

ANNUAL ACCOUNTS

AND

AUDIT REPORT

OF

AVI POLYMERS LIMITED

REGD. OFFICE

AMBICA COMPOUND,
OLD H.B. ROAD,
RANCHI - 834001.

ACCOUNTING YEAR: 2009-10

DIRECTORS

SHRI MANSUKHLAL PATEL
SHRI GOVIND R. PATEL
SHRI ROOPLAL NUWAL
SHRI DINESH CHAUHAN

AUDITORS

GHANSHYAM K. PATEL
CHARTERED ACCOUNTANTS
AHMEDABAD

AVI POLYMERS LIMITED

Ambica Compound, Old H.B Road, Ranchi-834001, Bihar

NOTICE

Notice is hereby given that the Annual General Meeting of the members of AVI Polymers Limited will be held on Thursday, at 11.00 a.m on 30th September, 2010 at the registered office of the company situated at Ambica Compound, Old H.B Road, Ranchi-834001 to transact the following business.

ORDINARY BUSINESS:

1. To Consider and adopt the Balance Sheet as at 31st March,2010 and Profit & Loss Account for the year ended on 31-03-2010 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint auditor to hold office from the conclusion of the Meeting until the conclusion of the Next Annual General Meeting and fix their remuneration.
3. To appoint Shri Roop Lal Nuwal and Dinesh Chauhan, who retires by rotation and being eligible offers themselves for reappointment.

NOTE:

A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote at the meeting. A proxy need not be a member of the company. Proxy in order to be effective must be deposited at least 48 hours before the time for commencement of meeting.

BY ORDER OF THE BOARD OF DIERCTORS OF
AVI POLYMERS LIMITED

Place: Ahmedabad

Date: 03/09/2010

DIRECTOR

AVI POLYMERS LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the Annual Report together with the Audited statement of Accounts along with the report of auditors, for the year ended on 31st March, 2010.

<u>1. FINANCIAL RESULTS:</u>	Year Ended 31.03.2010 <u>Amount(Rs.)</u>	Year Ended 31.03.2009 <u>Amount(Rs.)</u>
Profit before Interest & Depreciation & Taxes	143,158	1,587,574
<u>Less :</u>		
Interest (net)	125,845	671,128
Depreciation	5,532	87,213
<u>Provision for Taxation:</u>		
-Current Tax	0	0
-Deferred Tax	0	0
-Fringe Benefit Tax	0	970
Total	131,377	759,311
Net Profit	11,781	828,263
Add. Prior Period adjustments	0	0
Net Profit After Taxation	11,781	828,263
Add: Balance of profit brought forward from previous year	(12,126,560)	(12,954,823)
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Balance Profit for the available for appropriation	(12,114,779)	(12,126,560)
Less. (1.) Proposed Dividend	0	0
(2.) Prov. For Tax on Div.	0	0
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	(12,114,779)	(12,126,560)
Less: Transferred to General Reserve	0	0
	=====	=====
Balance carried to Balance Sheet	(12,114,779)	(12,126,560)
	=====	=====

DIVIDEND:

Your Directors do not recommend any dividend for the year.

CONSERVATION OF ENERGY:

The Company continues to focus on energy conservation and safety.

RESEARCH & DEVELOPMENT:

There is no Research and development activity at present.

FOREIGN EXCHANGE EARNING & OUTGO:

There has been neither foreign exchange earning nor foreign exchange expenditure during the year under review.

EMPLOYEES:

There are no employees to report under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

AUDITORS:

M/s. Ghanshyam K. Patel retiring auditors of the company are eligible for reappointment at ensuring Annual General Meeting. The company has received a certificate from the auditors stating that their appointment, if made, will be within the limits prescribed by Section 224 (1B) of the Companies Act, 1956. The Directors recommend for their reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956 the Directors of the Company confirm:

- a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- b) that such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the profit or loss of the Company for the year ended on that date;
- c) that proper and sufficient care has taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

APPRECIATION:

Your Directors appreciate the continued support received from the Bankers, shareholders and other stakeholders.

For and on Behalf of Board of Directors of
AVI POLYMERS LIMITED

Date: 3rd September, 2010
Place: Ahmedabad

DIRECTOR

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Annexure to the Directors Report

CORPORATE GOVERNANCE DISCLOSURE

In Compliance with clause 49 of the Listing Agreement with Stock Exchange, the matters mentioned in the said clause and practice as followed by the Company:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy is to conduct its affairs in a manner which is transparent, Clear and evident to those dealing with or having a stake in the company namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to share holders and other beneficiaries for their action.

