



# AVI POLYMERS LIMITED

ANNUAL REPORT

2015-16

## AVI POLYMERS LIMITED

### Annual Report 2015-16

#### **BOARD OF DIRECTORS**

Mr. Mansukh Patel  
Chairman & Managing Director

Mr. Dinesh Chauhan  
Independent Director

Mr. Maulik Shah  
Independent Director

Mr. Jayesh Dave  
Independent Director

Ms. Monika Shah  
Director

#### **Chief Financial Officer**

Mr. Mitesh Meghani

#### **Company Secretary & Compliance officer**

Ms. Monika Shah

#### **AUDITORS**

M/s. S.S. Dasani & CO.  
Chartered Accountants  
288, New cloth market,  
Ahmedabad-380002

#### **BANKER**

State Bank of India

Colour Merchant Co.OP. Bank

#### **REGISTERED OFFICE:**

At Ambica Compound  
Old H B Road,  
Ranchi-834001  
Jharkhand.

#### **CORPORATE OFFICE:.**

103, Nalanda Complex,  
Premchand Nagar Road,  
Vastrapur,  
Ahmedabad 380015  
Gujarat.

#### **SHARE TRANSFER AGENT**

MCS SHARE TRANSFER AGENT  
LIMITED

12/1/5, Manoharpukar Road,  
Ground Floor,  
Kolkata-700026  
West Bengal.

**AVI POLYMERS LIMITED**

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

Mobile: +91 7048360390, e-mail: [avipolymer@gmail.com](mailto:avipolymer@gmail.com)

Website: [www.avipolymers.com](http://www.avipolymers.com) CIN: L27204JH1993PLC005233

**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of AVI Polymers Limited will be held at 11.00 a.m. on **Monday, the 26<sup>th</sup> September, 2016** 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 receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit & Loss Account and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Monika Shah (DIN: 07116152) who retires by rotation and being eligible seeks re-appointment.
3. Ratification of Appointment of Auditors  
To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139,142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/S S.S. Dasani & Co., ( Firm Registration No. 116521W) , Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-fourth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**BY ORDER OF THE BOARD OF DIRECTORS OF  
AVI POLYMERS LIMITED  
CIN: L27204JH1993PLC005233**

**Place: Ahmedabad**

**Date: 26/08/2016**

**Mansukh Patel  
Chairman and Managing Director  
DIN:00162160**

**Notes:**

- 1 A member entitle to attend and vote is entitle to appoint a proxy to attend and vote on poll on his/ her behalf and the Proxy need not be member of the company. Pursuant to Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as Proxy, who shall not act as Proxy for any other Member. The Instrument of Proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
- 2 Corporate members intending to send their authorized representative to attend the meeting are requested to send a certified true copy of the Board resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
- 3 The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
- 4 Members/ proxies should bring attendance slip, duly filled in, for attending the meeting. As proxy form and route map of venue of the 23<sup>rd</sup> Annual General Meeting are annexed hereto.
- 5 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. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote at the meeting.
- 6 The register of Members and share transfer books of the company will remain closed from **Thursday 22<sup>nd</sup> September, 2016 to Monday 26<sup>th</sup> September, 2016** (both days inclusive).
- 7 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.
- 8 All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory register shall be available for inspection by the Members at the registered office of the company during office hours on all working days between 11.00 am to 1.00 p.m. on all days except Saturdays, Sundays and public holiday, from the date hereof up to the date of the annual general meeting.
- 9 The Notice of the 23<sup>rd</sup> Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company /Depositories), unless any member has requested for physical copy of the Annual Report. Members may also note that the notice of the AGM for the year ended on 31<sup>st</sup> March, 2016 and the annual report 2015-16 will be available on the company’s website [www.avipolymers.com](http://www.avipolymers.com)

- 10 Members are entitled to make nomination in respect of shares held in physical form. Members desirous of making nominations are requested to send their requests in Form SH-13 (specimen available on request) to the registered office of the Company. Members holding shares in electronic mode may contact their respective Depository Participants for availing the nomination facility.
- 11 The Securities Exchange Board of India has mandated the submission of PAN by every participant in the Securities Market. Members holding securities in electronic form are requested to submit their PAN to their Depository Participants members holding shares in physical form are required to submit PAN to Company.
- 12 Members who have not registered their email address with our Registrar and Transfer Agent MCS Share Transfer Agent Limited, if shares are held in physical mode or with their Depository Participants, if shares are held in electronic mode are requested to do so for receiving all future communications from the company including Annual Report, Notices, Circulars, etc, electronically.
- 13 **Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an agreement with National Securities Depository Limited for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by polling paper or by E-voting. However, in case members cast their vote both via Polling paper and e-voting, then voting through e-voting shall prevail and voting done by polling paper shall be treated as invalid. The detailed instructions for e-voting are given in the Annexure.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
AVI POLYMERS LIMITED  
CIN: L27204JH1993PLC005233**

**Place: Ahmedabad  
Date: 26/08/2016**

**Mansukh Patel  
Chairman and Managing Director  
DIN: 00162160**

## ANNEXURES TO THE NOTICE

### ANNEXURE: A

**Details of the Director retiring by rotation and seeking Re-appointment at the 23<sup>rd</sup> Annual General meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard: 2 (SS:2) issued by ICSI and approved by the Central Government.**

Name of the Director	Ms. Monika M. Shah
Father's Name	Mukeshkumar K. Shah
Date of Birth	12/08/1991
Qualification	Bachelor of Business Administration (BBA) Company Secretary
Date of Joining the Board of Director of the Company	09/03/2015
Number of Shares held in the Company	Nil
Directorship / Membership / Chairmanship of board in other companies and Committees	Nil
Specific Functional Area	Due Diligence and Corporate law advisory.
Relationship with Directors / inter-se KMP	No such relationship
Experience	2 years
Terms and Conditions of appointment	As per Resolution passed by the shareholders at the Annual General Meeting held on 28 <sup>th</sup> August,2015 Ms. Monika Shah was appointed as Executive Director of the company.
Remuneration sought to be paid and last drawn	NIL
Number of meeting of Board of Directors attended during the year	16 ( Sixteen)

## ANNEXURE: B

### Instructions for the voting through electronic means

**Members are requested to follow the below instructions to cast their vote through remote e-voting at ensuing 23<sup>rd</sup> Annual General Meeting of the members of the company scheduled to be held on Monday, 26<sup>th</sup> September, 2016 at 11.00 a.m. at At. Ambica & co. Old H.B. Road Ranchi, Jharkhand- 834001**

1. The remote e-voting period commences on 23<sup>rd</sup> September, 2016 (9:00 am) and ends on 25<sup>th</sup> September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
2. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
  - i. Open email and open PDF file viz; **“e-voting.pdf”** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - iii. Click on Shareholder – Login
  - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - vii. Select “EVEN” of “AVI Polymers Limited”.
  - viii. Now you are ready for remote e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
  - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jalankesh@gmail.com](mailto:jalankesh@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

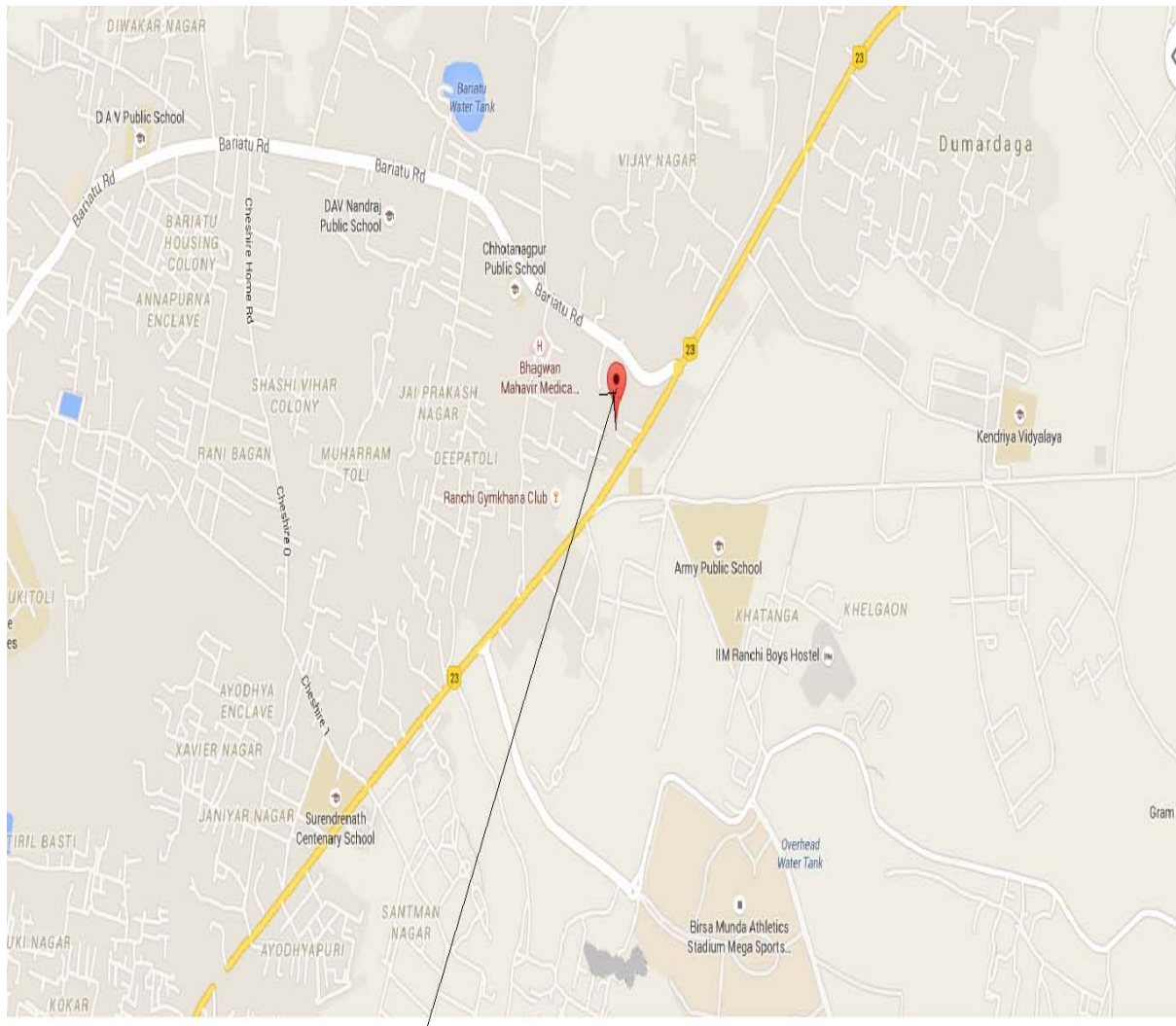
3. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
  - (i) Initial password is provided as below/at the front of this letter
 

<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>	<b><u>PASSWORD/PIN</u></b>
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  - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) Above, to cast vote.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
5. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
6. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 20<sup>th</sup> September, 2016**.
8. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2016 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
9. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following **toll free no.: 1800-222-990**.
10. For the person who receives this notice and who is not a member as on the cut-off date i.e. 20<sup>th</sup> September, 2016 should treat this notice for information purpose only.
11. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
13. Mr. Alkesh Jalan, Practicing Company Secretary (Membership No. ACS: 15677 CP: 4580) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



16. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.avipolymers.com](http://www.avipolymers.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Ahmedabad Stock Exchange Limited and BSE Limited where the shares of the company are listed.

