AVSL INDUSTRIES LIMITED

PAN :- AAACU7111P

(Formerly Known as AVSL Industries Pvt. Ltd. Name Change with effect from 24 May 2016)

Date: 09th October, 2017
Reference: Symbol: AVSL

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, Maharashtra

Sub: Submission of Annual Report for the Financial Year 2016-17 in accordance to the provision of Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Dear Sir,

With reference to the above captioned matter and pursuant to the Regulation 34 of the SEBI(Listing Obligation and Disclosure requirement)Regulations, 2015, we hereby submit the Annual Report for the Financial Year 2016-17 duly approved and adopted by the Shareholders of the Company as per the provisions of the Companies Act, 2013 at their 14th Annual General Meeting held on Wednesday the 27th day of September, 2017.

You are therefore requested to kindly take the same into your record.

Thanking you

For AVSL Industries Limited

AVSL INDUSTRIES LTD. DELHI

Rishika
Company Secretary

Regd. & Corp. Office:
Unit No. 1001, 10th Floor, NDM - 2,
Wazirpur Distt. Centre,
N.S.P., Pitampura, Delhi - 110034 (INDIA)
T.: +91-11-45561234/47561234
E.: AGRIEXIM@AVSL.CO.IN

Halol Works:
Plot No. 2006, GIDC Estate, Halol,
Dist.: Panchmahals, Gujarat-389350 (INDIA)
T.: +91-2676-298222 | E.: AVSLHALOL@GMAIL.COM
Plot No. 717, GIDC Estate,
Halol-2 & Halol-Maswad Industrial Estate,
Gujarat-389350 (INDIA)

Umbergaon Works:
Plot No. 1702, GIDC, Umbergaon,
Gujarat - 396171 (INDIA)
T.: +91-9812640405
E.: AVSLUMBERGAON@GMAIL.COM

Bhiwadi Works:
Plot No. E-675, Bhiwadi I to IV Ph.
Ghatal, Samtal, Bhiwadi (Unit-1),
Rajasthan - 301019 (INDIA)
T.: +91-7357564573
E.: AVSLBHIWADI@GMAIL.COM

Delhi Work:
C-611 & 612,
DSIDC Industrial Area,
Narela, Delhi-110040 (INDIA)
T.: +91-11-45611234
E.: AVSL_PVC@AVSL.CO.IN

IMPORT/EXPORT : ALL AGRO COMMODITIES
❖ DRY FRUITS ❖ SPICES ❖ PULSES ❖ RICE ❖ WHEAT

Also Manufacturers of : HT/LT Cable Raw Material
PVC & PP Filler ❖ PVC & LD Tape ❖ PVC Compounds ❖ Aluminum Mylar & Polyester Tape

AVSL INDUSTRIES LIMITED

ANNUAL REPORT
2016-2017

AVSL INDUSTRIES LIMITED

CHAIRMAN MESSAGE

Dear Valued Shareholders,

WE WISH TO BECOME THE TEXTBOOK EXAMPLE OF EXCELLENCE FOR SERVING ESTABLISHED AND EMERGING BRANDS IN THE INDUSTRY. WE WILL MAKE THIS POSSIBLE THROUGH OUR WORLD CLASS DESIGN AND MANUFACTURING BACKBONE, AND OUR EXECUTION SUPREMACY.

For over decades, AVSL INDUSTRIES has engaged in manufacturing PVC Compound, HDPE/LDPE Compound, PVC Filler, and HDPE/LDPE Tape etc. & trading of Agro based commodities such as Rice, Wheat Flour, Pulses, Spices, Food Grains and Dry Fruits. The company is founded on strong ethos of Innovation, Quality, and Research & Deliverance. From being a specialty focused suppliers to Wire & Cable Industry where our Business Division enjoy leadership in certain segments, the company is committed to creating a diverse product portfolio which will not only enhance service ability of customers in existing segments but will also let our divisions benefit from product & distribution synergies in different markets & applications.

We aim to implement latest quality and management practices which are in line with the global customer base that we have thereby creating an enterprise which will add economic & social value in areas where it operates in.

I am proud to report that AVSL Industries has made significant progress over the past years. We doubled both on client base and revenue base and have made a strong foundation. In the year 2016-17 we started two manufacturing units one in Umbergoan, Gujarat and another in Bhiwadi, Rajasthan. To embark the journey of success we need the tools of preparedness, foresight and strategy which lead us to the path of growth and high quality.