The Company is committed to provide high quality product and services to its customers and stakeholders, because the company believes that its long-term survival is entirely dependent on good corporate governance.

2. BOARD OF DIRECTORS:

The present strength of the Board of Directors is 4 (four).

Attendance of each Director at the Board Meetings and last Annual General Meeting :

Sr. No	Name of Directors	Designation	Board Meeting Attended	Attendance at Last AGM	No. of Directorships In the other public Companies	No. of Chairmanship in other board /committee.
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1.	Shri Mansukh Patel [Managing Director]	Promoter and Executive	6	Yes	Nil	Nil
2	Shri Roop Lal Kanahiya Lal Nuwal *	Non - Executive and Independent	3	No	Nil	Nil
3	Shri Dinesh Chauhan	Non - Executive and Independent	6	Yes	Nil	Nil
4	Shri Govindlal Ramji Patel	Promoter and Non - Executive Independent	6	Yes	Nil	Nil
5	Achal Gupta #	Non - Executive and Independent	2	No	Nil	Nil

ceased to be a Director with effect from 3rd August, 2009.

* Appointed as Director with effect from 1st August, 2009.

Six Board meetings were held during the year. The dates of Board meeting are 30/4/2009, 31/07/2009, 1/08/2009, 3/9/2009, 30/10/2009 and 31/1/2010.

The information required to be given for the Directors seeking reappointment at the Annual General Meeting as per clause 49 (VI) is as under :

Name of the Director	Dinesh Chauhan
Father Name	Nathalal Chauhan
Date of Birth	10/09/1976
Date of Appointment	10/11/2007
Name of the Public limited Companie(s) in which he is a director other than AVI Polymers Limited	Nil
Specific functional Areas	He has the knowledge of accounts, administration and finance.
Number of Shares Held in the Company	Nil

Salary and Perquisites	Nil
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Name of the Director	Roop Lal Kanahiya Lal Nuwal
Father Name	Kanahiya Lal Nuwal
Date of Birth	17/10/1945
Date of Appointment	01/08/2009
Name of the Public limited Companie(s) in which he is a director other than AVI Polymers Limited	Nil
Specific functional Areas	He has the knowledge of accounts, administration and finance.
Number of Shares Held in the Company	17600 shares
Salary and Perquisites	Nil

3. REMUNERATION TO DIRECTORS.:

No remuneration is paid to any Directors of the company.

4. BOARD COMMITTEES:

The Company is following the procedures and practices in conformity with the code of corporate governance in keeping with the spirit of the code. The board has constituted the following committees:

A. AUDIT COMMITTEE:

The Board of Directors of the Company has constituted an audit committee pursuant to the provisions of Section 292A of the Companies Act, 1956 to ensure full compliance will all the relevant provisions including code of corporate governance.

The Audit Committee is comprising of 3 (three) members composed of Shri Dinesh Chauhan (Chairman), Shri Mansukh Patel and Shri Rooplal Nuwal. The members of the committee are having financial and accounting knowledge. The committee carries out functions enumerated in the listing agreement and section 292A of the Companies Act. 1956.

During the year under the review the audit committee met six times on 30/4/2009, 31/07/2009, 1/08/2009, 3/9/2009, 30/10/2009 and 31/1/2010.

B. REMUNERATION COMMITTEE:

- I. Remuneration committee not being a statutory requirement has not been constituted.
- II. Remuneration of employees mainly consists of fixed salaries i.e. Basic pay allowances and perquisites, which varies with different grades and is related to the qualification experience and responsibilities shared by the employees:-

C. SHAREHOLDERS COMMITTEE:

Share Transfer and Investors Grievance Committee:

The shareholder's investors Grievance Committee comprises of Shri Dinesh Chauhan (Chairman), Shri Mansukh Patel and Shri Rooplal Nuwal. The Share Transfer committee approves transfers, transmission issue of duplicate share certificates, and it also look into other matters as specified in the clause 49 of the listing agreement. The investors Grievance committee consisted of the aforesaid members look after the matters related to the grievances of the shareholders as and when received. At the end of the period there is no pending complaint.

5. GENERAL BODY MEETINGS:

The last three annual General Meetings were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1	2006 - 2007	Saturday, 29 th September, 2007	11.00 a.m.	At Registered office of the Company situated at Ambica Compound Old H B Road Ranchi 834 001
2	2007 - 2008	Friday, 26 th September, 2008	10.00 a.m.	At Registered office of the Company situated at Ambica Compound Old H B Road Ranchi 834 001
3	2008 - 2009	Wednesday, 30 th September, 2009	11.00 a.m.	At Registered office of the Company situated at Ambica Compound Old H B Road Ranchi 834 001

The company has not passed any special resolution during the last three annual general meetings.

