

27th ANNUAL REPORT

AVIVA INDUSTRIES LIMITED

FINANCIAL YEAR: 2010-2011

Auditors:

J.VAGERIYA & ASSOCIATES

B-10TH FLOOR, SHALIMAR COMPLEX

MAHALAXMI FIVE ROADS,

PALDI, AHMEDABAD-380007



AVIVA INDUSTRIES LIMITED

27th ANNUAL GENERAL MEETING

DAY

Friday

Date

30th September, 2011

Time

2.30 p.m

Venue

17, Mumtaz Manzil, Wood House
Road, opp. Chirag Din, Colaba, Mumbai-
400005.

27th Annual Report

2010-11

Board of Directors

KEYUR MEHTA
BHARVIN PATEL
MAHESHBHAI PATEL
MAULIK SHAH

DIRECTOR
DIRECTOR
ADD.DIRECTOR
ADD.DIRECTOR

REGISTERED OFFICE

17, Mumtaz Manzil, Wood House Road, opp.
Chirag Din, Colaba,
Mumbai, India-400005

CORPORATE OFFICE

C-601, Shirmoni Flats,
Nr. Nehru Nagar, Satellite,
Ahmedabad-380015.

STATUTORY AUDITORS

J.VAGERIYA & ASSOCIATES
B-10th Floor, Shalimar Complex,
Mahalaxmi Five Roads,
Paldi, Ahmedabad-380007.

BANKER

State Bank of India
Specialized Commercial Branch
Gandhigram, Ahmedabad-280009

SHARE TRANSFER AGENT

MCS LTD
101, Shatdal Complex,
1st Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad-380009

AVIVA INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on 30th September, 2011 Friday, at 2.30 p.m. at 17, Mumtaz Manzil, Wood House Road, opp. Chirag Din, Colaba, Mumbai, India-400005 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon.
- (2) To appoint a Director in place of Mr. Keyur Mehta who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment
- (3) To appoint M/s Vishves A. Shah & Co., Chartered Accountants of Ahmedabad as the auditors of the company in place of the retiring auditors M/s J. Vageriya & Associates, Chartered Accountants to hold the office of the auditors of the company till the conclusion of next annual general meeting on such remuneration as may be determined by the board of directors of the company.

SPECIAL BUSINESS:

- (4) To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT Mr. Maheshbhai M. Patel appointed as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

- (5) To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT Mr. Maulik Atulbhai Shah appointed as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE MEMBER OF THE COMPANY.** Proxy in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to notify the changes, if any, in their registered address.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report to the meeting.

5. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
6. The Company's shares are listed with The Bombay Stock Exchange Limited, Mumbai.
7. Explanatory Statement in respect of special business is attached.
8. Information required to be furnished under the Listing Agreement, as required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed, are given below:

	I	II	III
Name	Mr. Keyur Mehta	Mr. Mahesh Patel	Mr. Maulik Shah
Qualification	Bachelor of Science With Chemistry DCA And MBA in Marketing	Old Metric	12 th Pass
Expertise	15 Years of experience of Stock Broking, Finance and Marketing	Since 5 years Experience in field of Investment Business	More than 5 year Experience in field of Family realistic Business.
Other Directorship	Anagram Stock Broking Ltd. Virtue Ceramics Pvt. Ltd	NIL	NIL

**BY ORDER OF THE BOARD
FOR, AVIVA INDUSTRIES LIMITED.**

Place : Mumbai
Date : 05/07/2011



Director



Director

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

Item No. 4 & 5

Mr. Maheshbhai M. Patel and Mr. Maulik A Shah have been appointed as an additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company he holds office only up to the ensuing Annual General Meeting. The Company has received notice from a member proposing candidature of Mr. Maheshbhai M. Patel and Mr. Maulik A Shah for the office of Director of the Company.

The Board considered it desirable that the Company should continue to avail their services and hence recommends their appointment as a Director of the Company.

No director is anyway concerned or interested in the proposed resolution.

**BY ORDER OF THE BOARD
FOR, AVIVA INDUSTRIES LIMITED.**

Place : Mumbai
Date : 05/07/2011



Director



Director

AVIVA INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rs. In Lacs)

	2010-2011		2009-2010	
Income From Operation & Other Income		560.88		421.25
(Loss)/Profit before tax, interest and depreciation		(1.44)		(16.11)
Less: Financial charges	0.18		0.00	
Depreciation	0.55	0.73	1.57	1.57
(Loss)/ Profit Before Tax		(2.17)		(17.68)
Less: Provision for taxation				
- Current Tax	0.00		0.00	
- Fringe Benefit Tax	0.00		0.00	
- Deferred	(0.29)		(0.94)	
- Short (Excess) provision of earlier years	0.00	(0.29)	0.03	(0.91)
Loss/ Profit after tax		(1.87)		(16.76)
Add: Balance brought forward from Previous year		288.89		305.66
Balance carried to Balance Sheet		287.02		288.89

During the year the company has achieve total turnover of Rs.560.88 Lacs compared to previous year's turnover of Rs.421.25 Lacs.

CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, a compliance report on Corporate Governance has been annexed hereto as part of the Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company forms part of said report.

DIVIDEND:

During the year under review Company has incurred the Loss; Your Directors does not recommend any dividend in this financial Year.

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Management Discussion and Analysis report is annexed hereto as part of the Directors' Report.

DIRECTORS:

Mr. Keyur B Mehta, Director of the Company retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The Board recommends his reappointment.

During the year under review, Mr. Maheshbhai M. Patel and Mr. Maulik A. Shah was appointed as additional Director of the company w.e.f 07th February, 2011. They hold office up to the date of ensuing Annual General meeting and is eligible for reappointment.

Your Company has received necessary notices from members, pursuant to section 257 of the Companies Act, 1956, signifying their intention to propose candidature of Mr. Mr. Maheshbhai Patel and Mr. Maulik A. Shah for the office of the Director. Necessary Resolutions have been proposed for the approval of members at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (2) appropriate accounting policies have been selected and applied them consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (4) The accounts have been prepared on going concern basis.

LISTING:

The Company's securities are listed with Bombay Stock Exchange Ltd, Mumbai. The Company has paid annual listing fee for the year 2010-2011 to the said stock Exchange.

EMPLOYEES:

As required under provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, from time to time, the requisite particulars in respect of the employees of the Company, who were in

receipt of remuneration in excess of the limits specified under the said section are set out in the annexure herewith and form part of this report.

INSURANCE:

The Company has taken adequate insurance to cover its assets.

AUDITORS:

A special notice in terms of Section 190 of the Companies Act, 1956 has been received under Section 225(1) from some members proposing the appointment of M/s. Vishves A. Shah & Co., Chartered Accountants of Ahmedabad as statutory auditors of the company in place of M/s J. Vagheriya & Associates, Chartered Accountants, present auditors of the company. The retiring auditors have informed the company that they are unwilling to be re-appointed as auditors of the company and have no representation to make for the notification of the members of the company relating to special notice.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The Company has no activities relating to Conservation of Energy, Technology Absorption etc. Details of foreign exchange earnings and out go are given into notes to accounts.

ACKNOWLEDGEMENT:


The Board of Directors takes this opportunity to thank the Banks and Regulatory Authority for their continued assistance and co-operation.

Your Directors wish to sincerely thank to all the shareholders for making strategic investment in the Company and the faith they have shown in the management and workings of the Company.

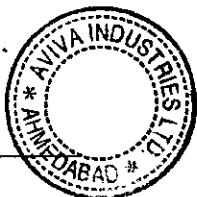
Your Directors recognize the patronage extended by the customers, business associates, employees and Bank of India, Bank of Baroda & State Bank of India, the bankers of the company.

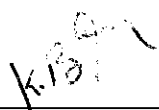
**BY ORDER OF THE BOARD
FOR, AVIVA INDUSTRIES LIMITED.**

Place : Mumbai
Date : 05/07/2011



Director





Director

MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Overview:

India, an emerging economy, has witnessed unprecedented levels of economic expansion, along with countries like China, Russia, Mexico and Brazil. India, being a cost effective and labor intensive economy, has benefited immensely from outsourcing of work from developed countries, and a strong manufacturing and export oriented industrial framework. With the economics space picking up, global commodity prices have staged a comeback from their lows and global trade has also seen healthy growth over the last two years. The global economy seems to be recovering after the recent economic shock. Indian textiles industry is at the crossroads with the phasing out of quota regime on January 1, 2005 and the full integration of the textiles sector in the WTO. Textiles contribute around 19 percent of India's total annual export earnings. According to a recent study, the Indian textile and apparel industry can achieve a potential size of US \$ 85 billion by 2010, with a domestic market size of US \$ 45 billion and nearly 60 percent of exports comprising of garments. India has a natural competitive advantage in terms of a strong and large multi-fibre base, abundant cheap skilled labour and presence across the entire value chain of the industry ranging from spinning, weaving and made ups to manufacturers of garments.

Business Overview:

Your company, Aviva Industries Limited was incorporated in 1984 as Ankush Electronics & Electricals to carry out manufacturing and trading in electrical goods and services as also investment activities. Later in February 1992, it was acquired by the Gupta group where after it diversified into textiles trading activities and its name was changed to Ankushss Synthetics Limited. The Company is relatively less susceptible to fashion changes than apparel business because fabric is an intermediary product and is usually manufactured according to design and patterns provided by apparel manufacturers. Design and texture of fabric can be quickly updated to meet customer's specifications. The end of Multi Fibre Agreement (MFA) quota restrictions on textile products has resulted in price competition among suppliers from low cost economics. The Company could further face pricing pressure as various suppliers who were hitherto restrained by quotas start competing for the same orders in the international market.