**Route map to the Venue of the AGM**



**Address of Registered office**

At. Ambica & co.  
 Old H.B. Road,  
 Ranchi. Jharkhand-834001

## DIRECTORS' REPORT TO THE MEMBERS

The directors take pleasure in presenting their 23<sup>rd</sup> Annual Report together with the audited financial statements for the Year ended March 31<sup>st</sup>, 2016. The Management Discussion and Analysis has also been incorporated into this report.

### 1. Financial summary or highlights/Performance of the Company

Particulars	Year Ended	Year Ended
	31.03.2016	31.03.2015
	Amount (Rs)	Amount (Rs)
Profit before Finance costs, Depreciation and Amortization Expenses	66515	75068
<u>Less:</u>		
Finance Cost	(4972)	(5175)
Depreciation and Amortization expenses	-	(10062)
Profit before Exceptional item and Extraordinary Item	61543	59831
Exceptional Item	0	0
Extraordinary Item	0	0
<u>Provision for taxation:</u>		
Current tax	11800	11400
Less: MAT Credit entitlement	11800	(11400)
Deferred tax	0	0
<u>Profit/(Loss) for the period</u>	61543	59831
Add: Balance of profit /(Loss) brought forward from previous year	(11,933,255)	(11,993,086)
Loss carried to the Balance sheet	(118,71,712)	(11,933,255)

## **2. Performance Review**

During the financial year company has reported total revenue of Rs.423.69 lakhs as against the total revenue of Rs. 324.48 lakhs in the previous year. Net profit of the company during the current financial year stands at Rs. 0.62 lakhs as against profit of Rs. 0.60 lakhs in the previous year.

## **3. Dividend**

Directors do not recommend any dividend for the year.

## **4. Share capital**

The issued Equity Share capital as on 31<sup>st</sup> March, 2016 is Rs.560.73Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. Paid up Equity capital of the company as on 31<sup>st</sup>March, 2016 stands at Rs.409.07 lakhs.

## **5. Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as on 31/03/2016 and of the profit of the company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **6. Listing on Stock Exchanges**

Your Company's shares are listed on BSE Limited and Ahmedabad Stock Exchange Limited.

## **7. Subsidiary Company**

The Company does not have any subsidiary. During the year Boscogen Overseas Limited ceased to be an associate company of AVI Polymers Limited.

## **8. Corporate Governance, Management Discussion and Analysis Report and Auditors Certificate:**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis, and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

## **9. Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Jalan Alkesh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. No adverse comments have been made in the said report by the Practicing Company Secretary. The Secretarial Audit Report is annexed herewith as "Annexure C".

#### **10. Extract of the Annual Return and other disclosures under Companies (Appointment & Remuneration) Rules, 2014**

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed herewith as “**Annexure D**” and forms part of this report.

Further the Disclosure in the Board Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 is also annexed herewith as “**Annexure E**” and forms part of this report.

#### **11. Declaration on Independent Directors**

The Board of Directors declares that the Independent Directors Mr. Maulik Shah, Mr. Jayesh Dave and Mr. Dinesh Chauhan are:

- a. in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- b. (i) who were or were not a promoter of the company or its holding, subsidiary or associate company  
(ii) who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- c. Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. Who, neither himself nor any of his relatives -
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;

- ii. is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
    - a. a firm of auditors or company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - iii. holds together with his relative two per cent, or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- f. Who possesses such other qualification as may be prescribed.

**12. Particulars of Loans, guarantees or investments**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report. The loans and advances mentioned in the financial statement have been given for business purpose.

**13. Deposits**

Your company has not accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (acceptance of Deposit) Rules, 2014.

**14. Related Party Transactions**

No related party transaction was taken place during the year under review.

**15. Conservation of Energy, technology absorption, foreign exchange earnings and outgo**

The company has no activities relating to conservation of energy and technology absorption. The company has no foreign earnings and outgo.

**16. Risk Management Policy implementation**

The Company has developed comprehensive risk management policy and same is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures. Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Manufacturing & Supply, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialise. Since the risk control frame work is new to Indian Corporate Culture, it is being strengthened on continuous basis.

**17. Corporate social responsibility**

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies having minimum threshold limit of net worth, turnover or net profit as prescribed. Since the company does not meet any one of these criterion, it remains outside the purview of Sec.135 and consequently the reporting requirements thereunder do not at present apply to us.

The company however as a responsible corporate citizen has constituted a CSR Committee and formulated a CSR policy. Its CSR Policy on voluntary basis is furnished in Annexure- F forming part of this report.

**18. Disclosure under the Sexual Harassment of Women at Workplace( Prevention, Prohibition and Redressal) Act, 2013**

The company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Any complaint/ grievances from women employees are reported to Chairman and Managing Director. All employees (Permanent, contractual, temporary, trainees) are covered under the policy. There was no complaints received from any employee during the financial year 2015-16 and no complaint is outstanding as on 31/03/2016.



**19. Directors:****A) Changes in Directors and Key Managerial Personnel**

Mr. Karan Mishra, Chief Financial Officer of the Company had given resignation from his post with effect from 31<sup>st</sup> August,2015. The Board has placed on record its appreciation for the outstanding contributions made by Mr. Karan Mishra during his respective tenures of office.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee appointed Mr. Mitesh Meghani as Chief Financial Officer on 3<sup>rd</sup> September,2015 .

The Members of the company had on 28<sup>th</sup> August,2015 regularize Ms. Monika Shah from Additional Director to Executive Director and Appointed Mr. Jayesh Dave as an Independent director of the company in the Annual General Meeting.

**B) Formal Annual Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)Regulations,2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**20. Auditors**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. S. S. Dasani & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 23<sup>rd</sup> annual general meeting (AGM) of the Company held on August 28, 2015 till the conclusion of the AGM to be held in the year 2020 subject to ratification of their appointment at every AGM.

**21. Whistle Blower Policy:**

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy.

To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.

To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle blower policy is available on website of the Company.

The Company confirms that no personnel has been denied access to the audit committee pursuant to the whistle blower mechanism

## **22. Acknowledgements**

The Directors gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
AVI POLYMERS LIMITED  
CIN: L27204JH1993PLC005233**

**Place: Ahmedabad  
Date: 27/05/2016**

**Mansukh Patel  
Chairman and Managing Director  
DIN: 00162160**

**Annexure C to Boards Report**

**Form No. MR-3 For the financial year ended on 31st March, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**AVI Polymers Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AVI Polymers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the AVI Polymers Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of :

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Other Laws Applicable to the Company:

- i. Income Tax Act, 1961.
- ii. CST Act, 1956
- iii. Negotiable Instrument Act, 1881
- iv. Gujarat value Added Tax Act, 2003

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and Ahmedabad Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried out unanimously and are captured and recorded as part of the minutes of the meetings of Board of Directors.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/actions having major bearing on company's affairs in pursuance of the above – referred laws, rules, regulations, guidelines, standards, standards, etc.

For, **JALAN ALKESH & ASSOCIATES**  
**COMPANY SECRETARIES**

Date : 27/05/2016

Place : Ahmedabad

**ALKESH JALAN**  
**PROPRIETOR**  
**ACS NO: 15677**  
**C P NO: 4580**

**ANNEXURE-D**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN as  
on the financial year ended on 31<sup>st</sup>  
March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L27204JH1993PLC005233
Registration Date	01/03/1993
Name of the Company	AVI POLYMERS LIMITED
Category / Sub-Category of the Company	Public Company Limited by shares
Address of the Registered office and contact details	Ambica & co. Old H.B. Road Ranchi, Jharkhand-834001 Mob No: +91 7048360390
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata-700026 Tel: 033-40724051/52/53 Fax: 033-40724050
L	
2	
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**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wholesale trading of Chemicals	466- Wholesale of Industrial Chemicals.	97.75%



<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	835700	0	835700	14.90	835600	0	835600	14.90	0
ii) Overseas	0	0	0		0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1000	349400	350400	6.25	1107	162500	163607	2.92	-3.33



ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	281100	589300	870400	15.52	1218793	82200	1300993	23.20	+8.02
c)Others ( HUF)	0	35700	35700	0.64	55000	0	55000	0.98	0
Forfeited Shares (Not reissued)	0	1516600	1516600	27.05	0	1516600	1516600	27.05	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1117800</b>	<b>2491000</b>	<b>3608800</b>	<b>64.36</b>	<b>2110500</b>	<b>1761300</b>	<b>3871800</b>	<b>69.05</b>	<b>+4.69</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	1117800	2491000	3608800	64.36	2110500	1761300	3871800	69.05	+4.69
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2719300</b>	<b>2888000</b>	<b>5607300</b>	<b>100</b>	<b>3846000</b>	<b>1761300</b>	<b>5607300</b>	<b>100</b>	<b>0</b>

\*Previous year's figure has been regrouped whenever necessary for better presentation.