I sincerely thank you on behalf of the company for your support. None of the above would have been possible without the enthusiastic efforts & support of all my Board members, Suppliers, Customers, Bankers, various Governments – semi government organizations, employees & Fellow shareholders.

As we look to the years ahead we renew our pledge to remain committed to excellence, keep abreast of changes and innovations, adopt better management and construction techniques and successfully overcome all challenges before us.

MAJOR HIGHLIGHTS OF THE COMPANY IN THE YEAR 2016-17

1. THE COMPANY CAME UP WITH AN IPO OF 14,40,000 EQUITY SHARES OF RS.36/- EACH AT A PREMIUM OF RS. 26/- PER SHARE WITH TOTAL ISSUE SIZE OF RS. 518.40 LACS. SUBSEQUENTLY THE SHARES OF THE COMPANY HAVE BEEN LISTED ON SME PLATFORM OF NSE SINCE OCTOBER, 2016.

2. **AVSL INDUSTRIES LIMITED STARTED A MANUFACTURING UNIT IN:**

   - E-675, BHIWADI I TO IV PH. GHATAL, SAMTAL, BHIWADI (UNIT-1), DISTT. ALWAR, RAJASTHAN-301019
   - PLOT NO.1702, GIDC, UMBERGAON, VALSAD, GUJARAT-396171
   - PLOT NO. 717, HALOL-2 AND HALOL-MASWAD INDUSTRIAL ESTATE, GUJARAT

COMPANY NAME: AVSL INDUSTRIES LIMITED
CIN: U18101DL2003PLC121698

REGISTERED AND CORPORATE OFFICE:
Unit No. 1001, 10th Floor ,NDM-2
Wazirpur District Centre, Netaji Subhash Place, Pitampura,
Delhi- 110034

REGISTRAR AND SHARE TRANSFER AGENT:

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400059

STOCK EXCHANGE DETAILS:

NSE- Emerge (National Stock Exchange)

MANUFACTURING UNITS:

1. **Delhi Works:**

   C-611-612, DSIDC Industrial Area,
   Narela, Delhi- 110040

2. **Bhiwadi Works:**

   E-675, Bhiwadi I to IV Ph. Ghatal, Samtal
   Bhiwadi (Unit-1), Distt. Alwar
   Rajasthan-301019

3. **Umbergoan Works:**

   Plot No.1702, GIDC, Umbergaon,
   Valsad, Gujarat-396171

4. **Halol Works:**

   - Plot No 2006,Halol, GIDC Estate,
     Halol, Godhara (Pms)-389350
   - Plot No. 717, Halol-2 and Halol-Maswad Industrial Estate,
     Gujarat

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjay Bansal DIN: 01467290	Promoter & Managing Director
Mrs. Priti Bansal DIN: 07107908	Executive Director
Mr. Ashish Garg DIN: 07486222	Non-Executive Director
Mr. Dhirendra Sangal DIN: 06817663	Non-Executive & Independent Director
Mr. Sugreev Singh DIN: 07546239	Non-Executive & Independent Director
Mr. Ramesh Chander PAN: AVJPC3968M	Chief Financial Officer
Ms. Rishika PAN:CFMPR0570M	Company Secretary & Compliance Officer

STATUTORY AUDITORS:
Gupta Jalan& Associates
405, Crown Heights (Hotel Crown Plaza Complex)
Plot No. 3B/1, Twin District Centre, Sector-10, Rohini
Delhi-110085

SECRETARIAL AUDITORS:
M/s U.S & Associates, Company Secretaries
Through Mr. Akshit Gupta, Partner
407-408, GD-ITL Tower, B-08
Netaji Subhash Place, Pitampura
New Delhi-110034

INTERNAL AUDITORS
V K Kataria & Associates, Chartered Accountant
3J, Gopala Tower, Rajendra Place,
New Delhi- 110008

BANKERS:

Standard Chartered Bank,
10, Sansad Marg, New Delhi- 110001

INVESTOR RELATION MAIL ID:

Csrishika@avsl.co.in

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **14th ANNUAL GENERAL MEETING** of AVSL Industries Limited will be held at CROWNE PLAZA, Pearl Ballroom, Twin District Centre, Sector-10, Rohini, New Delhi-110085 on Wednesday, the 27th September, 2017 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 including the reports of the Board of Directors and Auditors thereon, and in this regard, if thought fit, pass the following resolution(s) as an ORDINARY RESOLUTION:**

   "RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 and the reports of the Board of Directors and the Auditors thereon laid before the meeting, be and are hereby considered and adopted**."**

2. **To appoint a Director in place of Mr. Ashish Garg (DIN: 07486222), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, if thought fit, pass the following resolution as an ORDINARY RESOLUTION:**

   "RESOLVED THAT Mr. Ashish Garg (DIN: 07486222), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Director, liable to retire by rotation."

