

ANNUAL ACCOUNTS

AND

AUDIT REPORT

OF

AVI POLYMERS LIMITED

REGD. OFFICE

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

ACCOUNTING YEAR: 2010-11

DIRECTORS

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

AUDITORS

GHANSHYAM K. PATEL
CHARTERED ACCOUNTANTS
AHMEDABAD

AVI POLYMERS LIMITED

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

FORM OF PROXY

Client Id :

DP Id :

Ledger Folio No :

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 Friday, 30th September, 2011 at 11.00 A.M. and at any adjournments thereof.

Signed this _____ day of _____ 2011

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 , 2011 At Ambica Compound, Old H B Road, Ranchi – 834 001at 11.00 A.M.

Name of the Shareholder :

Name of the Proxy :

Folio No :

No. of Shares Held :

Client Id :

DP Id :

I/We hereby record my / our presence at the Annual General Meeting of the Company to be held on Friday, 30th September, 2011 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

NOTICE TO MEMBERS

Notice is hereby given that the Annual General Meeting of the members of AVI Polymers Limited will be held at 11.00 a.m on 30th September, 2011 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,2011 and Profit & Loss Account for the year ended on 31-03-2011 and the Reports of the Board of Directors and Auditors thereon and other documents required to be attached or annexed thereto.
2. To reappoint Govind R. Patel, Director who retires by rotation and being eligible offers himself for reappointment.
3. 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.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification the following resolution as a Ordinary Resolution :

“RESOLVED THAT, pursuant to provision of Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 including Schedule XIII of the Companies Act, 1956 consent of the members of the Company be and is hereby accorded to the appointment of Shri Mansukh Patel as a Managing Director of the Company with effect from 1st September, 2011 for a period of five years on such terms and conditions as may be mutually agreed between the Board of Directors of the Company and Shri Mansukh Patel.”

“RESOLVED FURTHER THAT, Shri Mansukh Patel, Managing Director of the Company shall not be liable to retire by rotation.”

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary for giving effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS
OF AVI POLYMERS LIMITED

Place: Ahmedabad

Date: 03/09/2011

Director

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.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed herewith

Item No. 4

Mr. Mansukh Patel is a Director of the Company since incorporation. Mr. Mansukh Patel looks after day to day operations and administration of the Company. He is a Commerce graduate and has wide experience in the field of accounts, administration and finance. Mr. Mansukh Patel has also granted his consent to act as a Managing Director of the Company.

Presently the Company do not pay any remuneration to Mr. Mansukh Patel. Due to the accumulated losses in the Company, it is proposed not to pay any remuneration in the proposed appointment as a Managing Director.

The Board of Directors have approved the appointment of Mr. Mansukh Patel with effect from 1st September, 2011 as a Managing Director of the Company in its meeting held on 25th August, 2011. The appointment of Managing Director is for a period of five years.

Mr. Mansukh Patel alongwith his relatives hold more than 30% holding of the Company.

Mr. Mansukh Patel and Govind R. Patel are deemed to be interested in the resolution.

The above resolution together with the explanatory Statement may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors recommends the passing of the ordinary resolution.

BY ORDER OF THE BOARD OF DIERCTORS
OF AVI POLYMERS LIMITED

Place: Ahmedabad

Date: 03/09/2011

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, 2011.

<u>1. FINANCIAL RESULTS:</u>	Year Ended	Year Ended
	31.03.2011	31.03.2010
	<u>Amount(Rs.)</u>	<u>Amount(Rs.)</u>
Profit before Interest & Depreciation & Taxes	256,900	143,158
<u>Less :</u>		
Interest (net)	227,949	125,845
Depreciation	4,349	5,532
<u>Provision for Taxation:</u>		
-Current Tax	0	0
-Deferred Tax	0	0
-Fringe Benefit Tax	0	0
Total	232,298	131,377
Net Profit	24,602	11,781
Add. Prior Period adjustments	0	0
Net Profit After Taxation	24,602	11,781
Add: Balance of profit brought forward from previous year	(12,114,779)	(12,126,560)
	-----	-----
Balance Profit for the available for appropriation	(12,090,177)	(12,114,779)
Less. (1.) Proposed Dividend	0	0
(2.) Prov. For Tax on Div.	0	0
	-----	-----
	(12,090,177)	(12,114,779)
Less: Transferred to General Reserve	0	0
	=====	=====
Balance carried to Balance Sheet	(12,090,177)	(12,114,779)
	=====	=====

DIVIDEND:

Your Directors do not recommend any dividend for the year.

