

Annual Report

AVI POLYMERS LIMITED

For the year 2012-13

AVI POLYMERS LIMITED

Annual Report 2012-13

BOARD OF DIRECTORS

Mr. Mansukh Patel
Director

Mr. Govind Patel
Director

Mr. Dinesh Chauhan
Director

Mr. Maulik Pradipkumar Shah
Director

AUDITORS

M/s. Purushottam Khandelwal & Co.
Chartered Accountants
216, Madhupura Vyapar Bhawan,
Nr. Gunj Bazar, Madhupura,
Ahmedabad-380004

BANKER

State Bank of India
Colour Merchant Co.OP. Bank

REGISTERED OFFICE:

At Ambica Compound
Old H B Road,
Ranchi-834001

AVI POLYMERS LIMITED

NOTICE

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 Wednesday, the 14th August, 2013 at the Registered Office of the company situated at At Ambica Compound, Old H B Road, Ranchi – 834 001 to transact the following business.

ORDINARY BUSINESS:

1. To Consider and adopt the Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss Account and Cash Flow Statement for the year ended on 31st March, 2013 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Shri Mansukh Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Shri Maulik Pradipkumar Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad to hold office from the conclusion of the Meeting until the conclusion of the Next Annual General Meeting and fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS OF
AVI POLYMERS LIMITED

Place: Ahmedabad
Date: 27/05/2013

SHRI MANSUKH PATEL
MANAGING DIRECTOR

Notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the company. Proxy form in order to be effective must be deposited at least 48 hours before the commencement of the meeting.
- 2 Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.

- 3 Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting as Copies of Annual Report will not be distributed at the Annual General Meeting.
- 4 The register of Members and share transfer books of the company will remain closed from **12th August, 2013 to 14th August, 2013** (both days inclusive).
- 5 Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.
- 6 Pursuant to clause 49 of the Listing Agreement, brief resume of all directors proposed to be reappointed, nature of their expertise in specific functional areas, name of the companies in which they hold directorship and their shareholding are provided in Report on Corporate Governance forming part of the annual report.

BY ORDER OF THE BOARD OF DIRECTORS OF
AVI POLYMERS LIMITED

Place: Ahmedabad
Date: 27/05/2013

SHRI MANSUKH PATEL
MANAGING 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, 2013.

| <u>1. FINANCIAL RESULTS:</u> | Year Ended | Year Ended |
|---|---------------------|---------------------|
| | 31.03.2013 | 31.03.2012 |
| | Amount(Rs.) | Amount(Rs.) |
| Profit before Interest & Depreciation & Taxes | 33,124 | 17,355 |
| Less : | | |
| Interest (net) | 44 | 357 |
| Depreciation | 2,864 | 3,497 |
| Provision for Taxation: | | |
| -Current Tax | 0 | 0 |
| -Deferred Tax | 0 | 0 |
| -Fringe Benefit Tax | 0 | 0 |
| Total | 2,908 | 3,854 |
| Net Profit | 30,216 | 13,501 |
| Add. Prior Period adjustments | 0 | 0 |
| Net Profit After Taxation | 30,216 | 13,501 |
| Add: Balance of profit brought forward from previous year | (12,076,676) | (12,090,177) |
| | ----- | ----- |
| Balance Profit for the available for appropriation | (12,046,460) | (12,076,676) |
| Less. (1.) Proposed Dividend | 0 | 0 |
| (2.) Prov. For Tax on Div. | 0 | 0 |
| | ----- | ----- |
| | (12,046,460) | (12,076,676) |
| Less: Transferred to General Reserve | 0 | 0 |
| | ===== | ===== |
| Balance carried to Balance Sheet | (12,046,460) | (12,076,676) |
| | ===== | ===== |

DIVIDEND :

Your Directors do not recommend any dividend for the year.

OPERATION

During the year company has reported total income of **Rs. 363.59** Lacs against total income of **Rs. 1269.61** lacs in the previous year, Net Profit of **Rs. 30,216/-** as against Net Profit of **Rs. 13,501/-** in the previous year.

FUTURE OUTLOOK

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 years up to 2012-13.

RESEARCH & DEVELOPMENT:

There is no Research and development activity at present.

AUDITORS:

M/s.Purushottam Khandelwal & Co., Chartered Accountants, retires as Statutory Auditors of the company at the ensuing Annual General Meeting and is eligible for re-appointment

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, 2013 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:

CONSERVATION OF ENERGY OR TECNOLOGY ABSORPTION

The Company has no activities relating to conservation of energy or technology absorption.