3. **To consider and ratify the appointment of Statutory Auditor of the company and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder and pursuant to the recommendations of the Audit Committee and the Board, the appointment of M/s Gupta Jalan & Associates, Chartered Accountants (FRN: 003721N), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, as statutory auditor of the Company, approved in the 12th Annual General Meeting held in the Financial Year 2015 until the conclusion of 17th Annual General Meeting to be held in the Financial Year 2020, be and is hereby ratified in this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be determined by the Board of Directors of the Company."

Notes:

1. The Register of members and Share Transfer Books of the Company will remain closed from 21/09/2017 to 27/09/2017 (both days inclusive) for Annual General Meeting.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48HOURS BEFORE COMMENCEMENT OF THE MEETING.**

3. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting till the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company. A person can act a Proxy on behalf of Members not exceeding fifty in numbers and holding in the aggregate not more than ten percent of the total share capital of the Company carrying Voting Rights. A member holding more than ten percent of the total share capital of the Company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder.

4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Accordingly, Mr. Ashish Garg, Non-Executive Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.

5. In terms of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.

6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

7. To ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Driving License, Passport, Voter ID card, etc.

8. The Members/Proxies/Representatives are requested to bring the attendance slip duly completed and signed at the entrance of the meeting.

9. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.

10. Members who are holding shares in Physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agent **BIGSHARE**

SERVICES PRIVATE LIMITED., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, quoting their folio no. Further, please note that in case of members holding shares in demat form, any change(s) required in Address, Bank details, etc. are to be intimated to your DP (Depository Participant) and not to the Company or Registrar.

11. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Pan Card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, and transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all abovementioned transactions.

12. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.

13. The Route Map for Venue of 14th Annual General Meeting is given separately.

Annexure- A

Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 are as follows:

Name of Director	Mr. Ashish Garg
Date of Birth	30/07/1986
Relationship with Directors	Nil
Expertise in Specific Functional area	Expertise in International Marketing
Qualification	B.Com from Delhi University and has also completed C1 level in German Language from Goethe Institute, German Embassy Max Mueller Bhavan, New Delhi
Board Membership of Companies as on 31 March, 2017	Nil
Chairman/Member of the Committee of the Board of Directors as on March 31, 2017.	Stakeholder Relationship Committee and Nomination and Remuneration Committee
Number of shares held in the company as on March 31, 2017.	Nil

By order of the Board
For AVSL Industries Limited

Sd/-

Place : Delhi
Date: 28.08.2017

Sanjay Bansal
Managing Director
DIN: 01467290

BOARD'S REPORT

Your Directors are pleased to present the 14thAnnual Report on the business and operations together with the Company's audited financial statements and the auditors' report thereon for the financial year ended March 31, 2017. The financial highlights for the year are given below:

1. FINANCIAL RESULTS:

(Figure in Rs.)

Particulars	**Year Ended 31st March,2017**	**Year Ended 31st March,2016**
Total Revenue	80,41,26,444.00	68,59,53,668.00
Total Revenue Expenses	79,21,20,194.00	68,31,49,664.00
Profit before Exceptional & Extra Ordinary Items & Taxation	12,006,250	2,804,004
Less: Exceptional & Extra Ordinary Items	578,060	-
Profit/(Loss) before taxation	1,14,28,190.00	28,04,004.00
Less: Tax Expense (i) Provision for Taxation (ii) Deferred tax Liability (iii) Income Tax	 50,04,870.00 9,07,159.00 1,38,391.00	 9,89,832.00 1,03,577.00 10,100.00
Profit/(Loss) after tax	7,19,20, 88.00	19,07,649.00

2. DIVIDEND

The Company plough back the profit for the growth, they did not declared any dividend for the financial year 2016-17.

3. OPERATING HIGHLIGHTS

During the year under review, the Company has earned an income before tax **Rs. 1,14,28,190**/-as compared to Profit of **Rs. 28,04,004/-**during the previous year. Development of the Company is in progress and the Company expects to increase its business significantly in the following year and expects to earn handsome returns.