OPERATION

During the year company has reported total income of **Rs. 529.74** Lacs against total income of **Rs. 25.65** lacs in the previous year Net Loss of **Rs. 120.90** lacs as against Net Profit of **Rs. 121.15** lacs in the previous year.

FUTURE OUTLLOK

The Company expects that market condition will improve in the coming year and perform reasonably well.

STOCK EXCHANGES:

The company's shares are listed on Ahmedabad Stock Exchange Limited (ASE) the company has paid necessary listing fees for the year 2010-2011. Also the Company is considering listing at National Stock Exchange(NSE) shortly.

CONSERVATION OF ENERGY(TECNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company has no particulars to report details in respect of Conservation of Energy, Technology Absorption.

The foreign exchange earnings during the year was **Rs. 19.24** lacs. The expenditure on account of foreign exchange during the year was **Rs. 11.09** lacs.

RESEARCH & DEVELOPMENT:

There is no Research and development activity at present.

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, 2011 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.

DEPOSITS:

During the year Company has not accepted any deposits under Section 58-A of the Companies Act, 1956.

PARTICULARS REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning or outgo during the year under review.

PARTICULARS OF EMPLOYEES COVERED UNDER THE (PARTICULARS OF EMPLOYEES) RULES, 1975:

The company does not have any employee in the category as specified under Section 217 (2A) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE :

Pursuant to provision of Section 383A of the Companies Act, 1956 the Company has obtained a compliance certificate from a Practicing Company Secretary which forms part of Directors Report.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the listing agreement the corporate governance is annexed and forms part of Directors Report.

MATERIAL CHANGES AND COMMITMENTS SUBSEQUENT TO BALANCESHEET DATE :

There are no material changes and commitments, if any, affecting the position of the Company subsequent to the Balance sheet and upto the date of the report.

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, 2011
Place: Ahmedabad

DIRECTOR DIRECTOR

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.
--------	-------------------	-------------	------------------------	------------------------	--	--

1.	Shri Mansukh Patel [Managing Director]	Promoter and Executive	6	Yes	1	Nil
2	Shri Roop Lal Kanahiya Lal Nuwal	Non - Executive and Independent	6	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

Six Board meetings were held during the year. The dates of Board meeting are 30/4/2010, 31/07/2010, 1/08/2010, 3/9/2010, 30/10/2010 and 31/1/2011.

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	Mansukh Patel
Father Name	Ratan Patel
Date of Birth	08/08/1972
Date of Appointment	01/03/1993
Name of the Public limited Company(s) in which he is a director other than AVI Polymers Limited	AAR VEE INDUSTRIES LIMITED
Specific functional Areas	He has the knowledge of accounts, administration and finance.
Number of Shares Held in the Company	30000
Salary and Perquisites	Nil

Name of the Director	Govind Patel
Father Name	Ramji Patel
Date of Birth	10/10/1959
Date of Appointment	01/03/1993
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	40300 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 30/4/2010, 31/07/2010, 1/08/2010, 3/9/2010, 30/10/2010 and 31/1/2011.

B. REMUNERATION COMMITTEE:

I. Remuneration committee consists of Shri Dinesh Chauhan and Rooplal Nuwal.

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	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
2	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
3	2009 - 2010	Thursday, 30 th September, 2010	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.

(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 Ist 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, 2011 to 31 st March, 2012
First Quarter Result	: First Week of July, 2011
Half Quarter Result	: First Week of November, 2011 (tentative)
Third Quarter Result	: First Week of February, 2012 (tentative)
Fourth Quarter Result	: First Week of May, 2012 (tentative).