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Akhai Ram Patel	55000	0.98	0	189000	3.37	0	2.39
2	Khemji Patel	42000	0.75	0	0	0	0	(0.75)
3	Govind Patel	40000	0.71	0	0	0	0	(0.71)
4	Mansukh Patel	208000	3.71	0	208000	3.71	0	0
5	Monolink Trexim Pvt Ltd.	134000	2.39	0	0	0	0	(2.39)
6	AKAI Securities Pvt Ltd.	181000	3.23	0	0	0	0	(3.23)
7	AAR VEE Industries Ltd.	197000	3.51	0	197000	3.51	0	0
8	Mansukh Patel (HUF)	1141500	20.36	0	1141500	20.36	0	0
	Total	1998500	35.64	0	1735500	30.95	0	(4.69)

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Akhai Ram Patel At the beginning of the year Transfer on 12/10/2015 At the end of the year	55000 134000 189000	0.98 2.39 3.37	55000 189000 189000	0.98 3.37 3.37
2	Khemji Patel At the beginning of the year Sale on 21/12/2015 At the end of the year	42000 (42000) 0	0.75 (0.75) 0	42000 0 0	0.75 0 0
3	Govind Patel At the beginning of the year Transfer on 21/12/2015 At the end of the year	40000 (40000) 0	0.71 (0.71) 0	40000 0 0	0.71 0 0
4	Monolink Trexim Pvt Ltd. At the beginning of the year Transfer on 12/10/2015 At the end of the year	134000 (134000) 0	2.39 (2.39) 0	134000 0 0	2.39 0 0
5	AKAI Securities Pvt Ltd. At the beginning of the year Transfer on 23/11/2015 At the end of the year	181000 (181000) 0	3.23 (3.23) 0	181000 0 0	3.23 0 0

*(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shivarjan Chemicals Pvt. Ltd				
	At the beginning of the year	835700	14.90	835700	14.90
	Bought during the year	0	0	835700	14.90
	Sold on 15/12/2015	100	0.001	835600	14.90
	At the end of the year	-	-	835600	14.90
2	Shwetang Shah				
	At the beginning of the year	557500	9.94	557500	9.94
	Sale on 30/12/2015	550000	9.80	7500	0.14
	Bought on 16/02/2016	550000	9.80	557500	9.94
	Sold on 11/03/2016	1	0.00	557499	9.94
	Sold on 15/03/2016	1	0.00	557498	9.94
	Sold on 16/03/2016	1	0.00	557497	9.94
	Sold on 17/03/2016	1	0.00	557496	9.94
	Sold on 18/03/2016	1	0.00	557495	9.94
	Sold on 21/03/2016	1	0.00	557494	9.94
	At the end of the year	-	-	557494	9.94
3	Kamleshkumar Lalwani				
	At the beginning of the year	281100	5.01	281100	5.01

	Bought on 21/12/2015	82000	1.46	363100	6.47
	Sale on 30/12/2015	280000	4.99	83100	1.48
	Bought on 16/02/2016	280000	4.99	363100	6.48
	Sold on 10/03/2016	1	0.00	363099	6.48
	At the end of the year	-	-	363099	6.48
4	Yogesh P. Puri				
	At the beginning of the year	0	0	-	-
	Bought on 10/03/2016	171200	3.05	171200	3.05
	Sold during the year	0	0	171200	3.05
	At the end of the year	-	-	171200	3.05
5	Amita R. Mehta				
	At the beginning of the year	1700	0.03	-	-
	Bought on 23/11/2015	53900	0.96	55600	0.99
	Sold during the year	0	0	55600	0.99
	At the end of the year	-	-	55600	0.99
6	Rajnikant Mehta HUF				
	At the beginning of the year	35700	0.64	35700	0.64
	Bought on 23/11/2015	19300	0.34	55000	0.98
	Sold during the year	0	0	55000	0.98
	At the end of the year	-	-	55000	0.98
7	Rajnikant Mehta				
	At the beginning of the year	0	0	-	-
	Bought on 23/11/2015	53900	0.96	53900	0.96
	Sold during the year	0	0	53900	0.96
	At the end of the year	-	-	53900	0.96

8	Shardaben R. Mehta				
	At the beginning of the year	0	0	-	-
	Bought on 23/11/2015	53900	0.96	53900	0.96
	Sold during the year	0	0	53900	0.96
	At the end of the year	-	-	53900	0.96
9	Jogesh Talreja				
	At the beginning of the year	0	0	-	-
	Bought on 10/12/2015	15700	0.28	15700	0.28
	Sold during the year	0	0	15700	0.28
	At the end of the year	-	-	15700	0.28
10	Bhakti C. Talreja				
	At the beginning of the year	0	0	-	-
	Bought on 10/12/2015	15300	0.27	15300	0.27
	Sold during the year	0	0	15300	0.27
	At the end of the year	-	-	15300	0.27

(v) *Shareholding of Directors and Key Managerial Personnel:*

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mansukh Patel- Managing Director				
	At the beginning of the year	208000	3.71	208000	3.71
	At the end of the year	208000	3.71	208000	3.71
2	Jayesh Dave-Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
3	Dinesh Chauhan-Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
4	Maulik Pradipkumar Shah-Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
5	Monika Shah- Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0
<b>Change in Indebtedness during the financial year</b>	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director/ Whole time Director:**

<b>SN.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD</b>	<b>Name of Executive Director</b>	<b>Total Amount</b>
		Mansukh Patel	Monika Shah	
1	Gross salary	0	0	0



	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	0	0	0
	Ceiling as per the Act			

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Dinesh Chauhan	Maulik Pradipkumar Shah	Jayesh Dave	
1	Independent Directors				
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0	0	0	0
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-----	-----	-----	0
	Commission	-----	-----	-----	0
	Others, please specify	-----	-----	-----	0
	Total (2)	-----	-----	-----	0
	Total (B)=(1+2)	-----	-----	-----	0

	Managerial	-----	-----	-----	0
Total Remuneration					
Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS Monika Shah	CFO		Total
				Karan Mishra (from 01.04.2015 to 31.08.2015)	Mitesh Meghani (from 03.09.2015 to 31.03.2016)	
1	Gross salary	N.A	121939	98367	184351	404657
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A	0	0	0	0
2	Stock Option	N.A	0	0	0	0
3	Sweat Equity	N.A	0	0	0	0
4	Commission	N.A	0	0	0	0
	- as % of profit	N.A	0	0	0	0
	others, specify...	N.A	0	0	0	0
5	Others, please specify	N.A	0	0	0	0
	Total	N.A	121939	98367	184351	404657

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	None				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	None				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				

**ANNEXURE: E**

**Disclosure in the Board's Report under Rule 5(1) of Companies (Appointment & Remuneration) Rules, 2014**

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16	Nil									
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2015-16 compared to 2014-15 means part of the year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Name of CS/CFO</th> <th style="width: 30%;">% Increase in Remuneration based on annualized salary.</th> </tr> </thead> <tbody> <tr> <td>Ms. Monika Shah- Company secretary</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Mr. Karan Mishra –CFO (Up to 31.08.2015)</td> <td style="text-align: center;">14.29</td> </tr> <tr> <td>Mr. Mitesh Meghani- CFO (from 03.09.2016)</td> <td>No comparison is possible as appointed during the year.</td> </tr> </tbody> </table>		Name of CS/CFO	% Increase in Remuneration based on annualized salary.	Ms. Monika Shah- Company secretary	0	Mr. Karan Mishra –CFO (Up to 31.08.2015)	14.29	Mr. Mitesh Meghani- CFO (from 03.09.2016)	No comparison is possible as appointed during the year.
Name of CS/CFO	% Increase in Remuneration based on annualized salary.										
Ms. Monika Shah- Company secretary	0										
Mr. Karan Mishra –CFO (Up to 31.08.2015)	14.29										
Mr. Mitesh Meghani- CFO (from 03.09.2016)	No comparison is possible as appointed during the year.										
(iii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15	Increase in the median remuneration of employees in the Financial year 2015-16 as compared to 2014-15 is 39.24%									
(iv)	Number of permanent employees on the rolls of the company	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>								
		6	10								
(v)	Explanation on the relationship between average increase in remuneration and the company performance	As there was minute increase in the profits of the company therefore increase in the remuneration of employees is deferred.									
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Not Applicable									

(vii)	Variation in market capitalization of the company, price earnings ratio, percentage increase/decrease of market quotations, net worth of the company as at the close of current financial year and previous financial year	As securities of the company are not traded therefore market value of the shares are not available. Further net worth of the company as at the close of the current financial year ended 31/03/2016 is <b>Rs. 32430598/-</b> and previous financial year ended 31/03/2015 was <b>Rs. 32818495/-</b> .			
(viii)	Average percentile increase in salaries of Employees other than managerial Personnel	Nil			
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	<b>Name of Key Managerial Personnel</b>	<b>Remuneration for the years ended</b>		<b>Reason against performance of the Company</b>
			<b>31.03.2016</b>	<b>31.03.2015</b>	
		Ms. Monika Shah (Company Secretary)	Rs. 121939 @ Rs. 10000 per month and bonus	Rs. 40019 @ Rs.10000 per month and bonus	No Change
	Up to 31.08.2015	Mr. Karan Mishra (Chief Financial Officer)	Rs. 98367 @ Rs. 20000 per month	Rs.104435 @ Rs. 17500 per month	Increase in the remuneration as per the industry scale
	Date of Appointment 03.09.2015	Mr. Mitesh Meghani Chief Financial Officer)	Rs. 184351 @ 21000 per month	<b>N.A</b>	Since appointed with an effect from 03/09/2016 so not comparable.
(x)	Key parameter for any variable component of remuneration availed by the Directors	<b>N.A.</b> <b>As no remuneration payment policy to directors</b>			
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	<b>Nil</b>			

(xii) The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

**Annexure-F**  
**Corporate Social Responsibility**

**Applicability**

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies meeting any one of the following criterion:

- Net worth exceeding Rs.500 crores
- Turnover exceeding Rs.1000 crores
- Net profit exceeding Rs.5 crores

Since the company does not meet with any of the criteria specified above in FY 2015-16, the CSR mandate u/s 135 is presently not applicable to the company. Consequently it is not obligated to spend 2% of average net profit during the three immediately preceding financial years in pursuance of its CSR policy.

**Corporate Social Responsibility Committee:**

While the Company is not covered by Section 135 of the Companies Act, 2013 for the financial year 2015-16, it has voluntarily constituted Corporate Social Responsibility Committee comprising of the following members of the Board of Directors of the Company as members of CSR Committee as on 31<sup>st</sup> March, 2016:

<b>Members</b>	<b>Category</b>
Mr. Dinesh Chauhan, Chairman	Independent Director
Mr. Mansukh Patel	Managing director
Mr. MaulikPradipkumar Shah	Independent Director

**Corporate social Responsibility Policy:**

**1. Short Title and Applicability**

This policy, describes the responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as AVI Polymers Limited – Corporate Social Responsibility (CSR) Policy’.