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

The Company does not have any employee whose particulars are required to be reported pursuant to provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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 : 27th May, 2013

Place : Ahmedabad

**SHRI MANSUKH PATEL
MANAGING 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 Membership in other board /committee. |
|--------|--|--|------------------------|------------------------|--|---|
| 1. | Shri Mansukh Patel [Managing Director] | Promoter and Executive | 7 | Yes | 1 | Nil |
| 2 | Shri Maulik Pradipkumar Shah | Non - Executive and Independent | 6 | Yes | Nil | Nil |
| 3 | Shri Dinesh Chauhan | Non - Executive and Independent | 6 | Yes | Nil | Nil |
| 4 | Shri Govindlal Ramji Patel | Promoter and Non - Executive Independent | 7 | Yes | Nil | Nil |

Eight Board meetings were held during the year. The dates of Board meeting are 30/5/2012, 30/6/2012, 10/8/2012, 29/9/2012, 30/10/2012, 30/11/2012, 31/12/2012, 11/2/2013

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 | Mr. Mansukh Patel |
| Father Name | Akhairam Patel |
| Date of Birth | 08/08/1972 |
| Date of Appointment | 01/03/1993 |
| Name of the Public limited Company(ies) in which he is a director other than AVI Polymers Limited | AAR VEE Industries Ltd |
| Specific functional Areas | He has the knowledge of marketing |
| Number of Shares Held in the | 500 |

| | |
|--|-----|
| Company | |
| Salary and Perquisites | Nil |
| Membership of Committees of Board in Other companies | Nil |

| | |
|---|-----------------------------------|
| Name of the Director | Mr. Maulik Pradipkumar Shah |
| Father Name | Mr. Pradipkumar Shah |
| Date of Birth | 02/09/1978 |
| Date of Appointment | 19/11/2011 |
| Name of the Public limited Company(s) in which he is a director other than AVI Polymers Limited | Nil |
| Specific functional Areas | He has the knowledge of marketing |
| Number of Shares Held in the Company | Nil |
| Salary and Perquisites | Nil |
| Membership of Committees of board in other companies | 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 Govind R Patel. 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 30/5/2012, 2/7/2012, 10/8/2012, 30/10/2012, 31/12/2012, 11/2/2013

B. REMUNERATION COMMITTEE:

- I. Remuneration committee consists of Shri Dinesh Chauhan and Govind Patel.
- 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 Govind Ramji Patel. 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 as under:

Opening - Nil

Received - Nil

Solved - Nil

Pending - Nil

5. GENERAL BODY MEETINGS:

The last three annual General Meetings were held as under:

| Sr. No. | Financial Year | Day and Date | Time | Location |
|---------|----------------|--|------------|---|
| 1 | 2009 - 2010 | Thrusday, 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 |
| 2 | 2010 - 2011 | Friday, 30 th September, 2011 | 11.00 a.m. | At Registered office of the Company situated at Ambica Compound Old H B Road |

| | | | | |
|---|---------|---|---------------|--|
| | | | | Ranchi 834 001 |
| 3 | 2011-12 | Friday, 10 th August,2012 | 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 2012 – 2013.”

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

(Mansukh Patel)
(Managing Director)

8. GENERAL SHAEHOLDER INFORMATION :

| | | |
|--------|---|---|
| (i) | Annual General Meeting Date, Time and Venue | Wednesday, 14 th August, 2013 at 11.00 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, 2012 to 31 st March, 2013 |
| (iii) | Date of Book Closure | 12th August, 2013 to 14th August, 2013 (both days inclusive). |
| (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 Quarterly Results of the Company are published in Western Times Newspaper and are also displayed in Company's website www.avipolymers.com |
| (ix) | Any Website where it displays official releases | The Company's website www.avipolymers.com contains a separate dedicated section "Investor Relations" where all financial and other information is available. |
| (x) | Any presentation made to the institutional investor and analyst | No |
| (xi) | Whether Management Discussion and Analysis is a part of this report | Yes |
| (xii) | Share Transfer System | Transfer of shares is done within a period of 20 – 30 days from the date of the receipt, subject to the documents being valid and complete |

| | | |
|--------|---|---|
| | | in all respect. |
| (xiii) | Listing and Stock Code | Ahmedabad Stock Exchange – 57969 |
| (xiv) | The name and address of Stock Exchanges where Company is listed | The Ahmedabad Stock Exchange, 1st Floor, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad – 380 015 |
| (xv) | Compliance Officer | Shri Mansukh Patel, Managing Director |
| (xvi) | Email for investors correspondence / Complaints | avipolymer@gmail.com |
| | | |