4. TRANSFER TO RESERVES

The Board of Company has decided/proposed to carry Rs 71,92,087/- from Surplus in Profit and Loss Account.

5. COMPANY'S AFFAIRS

AVSL Industries Limited engaged mainly, in the business of manufacturing of PVC Compound, HDPE/LDPE Compound, PVC Filler, and HDPE/LDPE Tape etc. and Export and Import of Agro based commodities such as Rice, Wheat Flour, Pulses, Spices, Food Grains and Dry Fruits.

6. INITIAL PUBLIC OFFERING & SHARE CAPITAL:

During the year under review, your company came up with an IPO of 14,40,000 Equity shares of Rs.36/- each at a premium of Rs. 26/- per share with Total Issue size of Rs. 518.40 Lacs. Your Board is really thankful for the trust posed in the Company. Subsequently the shares of the company have been listed on SME Platform of NSE since October, 2016.

At present, the Company has only one class of share – Equity shares of per value Rs. 10 each. The authorized share capital of the company is Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 5,33,11,200/- divided into 53,31,120 equity shares of Rs. 10 each. The Company has raised the fund through Public Issue of shares and the equity shares of the Company got listed on SME platform of NSE Limited.

IPO FUNDUTILISATION:

The Company has raised the fund to meet the working capital requirement and issue expenses purpose. As the Company has raised the fund in the month of October, 2016, during the year 2016-17, these funds were fully utilized for the said purpose only.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2017 AND DATE OF THE REPORT

Except as disclosed elsewhere in this Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year of the Company 31st March, 2017 till the date of this report.

As required under Section 134(3) of the Act, the Board of Directors inform the members that during the financial year, there have been no material changes, except as disclosed elsewhere in the Annual Report.

8. CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of the Business during the Financial Year ended 31st March, 2017.

9. SHARE CAPITAL

There was certain change in the Share Capital of the company during the year:

- **Authorised Capital**- During the year under review there is no change in the authorised capital of the Company.

- **Paid Up Share Capital**- The Company issued shares through Initial Public Offer dated 03.10.2016 of 14,40,000 equity shares of Rs 36/- (Including premium of Rs 26/-)of sum of Rupees Five Crore Eighteen Lakhs and Fourty Thousand Only.

The paid-up share capital of the Company as on March 31, 2017 is Rs. 5,33,11,200/-

- **Disclosure regarding issues of equity shares with differential rights:**
  The Company has not issues any equity shares with differential rights during the year under review.
- **Disclosure regarding issues of employee stock options:**
  The Company has not provided any Stock Option Scheme to the employees during the year under review.
- **Disclosure regarding the issues of sweat equity shares:**
  The Company has not issued any Sweat Equity Shares during the year under review**.**

10. PUBLIC DEPOSITS

The Company has not accepted any Public deposit during the year under review falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficancy and adequacy of internal control systems in the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

13. AUDITORS

- **STATUTORY AUDITORS:**

M/s. Gupta Jalan & Associates, Chartered Accountants **(FRN: 003721N),** were appointed as Statutory Auditors for a period of **5 years** in the 12thAnnual General Meeting held on **30.09.2015** subject to the ratification in every Annual General Meeting in terms of section 139(1) of the Companies Act, 2013. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There were no qualifications, reservation or adverse remark or disclaimer as reported by the statutory auditor of the Company

- **SECRETARIAL AUDITORS**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors appointed M/s U.S & Associates, Company Secretaries through Mr. Akshit Gupta, Practicing Company Secretary as the Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2016-17 and their report is annexed to this Board report. The Board has also re-appointed M/s U.S & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2017-18. In Connection with the auditors observation in the report, it is clarified that there is no non-compliance in the year.

The Secretarial Auditor's Report, in the prescribed format, for the period ended March 31, 2017 is annexed to this Directors' Report and forms part of the Annual Report.

- **INTERNAL AUDITORS**

M/s V K Kataria& Associates, Chartered Accountants performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time

14. EXTRACT OF THE ANNUAL RETURN

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 Act(Accounts) Rules 2014 and Rule12 of Companies (Management & Administration) Rules, 2014 as on the financial year ended on 31.03.2017, is annexed herewith.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished

(A) Conservation of energy:

Steps taken / impact on conservation of energy, with special reference to the following:

(i) steps taken by the company for utilizing alternate sources of energy including waste generated :NIL

(B) Technology absorption:

1. Efforts, in brief, made towards technology absorption. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

   The Company has not taken any technical know how from anyone and hence not applicable. However the company were applied for Six Trademark in which only two were registered and four is in further process.

2. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

   The Company has not imported any technology and hence not applicable.

3. Expenditure incurred on Research and Development :
   The Company has not incurred any expenditure on research and development

(c) Foreign Exchange Earnings/ Outgo:

Foreign Exchange Earnings and Outgoings	**31st March, 2017**	**31st March, 2016**
Earnings in Foreign Currency (FOB Value of Exports)	1,93,37,94,11	15,14,03,801
Expenditure in Foreign Currency	**17,94,06,036**	**16,15,67,502**

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

17. DIRECTORS

A) **Changes in Directors and Key Managerial Personnel**

In accordance with Section 152 of the Companies Act, 2013 Mr. Ashish Garg (DIN: 07486222) directors of the Company is liable to retire by rotation. Being eligible, he has offered themselves for re-appointment as director at the ensuing AGM.

During the year following changes occurred in the Board of Directors and Key Managerial Personnel during the year:

Sr. No.	Name of the person	Date of Event
1.	Mr. Ashish Garg was appointed as Non-Executive Director	22.04.2016
2.	Ms. Rishika was appointed as Company Secretary	17.06.2016
3.	Mr. Sugreev Singh was appointed as an Independent Director.	17.06.2016
4.	Mr. Dhirendra Sangal was appointed as an Independent Director.	17.06.2016
5.	Mr. Ramesh Chander was appointed as Chief Financial Officer	17.06.2016

18.BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of 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 Stakeholder Relationship Committees.

19. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year eighteen Board Meetings, Four Audit Committee Meetings, One Stakeholder Relationship Committee Meeting, Two Nomination and Remuneration Committee Meeting and one

Independent Director Meeting were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

20. AUDIT COMMITTEE

The Audit committee comprises of three members, out of whom two are Non-Executive and Independent Director and one is Managing director. During the year under review, the Committee met 4 (Four) times were held on 12th July, 2016, 23rd September, 2016, 23rd December, 2016 and 17th January, 2017 during the year.

The terms of reference of the Committee is in accordance with that specified in Regulation 18 of the SEBI(LODR) regulation, 2015 and also confirms to the requirements of provision of Section 177 of the Companies Act, 2013.

21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

In compliance with the requirements of Section 177 of the Companies Act, 2013 and regulation 22 of SEBI (LODR) Regulation, 2015, Company has established a vigil mechanism for the Directors and Employees of the Company through which genuine concerns regarding various issues can be communicated. The Company had adopted a Code of conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern their actions.
Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company and should be brought to the attention of the concerned.

22. NOMINATION AND REMUNERATION COMMITTEE
The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Director; sitting fee payable to our Non Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Independent Directors and Non-Executive Directors of the Company were not paid any sitting fee or any other remuneration or commission.
During the financial year 2016-17, remuneration has been paid to Mr. Sanjay Bansal(Managing Director) and Mrs. Priti Bansal (Director) of the Company.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Wherever applicable, prior approval is obtained for related party transactions for a transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length basis.
During the year, all the related party transactions entered into were on an arm's length basis. The Company has not entered into any material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. Suitable disclosure are required under Accounting Standard AS-18 have been made in the notes to the Financial Statements forming part of the Annual Report.
Information on transactions with related parties pursuant to Section 188 of the Act read with Rule are given in the prescribed Form AOC-2 and the same forms part of this Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that -

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had 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 and of the profit and loss of the company for that period;

c) the directors had 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;

d) the directors had prepared the annual accounts on a going concern basis;

e) 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; and

f) 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.

25. PARTICULARS OF EMPLOYEES:

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Particulars	**Name of the Employee: Mr Sanjay Bansal**	**Name of the Employee: Mrs. Priti Bansal**
Designation of the Employee	Managing Director	Director
Remuneration Received	5,40,000	1,08,000
Nature of Employment, whether contractual / otherwise	Permanent	Permanent
Qualification and experience of the Employee	20 years	10 years
Date of commencement of employment	2008	2015
The age of the employee	40 Years	38 years
The last employment held by such employee before joining the Company	NA	NA
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub - rule (2) of Rule 5	33.44%	0.06%
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Mrs. Priti Bansal(Spouse of Mr. Sanjay Bansal)	Mr. Sanjay Bansal (Spouse of Mrs. Priti Bansal)