This policy shall apply to all CSR initiatives and activities taken up at the various locations, as decided by the CSR Committee and / or the Board of AVI Polymers Limited for the benefit of various segments

of the society. We wish every life to be empowered and every deed to have a meaningful impact on society.

The Policy shall be further governed by the provisions of the Companies Act, 2013, the rules framed thereunder by the Ministry of Corporate Affairs i.e., the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other statutory provisions governing the matter.

## 2. SCOPE

### 2.1 Areas / Localities to be covered

The Company shall give preference to the local area and the areas around it where it operates, for spending the amount earmarked for CSR activities. On need basis, the CSR activities could be extended to any area of the Country.

### 2.2 Activities

The Company shall undertake CSR projects or programs which fall within the purview of the activities specified in Schedule VII of the Companies Act, 2013. The list of the same is as under:

- i. eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education including special education, and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres, and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.
- v. protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed force veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic Sports;

- viii. contribution to Prime Ministers National Relief Fund or any other Fund set up by the Central Government, for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- x. Rural Development Projects.

The CSR Committee and the Board of Directors shall be authorized to consider any other CSR activities which will be permissible under the provisions of the Companies Act, 2013 or Rules framed thereunder from time to time including any modifications thereto. As far as possible, efforts will be made to co-ordinate with similar CSR activities that are taken up by the other companies of the Central Government or State Government in those areas.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder.

### **3. RESOURCES, IDENTIFICATION AND APPROVAL PROCESS**

#### **3.1 Resources / Fund allocation**

The time when CSR would be applicable to the company or as decided from time to time by CSR Committee or Board, the company for achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, will allocate / earmark, in every financial year, at least 2% (two per cent) of the average net profits of the Company made during the three immediate preceding financial years, as its CSR Budget for the year. The average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

Any unspent / unutilised CSR allocation of a particular year will be carried forward to the following year, i.e., the CSR budget will be non-lapsable in nature.

#### **3.2 Identification Process**

Identification of programs at Corporate and Unit Level will be done by means of the following:

- i) Need identification studies by external agencies / institutions.
- ii) Internal need assessment by cross-functional team.
- iii) Receipt of proposals/requests from District Administration/local Govt. etc.
- iv) Discussions and request with local representatives/Civic bodies/Citizen's forums/voluntary organizations.



v) Discretion of the CSR Committee and / or the Board of Directors.

### **3.3 Approval Process**

CSR programs as may be identified by the corporate office / manufacturing units will be required to be put up to the CSR Committee with recommendations from the proposer at the corporate / unit level.

The programs approved by the CSR Committee would be put before the Board of Directors of the Company for their approval.

## **4. MODALITIES OF EXECUTION AND IMPLEMENTATION**

### **4.1 Modalities of Execution**

The investment in CSR activities should be project or program based and for every project or program, before execution of the project or program, the modalities of execution and time framed periodic milestones will be finalized.

The CSR activities may be undertaken and / or implemented by:

- i) the Company itself under the guidance and supervision of the CSR Committee or Board of Directors or any responsible person authorized in this behalf;
- ii) Registered trusts or society or company established by the Company or its holding or subsidiary or associate company.
- iii) Registered trusts or society or companies incorporated under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956.
- iv) Registered trusts or society or company which is not established by the Company or its holding or subsidiary or associate company having an established track record of three years.
- v) Collaboration with other entities allowed to engage in CSR activities.

### **4.2 Implementation**

The time period / duration over which a particular project or program or activity will be spread, will depend on its nature, extent of coverage and the intended impact of the same.

The projects or programs or activities which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programs' and will be accorded enhanced significance.

The Company will follow a project / program / activity based accountability approach to stress on the long term sustainability of CSR activities, where its action plan will be distinguished as 'Short-term', 'Middle-Term & Long Term; qualified as

- i) Short Term – 6 months to 1 year
- ii) Medium Term – 1 year to 2 years
- iii) Long Term – 2 year and above – ‘Flagship programs’.

While identifying long term programs, all efforts must be made to the extent possible to define the following:

- i) Program objectives
- ii) Baseline survey – It would give the basis on which the outcome of the program would be measured.
- iii) Implementation schedules- Timelines for milestones of the program will need to be prescribed
- iv) Responsibilities and authorities
- v) Major results expected and measurable outcome

## **5 MONITORING**

To ensure effective implementation of the CSR activities undertaken, a monitoring mechanism will be put in place by the Corporate HR / Unit HR head. The progress of CSR activities under implementation will be reported to Corporate Office on a monthly basis.

The HR department at the Corporate Office will conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.

The monitoring team will also try to obtain feedback from beneficiaries about the activities.

Appropriate documentation of the CSR Policy, CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of the Company will also be reported in the Annual Report of the Company and the website of the Company in accordance with the statutory provisions.

## **6 GENERAL**

The Surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

In case of any doubt or difficulty with regard to any provision of this policy or implementation of any CSR activity and also in respect of matters not covered herein, a reference may be made to the CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the statutory provisions on the subject as may be stipulated by the Government, from time to time.

## **Independent Auditor's Report**

**To the Members of**

### **AVI POLYMERS LIMITED**

#### **Report on the Financial Statements**

We have audited the financial statements of AVI Polymers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirement**

1. As required by the Companies ( Auditor's Report) order, 2016 (' the Order') issued by central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order , to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) on the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2).

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

g) with respect to the other matters to be included in the auditor's report in accordance with rule 11 of the companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The company has disclosed the impact of pending litigations on its financial position in its financial statements

(ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There are no such amounts which is required to be transferred to the investor education and protection fund by the company and hence the question of delay in transferring the above said amounts does not arise.

*Date: - 27<sup>th</sup> May, 2016*  
*Place: - Ahmedabad*

*For, S.S. Dasani & Co.*  
*Chartered Accountants*

**(Arpit Shah)**  
**Partner**  
**M.No.125043**  
**FRN: 116521W**

**Annexure A to the Auditors' Report**

**The Annexure to in the independent auditor's Report to the members of the Company on the financial statements for the year ended 31 March, 2016, we report that:**

- (i) In respect of Fixed Assets:
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets covering significant values were physically verified by the management as such intervals, which in our opinion, provides for physical verification of all the fixed assets at reasonable interval having regard to the size of the company and nature of its business. According to the information and explanations given to us by the management, no material discrepancies have been noticed on such verification.
  - (c) Since the company does not hold any immovable property, hence the question of whether the title deeds of Immovable properties are held in the name of the company does not arise.
- (ii) In respect of its Inventory:
  - (a) As per the information and explanation given to us, the inventory of finished goods were, during the year, physically verified by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, no discrepancies were noticed on physical verification and hence the question of it been properly dealt with in the books of accounts does not arise.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other (a) Parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b), iii(c) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, made any investment, given any guarantee, or provided any securities covered under section 185 and 186 of the companies Act, 2013 during the year except loan to employees as a part of the condition of service.
- (v) To the best of our knowledge, the company has not accepted any deposits covered under section 73 or any other provisions of the companies Act, 2013.
- (vi) To the best of our knowledge, central government has not prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013.
- (vii) According to Information and explanation given to us, in respect of statutory dues:

(a) The company has generally been regular in depositing undisputed dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and any other statutory dues applicable to it with the appropriate authorities and there were no undisputed dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become applicable.

(b) The disputed statutory dues aggregating Rs. 104.41 lacs that have not been deposited on account of disputed matter pending before appropriate authority are as under.

<b>Name of status</b>	<b>Nature of Dues</b>	<b>Amount Rs. In Lacs</b>	<b>Financial Year to which amount relates</b>	<b>Forum where dispute is pending</b>
Income tax Act,1961	Tax on assessment u/s 143(3)	5.56	1999-2000	Gujarat High Court Ahmedabad
Income tax Act,1961	Tax on Assessment u/s 143(3)	98.28	2000-2001	ITAT Ahmedabad
Income tax Act,1961	Tax on Assessment u/s 143(3)	Nil	2006-2007	ITAT Ahmedabad
Income tax Act,1961	Tax on Assessment u/s 143(3)	0.19	2011-2012	CIT (Appeals)
Income tax Act,1961	Tax on Assessment u/s 143(3)	0.38	2014-2015	ITO
		104.41		

(viii) Since the company has not taken any loans or borrowings from financial institution, bank, Government or debenture holders and hence the question whether the company has defaulted in repayment of loans or borrowings dues to a financial institution, bank, Government or debenture holders does not arise.

(ix) To the best of our knowledge according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, para 3(ix) of the Order is not applicable.

(x) Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor we have been informed of such case by the management.

(xi) Since the Company has not paid or provided for any managerial remuneration and hence the question whether the managerial remuneration has been made in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of companies Act, 2013 does not arise.

- (xii) To the best of our knowledge according to the information and explanations given to us, Company is not a Nidhi Company.
- (xiii) Since the Company has not entered into any related party transactions and hence the question whether all transactions with related parties are in compliance with section 177 and 188 of the companies Act, 2013 does not arise.
- (xiv) To the best of our knowledge according to the information and explanations given to us, Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year.
- (xv) To the best of our knowledge according to the information and explanations given to us, company has not entered in to any non-cash transactions with directors or persons connected with him.
- (xvi) To the best of our knowledge according to the information and explanations given to us, Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*Date: - 27<sup>th</sup> May, 2016*  
*Place: - Ahmedabad*

*For, S.S. Dasani & Co.*  
*Chartered Accountants*

**(Arpit Shah)**  
**Partner**  
**M.No.125043**  
**FRN: 116521W**



**Annexure B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of AVI Polymers Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

*Date: - 27<sup>th</sup> May, 2016*  
*Place: - Ahmedabad*

*For, S.S. Dasani & Co.*  
*Chartered Accountants*

**(Arpit Shah)**  
**Partner**  
**M.No.125043**  
**FRN: 116521W**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Notes	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	44,751,750	44,751,750
(b) Reserves and Surplus	2	(11,871,712)	(11,933,255)
<b><u>(2) Share Application money pending allotment</u></b>			
<b><u>(3) Current Liabilities</u></b>			
(a) Trade Payables	3	80,597	930,037
(b) Short-Term Provisions			
(c) Other Current Liabilities	4	782	4,923
<b>Total</b>		<b>32,961,417</b>	<b>33,753,455</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Tangible Assets	5	3,668	3,668
(ii) Intangible Assets		-	-
(ii) Capital Work in Progress		-	-
(ii) Intangible Assets under Development		-	-
(b) Non-current investments	6	6,200,000	11,000,000
(c) Deferred tax assets (net)			
(d) Long term loans and advances	7	14,534,445	2,371,879
<b><u>(2) Current Assets</u></b>			
(a) Inventories	8	1,360	-
(b) Trade receivables	9	11,483,230	14,779,683
(c) Cash and cash equivalents	10	159,595	1,004,437
(d) Short term loans and advances	11	2,015	3,994,015
(d) Other current assets	12	577,104	599,773
<b>Total</b>		<b>32,961,417</b>	<b>33,753,455</b>