9.FINANCIAL CALENDER:

| | |
|-----------------------|---|
| Report Period | : 1 st April, 2013 to 31 st March, 2014 |
| First Quarter Result | : Fourth Week of July, 2013 (tentative) |
| Half Quarter Result | : Third Week of October, 2013 (tentative) |
| Third Quarter Result | : Third Week of January, 2014 (tentative) |
| Fourth Quarter Result | : Third Week of of April, 2014 (tentative). |

10. SHARE HOLDING PATTERN (AS ON 31-03-2013) :

(a) Categories of Shareholders: (in %)

| <u>Category</u> | No. of Shares | % of holding to total |
|---------------------------------|----------------------|------------------------------|
| Promoters Holding | 1,999,500 | 35.66 |
| Residential Individuals | 2,690,800 | 47.99 |
| Mutual Funds | 0 | 0 |
| Banks, FIs, Insurance Companies | 0 | 0 |
| Domestic Companies | 9,17,000 | 16.35 |
| Clearing Mambers | 0 | 0 |
| Total: | 56,07,300 | 100.00 |

(b) Distribution of Shareholding as on March 31,2013:

| Shareholding of Nominal Value of | | | | Shareholders | | Share Amount | |
|----------------------------------|--------|----|--------|--------------|----------------|--------------|-------------------|
| From | Rs. | To | Rs. | Number | % of Total No. | In Rs. | % to total Amount |
| | 0 | | 5000 | 1572 | 74.05 | 4097000 | 7.31 |
| | 5001 | | 10000 | 198 | 9.33 | 1870000 | 3.33 |
| | 10001 | | 20000 | 150 | 7.07 | 2949000 | 5.26 |
| | 20001 | | 30000 | 27 | 1.27 | 740000 | 1.32 |
| | 30001 | | 40000 | 131 | 6.17 | 5240000 | 9.34 |
| | 40001 | | 50000 | 3 | 0.14 | 150000 | 0.27 |
| | 50001 | | 100000 | 18 | 0.85 | 1722000 | 3.07 |
| | 100001 | | Above | 24 | 1.13 | 39305000 | 70.10 |
| Total | | | | 2123 | 100 | 56073000 | 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.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Company is mainly engaged in Trading Operations. The company hope to do better this year.

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 my 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 the company has 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 the company has 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:

There has been no instance of non- compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the stock exchange or SEBI or any other statutory authority.

By Order of the Board
FOR AVI POLYMERS LIMITED

Date : 27th May, 2013
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, 2013 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 31.03.2013, 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 PURUSHOTTAM KHANDELWAL
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 27th May, 2013

PURUSHOTTAM KHANDELWAL
PROPRIETOR

Independent Auditor's Report

To the Members of

AVI POLYMERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of "AVI POLYMERS LIMITED", which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date:- 27th May,2013
Place: - Ahmedabad

For, Purushottam Khandelwal & Co.
Chartered Accountants

(P.H. Khandelwal)
Proprietor
M.No.100601
FRN: 123825W

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations 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 on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other (a) Parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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) As per information & explanations given to us and in our opinion, there is no transaction made in pursuance of such contract or arrangement at price which are not reasonable having regard to prevailing market price at the relevant time.

6. As per information & explanations given to us and in our opinion, the Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(c) The disputed statutory dues aggregating Rs. 28.24 lacs that have not been deposited on account of disputed matter pending before appropriate authority are as under.

| Name of status | Nature of Dues | Amount Rs. In Lacs | Financial Year to which amount relates | Forum where dispute is pending |
|-------------------------|---------------------------------|--------------------------|--|-----------------------------------|
| Income tax Act, 1961 | Tax on assessment u/s 143(3) | 18.00 | 1999-2000 | Gujarat High Court Ahmedabad |
| Income tax Act, 1961 | Penalty u/s 271(1)(c) | 6.93 | 1999-2000 | CIT (Appeal), Ahmedabad |
| Income tax Act, 1961 | Tax on Assessment u/s 143(3) | 3.31 | 2000-2001 | ITAT Ahmedabad |
| | | 28.24 | | |

10. The Company has accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year. Considering the same we are of the opinion that the Fundamental Assumption of Going Concern is not affected.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. •

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments, therefore the provision of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution therefore the provision of clause 4(xv) of the Companies (Auditors Report) Order, 2003 is not applicable.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company no long term funds have been used to finance short term asset except permanent working capital.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us and based on the audit procedures performed the Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year therefore the provision of clause 4(xx) of the Companies (Auditors Report) Order, 2003 is not applicable.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Date:- 27th May,2013
Place: - Ahmedabad