10. SHARE HOLDING PATTERN (AS ON 31-03-2011) :

(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, 2011
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, 2011 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 an 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 31.03.2011, 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, 2011

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, 2011 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 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2011 from being appointed as a Director in terms clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (6) a) Balance of debtors, creditors, loans and advances are subject to confirmation and adjustments, if any.
- (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 :

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.

Name of Status	Nature of dues	Amount	Financial Year	Forum where dispute to which amt. relates	is pending
		Rs. In lacs			
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 0.29 lacs during the financial year covered by our audit and Profit of Rs 0.17 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.

AVI POLYMERS LIMITED
Ambica Compound, Old H.B.Road, Ranchi-834001 BIHAR
BALANCE SHEET AS AT 31 ST MARCH, 2011.

DESCRIPTION	SCHE DULE		RUPEES 31.03.2011	RUPEES 31.03.2010
SOURCES OF FUNDS :				
SHAREHOLDERS' FUND :				
Share Capital	01	38,047,500		38,047,500
Reserves & Surplus	02	0		0
			38,047,500	38,047,500
LOAN FUNDS :				
Secured Loans	03	0		0
Unsecured Loans	04	0		2,089,185
			0	2,089,185
			38,047,500	40,136,685
APPLICATION OF FUNDS :				
FIXED ASSETS :				
Gross Block	05	91,331		91,331
Less : Depreciation		68,868		64,519
			22,463	26,812
INVESTMENTS :				
	06		764,000	764,000
CURRENT ASSETS, LOANS AND ADVANCES :				
Current Assets	07	33,517,060		27,177,456
Loans & Advances	08	417,640		415,820
				27,593,276
Less : Current Liabilities & Provisions	09	8,763,840		362,182
			25,170,860	27,231,094
MISCELLANEOUS EXPENDITURE :				
(To the extent of not written off or adjusted)				
Profit & Loss A/c.			12,090,177	12,114,779
			38,047,500	40,136,685
NOTES FORMING PART OF ACCOUNTS	14		0	0

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

DIRECTORS

PROPRITOR
Membership No. 031440
PLACE : AHMEDABAD.
Date: 03.09.2011.

PLACE : AHMEDABAD.
Date: 03.09.2011.

AVI POLYMERS LIMITED

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

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

DESCRIPTION	SCHEDULE	Year ended 31.03.2011	Year ended 31.03.2010
INCOME :			
Sales/Job Work Less Sales Return		52,973,514	25,653,224
Other Income	10	42,366	540,173
Increase/Decrease in stock of Finished goods & process stock	11	131,333	(4,328,225)
		53,147,213	21,865,172
EXPENDITURE :			
Administrative and selling expenses	12	52,890,313	21,722,014
Interest & Finance charges	13	227,949	125,845
Depreciation		4,349	5,532
Profit before taxes		53,122,611	21,853,391
		24,602	11,781
Income tax of earlier year		0	0
Provision for current tax		0	0
Provision for deferred tax		0	0
Profit after tax		24,602	11,781
Add : Balance of profit brought forward		(12,114,779)	(12,126,560)
Add:- Deferred tax liability (See Note- 7)		0	0
Profit available for Appropriation		(12,090,177)	(12,114,779)
APPROPRIATION			
Profit/Loss carried to Balance Sheet		(12,090,177)	(12,114,779)
		(12,090,177)	(12,114,779)

Basic EPS

0.0044

0.0021

Diluted EPS

0.0044

0.0021

NOTES FORMING PART OF ACCOUNTS

14

AS PER OUR ANNEXED REPORT OF EVEN DATE

FOR, GHANSHYAM K.PATEL
CHARTERED ACCOUNTANTS.

DIRECTORS

PROPRIETOR
Membership No. 031440
PLACE : AHMEDABAD
Date: 03.09.2011.

PLACE : AHMEDABAD.
Date: 03.09.2011.