**NOTES TO ACCOUNTS**

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*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 S.S. DASANI & CO.  
CHARTERED ACCOUNTANTS**

**(ARPIT SHAH)**  
M. No. : 125043  
F.R.N.: 116521W

Place: Ahmedabad  
Date: 27th May 2016

**FOR AVI POLYMERS LIMITED**

**Mansukh Patel (Chairman & MD)**  
DIN NO.:00162160

**Dinesh Chauhan (Director)**  
DIN NO.: 00977893

**Monika Shah (Company Secretary)**  
M. No. 37823

**Mitesh Meghani (CFO)**

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2016**

Sr. No	Particulars	Notes	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of previous reporting period</i>
I	Revenue from operations	13	42,368,559	32,448,904
II	Other Income			
III	<b>III. Total Revenue (I +II)</b>		<b>42,368,559</b>	<b>32,448,904</b>
IV	<b><u>Expenses:</u></b>			
	Purchase of Stock in Trade		39,851,820	29,934,589
	Freight on purchases		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	14	(1,360)	49,070
	Employee Benefit Expense	15	1,106,752	849,642
	Financial Costs	16	4,972	5,175
	Depreciation and Amortization Expense	17	-	10,062
	Other Expenses	18	1,344,832	1,540,535
	<b>Total Expenses (IV)</b>		<b>42,307,016</b>	<b>32,389,073</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>61,543</b>	<b>59,831</b>
VI	Exceptional Items (Prior Period)		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>61,543</b>	<b>59,831</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>61,543</b>	<b>59,831</b>
X	<b><u>Tax expense:</u></b>			
	Provision for current tax		11,800	11,400
	Less: MAT credit entitlement		-	-
			11,800	11,400
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	<b>61,543</b>	<b>59,831</b>
XII	Earning per equity share of face value of Rs. 10		<b>0.015</b>	

	Basic & Diluted			0.012
<p><b>Notes to Accounts</b></p>		<p>20</p>		
<p><i>Notes attached there to form an integral part of Profit &amp; Loss Statement</i></p>				
<p><i>This is the Statement of Profit &amp; Loss referred to in our Report of even date.</i></p>				
<p><b>FOR S.S. DASANI &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b></p>		<p><b>FOR AVI POLYMERS LIMITED</b></p>		
<p><b>(ARPIT SHAH)</b> <b>M. No. : 125043</b> <b>F.R.N.: 116521W</b></p>		<p><b>Mansukh Patel (Chairman &amp; MD)</b> <b>DIN NO.:00162160</b></p>		
<p><b>Place: Ahmedabad</b> <b>Date: 27th May 2016</b></p>		<p><b>Dinesh Chauhan (Director)</b> <b>DIN NO.: 00977893</b></p>		
		<p><b>Monika Shah</b> <b>(Company Secretary)</b> <b>M. No. 37823</b></p>		
		<p><b>Mitesh Meghani (CFO)</b></p>		

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

**Note : 1 Share Capital**

Sr. No	Particulars	₹	₹	₹	₹
		Current	Year	Previous	Year
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
1	<b>AUTHORIZED CAPITAL</b>				
	Equity Shares of Rs. 10/- each.	6,500,000	65,000,000	6,500,000	65,000,000
		6,500,000	65,000,000	6,500,000	65,000,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>				
	(i) Share Issued	5,607,300	56,073,000	5,607,300	56,073,000
	(ii) Subscribed and fully paid up	4,090,700	40,907,000	4,090,700	40,907,000
	(iii) Subscribed and not fully paid up	-	-	-	-
	(iv) Share forfeited	1,516,600	3,844,750	1,516,600	3,844,750
	<b>Total</b>	<b>5,607,300</b>	<b>44,751,750</b>	<b>5,607,300</b>	<b>44,751,750</b>

**Notes:**

- 1516600 Shares were forfeited during the Financial year 2014-15.
- Terms/ Rights attached to equity shares  
The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
- There were no shares reserved at the year end for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

**RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Opening Number of shares Outstanding	4,090,700	40,907,000	5,607,300	41,254,500
Add: Calls received during the year				3,497,250
Add: Shares issued during the year	-	-	-	-
Less: Share forfeited	-		1,516,600	3,844,750
Closing Number of outstanding shares	4,090,700	40,907,000	4,090,700	40,907,000

More Than 5% shareholdings	Current Year		Previous Year	
	Name	No. of Shares	%	No. of Shares
Swetang Shah	557,500	13.63	557,500	13.63
Shivarjan Chemicals Pvt. Ltd.	835,600	20.43	835,700	20.43
Mansukh Patel (HUF)	1,141,500	27.90	1,141,500	27.90
Kamleshkumar K Lalwani	363,099	8.88	281,100	6.87
Mansukh Patel	208,000	5.08	208,000	5.08

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	₹	₹
		Current Year	Previous Year
	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	(11,933,255)	(11,993,086)
	Add: Profit for the period	61,543	59,831
	Closing Balance	(11,871,712)	(11,933,255)
	<b>Total</b>	<b>(11,871,712)</b>	<b>(11,933,255)</b>

**Note : 3 Trades Payable**

Sr. No	Particulars	₹	₹
		Current Year	Previous Year
1	Sundry Creditors for Material	-	876,206
2	Sundry Creditors for Expense	80,597	53,831
	<b>Total</b>	<b>80,597</b>	<b>930,037</b>

**Note : 4 Other Current Liabilities**

Sr. No	Particulars	₹	₹
		Current Year	Previous Year
1	Other Liabilities		
	a. Unpaid Expense	-	-
	b. Statutory Liabilities	782	4,923
	c. Advance From Customers	-	-
	d. Others	-	-
	<b>Total</b>	<b>782</b>	<b>4,923</b>

Note : 5 Fixed Asset (Owned Assets)

I. Fixed Assets at Ahmedabad Unit

₹      ₹

Sr. No	Particulars	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 31.03.2016	WDV as on 31.03.2015
I	<b><u>Tangible Assets</u></b>										
	-										
1	Plant and Equipment	67,266	-	-	67,266	63,904	-	-	63,904	3,362	3,362
2	Computer	24,065	-	-	24,065	23,759	-	-	23,759	306	306
	<b>SUB TOTAL (A)</b>	<b>91,331</b>	<b>-</b>	<b>-</b>	<b>91,331</b>	<b>87,663</b>	<b>-</b>	<b>-</b>	<b>87,663</b>	<b>3,668</b>	<b>3,668</b>
II	<b><u>Intangible Assets</u></b>										
	-										
	<b>SUB TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
III	<b><u>Capital Work-in-progress</u></b>										
	-										
	<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IV	<b><u>Intangible Assets Under Development</u></b>										
	-										
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total [A + B + C + D] (Current Year)</b>	<b>91,331</b>	<b>-</b>	<b>-</b>	<b>91,331</b>	<b>87,663</b>	<b>-</b>	<b>-</b>	<b>87,663</b>	<b>3,668</b>	<b>3,668</b>



**Note : 6 Non Current Investment**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	<b><u>Trade Investment in Equity Shares -Unquoted Fully Paid up</u></b> 38750(P.Y 68750) Equity Shares of Boscogen biosciences(India) Ltd of Rs 10 [Note: 30000 Equity shares of Boscogen biosciences(India) Ltd were sold @ Rs. 148 per share during Financial year 2015-16]	6,200,000	11,000,000
<b>Total</b>		<b>6,200,000</b>	<b>11,000,000</b>

**Note : 7 Long Term Loans and Advances**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	<b><u>Unsecured (Considered Good) Deposits</u></b>	100,000	100,000
2	<b><u>Share Application Money</u></b>	-	-
3	<b><u>Other Loans &amp; Advances</u></b>	14,434,445	2,271,879
<b>Total</b>		<b>14,534,445</b>	<b>2,371,879</b>

**Note : 8 Inventories**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Trading Goods-At cost or Market value whichever is lower	1,360	-
<b>Total</b>		<b>1,360</b>	<b>-</b>

**Note : 9 Trade Recievables**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	<b><u>Outstanding for more than six months</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	10,043,230	10,043,230
	c) Doubtful	-	-
2	<b><u>Others</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	1,440,000	4,736,453
	c) Doubtful	-	-
<b>Total</b>		<b>11,483,230</b>	<b>14,779,683</b>

**Note : 10 Cash & Cash Equivalent**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	14,869	84,912
	<b>Sub Total (A)</b>	<b>14,869</b>	<b>84,912</b>
	Balance with Scheduled Bank	141,911	708,837
	Balance with Non Scheduled Co Op Bank	2,815	3,063
	Fixed Deposits (Maturing within 12 Months)	-	207,625
	<b>Sub Total (B)</b>	<b>144,726</b>	<b>919,525</b>
3	<b>Cheques on Hand</b>	-	-
	<b>(C)</b>		
	<b>Total [ A + B + C ]</b>	<b>159,595</b>	<b>1,004,437</b>

**Note : 11 Short Term Loans and Advances**

		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Advance to Supplier</b>		
		2,015	3,994,015
	<b>Sub Total (A)</b>	<b>2,015</b>	<b>3,994,015</b>

**Note : 12 Other Current Assets**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	<b>Statutory Advances</b>		
	Income Tax receivable	98,532	20,665
	MAT credit entitlement	29,132	17,308
	Advances with VAT Authority	-	-
2	Listing Application Fees	449,440	561,800
	<b>Sub Total (A)</b>	<b>577,104</b>	<b>599,773</b>

**Note : 13 Revenue from Operations**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
	Sale of Products	41,427,059	32,103,604
	Sale of Services	-	-
	Other Operating Revenues	941,500	345,300
	Total	42,368,559	32,103,604
	Less: Excise Duty	-	-