For, Purushottam Khandelwal & Co.
Chartered Accountants

(P.H. Khandelwal)
Proprietor
M.No.100601
FRN: 123825W

AVI POLYMERS LIMITED

AMBICA COMPOUND, OLD H B ROAD, RANCHI - 834001

BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|---|------|---|--|
| I. EQUITY AND LIABILITIES | | | |
| <u>(1) Shareholder's Funds</u> | | | |
| (a) Share Capital | 1 | 38,047,500 | 38,047,500 |
| (b) Reserves and Surplus | 2 | (12,046,460) | (12,076,676) |
| <u>(2) Share Application money pending allotment</u> | | | |
| <u>(3) Non-Current Liabilities</u> | | | |
| (a) Long-Term Borrowings | | - | - |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Other Long Term Liabilities | | - | - |
| (d) Long Term Provisions | | - | - |
| <u>(4) Current Liabilities</u> | | | |
| (a) Short-Term Borrowings | | - | - |
| (b) Trade Payables | 3 | 579,748 | 10,112,091 |
| (c) Other Current Liabilities | 4 | 227,955 | 165,250 |
| (d) Short-Term Provisions | | - | - |
| Total | | 26,808,743 | 36,248,165 |
| II. ASSETS | | | |
| <u>(1) Non-Current Assets</u> | | | |
| <u>(a) Fixed Assets</u> | | | |
| (i) Tangible Assets | 5 | 16,103 | 18,967 |
| (b) Non-current investments | 6 | 11,764,000 | 11,764,000 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | 7 | 4,460,820 | 415,820 |
| (e) Other non-current assets | | - | - |
| <u>(2) Current Assets</u> | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 8 | 225,423 | 48,214 |
| (c) Trade receivables | 9 | 10,043,230 | 23,701,757 |
| (d) Cash and cash equivalents | 10 | 299,167 | 299,407 |
| (e) Short-term loans and advances | | - | - |
| (f) Other current assets | | - | - |
| Total | | 26,808,743 | 36,248,165 |

NOTES TO ACCOUNTS

18

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

FOR PURUSHOTTAM KHANDELWAL & CO
CHARTERED ACCOUNTANTS

For AVI POLYMERS LIMITED

(DIRECTOR) (DIRECTOR) (DIRECTOR)

(CA. P.H. KHANDELWAL)

M. No. : 100601

F.R.N.: 123825W

PLACE: AHMEDABAD

DATED: 27th May, 2013

AVI POLYMERS LIMITED

AMBICA COMPOUND, OLD H B ROAD, RANCHI - 834001

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

| Sr. No | Particulars | Sch. No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--------|---|------------|---|--|
| I | Revenue from operations | 11 | 36,359,680 | 126,961,865 |
| II | Other Income | 12 | 21 | - |
| III | III. Total Revenue (I +II) | | 36,359,701 | 126,961,865 |
| IV | Expenses: | | | |
| | Cost of materials consumed | | - | - |
| | Purchase of Stock in Trade | | 34,392,201 | 103,238,049 |
| | Freight on purchases | | 38,635 | - |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 13 | (177,209) | 216,140 |
| | Employee Benefit Expense | 14 | 1,364,839 | 841,577 |
| | Financial Costs | 15 | 44 | 357 |
| | Depreciation and Amortization Expense | 16 | 2,864 | 3,497 |
| | Other Expenses | 17 | 708,111 | 22,648,744 |
| | Total Expenses (IV) | | 36,329,485 | 126,948,364 |
| V | Profit before exceptional and extraordinary items and tax | (III - IV) | 30,216 | 13,501 |
| VI | Exceptional Items (Prior Period) | | | - |
| VII | Profit before extraordinary items and tax (V - VI) | | 30,216 | 13,501 |
| VIII | Extraordinary Items | | | - |
| IX | Profit before tax (VII - VIII) | | 30,216 | 13,501 |
| X | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | - | - |
| XI | Profit(Loss) from the period from continuing operations | (IX-X) | 30216 | 13,501 |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| XIII | Tax expense of discounting operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV | Profit/(Loss) for the period (XI + XIV) | | 30,216 | 13,501 |
| XVI | Earning per equity share of face value of 10 ₹ Basic & Diluted | | 0.005 | 0.0024 |

Notes to Accounts

18

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

FOR PURUSHOTTAM KHANDELWAL & CO
CHARTERED ACCOUNTANTS

For AVI POLYMERS LIMITED

(DIRECTOR) (DIRECTOR) (DIRECTOR)

(CA. P.H. KHANDELWAL)