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 as amended, has been furnished herein below.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Sanjay Bansal, Managing Director	Nil	Nil
2.	Mrs. Priti Bansal, Director	Nil	Nil
3.	Mr. Ramesh Chander, Chief Financial Officer	25%	Nil
4.	Ms. Rishika, Company Secretary	Nil	Nil

Note: No sitting fees paid to Independent Directors and hence not included in the above table.

i) The median remuneration of employees of the Company during the financial year was Rs 83,549/-.

ii) There were 45 permanent employees on the rolls of Company as on March 31, 2017

iv) As our Company got listed on National Stock Exchange- Emerge Platform on 06th day of October, 2016. The Median Remuneration is not applicable.

v) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

26. ACKNOWLEDGEMENTS

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

By order of the Board
For AVSL Industries Limited

Sd/-

Place : Delhi
Date: 29th May, 2017

Sanjay Bansal
Managing Director
DIN: 01467290

MANAGING DIRECTOR AND CFO CERTIFICATE

To,

The Board of Directors
AVSL Industries Limited
C-611-612, DSIDC Industrial Area
Narela, Delhi-110040

Subject: Certificate to the Board pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015

We, Mr. Sanjay Bansal, Managing Director, and Mr. Ramesh Chander, Chief Financial Officer of AVSL Industries Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed Financial statements and the Cash Flow Statement of the Company for the Year 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 statement 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.

2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls system pertaining to financial reporting for the Company, and we have :

a. Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with standards.

c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.

d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :

a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data,

and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

b. There were no significant changes in internal controls during the year covered by this report.

c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

5. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

6. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year.

FOR AVSL INDUSTRIES LIMITED

	Sd/-	Sd/-
Place: Delhi	**Sanjay Bansal**	**Ramesh Chander**
Date: 27th May, 2017	**Managing Director**	**Chief Financial Officer**
	DIN: 01467290	

MANAGEMENT DISCUSSION ANALYSIS REPORT

INTRODUCTION

Fundamentally, PVC is a synthetic resin made from the polymerization of vinyl chloride. It is the third largest plastic in production and consumption. Technology has gradually improved over time with improvements in safety, product quality, production volume, environmental issues and cost. A key feature of PVC is that it can be combined with additives and fabricated into a wide variety of forms. These include pipes and fittings, profiles and tubes, windows and doors, sidings, wires and cables, film and sheets, toys and other moulded products and floorings. This quality, together with features such as durability, self-extinguishing property, resistance to most chemicals and oil, mechanical strength and ease of processing, means that PVC is a competitive and attractive option for many end uses in construction and infrastructure, agriculture, electrical products and healthcare. Further, only 43 % of PVC's content comes from oil. The balance 57% comes from salt, meaning that PVC is less dependent on fossil fuels compared to other materials. This feature, coupled with the fact that PVC products can last up to 100 years, can be recycled and can provide products with good quality to price ratio, greatly reduces life cycle costs of PVC.

PVC INDUSTRY IN INDIA

There is no doubt that plastics is one of the crucial manufacturing elements in today's versatile global economy and plays a vital role in driving any country's economy. In fact, it has been one of the largest and fastest-growing industry sectors of the economy. In today's times, plastics emerged out as one of the most universally-used and widely used materials all across the world. With the increasing use of plastics in automobiles, consumer packaging and the result of increased infrastructure spending in India, the plastics industry is set to continue double-digit growth. Demand for plastics is also supposed to almost double to about 20 MMT by 2021 from the existing level of about 10 MMT. Increasing income levels and growing middle class will move up the demand for plastics in different end use segments such as automobiles, white goods, healthcare etc.

Did you know PVC industry in India is more than 5 decades old with its first manufacturing plant established in 1961? With the launch of various PVC products in 1970s, PVC consumption in country began doubling almost every five years. During 1985 - 1995, adoption of Green Revolution by the country lead to the surged usage of PVC pipes in the agriculture sector due to their exemplary performance. The consumption of PVC increased to 2 MMT by 2012 due to great infrastructure development in the country between 2004 and 2012 and because of contribution of PVC to end use applications including pipes, conduits, wires and cables, doors, partitions and windows.

It is relatively easy to find a PVC compounds manufacturer in India today which was very rare earlier. As it is an element which is used almost in every sector today including agriculture, automobiles, building & construction, electrical and electronics, food and pharmaceuticals, sports & leisure and more. Pipes & fittings industry comprises of 70% share of PVC consumption in the country followed by calendared products at 9%, wire & cables at 6%, and films at 5%. The recent announcements by the Government of India aim to take this industry to new success heights. The industry is all set to experienced great boom in the next few years.