	<b>Total</b>	42,368,559	32,103,604
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**Note : 14 Change in Inventories**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Closing Stock	1,360	-
2	Opening Stock	-	49,070
	<b>(Increase)/Decrease in Inventory</b>	<b>(1,360)</b>	<b>49,070</b>

**Note :15 Employment Benefit Expenses**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Salary & Wages	989,387	753,082
2	Staff Bonus Expenses	42,000	30,000
3	Staff Welfare Expenses	-	-
4	Stipend Expenses	75,365	66,560
	<b>Total</b>	<b>1,106,752</b>	<b>849,642</b>

**Note :16 Financial Cost**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Interest	-	-
2	Bank Charges	4,972	5,175
	<b>Total in</b>	<b>4,972</b>	<b>5,175</b>

**Note : 17 Depreciation & Amortised Cost**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	-	10,062
	<b>Total</b>	<b>-</b>	<b>10,062</b>

**Note : 18 Other Expenses**

		₹	₹
Sr. No	Particulars	Current Year	Previous Year
1	Advertisement Exp.	139,200	116,266
2	Auditor's Remuneration	22,175	16,854
3	Electricity Consumption Exp.	-	45,820
4	Godown Rent	18,000	18,000
5	Internet Expenses	6,390	-
6	Legal and Professional Expense	219,848	113,132
7	Miscellaneous Expenses	61,088	39,375
8	Mobile Expenses	18,000	1,000
9	Office Exp.	13,555	-
10	Petrol & Diesel	54,000	22,960
11	Postage & telegram Exp.	12,914	60,560
12	Penalty on TDS	773	-
13	ROC Charges	16,872	57,000
14	Sales Promotion Exp.	-	187
15	Stock Exchange Fees	11,400	11,236
16	Stationery & Printing Exp.	27,311	4,015
17	Interest on TDS & VAT	146	130
18	Loss due to w/off	-	1,034,000
19	Long Term Capital Loss for sale of shares	360,000	-
20	Listing Fees Expenses	363,160	-
	Subtotal	1,344,832	1,540,535
	<b>Total</b>	<b>1,344,832</b>	<b>1,540,535</b>

**CASH FLOW STATEMENT FOR THE YEAR 2015-16**

	Particulars	Current Year	Previous Year
<b>A</b>	<b>Cash Flow From Operating Activity</b>		
	Profit/(loss) before Taxes	61543	59831
	<b>Adjustments for:</b>		
	Depreciation	0	10062
	Loss Due to w/off / sale of investments	360000	764000
	<b>Operation profit/loss before working capital changes</b>	421543	833893
	<b>Adjustments for changes in working capital</b>		
	(Increase)/Decrease in Stock	(1360)	49070
	(Increase)/Decrease in Sundry debtors	3296454	(4493952)
	(Increase)/Decrease in Other current Asset	22669	(574973)
Increase/(Decrease) in Current Liabilites & Provision	(853582)	915856	
Increase/(Decrease) in Short Term Loans and Advances	3992000	(3994015)	
<b>Cash Generated from / (used in) operations</b>	6877724	(7264121)	
Taxes (paid)/Received	0	0	
<b>Net Cash from/(used in ) Operating activity</b>	6877724	(7264121)	
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	(Increase)/Decrease in fixed assets	0	0
	(Increase)/Decrease in Investments	4440000	0
<b>Net cash used in Investing activities</b>	4440000	0	
<b>C</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Unpaid Call Money Received	0	6614250
	(Increase)/Decrease in Loans	(12162566)	(1726059)
	<b>Net cash from financial activity</b>	(12162566)	4888191

<b>Net increase/(Decrease) in cash and cash equivalent</b>	(844842)	(2375930)
<b>Opening balance of cash and cash equivalent</b>	1004437	3380367
<b>Closing balance of cash and cash equivalent</b>	<b>159595</b>	<b>1004437</b>

**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 S.S, DASANI & CO.  
CHARTERED ACCOUNTANTS**

**For AVI POLYMERS LIMITED**

**PARTNER  
(ARPIT  
SHAH)  
M. No. :  
125043  
F.R.N.: 116521W**

**Mansukh Patel (Chairman & MD)**

**DIN NO.:00162160**

**Dinesh Chauhan (Director)  
DIN NO.: 00977893**

**Place: Ahmedabad  
Date: 27/05/2016**

**Monika Shah  
(Company Secretary)  
M. No. 37823**

**Mitesh Meghani (CFO)**

**Note : 19 Quantitative Details**

Particulars	2015-16			2014-15		
	Sales	Closing	Opening	Sales	Closing	Opening
	Value	Inventory	Inventory	Value	Inventory	Inventory
	Rs.			Rs.		
Chemicals (Kgs)	15,074,480	-	-	28,265,819	-	-
Chemicals in (MT)	360,000	-	-	1,620,975	-	-
Machine (Nos.)	23,948,160	-	-	-	-	-
Textile (Pcs)	2,021,619	-	-	2,155,770	-	-
Others (KG)	22,800	80	0.00	61,040	-	0.70
<b>Total</b>	<b>41,427,059</b>	<b>-</b>	<b>0.00</b>	<b>32,103,604</b>	<b>0.00</b>	<b>0.70</b>

## CORPORATE GOVERNANCE REPORT

### 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 5(Five).

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 Director-ships In the other public Companies	No. of Chairmanship Membership of board /committee in other Companies
1.	Shri Mansukh Patel [ Managing Director ]	Promoter and Executive	16	Yes	1	Nil
2	Shri Maulik Pradipkumar Shah	Non – Executive and Independent	16	Yes	Nil	Nil
3	Shri Dinesh Chauhan	Non – Executive and Independent	16	Yes	Nil	Nil
4	Shri Jayesh Dave*	Non – Executive and Independent	11	No	Nil	Nil
5	Monika Shah**	Executive Director	16	Yes	Nil	Nil



\* Appointed as Non – Executive and Independent director with effect from 28<sup>th</sup> August, 2015.

\*\* Regularize from Additional Director to Executive Director with effect from 28<sup>th</sup> August, 2015.

None of the Directors of the Company are related to each other in any way.

Sixteen Board meetings were held during the year. The dates of Board meeting are

29/05/2015, 14/06/2015, 13/07/2015, 24/07/2015, 13/8/2015, 03/09/2015, 30/09/2015, 05/11/2015, 23/11/2015, 27/11/2015, 28/11/2015, 07/12/2015, 14/12/2015, 12/02/2016, 08/03/2016, 28/03/2016

The information required to be given for the Directors seeking reappointment at the 23<sup>rd</sup> Annual General Meeting as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) will be provided in the notice of the 23<sup>rd</sup> annual general meeting.

### **Independent Directors’ Meeting**

During the year under review, the Independent Directors met on September 25, 2015, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Chairman of the company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Maulik Shah was appointed as a Chairman for the meeting of Independent directors.

All the Independent Directors were present at the meeting.

### **3. REMUNERATION TO DIRECTORS :**

No remuneration is paid to any Directors of the Company.

### **4. PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS:**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, and domain knowledge and so on, which are considered by the Committee and/or the Board while evaluating the performance of each Director.

### **5. 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 Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company has constituted an audit committee pursuant to the provisions of Section 177 of the Companies Act, 2013 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 Maulik P. Shah and Company Secretary act as a Secretary of Committee. The members of the committee are having financial and accounting knowledge. The committee carries out functions enumerated in the listing agreement and section 177 of the Companies Act. 2013.

Pursuant to the provision of Section 177 of the Companies Act, 2013 and in accordance with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company has constituted an audit committee. The power of the audit committee, terms of reference and role of the audit committee are in conformity with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under the review, 5 audit committee meetings were held. All the Members attended the audit committee meetings.

Representatives of auditors are invited from time to time depending upon the requirement of the committee to attend the meeting.

The Minutes of the Audit Committee are placed before the next Board Meeting. All the recommendations of the audit committee were accepted by the Board.

The Chairman of the Audit Committee was present at the 23<sup>rd</sup> Annual General Meeting of the Company to answer shareholders query.

During the year under the review, the audit committee met 5 times during the year 2015-16 on 29/05/2015, 24/07/2015, 13/08/2015,03/09/2015, 05/11/2015 and 12/02/2016. All the members were present at the committee meeting.

**a) Powers of Audit Committee**

The audit committee shall have following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.

- iii. to obtain outside legal or other professional advice
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

**b) Role of Audit Committee**

The role of the audit committee shall include the following:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services.
- iii. Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - ◆ Any changes in accounting policies and practices.
  - ◆ Major accounting entries based on exercise of judgment by management.
  - ◆ Qualifications in draft audit report.
  - ◆ Significant adjustments arising out of audit.
  - ◆ The going concern assumption.
  - ◆ Compliance with accounting standards.
  - ◆ Compliance with stock exchange and legal requirements concerning financial statements
  - ◆ Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- iv. Reviewing with the management, Auditors of the Company, and the adequacy of internal control systems.
- v. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue )etc the statement of funds utilized for purpose other than those stated in prospectus / offer document / notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up the steps in the matter.
- vii. Discussion with internal auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- viii. Reviewing the company's financial and risk management policies.

- ix. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

**c) Review of information by Audit Committee**

- i. Management Discussion and analysis of financial condition and result of operations.
- ii. Statement of Significant related party transaction submitted by Management.
- iii. Management Letters/Letters of Internal Control weakness issued by the Statutory Auditors.
- iv. The appointment removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee held discussions with the Auditors of the company concerning the financial reports of the company, internal control systems, and scope of audit and observations of the auditors. The Audit Committee also reviewed the quarterly, half-yearly and annual financial results of the company before submission to the Board, on the “Limited review” of the quarterly accounts, matters relating to compliance of Accounting Standards, their observations arising from the Internal/ Annual Audit of the Company’s accounts and other related matters.

No bonus shares and stock options are issued to any of the directors

**B. NOMINATION AND REMUNERATION COMMITTEE:**

In compliance of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board renamed the Remuneration committee as “Nomination and Remuneration Committee. Your Board has re-constituted the Nomination and Remuneration Committee which now comprises Of Shri Dinesh Chauhan and Maulik P. Shah and Ms. Monika Shah till 30/09/2015 and Mr. Jayesh Dave from 30/09/2015.

The Nomination and Remuneration Committee has framed the Nomination and Remuneration Policy. A copy of the policy is appended as “Annexure 1” to the Corporate Governance Report.

The Committee met on 27/08/2015 and 03/09/2015 during the financial year ended 31<sup>st</sup> March, 2016. All the members were present at the Committee Meeting.