M. No. : 100601

F.R.N.: 123825W

PLACE: AHMEDABAD

DATED: 27th May, 2013

AVI POLYMERS LIMITED
AMBICA COMPOUND, OLD H B ROAD, RANCHI - 834001
CASH FLOW STATEMENT FOR THE YEAR 2012-2013

| Particulars | | 2012-2013 | 2011-2012 |
|--|---|------------------|------------------|
| A | Cash Flow From Operating Activity | | |
| | Profit/(loss) before Taxes | 30216.00 | 13501.00 |
| | Adjustments for: | | |
| | Depreciation | 2864.00 | 3497.00 |
| | Operation profit/loss before working capital changes | 33080.00 | 16998.00 |
| | Adjustments for changes in working capital | | |
| | (Increase)/Decrease in Stock | (177209.00) | 216140.00 |
| | (Increase)/Decrease in Sundry debtors | 13658527.00 | 8824584.00 |
| | (Increase)/Decrease in Other current Asset | 0.00 | 0.00 |
| | (Increase)/Decrease in loans & Advances | 0.00 | 1820.00 |
| (Increase)/Decrease in Current Liabilities & Provision | (9469638.00) | 1513501.00 | |
| Cash Generated from / (used in) operations | 4044760.00 | 10573043.00 | |
| Taxes (paid)/Received | 0.00 | 0.00 | |
| Net Cash from/(used in) Operating activity | 4044760.00 | 10573043.00 | |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | (Increase)/Decrease in fixed assets | 0.00 | 0.00 |
| | (Increase)/Decrease in Investments | 0.00 | (11000000.00) |
| Net cash used in Investing activities | 0.00 | (11000000.00) | |
| C | CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| | (Increase)/Decrease in Loans | (4045000.00) | 0.00 |
| | Net cash from financial activity | (4045000.00) | 0.00 |
| | Net increase/(Decrease) in cash and cash equivalent | (240.00) | (426957.00) |
| | Opening balance of cash and cash equivalent | 299407.00 | 726364.00 |
| | Closing balance of cash and cash equivalent | 299167.00 | 299407.00 |

Notes to Cash Flow Statement

1. The above cash flow statement has been prepared under the "indirect method" as set out in the accounting standard-3 on cash flow statements.
2. Previous year's figures have been reclassified /regrouped wherever considered necessary.
3. Figures in bracket indicate cash outflow

FOR PURUSHOTTAM KHANDELWAL & CO
CHARTERED ACCOUNTANTS

For AVI POLYMERS LIMITED

(DIRECTOR) (DIRECTOR) (DIRECTOR)

(CA. P.H. KHANDELWAL)
M. No. : 100601
F.R.N.: 123825W

PLACE: AHMEDABAD
Date: 27.05.2013

AVI POLYMERS LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013

| Note : 1 Share Capital | | | |
|-------------------------------|--|--------------------------------------|--------------------------------------|
| Sr. No | Particulars | Current Year | Previous Year |
| 1 | AUTHORIZED CAPITAL 6500000 Equity Shares(P.Y. 65,00,000 shares) of Rs. 10/- each. | 65,000,000 | 65,000,000 |
| | | 65,000,000 | 65,000,000 |
| 2 | ISSUED, SUBSCRIBED & PAID UP CAPITAL 5607300(P.Y. 56,07,300 shares) Equity Shares of Rs. 10/- each, Fully Paid up shares 26,25,900 Less: Calls Unpaid (2981400 Shares) | 56,073,000 18,025,500 | 56,073,000 18,025,500 |
| | Total | 38,047,500 | 38,047,500 |

RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Opening Number of shares Outstanding | 5,607,300 | 5,607,300 |
| Add: Shares issued during the year | - | - |
| Less: Shares bought back during the year | - | - |
| Closing number of outstanding shares | 5,607,300 | 5,607,300 |

More Than 5% shareholdings

| Name | No. of Shares | % |
|---|---------------|-------|
| Swetang Shah | 557,500 | 9.94 |
| Dhanvidhya Fin & Investment Consi. Ser. Pvt Ltd | 280,900 | 5.01 |
| Shivarjan Chemicals Pvt. Ltd. | 556,700 | 9.93 |
| Mansukh Patel (HUF) | 1,141,500 | 20.36 |

| Note : 2 Reserve & Surplus | | | |
|---------------------------------------|--|---------------------|---------------------|
| Sr. No | Particulars | Current Year | Previous Year |
| | Surplus (Profit & Loss Account) | | |
| | Balance brought forward from previous year | (12,076,676) | (12,090,177) |
| | Less: Tax on Regular Assessment Paid | - | - |
| | Add: Profit for the period | 30,216 | 13,501.00 |
| | Closing Balance | (12,046,460) | (12,076,676) |
| | Total | (12,046,460) | (12,076,676) |