No resolution was proposed to be passed through postal ballot. No resolution is proposed to pass through postal ballot at this annual general meeting.

6. MEANS OF COMMUNICATION:

Your company tries to comply with Clause 41 of the Listing Agreement. Further the company also sends its annual report to the shareholders. However the company does not send the copies of quarterly results to its shareholders.

7. CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration given by the Managing Director and CEO is given below :

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2009 – 2010.”

Sd/-

(Mansukh Patel)

(Managing Director)

Subsidiary Company : The Company does not have any subsidiary company.

8. GENERAL SHAEHOLDER INFORMATION:

(i)	Annual General Meeting Date, Time and Venue	Thursday, 30 th September, 2010 at 11.30 a.m. at the Registered Office of the company at Ambica Compound Old H B Road Ranchi 834 001.
(ii)	Financial Calendar Year	1 st April, 2009 to 31 st March, 2010

(iii)	Date of Book Closure	No Book Closure is proposed by the Company.
(iv)	Dividend Payment Date	Not Applicable
(v)	Registered Office	Ambica Compound Old H B Road Ranchi 834 001
(vi)	Plant Locations	Not applicable
(vii)	Investor Correspondence	AVI Polymers Limited Ambica Compound Old H B Road Ranchi 834 001
(viii)	Means of Communication	The company sends its annual results to the Members of the Company.
(ix)	Any Website where it displays official releases	No
(x)	Any presentation made to the institutional investor and analyst	No
(xi)	Is half yearly report sent to the shareholders	No
(xii)	Whether Management Discussion and Analysis is a part of this report	Yes
(xiii)	Share Transfer System	Physical transfer of shares is done within a period of 20 – 30 days
(xiv)	Listing and Stock Code	Magath Stock Exchange Ahmedabad Stock Exchange – 57969
(xv)	The name and address of Stock Exchanges where Company is listed	1. Magath Stock Exchange Ashiana Plaza, 9 th floor, Budh Marg, Patna. 2. The Stock Exchange, Ahmedabad 1st Floor, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad – 380 015
(xvi)	Compliance Officer	Shri Mansukh Patel, Managing Director
(xvii)	Email for investors correspondence / Complaints	avipolymers@gmail.com

8. FINANCIAL CALENDER:

Report Period	: 1 st April, 2009 to 31 st March, 2010
First Quarter Result	: Last week of July, 2009
Half Quarter Result	: Last week of October, 2009
Third Quarter Result	: Last week of January, 2010
Fourth Quarter Result	: Last week of June, 2010

10. SHARE HOLDING PATTERN (AS ON 31-03-2010) :

(a) Categories of Shareholders (in %)

<u>Category</u>	No. of Shares	% of holding to total
Promoters, Directors, & Associates	1683800	30.03
Body Corporates	1171200	20.89
Mutual Funds	0	0
Banks, FIs, Insurance Companies	0	0
Public	2752300	49.08
Clearing Mambers	0	0
Total:	5607300	100

Price Information : Since the shares of the Company are not actively traded on the stock exchange, market price of the shares is not available to the Company.

Auditors : Ghanshaym Patel, Chartered Accountants

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Company has basically two areas of operations viz. cloth and chemicals. High volatility in the cloth and chemical market and global economic meltdown have affected the operations of the company. The Directors expect that the prices of the cloth and chemicals will stabilize in near future and which will be benefit the Company.

CEO / CFO CERTIFICATION :

To,
The Board of Directors of
AVI POLYMERS Limited

I, Mansukh Patel, Managing Director appointed in terms of the Companies Act, 1956 and the CFO hereby certifies as follow :

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become

aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mansukh Patel
Managing Director cum Chief Financial Officer

DISCLOSURES

Materially significant related party transactions

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, directors or the management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

The accounting treatment involved in the preparation of the financial statements is disclosed in the notes to the accounts.

Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL

By Order of the Board
FOR AVI POLYMERS LIMITED

Date : 3rd September, 2010
Place : Ahmedabad

Shri Mansukh Patel
Managing Director

Auditors Certificate on Compliance with the condition of Corporate Governance under Clause 49 of the listing agreement.

To the members of AVI Polymers Limited,

We have examined the compliance of corporate governance by AVI Polymers Limited for the financial year ended 31st March, 2010 stipulated in clause 49 of the listing agreement of the said Company with the stock exchange of India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the condition of corporate governance. It is neither an audit nor and expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.

