107,246,790)
	Net Increase/(Decrease) in Cash and Cash Equivalents	(1,787,873)	(1,653,409)
	Cash & Cash Equivalents As At 31.03.2010	2,190,675	3,844,084
	Cash & Cash Equivalents As At 31.03.2011	402,803	2,190,675

Cash and Cash Equivalents at the year end consist of Cash in Hand and Balances with Banks as follows:

Particulars	As at 31.03.2011	As at 31.03.2010
Cash in hand	167,247	537,896
Balances with Banks	235,556	1,652,780
Total (Rs.)	402,803	2,190,675

As per our attached Report of even date annexed

For B.N.KEDIA & CO.

Chartered Accountants

For and on behalf of the Board

K.K.KEDIA

Partner

Mem. No.052461

Place : Mumbai

Date: 30th May, 2011

Director

Director

Place : Mumbai

Date: 30th May, 2011

ATTENDANCE SLIP

MAVI INDUSTRIES LIMITED

Registered Office: Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane 401 501.

DP Id*	
Client Id*	
Regd. Folio No.	
No of Shares held	

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

*Applicable if shares are held in electronic form

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

I hereby record my presence at the **TWENTY-THIRD ANNUAL GENERAL MEETING** of the Company at Betegaon Village, Mahagaon Rd, Boisar (E), Taluka Palghar, Dist: Thane Office of the Company on Friday, 30th September, 2011 at 10.30 a.m.

Member's/ Proxy's Signature.

PROXY FORM

MAVI INDUSTRIES LIMITED

Registered Office: Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane 401 501.

I/We ofin the district of Being a Member/ Members of MAVI INDUSTRIES LIMITED hereby appointofin the district of (or failing him) of in the district ofas my/our Proxy to vote for me/us on my/our behalf at **TWENTY-THIRD ANNUAL GENERAL MEETING** of the Company to be held on Friday, 30th September, 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this day of 2011.

DP Id*	
Client Id*	
Regd. Folio No.	

Affix Re.1 Revenue Stamp

*Applicable if shares are held in electronic form

Signature of the Member(s)

NOTE: This Form is to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company less than 48 hours before the Meeting.