CURRENT LIABILITIES

| Note : 3 Trades Payable | | | |
|--------------------------------|-------------------------------|----------------|-------------------|
| Sr. No | Particulars | Current Year | Previous Year |
| | Trade Payables | | |
| 1 | Sundry Creditors for Material | 579,748 | 10,079,591 |
| 2 | Sundry Creditors for Services | - | 32,500 |
| | Others | | |
| 1 | Sundry Creditors for Expense | - | - |
| | Total | 579,748 | 10,112,091 |

| Note : 4 Other Current Liabilities | | | |
|---|--|----------------|----------------|
| Sr. No | Particulars | Current Year | Previous Year |
| 1 | Current maturities of long-term debt | - | - |
| 2 | Current maturities of finance lease obligations | - | - |
| 3 | Interest accrued but not due on borrowings | - | - |
| 4 | Interest accrued and due on borrowings | - | - |
| 5 | Income received in advance | - | - |
| 6 | Application money due for refund* | - | - |
| 7 | Unpaid Dividend | - | - |
| 8 | Unpaid matured deposits and interest accrued thereon | - | - |
| 9 | Unpaid matured debentures and interest accrued thereon | - | - |
| 10 | Other Liabilities | | |
| | a. Unpaid Expense | 167,615 | 11,000 |
| | b. TDS Payable | - | - |
| | c. VAT Payable | 6,014 | 154,250 |
| | d. Advance From Customers | 54,326 | - |
| | e. Others | - | - |
| | Total | 227,955 | 165,250 |

AVI POLYMERS LIMITED

Note Forming Integral Part of the Balance Sheet as at 31st March, 2013

Note : 5 Fixed Asset (Owned Assets)

| Sr. No | Particulars | Rate | Gross Block | | | | Depreciation | | | | Net Block | |
|--------|--|------------------|------------------------|--------------------------|---------------------------|------------------|------------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| | | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2013 | WDV as on 31.03.2013 |
| I | Tangible Assets 1 Plant & Machinery 2 Computer | 13.91% 40.00% | 67266 | - | - | 67,266 | 49,153 | 2,520 | - | 51,673 | 15,593 | 11 |
| | | | 24,065 | - | - | 24,065 | 23,211 | 344 | - | 23,555 | 510 | |
| | SUB TOTAL (A) | | 91,331 | - | - | 91,331 | 72,364 | 2,864 | - | 75,228 | 16,103 | 11 |
| II | Intangible Assets | | - | - | - | - | - | - | - | - | - | |
| | SUB TOTAL (B) | | - | - | - | - | - | - | - | - | - | |
| III | Capital Work-in-progress | | - | - | - | - | - | - | - | - | - | |
| | SUB TOTAL (C) | | - | - | - | - | - | - | - | - | - | |
| IV | Intangible Assets Under Development | | - | - | - | - | - | - | - | - | - | |
| | SUB TOTAL (D) | | - | - | - | - | - | - | - | - | - | |
| | Total [A + B + C + D] (Current Year) | | 91,331 | - | - | 91,331 | 72,364 | 2,864 | - | 75,228 | 16,103 | 11 |

AVI POLYMERS LIMITED

Note Forming Integral Part of the Balance Sheet as at 31st March, 2013

Note : 6 Non Current Investment

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--|-------------------|-------------------|
| | Trade Investment in Equity Shares - Unquoted Fully Paid Up | | |
| | 150000 (P.Y. 150000) Equity Shares of Nilkanth Finance Ltd of Rs. 10 each | 750,000 | 750,000 |
| | 1400 (P.Y. 1400) Equity Share of GTCL Mobile -Com Tech.Ltd of Rs. 10 each | 14,000 | 14,000 |
| | 68750 (P.Y. 68750) Equity Share of Boscogen Biosciences (India) Ltd of Rs. 10 each | 11,000,000 | 11,000,000 |
| | Total | 11,764,000 | 11,764,000 |

Note :7 Long Term Loans and Advances

| Sr. No | Particulars | Current Year | Previous Year |
|--------|------------------------------------|------------------|----------------|
| | Unsecured (Considered Good) | | |
| 1 | Deposits | 145,820 | 145,820 |
| 2 | Share Application Money | 270,000 | 270,000 |
| 3 | Other Loans & Advances | 4,045,000 | - |
| | Total | 4,460,820 | 415,820 |

CURRENT ASSET

Note : 8 Inventories

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--|----------------|---------------|
| 4 | Trading Goods - At Cost or Market value whichever is lower | 225,423 | 48,214 |
| | Total | 225,423 | 48,214 |

Note : 9 Trade Recievables

| Sr. No | Particulars | Current Year | Previous Year |
|--------|---|-------------------|-------------------|
| 1 | Outstanding for more than six months | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | 10,043,230 | 10,043,230 |
| | c) Doubtful | - | - |
| 2 | Others | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | 13,658,527 |
| | c) Doubtful | - | - |
| | Total | 10,043,230 | 23,701,757 |