AVI POLYMERS LIMITED
Ambica Compound, Old H.B.Road, Ranchi-834001 BIHAR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) before Taxes	24,602	11,781
Adjustments for:		
Depreciation	4,349	5,532
Operating Profit/Loss before working capital changes	28,951	17,313
Adjustments for changes in working capital		
(Increase)/Decrease in Stock	(131,333)	4,328,225
(Increase)/Decrease in Sundry debtors	(6,027,749)	18,142,868
(Increase)/Decrease in Other current assets	(1,820)	108,271
(Increase)/Decrease in Loans & Advances	8,401,658	(11,979,958)
Increase/(Decrease) in Current Liabilities & Provisions		
Cash generated from /(used in) operations	2,269,707	10,616,719
Taxes(Paid)/ Received	0	0
Net cash from/(used in) Operating activities	2,269,707	10,616,719
B CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in fixed assets	0	(15,120)
(Increase)/Decrease in Investments	0	0
Net cash used in investment activities	0	(15,120)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Increase/(Decrease) in Loans	(2,089,185)	(10,226,741)
Net cash from financing activities	(2,089,185)	(10,226,741)
Net Increase / (decrease) in cash and cash equivalents	180,522	374,858
Opening balance of cash and cash equivalents	545,842	170,984
Closing balance of cash and cash equivalents	726,364	545,842
	726,364	545,842

Notes to Cash flow statement:

The above cash flow statement has been prepared under the "indirect method "as set out in the accounting standard -3 on cash flow statements.

Previous year's figures have been reclassified /regrouped wherever considered necessary to conform to the current year's figures.

3 Figures in bracket indicate cash outflows.

This is the cash flow referred to in our report of even date

FOR, GHANSHYAM K.PATEL
 CHARTERED ACCOUNTANTS.

PROPRIETOR
 Membership No. 031440
 PLACE : AHMEDABAD
 Date: 03.09.2011.

DIRECTORS
 PLACE : AHMEDABAD.
 Date: 03.09.2011.

AVI POLYMERS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS.

	RUPEES 31.03.2011	RUPEES 31.03.2010
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	56,073,000	56,073,000
Rs.10 called up	18,025,500	18,025,500
Less:- Calls in arrears	38,047,500	38,047,500
SCHEDULE : 02.		
RESERVES & SURPLUS :		
State Cash Subsidy		
Op.balance	0	0
Less:- Transferred to Plant & Machinery a/c.	0	0
	0	0
Profit & Loss account		
Op.Balance Debit balance	(12,114,779)	(12,126,560)
Less:- Current year profit	24,602	11,781
	(12,090,177)	(12,114,779)
	(12,090,177)	(12,114,779)
SCHEDULE : 03.		
SECURED LOANS		
Working Capital loans :		
From Bank		
Cash credit account	0	0
Term loan	0	0
	0	0
	0	0
SCHEDULE : 04.		
UNSECURED LOANS		
From Directors	0	0
From corporates	0	2,089,185
From others	0	0
	0	2089185

SCHEDULE :05.

Particulars	Cost as at 31.03.2010	Gross Addition	Block Adjust/ Sale	Total Cost at 31.03.2011	Depreciation Upto 31.03.2011	NET BLOCK	
	Rs.	Rs.	Rs.	Rs.	Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Plant & Machinery	67266	0	0	67,266	46,227	21039	24438
Computer	24065	0	0	24,065	22,641	1424	2374
TOTAL	91331	0	0	91,331	68,868	22463	26812

SCHEDULE :6.**INVESTMENT :****UNQUOTED :****LONG TERM TRADE INVESTMENTS (UN QUOTED)**

150000 Equity shares of Nilkanth Finance Ltd. Of Rs.10 each fully paid up	750,000	750000
1400 Equity shares of GTCL Mobile-Com Tech.Ltd of Rs.10 each	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	264,354	133,021
	<u>264,354</u>	<u>133,021</u>

Sundry Debtors :

Unsecured, considered good

i) Outstanding for a period
exceeding Six month

ii) Others

Counsidered Doubtful debt

	0	0
	7,799,367	1,771,618
	24,726,975	24,726,975
	<u>32,526,342</u>	<u>26498593</u>
	<u>32,526,342</u>	<u>26498593</u>