We state that in respect of investor grievances received during the financial year ended 31.03.2010, no investor grievances are pending against the company for a period exceeding one month as per record maintained by the company which are presented to the share holders/ investors grievance committee.

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

FOR GHANSHYAM PATEL
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 3rd September, 2010

GHANSHYAM PATEL
PROPRIETOR

GHANSHYAM K. PATEL
CHARTERED ACCOUNTANT

A-32, Ghanshyam Avenue, Opp. C.U.Shah College,
Post- Navjivan, Ahmedabad-380014.

AUDITORS' REPORT

AVI POLYMERS LIMITED.

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of AVI POLYMERS LIMITED as at 31st March, 2010 and also the Profit and Loss Account and Cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management. As well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

- (1) 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.
- (2) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books of accounts ;
- (3) The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
- (4) In our opinion, the Profit & Loss Account and the Balance Sheet and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (5) On the basis of the written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a Director in terms clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (6)
 - a) Note no.6 regarding non provision of differed tax liability/assets.
 - b) The sales is net of discount on Sales, Sales return, Rate Difference, kasar and Bad Debt of Rs. 10675434 due from M/S.GTCL Mobile Comm Tech Ltd, which is not as per accounting standard and accounting prudence, whereby sales figure is understated by Rs.10675434.
- (7) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss account read together with notes

thereon give the information required by the Companies Act, 1956, in the manner so required and on such basis give a true and fair view :

- a. In the case of the Balance Sheet of the state of the affairs of the Company as at 31st March, 2010.
- b. in the case of the Profit & Loss Account of the PROFIT for the year ended on that date.

For, Ghanshyam.K. Patel
(Chartered Accountant)

Place : Ahmedabad.
Date :3rd September,2010

Proprietor
M.NO.31440

GHANSHYAM K. PATEL
CHARTERED ACCOUNTANTS

A-32, Ghanshyam Avenue, Opp. C.U.Shah College,
Post- Navjivan, Ahmedabad-380014.

Re : AVI POLYMERS LIMITED

Annexure referred to in paragraph 1 of our report even date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, , and on the basis of such checks of the books of account and records as we considered appropriate during the course of the audit, we further state on the matters specified in the paragraphs 4 and 5 of the said order that :

- (1) (a) Proper records showing full particulars including quantitative details and situation of Fixed Assets of the company has been kept.
 - (b) As informed by to us, the fixed assets have been physically verified by the management during the year and there is a regular programme of verification, which, in our opinion is reasonable regards to its nature of assets. As informed to us, no material discrepancies were noticed on verification.
 - (c) No substantial parts of the fixed assets have been disposed off during the year.

- (2) (a) The inventory has been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable..
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies, if any noticed on verification between the physical stocks and the books records were not material and have been properly dealt with.

- (3) (a) The company has not granted any loans, secured or unsecured, to the parties covered under the register maintained under section 301 of the Companies Act,1956. So the question of maximum amount involved during the year and year end balance does not arise.
 - (b) Since company has not granted any loans, secured or unsecured, to the parties covered under the register maintained under section 301 of the Companies Act,1956. So the question of rate of interest does not arise.
 - (c) Since company has not granted any loans, secured or unsecured, to the parties covered under the register maintained under section 301 of the Companies Act,1956. So the question of repayment of loans does not arise.
 - (d) Since the company has not given any loan to the parties covered in register maintain u/s 301, so the question of whether there are any overdue amount with the parties to whom loans granted does not arise.

- (e) As informed to us the company has not taken loan from parties covered under register to be maintaining u/s 301 of the Companies Act, 1956. Since the company has not taken any loan so the question of the maximum amount involved during the year and closing balance does not arise.
 - (f) Since the company has not taken loan from the parties covered under register to be maintaining u/s 301 of the Companies Act, 1956, so the question of the terms and conditions which are not prima facie prejudicial to the interest of the Company does not arise.
 - (g) Since the company has not taken loan so the question of whether the company is regular in repayment of loans as stipulated to the parties covered under register to be maintaining u/s 301 of the Companies Act, 1956 from whom loans are taken does not arise.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of the goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (5) (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, there are no transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (6) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits, as specified under the provision of section 58A and 58AA or any relevant provisions of the Companies Act 1956 and Companies (acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National company Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (8) As explained to us, the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not prescribed by the central government for the Company.
- (9) (a) According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues i.e. income -tax, sales -tax, wealth-tax, customs duty, excise duty, cess, investors education protection fund, employee state insurance and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31-03-2010 for a period of more than six months from the date they became payable, except if following become payable;

Name of Status	Nature of dues	Amount Rs. In lacs	Financial Year	Forum where dispute to which amt. relates	is pending
Income Tax Act, 1961	Tax on assessment u/s 143(3)	Rs 18.00 lacs	1999-2000	Gujarat High Court Ahmedabad.	
Income Tax Act, 1961	Tax on assessment u/s 143(3)	Rs. 3.31 lacs	2000-2001	ITAT Ahmedabad.	