Note : 10 Cash & Cash Equivalent

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--|----------------|----------------|
| 1 | Cash-in-Hand | | |
| | Cash Balance | 91,140 | 234,343 |
| | Sub Total (A) | 91,140 | 234,343 |
| 2 | Bank Balance | | |
| | Balance with Scheduled Bank | 206,058 | 62,843 |
| | Balance with Non Schedule Co Op Bank (Maximum Balance during the year Rs. 2221) | 1,969 | 2,221 |
| | Fixed Deposit | - | - |
| | Sub Total (B) | 208,027 | 65,064 |
| | Total [A + B + C] | 299,167 | 299,407 |

AVI POLYMERS LIMITED

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2013

Note : 11 Revenue from Operations

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--------------------------|-------------------|--------------------|
| | Sale of Products | 36,359,680 | 126,961,865 |
| | Sale of Services | - | - |
| | Other Operating Revenues | - | - |
| | Total | 36,359,680 | 126,961,865 |
| | Less: Excise Duty | - | - |
| | Total | 36,359,680 | 126,961,865 |

Note : 12 Other Income

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--------------|--------------|---------------|
| 1 | Discount | 21 | - |
| | Total | 21 | - |

Note : 13 Change in Inventories

| Sr. No | Particulars | Current Year | Previous Year |
|--------|---------------|------------------|----------------|
| 1 | Closing Stock | 225,423 | 48,214 |
| 2 | Opening Stock | 48,214 | 264,354 |
| | Total | (177,209) | 216,140 |

Note : 14 Employment Benefit Expenses

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--------------------|------------------|----------------|
| 1 | Salary & Wages | 1,263,834 | 831,917 |
| 2 | Staff Bonus | 96,000 | 9,660 |
| 3 | Staff Welfare Exp. | 5,005 | - |
| | Total | 1,364,839 | 841,577 |

Note :15 Financial Cost

| Sr. No | Particulars | Current Year | Previous Year |
|--------|-----------------|--------------|---------------|
| 1 | Interest | 44 | 357 |
| | Total in | 44 | 357 |

Note : 16 Depreciation & Amortised Cost

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--------------------------|--------------|---------------|
| 1 | Depreciation | 2,864 | 3,497 |
| 2 | Preliminary Expenses W/O | - | - |
| | Total | 2,864 | 3,497 |

AVI POLYMERS LIMITED

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2013

Note : 17 Other Expenses

| Sr. No | Particulars | Current Year | Previous Year |
|--|--|----------------|-------------------|
| Establishment & Selling Expense | | | |
| 1 | Auditor's Remuneration | 16,854 | 15,000 |
| 2 | Advertisement Expenses | 48,567 | 86,966 |
| 3 | Bad Debts | - | 22,183,745 |
| 4 | Godown Rent | 325,200 | 48,000 |
| 5 | Insurance | 1,467 | 1,876 |
| 6 | Internet Expenses | 13,764 | 1,423 |
| 7 | Rates and Taxes, Excluding taxes on Income | - | 3,850 |
| 8 | Bank Charges | 2,342 | 6,020 |
| 9 | Rebate, Discount and Other Selling exps | - | 155 |
| 10 | Miscellaneous Exps | 30,108 | 19,550 |
| 11 | ROC Charges | 2,500 | 6,500 |
| 12 | Professional Fees | 17,000 | 76,000 |
| 13 | Stock Exchange Fees | 46,553 | 98,266 |
| 14 | Sales Promotion | 30,910 | 41,305 |
| 15 | Loss On Foreign Exchange | - | 60,088 |
| 16 | Legal Expenses | 2,420 | - |
| 17 | Mobile Expenses | 23,565 | - |
| 18 | Office and General Exp. | 7,084 | - |
| 19 | Petrol and Conveyance | 82,426 | - |
| 20 | Postage and Courier Exp. | 21,100 | - |
| 21 | Stationary Exp. | 7,280 | - |
| 22 | Travel Exp. | 28,971 | - |
| Total in | | 708,111 | 22,648,744 |

| Auditor's Remuneration | | |
|-------------------------------|--------------|---------------|
| Particulars | Current Year | Previous Year |
| Statutory Audit Fees | 15,000 | 15,000 |
| Tax Audit Fees | - | - |
| Service Tax Reimbursement | 1,854 | - |

AVI POLYMERS LIMITED

NOTE-18

1. Significant accounting Policies

(a) Basis of Accounting:

The financial statements are prepared under historical cost convention and to comply in all material respect with the notified accounting standards by the Companies Accounting standard Rules - 2006 and the relevant provision of Companies Act, 1956.