EXPORT OF AGRO-BASED PRODUCTS

India is the world's second largest producer of rice, wheat and other cereals. The huge demand for cereals in the global market is creating an excellent environment for the export of Indian cereal products. In 2008, India had imposed ban on export of rice and wheat etc to meet domestic needs. Now, seeing the huge demand in the global market and country's surplus production, Country has lifted the ban, but only limited amount of export of the commodity are allowed. The allowed marginal quantity of exports cereals could not make any significant impact either on domestic prices or the storage conditions.

OPPORTUNITIES:

AVSL Industries Limited, being a Manufacturing and Trading Company is exposed to specific risks that are particular to its business and environment within which it operates volatility, investment cycle, credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the company. The Company continues to work on economies of scale & widening product portfolio. Our Company mainly focuses on customised products.. Company being Process driven, rather than Product driven, gives strength to absorb sudden impacts, if any, on our various Product demands.

THREATS:

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy / regulatory framework could impact the Company's operations.

OUTLOOK:

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its in order to add value to consumers. In the year 2016-17,The Company has come up with Public Issue and utilize the fund to meet the working capital requirement and issue expenses. Our Company always strives to cater the customized demand and our main focus is to cater the need of the PVC Industry and Import export of agro based commodities. Our company has achieved target revenues with high level of customer satisfaction. With very robust demand for company's products, Company has potential for adding capacities in coming period.

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSISREPORT:

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

By order of the Board
For AVSL Industries Limited

Sd/-

Place : Delhi
Date: 29.05.2017

Sanjay Bansal
Managing Director
DIN: 01467290

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
AVSL INDUSTRIES LIMITED
C-611-612 DSIDC, Industrial Area,
Narela, Delhi-110040

In connection with issue of a Secretarial Audit Report pursuant to Sec.204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of **AVSL Industries Limited** (Company) for the Financial Year ended **31st March, 2017,** we wish to state as under:-

1) **AVSL Industries Limited** is incorporated under the Companies Act, 1956 vide CIN-U18101DL2003PLC121698 issued by the Registrar of Companies, NCT of Delhi & Haryana.

2) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01st April, 2016 to 31st March, 2017 and report that the Company has complied with the various provisions of the said Act.

3) The Authorized Share Capital of the Company is Rs. 6,00,00,000/- (Six Crores) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- (Ten) each.

4) The Issued, subscribed and Paid up Capital of the Company is Rs. 5,33,11,200/- (Five Crore Thirty Three Lakh Eleven Thousand Two Hundred) divided into 53,31,120 (Fifty Three Lakh Thirty One Thousand One Hundred Twenty) Equity Shares of 10/- (Ten) each.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AVSL Industries Limited (**CIN-U18101DL2003PLC121698) (hereinafter called the Company).
Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation letter given by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31st March, 2017 **('Audit Period')**, the Company has, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

I. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) the rules made thereunder including any re-enactment thereof;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder.

IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable to the Company as there were no transactions in the Company in the period under review concerning the same]**;

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, 1992;

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 **[Not Applicable to the Company during the Audit Period];**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable to the Company during the Audit Period];**

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;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable to the Company during the Audit Period];**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable to the Company during the Audit Period];**

We have also examined compliance with Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

WE 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 year under review were carried out in compliance with the provisions of the Act.

- Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.

- Resolutions & Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.

We 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.

For U. S. & Associates
Company Secretaries

Sd/-

Akshit Gupta
(Partner)

FCS No: 8472
CP No: 11408

Place: New Delhi
Date: 10.06.2017

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

To,
The Members of
AVSL INDUSTRIES LIMITED
C-611-612 DSIDC, Industrial Area,
Narela, Delhi-110040

OUR REPORT OF EVEN DATE IS TO BE READ ALONG WITH THIS LETTER.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For U. S. & Associates
Company Secretaries

Sd/-

Akshit Gupta
(Partner)

FCS No: 8472
CP No: 11408

Place: New Delhi
Date: 10.06.2017

2.3 Annexure- to the Board's Report 2016-17

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions **not at arm's length basis** : NIL

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date of special resolution as per first proviso to section 188