- (10) In our opinion, company has incurred cash profit of Rs 0.17 lacs during the financial year covered by our audit and Profit of Rs 9.16 lacs in the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given to us, there is no dues of any financial institute and debenture holders.
- (12) According to the information and explanation given to us, the company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditors Report) order, 2003 are not applicable.
- (13) In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the company.
- (14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 is not applicable to the company.
- (15) According to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. And hence the provisions of clause 4(xv) of the Companies (Auditors Report) Order, 2003 is not applicable.
- (16) In our opinion, no term loan was obtained during the year under audit.
- (17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that 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.
- (18) According to the information and explanations given to us, the company has not made preferential allotment of shares to companies and parties covered in the register maintained u/s 301 of the Companies Act. Accordingly, the provisions of clause 4(XVIII) of the companies (Auditor's Report) Order, 2003 is not applicable.
- (19) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures. Accordingly, the provisions of clause 4(XIX) of the companies (Auditor's Report) Order, 2003 is not applicable.
- (20) The company has not raised any money by way of public issues during the year. Accordingly, the provisions of clause 4(XX) of the Companies (Auditor's Report) order, 2003 is not applicable.

- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For GHANSHYAM K. PATEL.
Chartered Accountants.**

Date : **3rd September,2010.**
Place : Ahmedabad

Ghanshyam K. Patel
Proprietor
M.No. 31440

(I) Receipt & Payment in Foreign Currency :
 Receipt : Nil
 Payments : Nil

10 Outstanding credit balance due to small scale industries for a period of more than six months Rs. NIL

11 Related party transaction:

A Name of related party and Nature of related party relationship:

a) Subsidiary companies/concern Nil
 b) Directors and their relatives:
 SHRI MANSUKH A. PATAL Director
 SHRI GOVIND R. PATEL Director
 SHRI ROOPLAL NUWAL Director
 SHRI DINESH CHAUHAN Director

Statement showing quantitative information :

(a) Licenses capacity, Installed capacity, and Actual production.

		31.03.2010 Qty-Kgs	31.03.2010 Value	31.03.2009 Qty-Kgs	31.03.2009 Value
<u>Op. stock</u>					
Chemicals	Kgs	24650	4461246	4850	1432050
			<u>4461246</u>		<u>0</u>
<u>PURCHASES</u>					
Chemicals	Kgs.	264935	20829144	1251355	333984912
Cloth	Pcs	2464	508133	0	0
			<u>21337277</u>		<u>333984912</u>
<u>SALES</u>					
Chemicals	kgs.	288585	35294892	1231555	332902724
Cloth	Pcs	2464	1033767	0	0
			<u>36328659</u>		<u>332902724</u>
<u>CLOSING STOCK</u>					
Chemicals	Kgs	1000	133021	24650	4461246
Cloth	Mtr	0	0		0
			<u>133021</u>		<u>4461246</u>

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL PROFILE

01. Registration Details :

Registration No. :
State Code No. : 03
Balance Sheet Date : 31.03.2010

02. Capital raised during the year :

Public issue : N.A.
Right issue : N.A.
Bonus issue : N.A.
Private Placement : N.A.

03. Position of Mobilization and Deployment of Funds :(Amount Is Thousand)

Total Liabilities : 40,137
Total Assets : 40,137
Sources of Funds
Paid up capital : 38,048
Reserves & Surplus : 0
Secured Loans : 0
Unsecured Loans : 2,089
Application of Funds
Net Fixed Assets : 27
Investments : 764
Net Current Assets : 27,231
Miscellaneous Expense. : 12,115

04. Performance of Company :

Turnover/Income : 26,193
Total Expenditure : 21,853
Profit before extra-ordinary items & tax : 11.78
Profit(Loss)Before Tax: 11.78
Profit(Loss) After Tax: 11.78
Earning per share (Rs): 0.002
Dividend Rate : 0.000

05. Generic Name of Principal Products, Services of the Company :
Item Code No.-ITC Code:

SIGNATURE TO SCHEDULES 1 TO 14

AS PER OUR ANNEXED REPORT OF EVEN DATE

FOR AVI POLYMERS LTD.

FOR, GHANSHYAM K.PATEL
CHARTERED ACCOUNTANTS.