**C. STAKEHOLDERS’ GRIEVANCE COMMITTEE**

In compliance with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013, your company re-constituted this committee as “Stakeholders Relationship Committee”. This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggest measures for improvement from time to time.

The Committee comprises of Shri Dinesh Chauhan( Chairman ), Shri Mansukh Patel and Ms. Monika Shah from till 30/09/2015 and Mr. Jayesh Dave from 30/09/2015. During the year under review the committee met once on 30/09/2015 on various matters referred above. During the year zero Complaints were received. As on 31st March, 2016 no complaints remained unattended/pending. The company has no share transfers/transmission pending as on 31st March, 2016.

**6. Name and Designation of Company Secretary and Compliance Officer:**

Ms. Monika Shah Company Secretary and Compliance Officer has been appointed under Section 203 of the Companies Act, 2013 as a Key managerial personnel, Company Secretary and Compliance Officer. She takes care of all legal compliances of the Company from time to time.

**7. Familiarization Programme for Independent Directors.**

The Independent Directors are provided with necessary documents, reports and policies to enable them to familiarize with the company's procedures and Practices.

The Details of such familiarization Programme for Independent directors are posted on the website of the company and can be accessed at <http://avipolymers.com/familiarization-programs-for-independent-directors/>

**8. Listing Agreement**

The Securities and Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015. The said regulations were effective from 1<sup>st</sup> December,2015. Accordingly, all listed entities were required to enter in to Listing Agreement within six months from the date of issue. The company entered into Listing Agreement with BSE Limited and Ahmedabad Stock Exchange Limited during February, 2016.

**9. Policies**

The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Preservation of Documents, Policy for Determination of Material Event or Information etc. Company has also adopted Code of Conduct to Regulate, Monitor and Reporting of Trading by Insiders. These policies are available on the website of the Company at [www.aviolymers.com](http://www.aviolymers.com).

**10. GENERAL BODY MEETINGS:**

**A) ANNUAL GENERAL MEETING (AGM):**

The last three annual General Meetings were held as under:

<b>Sr. No.</b>	<b>Financial Year</b>	<b>Day and Date</b>	<b>Time</b>	<b>Location</b>
1	2012 - 13	Wednesday, 14 <sup>th</sup> August, 2013	11.00 a.m.	At Registered office of the Company situated at Ambica Compound Old H B RoadRanchi 834 001
2	2013-14	Tuesday, 30 <sup>th</sup> September,2014	11.00 a.m.	At Registered office of the Company situated at Ambica Compound Old H B RoadRanchi

				834 001
3	2014-15	Friday, 28 <sup>th</sup> August, 2015	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.

**B) EXTRA ORDINARY GENERAL MEETING (EGM):**

During the financial year 2014-15, the company passed the following resolutions by postal ballot.

Special Resolutions	Votes cast in favor		Votes cast against		Date of declaration of results
	No. of Votes	%	No. of Votes	%	
Approval for Change in Object Clause	1936500	100	0	0	March 27, 2015
Increase in Investment Limits	1936500	100	0	0	March 27, 2015
To increase limit of Borrowing Power	1936500	100	0	0	March 27, 2015

Ordinary Resolutions	Votes cast in favor		Votes cast against		Date of declaration of results
	No. of Votes	%	No. of Votes	%	
Appointment of Statutory Auditor to fill casual vacancy	1936500	100	0	0	March 27, 2015

The company successfully completed the process of obtaining approval of its shareholders for special resolution on the items detailed above, vide postal ballot. The company also conducted a postal ballot in March, 2015 seeking shareholder's approval, pertaining to appointment of Statutory Auditor to fill casual vacancy by way of postal ballot passed as ordinary resolution.

Mr. Alkesh Jalan, Practicing Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

**Postal Ballot during the year**

During the fiscal 2016, the company has not passed any resolutions by postal ballot.

**8. 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 2015-16.”

The company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company and can be accessed at <http://avipolymers.com/sample-page/code-of-conduct-policy/>

We comply with SEBI’s guidelines of Corporate Governance. We have documented our Internal Policies on Corporate Governance. We have also adopted blower Policy on Corporate Governance and can be accessed at <http://avipolymers.com/whistle-blower-policy/>

**9. GENERAL SHAEHOLDER INFORMATION :**

(i)	Annual General Meeting Date, Time and Venue	Monday 26 <sup>th</sup> September, 2016 at 11.00 a.m. at the Registered Office of the company at Ambica Compound Old H B RoadRanchi 834 001.
(ii)	Financial Calendar Year	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
(iii)	Date of Book Closure	22 <sup>nd</sup> September, 2016 to 26 <sup>th</sup> September, 2016 (both days inclusive).
(iv)	Dividend Payment Date	Not Applicable
(v)	Registered Office	Ambica Compound Old H B RoadRanchi 834 001
( vi )	Plant Locations	Not applicable
( vii )	Investor Correspondence	AVI Polymers Limited  Ambica Compound Old H B RoadRanchi

		834 001
(viii)	Means of Communication	The Quarterly Results of the Company are published in one English Newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the Region where the registered office of the company is situated and are also displayed in Company's website <a href="http://www.avipolymers.com">www.avipolymers.com</a>
(ix)	Any Website where it displays official releases	The Company's website <a href="http://www.avipolymers.com">www.avipolymers.com</a> 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 15 days from the date of the receipt, subject to the documents being valid and complete in all respect.
(xiii)	Listing and Stock Code	BSE Limited-539288 Ahmedabad Stock Exchange – 06714 Listing fees as applicable have been paid
(xiv)	The name and address of Stock Exchanges where Company is listed	<b>BSE Limited,</b> P J Towers, Dalal Street, Mumbai -400001  <b>The Ahmedabad Stock Exchange,</b> 1 <sup>st</sup> Floor, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad – 380 015
	Market Price Data	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
	Performance of the share price of the Company in comparison to the BSE Sensex:	Since the shares of the Company are not actively traded on the stock exchange, Performance of the share price of the Company in comparison to the BSE Sensex is not available to the Company
(xv)	Company secretary and Compliance Officer	Ms. Monika Shah
(xvi)	Email for investors correspondence / Complaints	<a href="mailto:avipolymer@gmail.com">avipolymer@gmail.com</a>
(xvii)	ISIN	INE897N01014
(xviii)	Demat Shares	Held in NSDL – 3153700 Held in CDSL-692300 Physical Mode- 244700
(xix)	Registrar and Transfer Agent	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata-700026 Tel: 033-40724051/52/53 Fax: 033-40724050

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

**10. FINANCIAL CALENDER:**

Report Period	: 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
First Quarter Result	: Latest by Second Week of August, 2016 ( tentative )
Half Quarter Result	: Latest by Second Week of November 2016 ( tentative )
Third Quarter Result	: Latest by Second Week of February 2017 ( tentative )
Fourth Quarter Result	: Latest by Fourth Week of May, 2017 (tentative ).

**11. SHARE HOLDING PATTERN** (AS ON 31-03-2016):

(a) Categories of Shareholders:

<u>Category</u>	No. of Holders	No. of Shares	% of holding to total
Promoters Holding including Bodies Corporate of Promoters	04	1735500	42.43
Residential Individuals	261	1519600	37.14
Mutual Funds	0	0	0
Banks, FIs, Insurance Companies	0	0	0
Domestic Companies, Bodies Corporate	1	835600	20.43
Clearing Members	0	0	0
<b>Total:</b>	<b>266</b>	<b>4090700</b>	<b>100.00</b>

(b) Distribution of Shareholding as on March 31, 2016

Shareholding of Nominal Value of		Shareholders		Share Amount	
From Rs.	To Rs.	Number	% of Total No.	In Rs.	% to total Amount
0	5000	192	72.18	478070	1.17
5001	10000	20	7.52	196000	0.48
10001	20000	25	9.40	482000	1.18
20001	30000	6	2.26	160000	0.39
30001	40000	8	3.00	320000	0.78
40001	50000	0	0.00	0	0.00
50001	100000	0	0.00	0	0.00
100001	Above	15	5.64	39270930	96.00
<b>Total</b>		<b>266</b>	<b>100</b>	<b>40907000</b>	<b>100</b>

**12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

**1. Industry Structure and developments.**

**Textile & Textile Chemical Industry:**

India is the world's second largest producer of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce have made India a sourcing hub. The size of Indian textile and apparel market stood at US\$ 89 billion in 2011 and is expected to touch US\$ 221 billion by 2020. The industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The organized apparel segment is expected to grow at a CAGR of more than 13 per cent over a 10-year period creating enormous opportunities. Apparel constitutes a large share in the overall sector, accounting for 69 per cent in 2012 while textile contributed 31 per cent to the total market share. The total exports of textile and apparel sector from India grew to US\$ 33.3 billion in FY12 from US\$ 17.6 billion in FY06, implying a compounded annual growth rate (CAGR) of 11.2 per cent. The exports are expected to increase further to US\$ 82 billion by 2021.h rate (CAGR) of 11.2 per cent. The exports are expected to increase further to US\$ 82 billion by 2021.

With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. With the current size of approximately \$108 billion, the Indian chemical industry accounts for ~3% of the global chemical industry. Two distinct scenarios for the future emerge, based on how effectively the industry leverages its strengths and manages challenges. In the base case scenario, with current initiatives of industry & government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 billion by 2017. However, the industry could aspire to grow much more and its growth potential is limited only by its aspirations. In such an optimistic scenario, high end-use demand based on increasing per capital consumption, improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry could lead to an overall growth rate of over 15% p.a. and a size of \$290 billion by 2017 (~6% of global industry). This has a potential for further upside in the future considering India's increasing competitiveness in manufacturing.

**2. Opportunities and Threats**

**Opportunities**

- Abundant raw material
- Low cost skilled labour
- Presence across the value chain
- Growing domestic market
- Strong backward integration
- Third largest cotton producer as well a the largest area under cultivation
- Increasing presence across entire value chain
- Cheap and skilled manpower

- Sharp reduction in borrowing costs
- Recent government efforts to promote the industry.

**Threats**

- Fragmented industry
- Effect of historical government policies
- Lower productivity and cost competitiveness
- Tech obsolescence. Quality is not consistent
- Low level of training.
- The export-import policy of India changes too frequently due to which it becomes very difficult for importers to import goods.
- Delay in delivering the goods at the right time.
- Lack of economies of scale and advance processing capabilities.