(b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principle require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liability on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from this estimate and differences between actual results and estimates are recognized in the period in which the results are known / materialize.

(c) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed asset comprise of its purchase price and any directly attributable cost of bringing the assets in an operational condition for its intended use.

(d) Depreciation:

Depreciation has been provided at the rates and in the manner prescribed in Schedule XIV of the Companies act, 1956 on WDV Method. Depreciation on addition or on sale/ disposal of assets is calculated pro-rata from the date of such addition or sale/ disposal as the case may be.

(e) Valuation of Inventories:

Inventory of goods are valued at Cost or Market Price whichever is lower.

(f) Investment:

Long term investments are stated at cost. Provision of diminution in the value of Long term investments is made only if such decline is other than temporary in nature in the opinion of the Management.

(g) Revenue Recognition:

The sales are shown net of discount on sales, sale return, rate differences and kasar and all other items of Income and expenses are recognized on accrual basis.

(h) Retirement/ Post retirement Benefits:

No Provision has been made for liabilities for retirement benefits including gratuity and leave encashment in respect of employees as required by the Accounting Standards -15 on Retirement Benefits.

(i) Taxation:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between the taxable incomes and accounting income that originate in, one period and are capable of reversal in one or more subsequent period.

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 differed Tax. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(j) Provisions, Contingent Assets and Contingent Liabilities:

Contingent Liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the account. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

2. NOTES FORMING PART OF ACCOUNTS

(a) As per the information and explanation given to us the Company does not have the policy of encashment of leave and hence no provision is made for liabilities for retirement benefits. The effect of the same cannot be quantified, to that extent loss for the year and balance of Profit & Loss account is understated and balance of current liabilities is understated.

(b) Contingent Liabilities

| Name of status | Nature of Dues | Amount Rs. In Lacs | Financial Year to which amount relates | Forum where dispute is pending |
|-----------------|------------------------------|--------------------------|--|-----------------------------------|
| Income Act,1961 | tax on assessment u/s 143(3) | 18.00 | 1999-2000 | Gujarat High Court Ahmedabad |
| Income Act,1961 | tax Penalty u/s 271(1)(c) | 6.93 | 1999-2000 | CIT (Appeal), Ahmedabad |
| Income Act,1961 | tax on Assessment u/s 143(3) | 3.31 | 2000-2001 | ITAT Ahmedabad |
| | | 28.24 | | |

(c) Particulars of payment made to Directors :

| Particulars | 2012-13 Amount (Rs.) | 2011-12 Amount (Rs.) |
|---------------------------------|-------------------------|-------------------------|
| Remuneration | Nil | Nil |
| Remuneration to Auditor: | | |
| Particulars | 2012-13 Amount (Rs.) | 2011-12 Amount (Rs.) |
| Remuneration | 16,854 | 15,000 |

(d)The balances shown in the Balance sheet under the head of unsecured loans, Creditors, Debtors and Loans and Advances are each subject to confirmation from respective parties and are subject to adjustment if any, on receipt of confirmation.

(e)The Company has not received any intimation from Suppliers regarding their status under Micro and Medium Enterprises Development Act, 2006 and hence disclosure , if any, relating to amounts unpaid as at year end together

with interest paid/payable as required under the said Act have not been given.

(f) The Figures for the previous year have been rearranged and regrouped wherever considered necessary so as to confirm to the current year classification.

(g) The amount remitted during the year in foreign currencies on account of dividend is Rs. NIL

-C.I.F. Value of Imports is Rs. NIL.

-Expenditure in foreign currency is Rs. Nil.

-Earnings in Foreign Exchange is (FOB) is Nil

(h) The amounts have been rounded off nearest Rupee.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, PURUSHOTTAM KHANDELWAL & CO. FOR, AVI POLYMERS LIMITED
CHARTERED ACCOUNTANTS

(P.H.KHANDELWAL)
PROPRIETOR
MEM.NO. 100601
FIRM Reg. No.123825W

DIRECTOR DIRECTOR DIRECTOR

PLACE: AHMEDABAD
DATE: 27th May, 2013

PLACE: AHMEDABAD
DATE : 27th May, 2013

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 Wednesday,
14th August, 2013 at 11.00 A.M. and at any adjournments thereof.

Signed this _____ day of _____ 2013

| | | |
|---|--|---|
| | | |
| 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 form 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 14th August, 2013 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
Wednesday, 14th August, 2013 at 11.00 A.M. At Ambica Compound, Old H B Road, Ranchi – 834 001

Signature of Shareholder / Proxy
Name :