PROPRIETOR
M.No.31440
PLACE : AHMEDABAD.
Date: 03.09.2010

Directors Directors Directors
PLACE : AHMEDABAD.
Date: 03.09.2010

AVI POLYMERS LIMITED

Registered Address : At Ambica Compound, Old H B Road, Ranchi – 834 001

FORM OF PROXY

Client Id :
Ledger Folio No :

DP Id :

I/We _____ of _____
_____ in the district of _____ being a shareholder/s of
the above named company hereby appoint
_____ of
_____ or failing him
_____ in the district of _____
_____ as my / our proxy to attend and
vote for me / us on my behalf at the Annual General Meeting of the Company to be held on Thursday, 30th
September, 2010 at 11.00 A.M. and at any adjournments thereof.

Signed this _____ day of _____ 2010

Signature of First Shareholder in the box herein above provided	Signature of Second Shareholder in the box herein above provided	Signature of Third Shareholder in the box herein above provided

Affix revenue stamp of requisite value

Note : Proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

AVI POLYMERS LIMITED

Registered Address : At Ambica Compound, Old H B Road, Ranchi – 834 001

ATTENDANCE SLIP

Annual General Meeting of the Company to be Held on 30th September, 2010 At Ambica Compound, Old H B Road, Ranchi – 834 001 at 11.00 A.M.

Name of the Shareholder :
Folio No :
Client Id :

Name of the Proxy :
No. of Shares Held :
DP Id :

I/We hereby record my / our presence at the Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 11.00 A.M. At Ambica Compound, Old H B Road, Ranchi – 834 001

Signature of Shareholder / Proxy
Name :

AVI POLYMERS LIMITED
Ambica Compound, Old H.B.Road, Ranchi-834001 BIHAR
BALANCE SHEET AS AT 31 ST MARCH, 2010.

DESCRIPTION	SCHE DULE		RUPEES 31.03.2010	RUPEES 31.03.2009
SOURCES OF FUNDS :				
SHAREHOLDERS' FUND :				
Share Capital	01	38,047,500		38,047,500
Reserves & Surplus		0		0
			38,047,500	38,047,500
LOAN FUNDS :				
Secured Loans	03	0		0
Unsecured Loans	04	2,089,185		12,315,926
			2,089,185	12,315,926
SALES TAX DEFFERMENT			0	0
DEFERRED TAX LIABILY (NET)			0	0
			40,136,685	50,363,426
APPLICATION OF FUNDS :				
FIXED ASSETS :				
Gross Block	05	91,331		76,211
Less : Depreciation		64,519		58,987
			26,812	17,224
INVESTMENTS :	06		764,000	764,000
CURRENT ASSETS, LOANS AND ADVANCES :				
Current Assets	07	27,177,456		49,273,691
Loans & Advances	08	415,820		524,091
		27,593,276		49,797,782
Less : Current Liabilities & Provisions	09	362,182		12,342,140
			27,231,094	37,455,642
MISCELLENEOUS EXPENDITURE :				
(To the extent of not written off or adjusted)				
Profit & Loss A/c.	2		12,114,779	12,126,560
			40,136,685	50,363,426
NOTES FORMING PART OF ACCOUNTS	14		0	0

AS PER OUR ANNEXED REPORT OF EVEN DATE
FOR, GHANSHYAM K.PATEL
CHARTERED ACCOUNTANTS.

FOR, AVI POLYMERS LTD

PROPRITOR
M.NO: 31440
PLACE : AHMEDABAD.
Date: 03.09.2010

DIRECTOR DIRECTOR DIRECTOR
PLACE : AHMEDABAD.
Date: 03.09.2010

AVI POLYMERS LIMITED

Ambica Compound, Old H.B.Road, Ranchi-834001 BIHAR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

DESCRIPTION	SCHE DULE	RUPEES 31.03.2010	RUPEES 31.03.2009
INCOME :			
Sales/Less Sales Return		25,653,224	332,902,724
Other Income	10	540,173	713,198
Increase/Decrease in stock of Finished goods & process stock	11	(4,328,225)	3,029,196
		21,865,172	336,645,118
EXPENDITURE :			
Purchase		21,395,077	333,984,912
Administrative and selling expenses	12	326,937	1,072,632
Interest & Finance charges	13	125,845	671,128
Depreciation		5,532	87,213
		21,853,391	335,815,885
Profit before taxes		11,781	829,233
Income tax of earlier year		0	0
Provision for current tax		0	0
Provision for F.B.T.		0	970
Provision for deferred tax		0	0
Profit after tax		11,781	828,263
Add : Balance of profit brought forward		(12,126,560)	(12,954,823)
Add:- Deferred tax liability (See Note- 7)		0	0
Profit available for Appropriation		(12,114,779)	(12,126,560)
APPROPRIATION			
Profit/Loss carried to Balance Sheet		(12,114,779)	(12,126,560)
		(12,114,779)	(12,126,560)

Basic EPS
Diluted EPS

0.0021 0.15
0.0021 0.15

NOTES FORMING PART OF ACCOUNTS
AS PER OUR ANNEXED REPORT OF EVEN DATE

14

FOR, GHANSHYAM K.PATEL
CHARTERED ACCOUNTANTS.