**3. Segment –wise or product-wise performance :**

The Company operates in a single segment of activity viz. trading and hence the segment reporting is not applicable to the Company.

**4. Outlook**

The outlook for the coming year 2016-17 looks promising for the Chemicals business at this point in time. Demand is showing signs of improvement and with a price advantage due to our best negotiation abilities we are likely to perform well. However, global recession and market condition may have an impact on our business to suffer which in turn can have bearing on profitability.

**5. Risks and Concerns**

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company takes a fresh look at the risk management framework through our Audit Committee at least once in a year. The review involved understanding the existing risk management initiatives and assessment of risks in the businesses as the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The audit Committee has periodically reviewed the risks in the business and recommended appropriate risk mitigating actions.

The business of the Company is likely to be affected by various internal and external risks enumerated as under:

- Our Company does not have adequate Cash flows. Low Cash flow could adversely impact our business, financial condition and results of operations.

- Our operations are significantly located in the Ahmedabad Region and failure to expand our operations may restrict our growth and adversely affect our business
- Our success depends largely upon the services of our Promoter, Directors and other key managerial personnel and our ability to attract and retain them.
- The prices we are able to obtain for the products that we trade depend largely on prevailing market prices.
- We face intense competition in our businesses, which may limit our growth and prospects.
- Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.
- Global recession and market conditions could cause our business to suffer.
- Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.
- Tax rates applicable to Our Company may increase and may have an adverse impact on our business.
- Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

As a responsible employer, to ensure occupational safety and employment standards, your Company maintains strict safety and quality control programs to monitor and control these operational risks.

#### **6. Internal Control System and their adequacy**

The Company maintains adequate internal control systems, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

Internal Controls are adequately supported by internal audit and periodical review of by the management. The audit committee meets periodically to review with the management and statutory auditors, financial statements. The Audit Committee also meets with the internal auditors to review adequacy /scope of internal audit function, significant findings and follow up thereon and finding of abnormal nature.

#### **7. Discussion on financial performance with respect to operational performance.**

During the year company has reported total income of Rs.423.69 lacs as against total revenue of Rs. 324.49 lacs in the previous year, Net Profit of the Company during the Current year stand at Rs.0.62 lacs as against profit of Rs. 0.60 lacs in the previous year.

**8. Material developments in human resources/ Industrial Relations front, including number of people employed.**

Relations with the employees of the Company at various levels remained harmonial during the year under the review. The Company is making its best efforts to retain and attract talented employees. During the year under the review, the Company has complied with all legislative provisions of labour laws. The number of employees of the company as of 31<sup>st</sup> March, 2016 was 6.

**9. Other Disclosures:**

**a. Basis of related party transaction:**

During the year under the review, there were no related party transactions.

**b. Disclosure of Accounting treatments:**

The Company has followed all relevant Accounting Standards while preparing the financial Statements.

**c. Board Disclosures - Risk Management:**

The Company has developed comprehensive risk management policy and same is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures. Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Manufacturing & Supply, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize. Since the risk control frame work is new to Indian Corporate Culture, it is being strengthened on continuous basis using the outside professional help.

**d. Proceeds from public issues, right issues, preferential issues etc:**

Not applicable, as no capital has been raised by the Company in last 5 Years.

Besides above, there was no instance of Non-compliance of any matter related to the capital markets during the last three years.

**By Order of the Board  
For, AVI Polymers Limited**

Date:27/05/2016  
Place: Ahmedabad

**Mansukh Patel  
Chairman and Managing Director  
DIN: 00162160**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that, all the Directors and Senior Management personnel of the company have affirmed compliance with the Code of Conduct of the company laid down for them, for the financial year ended 31<sup>st</sup> March, 2016.

**For, AVI Polymers Limited**

Date: 27/05/2016  
Place: Ahmedabad

**Mansukh Patel**  
**Chairman and Managing Director**  
**DIN: 00162160**

**CEO / CFO CERTIFICATION:**

**To,  
The Board of Directors of  
AVI POLYMERS Limited**

- (a) We have reviewed financial statements and the cash flow statement of AVI Polymers Limited for the year ended on 31<sup>st</sup> March, 2016 and to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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) We 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.

**Mitesh Meghani  
Chief Financial Officer**

**Mansukh Patel  
Managing Director  
DIN:00162160**

**Place: Ahmedabad  
Date: 27/05/2016**



## **DISCLOSURES**

### **Materially significant related party transactions**

All the Related Party Transactions if any 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 : 27/05/2016**  
**Place : Ahmedabad**

**Mansukh Patel**  
**Chairman and Managing Director**  
**DIN: 00162160**

**Auditors' Compliance Certificate on Corporate Governance**

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To the members of AVI Polymers Limited,

We have examined the compliance of Conditions of Corporate Governance by AVI Polymers Limited (“the company”) for the year ended 31<sup>st</sup> March,2016, as stipulated in Clause 49 of the Listing Agreement (“Listing Agreement”) of the company with the stock exchanges for the period 1<sup>st</sup> April,2015 to 30<sup>th</sup> November,2015 and as per the relevant provisions of SEBI( Listing Obligations and Disclosure Requirements) Regulations,2015 (“ Listing Regulations”) as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December,2015 to 31<sup>st</sup> March,2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, 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 according to 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/ Listing Regulations as applicable.

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, S.S. DASANI & Co.,  
CHARTERED ACCOUNTANTS  
FRN: 116521W**

**Place: Ahmedabad  
Date: 27/05/2016**

**Arpit Shah  
Partner  
Membership No: 125043**

## **Annexure-1 to the Corporate Governance Report**

### **Nomination and Remuneration Policy**

#### **1. PREAMBLE**

Pursuant to the Section 178 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the rule 6 of the Companies (Meeting of the Board and its powers) Rules, 2014 and Regulation 19 of the SEBI (listing Obligations and Disclosures Requirements) Regulations, 2015 signed by the Company with the Stock Exchanges, The Nomination and Remuneration committee of the Board of the Company has formulated a remuneration policy to decide the criteria for the appointment and for the remuneration to the Directors, key managerial personnel and other employees.

#### **2. OBJECTIVE**

- i.** To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- ii.** To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board
- iii.** To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv.** To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations
- v.** To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi.** To devise a policy on Board diversity.
- vii.** To develop a succession plan for the Board and to regularly review the plan

#### **3. Constitution of Nomination and Remuneration Committee:**

The Board has constituted the “Nomination and Remuneration Committee” of the Board which is in line with the requirement under the Companies Act, 2013.

The Board has authority to reconstitute this Committee from time to time.

The Committee shall, while formulating the policy ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Whole time Directors, Key Managerial personnel and Senior executives of the quality required to run the Company efficiently;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Whole time Directors, Key Managerial Personnel and senior management involves a balance between fixed and variables pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The meeting of the Committee shall be held at such regular intervals as may be required.

Necessary disclosures of this policy shall be made in the Annual Report of the Company in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **4. CRITERIA FOR BOARD MEMBERSHIP AND BOARD DIVERSITY**

- a) The Director must have relevant experience in Finance /Law /Management/ Sales/ Marketing/ Administration/ Corporate Governance/ Human Resources or the other disciplines related to Company's business.
- b) The Director should possess the highest personal and professional ethics, integrity and values
- c) The Director shall not have any material interest with the Company or any of its officers, other than as a director or shareholder of the Company. Wherever required the Director should disclose the nature of his interest, if there are reasons to believe there is or a likely hood of potential conflict of interest.

#### **5. REMUNERATION CRITERIA:**

The Policy is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

##### **a) For the Whole Time Directors/ Executive Directors:**

- Nomination and Remuneration Committee shall recommend to the Board, the remuneration, within the maximum limits as set under the Companies Act, 2013, and Rules made there under and subject to the approval of the shareholders as and where applicable.
- Remuneration to whole time director/Executive Director would also depend on the performance and profitability of the company during the year as decided by Nomination and Remuneration committee from time to time.

However, no remuneration or any other payments are made to any directors of the company and hence company does not required to have criteria for the same.

**b) For the Key Managerial Personnel and Other Employees:**

- The remuneration of other KMP and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites are paid according to the Company policy.
- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario.

**6. POLICY REVIEW & FUTURE AMENDMENT**

This policy shall remain in force unless modified by the Remuneration committee.

**AVI POLYMERS LIMITED**

Registered Office: At Ambica Compound, Old H B Road, Ranchi – 834 001  
Mobile: +91 7048360390, e-mail: [avipolymer@gmail.com](mailto:avipolymer@gmail.com) website: [www.avipolymers.com](http://www.avipolymers.com)  
CIN: L27204JH1993PLC005233

**ATTENDANCE SLIP**

**23rd Annual General Meeting - September 26<sup>th</sup>, 2016**

I hereby record my presence at the Twenty-third Annual General Meeting of the members of the Company held at **Ambica Compound, Old H B Road, Ranchi – 834 001 on Monday, 26<sup>th</sup> day of September , 2016 at 11.00 a.m.**

Full Name of the Member (in BLOCK LETTERS) \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

DP ID No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

Full name of the Proxy (in BLOCK LETTERS) \_\_\_\_\_

Member's / Proxy's Signature \_\_\_\_\_

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the companies (Management and Administration) Rules, 2014]

**AVI POLYMERS LIMITED**

Registered Office: At Ambica Compound, Old H B Road, Ranchi – 834 001  
Mobile: +91 7048360390, e-mail: [avipolymer@gmail.com](mailto:avipolymer@gmail.com) website: [www.avipolymers.com](http://www.avipolymers.com)  
CIN: L27204JH1993PLC005233

Name of the Member(s):  
Registered address:  
E-mail Id:  
Folio No./ Client ID:  
DP Id:

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, 26<sup>th</sup> September, 2016 at 11.00 a.m. at At Ambica Compound, Old H B Road, Ranchi – 834 001 and at any adjournment thereof in respect of such resolution as are indicate below:

Resolution No	Particulars of Resolution	Voting	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1	To receive, Consider and adopt the audited Balance Sheet as at 31 <sup>st</sup> March,2016 and Statement of Profit & Loss Account and Cash Flow Statement for the year ended on 31 <sup>st</sup> March, 2016 and the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Ms. Monika Shah(DIN: 07116152) who retires by rotation and being eligible seeks re-appointment.		
3	To ratify appointment of Auditors		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of the member

\_\_\_\_\_  
Signature of proxy holder

Affix Revenue Stamp
------------------------

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the 'for', or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.