(C) Cash & Bank Balances :

i) Cash on hand

ii) Bank Balance :

a) with Co-Op. Bank in C.A/C

b) with Schedule Bank in C.A/C

	309,434	497,897
	2,416	0
	414,514	47,945
	<u>726,364</u>	<u>545842</u>
	<u>33,517,060</u>	<u>27177456</u>

SCHEDULE : 8.**LOANS & ADVANCES :**1. Advances recoverable in cash or kind or for value to be received
Deposits

	271,820	270,000
	145,820	145,820
	<u>417640</u>	<u>415820</u>

SCHEDULE : 9.**CURRENT LIABILITIES & PROVISION :****(A) Current Liabilities :**

Sundry Creditors

Other Liabilities

	8,624,645	0
	139,195	362,182

8763840 362182

(B) Provisions :Income tax provision
Proposed Dividend

0	0
0	0
<hr/>	<hr/>
0	0

Total (A) + (B)

8,763,840	362182
-----------	--------

SCHEDULE : 10.**OTHER INCOME**Kasar
Profit on sale of assets
Other income
Commission
Misc credit/debit a/c. written off

0	0
0	0
12,866	1,103
29,500	219,755
0	319,315

<hr/>	<hr/>
42,366	540,173

SCHEDULE : 11.**Increase/descries in finished & semi finished stock.**Closing stock:-
Finished goods
Semi finished goods

264,354	133,021
0	0
<hr/>	<hr/>
264,354	133021

Less:-

Opening stock:-
Finished goods
Semi finished goods

133,021	4,461,246
0	0
<hr/>	<hr/>
133,021	4461246

Net Increase/descries in finished & semi finished stock

131,333	-4328225
---------	----------

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

(1) Trading purchase

Op. Stock
Add : Purchases less return

0	0
39,239,242	21,395,077
<hr/>	<hr/>
39,239,242	21395077

Less : Closing Stock

0	0
<hr/>	<hr/>
39,239,242	21395077

Payment to and Provisions for Employees.

275,761	184,116
---------	---------

Insurance premium

1,236	1,236
-------	-------

Advertisement, Printing & stationary,
Postage & telephone

37,075	5,793
--------	-------

Rebate, Discount and other selling exp.

13,228,978	9,255
------------	-------

Sales Commission

0	31,102
---	--------

Bank charges

8,206	2,222
-------	-------

Rent rates taxes and duties

24,000	18,000
--------	--------

General expenses

36,515	17,713
--------	--------

Freight & Octroi

5,300	0
-------	---

Legal & professional fees

19,000	42,500
--------	--------

Auditors Remuneration

15,000	15,000
--------	--------

<hr/>	<hr/>
52,890,313	21722014

SCHEDULE-13.

INTEREST & FINANCE CHARGES

On fixed Loans & Deposits
On cash credit etc

227,949	125,845
0	0
<u>227,949</u>	<u>125845</u>

SCHEDULE : 14.**NOTES FORMING PART OF ACCOUNTS****(A) SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY****IN THE PRESENTATION OF THE ACCOUNTS:-****(a) SYSTEM OF ACCOUNTING**

- (I) The accounts prepared on the historical cost basis and on the accounting principles of a going concern.
(II) Accounting policies, not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles.
(III) All expenditures and income to the extent considered payable and receivables respectively, are accounted for on accrual basis

(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 fixed assets is provided on WDV method at rates and in the manner specified in Schedule IV of The Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs.

(d) INVENTORIES

- | | | |
|-----|-----------------------|--|
| I | Raw materials : | At cost on First in First out method |
| II | Finished Goods : | At lower of absorption cost or net realisable value. |
| III | Packing materials : | At cost on first in first out method |
| IV | Semi finished goods : | On estimate |

(e) REVENUE RECOGNITION

1 During the year, the company has debited rate diff of Rs.2,00,00,000 due to non compliance of contract for supply of goods to Disman Pharmaceuticals & chemicals Ltd. Ahmedabad and recover Rs.7500000 from Ankita Chemical Corporation for non compliance of contract.