FOR, AVI POLYMERS LTD

PROPRIETOR
M.NO: 31440
PLACE : AHMEDABAD
Date: 03.09.2010

DIRECTOR DIRECTOR DIRECTOR
PLACE : AHMEDABAD.
Date: 03.09.2010

AVI POLYMERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS.

	RUPEES 31.03.2010	RUPEES 31.03.2009
SCHEDULE : 01.		
SHARE CAPITAL :		
Authorised.		
6500000 Equity shares of Rs.10/- each	65,000,000	65,000,000
Issued, Subscribed & Paid up :		
5607300 Equity Shares of Rs.10/- each		
Rs.10 called up	56,073,000	56,073,000
Less:- Calls in arrears	18,025,500	18,025,500
	<u>38,047,500</u>	<u>38,047,500</u>
SCHEDULE : 02.		
RESERVES & SURPLUS :		
Profit & Loss account		
Op.Balance (Debit balance)	(12,126,560)	(12,954,823)
Less:- Current year profit	11,781	828,263
	<u>(12,114,779)</u>	<u>(12,126,560)</u>
	<u>(12,114,779)</u>	<u>(12,126,560)</u>
SCHEDULE : 03.		
SECURED LOANS		
Working Capital loans :		
From Bank		
Cash credit account	0	0
Term loan	0	0
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
SCHEDULE : 04.		
UNSECURED LOANS		
From Directors	0	240,000
From corporates	2,089,185	12,075,926
From others	0	
	<u>2,089,185</u>	<u>12315926</u>
SCHEDULE : 6.		
INVESTMENT :		
UNQUOTED :		
LONG TERM TRADE INVESTMENTS (UN QUOTED)		
50000 Equity shares of Nilkanth Finance Ltd.	750,000	750000
1400 Equity shares of GTCL Mobile-Com Tech.Ltd	14,000	14000
	<u>764000</u>	<u>764000</u>
SCHEDULE : 7.		
Inventories :		
(As taken, valued and certified by management)		
Packing materials	0	0
Raw Material	0	0
Stock in process	0	0
Finished Goods	133,021	4461246
	<u>133,021</u>	<u>4,461,246</u>
Sundry Debtors :		
Unsecured, considered good		
i) Outstanding for a period exceeding Six month	24,726,975	35402408
ii) Others	1,771,618	9239053
		0

	26,498,593	44641461
	<u>26,498,593</u>	<u>44641461</u>

(C) Cash & Bank Balances :

i) Cash on hand	497,897	97,390
-----------------	---------	--------

ii) Bank Balance :

a) with Co-Op. Bank in C.A/C	1,451	9,173
b) with Schedule Bank in C.A/C	46,494	64,421

	<u>545,842</u>	<u>170984</u>
	<u>27,177,456</u>	<u>49273691</u>

SCHEDULE : 8.

LOANS & ADVANCES :

1. Advances recoverable in cash or kind or for value to be received	270,000	270,000
Deposits	145,820	145,820
Advance tax (VAT)	0	108271
	<u>415820</u>	<u>524091</u>

SCHEDULE : 9.

CURRENT LIABILITIES & PROVISION :

(A) Current Liabilities :

Sundry Creditors	288,730	12,191,285
Other Liabilities	<u>73,452</u>	<u>150,855</u>
	362,182	12342140

(B) Provisions :

Income tax provision	0	0
Proposed Dividend	0	0

Total (A) + (B)

0	0
<u>362,182</u>	<u>12342140</u>

SCHEDULE : 10.**OTHER INCOME**

Kasar	0	5,000
Profit on sale of assets	0	708,198
Other income	1,103	0
Commission	219,755	0
Misc credit/debit a/c. written off	319,315	0
	<u>540,173</u>	<u>713,198</u>

SCHEDULE : 11.**Increase/(decrease) in finished & semi finished stock.**

Closing stock:-

Finished goods	133,021	4,461,246
Semi finished goods	0	0
	<u>133,021</u>	<u>4461246</u>