2 In the previous year figures, the sales is net of discount on Sales, Sales return, Rate Difference and kasar. In addition it is also net of Bad Debt of Rs. 10675434 due from M/S.GTCL Mobile Comm Tech Ltd, which is not as per accounting standard and accounting prudence and it has material effect on sales figure i.e. sales figure is understated by Rs.10675434.

Other income is recognised on accrual basis.

(f) 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

(g) 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 :-

- Debit and Credit balances appearing in Balance Sheet are subject to confirmation from respective parties.
- 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.
- Depreciation on fixed assets for the year has been provided during the year Rs. 5532
- In last year, the company has opted for one time settlement with the lending bank and paid agreed settlement amount.

5 Debtors include Rs. 2,47,26,975 (Previous year Rs.35402408) due three companies namely Gujarat Optical Comm.Ltd., RHB Cable & Ind.Ltd., and Hindustan Cable Ltd. It is informed by management that the all the three companies were closed and not in operation, Hence the amount is doubt full for recovery. During the previous year Rs.10675434 due from GTCL Mobile Comm.Tech Ltd is written off as bed debt.

6 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 view of loss for the year.

7 Profit & Los Account includes :

(A) Remuneration to Managing Director and Whole time Director u/s.

198 of Companies Act. 1956.

(a) Salaries

	Previous Year	
	Rs.	Rs.
	0	0

8 Remuneration to auditors include :

For Audit

2010-11
15000

2009-10
15000

9 The amounts have been rounded off to nearest Rupee.

10 Previous year figures have been regrouped or rearranged wherever necessary so as to confirm to Current Year's classification.

11 The information pursuant to Para 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 to the extent applicable

(1)

Receipt & Payment in Foreign Currency :

Receipt : Nil

Payments :1096640

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

13 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

14 Earning and remittance in foreign currency

Rupees

Purchase of goods

1109460

Sale of Goods

1924227

Statement showing quantitative information :

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

		31.03.2011	31.03.2011	31.03.2010	31.03.2010
		Qty-Kgs	Value	Qty-Kgs	Value
Op.stock					
Chemicals	Kgs	1000	133021	24650	4461246
			133021		0
PURCHASES					
Chemicals	Kgs.	342157	34961044	264935	20886944
Organic Manure	Mts	67	4278198	2464	519813
			39239242		20886944
SALES					
Chemicals	kgs.	341107	49142189	288585	35294892
Organic Manure	Mts	67	3831325	2464	1039290
			52973514		35294892
CLOSING STOCK					

Chemicals
Organic Manure

Kgs
Mts

2050
0

264354
0

1000

133021
0

264354

133021

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL PROFILE**01. Registration Details :**

Registration No. : L27204JH1993PLC005233
State Code No. : 03
Balance Sheet Date : 31.03.2011

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 :

Total Liabilities : 46,811,340
Total Assets : 46,811,340
Sources of Funds
Paid up capital : 38,047,500
Reserves & Surplus : 0
Secured Loans : 0
Unsecured Loans : 0
Application of Funds
Net Fixed Assets : 22,463
Investments : 764,000
Net Current Assets : 25,170,860
Miscellaneous Expense. : 12,090,177

04. Performance of Company :

Turnover/Income : 53,015,880
Total Expenditure : 53,122,611
Profit before extra-ordinary items & tax : 24,602
Profit(Loss)Before Tax: 24,602
Profit(Loss) After Tax: 24,602
Earning per share (Rs): 0.01
Dividend Rate : 0

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

SIGNATURE TO SCHEDULES 1 TO 14

AS PER OUR ANNEXED REPORT OF EVEN DATE

FOR, GHANSHYAM K.PATEL
CHARTERED ACCOUNTANTS.PROPRIETOR
Membership No. 031440
PLACE : AHMEDABAD.
Date: 03.09.2011.

FOR AVI POLYMERS LTD.

PLACE : AHMEDABAD.
Date: 03.09.2011.

Directors