Less:-

Opening stock:-

Finished goods	4,461,246	1432050
Semi finished goods	0	0
	<u>4,461,246</u>	<u>1432050</u>

Net Increase/(Decrease) in finished & semi finished stock

(4,328,225) 3029196

SCHEDULE : 12.**ADMINISTRATIVE AND SELLING EXPENSES**

Labour Charges	13,936	0
Payment to and Provisions for Employees.	170,180	160,695
Insurance premium	1,236	0
Advertisement, Printing & stationary, Postage & telephone	5,793	2,383
Packing and forwarding Exp	9,255	0
Sales Commission	31,102	0
Bank charges	2,222	3,082
Rent rates taxes and duties	18,000	36,000
General expenses	17,713	8,655
Legal & professional fees	42,500	17,000
Loss on sale of Vehicles/Assets	0	834,817
Auditors Remuneration	15,000	10,000
	<u>326,937</u>	<u>1072632</u>

INTEREST & FINANCE CHARGES

To Unsecured Loans :

On Loan From Corporate	125,845	671,128
On cash credit etc	0	0
	<u>125,845</u>	<u>671128</u>

SCHEDULE : 14.

SCHEDULE-5 : FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS ON 01.04.2009	ADDITION DURING THE YEAR	DELETION DURING THE YEAR	COST AS ON 31.03.2010	PROVIDED UPTO 01.04.2009	PROVIDED DURING THE YEAR	DELETION DURING THE YEAR	TOTAL DEPRECIATION	AS AT 31.03.2010	AS AT 31.03.2009
1	PLANT AND MACHINERY	52,146	15,120	0	67,266	38,879	3,949	0	42,828	24,438	13,267
2	COMPUTER ACCOUNT	24,065	0	0	24,065	20,108	1,583	0	21,691	2,374	3,957
	TOTAL	76,211	15,120	0	91,331	58,987	5,532	0	64,519	26,812	17,224

**NOTES FORMING PART OF ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY
IN THE PRESENTATION OF THE ACCOUNTS:-**

(a) Basis of Accounting & Revenue Recognition

- I) The financial statements are prepared under historical cost convention in accordance with generally accepted accounting principles and the Accounting standard issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.
- II) The Company follows the mercantile system of accounting and recognises income & expenditure on an accrual basis except those with significant uncertainties

(b) FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation

(c) DEPRECIATION

Depreciation on fixes assets is provided on WDV method at rates of schedule X IV of co.Act ,1956 read with the relevant circulars issued by the department of company affairs.

(d) INVENTORIES

- I Raw materials : Cost or market price which ever is lower
- II Finished Goods : Cost or market price which ever is lower
- III Packing materials : Cost or market price which ever is lower
- IV Semi finished goods : Cost or market price which ever is lower

(e) CONTINGENT LIABILITIES

All liabilities have been provided for in the accounts except liabilities of a contingent nature which have been disclosed at their estimated value in the notes on accounts,

The Income tax Department has filed an appeal with ITAT, Ahmedabad against order passed by The Commissioner of income tax (appeal) in favour of the company, for A.Y.2001-2002.

The demand as per department excluding interest and penalty is for Rs. 2,00,15,221/-,However as your company is confident of winning the same,no provision has been made for the same.

(f) TAXATION

Provision is made for taxation on a yearly basis under the tax payable method, based on tax liability, as computed after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise full provision is made when the said liabilities are accepted.

(B) NOTES ON ACCOUNTS :-

- 1 Debit and Credit balances appearing in Balance Sheet are subject to confirmation from respective parties.
- 2 The Directors are of the opinion that all the known liabilities have been adequately provided for and the current Assets, Loans and Advances are approximately at the value stated, if realised in ordinary course of business.
- 3 Depreciation on fixed assets for the year has been provided during the year Rs. 5532
- 4 In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Company has not accounted for deferred tax during the year. Consequently the deferred tax liability for the year has not been recognised in carried forward loss.
- 5 Profit & Los Account includes :

(A) Remuneration to Managing Director and Whole time Director u/s. 198 of Companies Act. 1956.		Previous Year	
(a) Salaries	Rs.	0	Rs. 0

6 Remuneration to auditors include :

	<u>2009-10</u>	<u>2008-09</u>
For Audit	15000	10000
For I.T Scrutiny	15000	0
For I.T Matter Fees	2500	0

- 7 The amounts have been rounded off to nearest Rupee.
- 8 Previous year figures have been regrouped or rearranged wherever necessary so as to confirm to Current Year's classification.
- 9 The information pursuant to Para 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 to the extent applicable