2. Details of material contracts or arrangement or transactions **at arm's length basis** :

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any
Sinco Communication (India) Pvt. Ltd. (Father of Managing Director is Director)	Sale	Three years	Nil	01.04.2014	Nil
AVSL Foils Pvt. Ltd. (Managing Director is Director)	Rent	Eleven Months	Nil	25.05.2016	Nil
Hind Trading Global (Managing Director is Proprietor)	Purchase	Three years	Nil	01.04.2014	Nil
Sanjay Bansal (Managing Director in a Company)	Rent	Eleven Months	Nil	25.05.2016	Nil

FORM NO. MGT-9

EXTRACTOF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	U18101DL2003PLC121698
ii	Registration Date	08/08/2003
iii	Name of the Company	AVSL INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares Non-govt company
V	Address of the Registered office & contact details	Unit No. 1001, 10th Floor, NDM-2, Wazirpur District Centre, Netaji Subhash Place, Pitampura, Delhi-110034
Vi	Whether listed company	Yes
Vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED Add: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,Makwana Road, Marol, Andheri East, Mumbai 400059,Maharashtra.

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 & Description of main product/services	NIC code of the product/services	% of total turnover of the company
1.	Sales from Manufacturing of PVC products	998852	43.31%
2.	Sales from Import and Export of Pulses, Rice and Spices	99611111	56.69%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Not applicable					

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1)Indian									
a)Individual/ HUF	-	17,85,900	17,85,900	45.90%	35,70,840	-	35,70,840	66.98%	21.08 %
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e)Bank/FI	-	-	-	-	-	-	-	-	-

f) Any other.									
SUB TOTAL:(A) (1)	**-**	**1785900**	**1785900**	**45.90 %**	**35,70,840**	**-**	**35,70,840**	**66.98%**	**21.08 %**
(2)Foreign	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a)NRIs-Individuals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
b)Other Individuals	**-**	-	-	-	-	-	-	-	-
c)Bodies Corporate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
d)Banks/FI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
e)Any other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SUB TOTAL: (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**-**	**17,85,900**	**17,85,900**	**45.90 %**	**35,70,840**	**-**	**35,70,840**	**66.98%**	**21.08 %**
B.PUBLIC SHAREHOLDING	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1) Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Mutual Funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
b) Banks/FI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
c) Central Govt.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
d) State Govt.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
e) Venture Capital Funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1):	-	-	-	-	-	-	-	-	-
(2)Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	15,99,240	15,99,240	41.10%	1,80,000	-	1,80,000	3.38%	(37.72)%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 1 Lakh	-	5900	5900	0.15%	2200	-	2200	0.04%	(0.11 %)
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	-	5,00,080	5,00,080	12.85%	15,78,080	-	15,78,080	29.60%	16.75 %
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (2):	-	**3891120**	**3891120**	**100%**	**5331120**	**0**	**5331120**	**100%**	**0**
Total Public Shareholding (B)=(B)(1)+(	-	**3891120**	**3891120**	**100%**	**5331120**	**0**	**5331120**	**100%**	**0**

B)(2)									
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Grand Total (A+B+C)	-	**3891120**	**3891120**	**100%**	**5331120**	**0**	**5331120**	**100%**	**0**

(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change on Shareholding during the year
		No. of Shares	% of total shares of the company	% of pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of pledged / encumbered to total shares	
1.	Priti Bansal	3400	0.087%	Nil	3400	0.06%	Nil	(0.027)%
2.	Sanjay Bansal	17,82,500	45.81%	Nil	17,82,500	33.44%	Nil	(12.37)%
3.	Sanjay Bansal (HUF)	Nil	Nil	Nil	1,85,700	3.48%	Nil	3.48%
4.	AVSL Foils Private Limited	Nil	Nil	Nil	8,99,240	16.87%	Nil	16.87%
5.	Universal Polychem (India) Private Limited	Nil	Nil	Nil	4,80,000	9.00%	Nil	9.00%
6.	V.B. Polymers Private Limited	Nil	Nil	Nil	2,20,000	4.13%	Nil	4.13%

i. (iii) CHANGE IN PROMOTER'S SHAREHOLDING

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginning of the year				
	Priti Bansal	3400	0.087%	0	0%
	Sanjay Bansal	17,82,500	45.81%	0	0%
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Change in the Shareholding because of the allotment of Shares through Initial Public Offer dated 03rd October, 2016			
3.	At the end of the year				
	Priti Bansal	3400	0.06%	0	0%
	Sanjay Bansal	17,82,500	33.44%	0	0%
	Sanjay Bansal (HUF)	1,85,700	3.48%	0	0%
	AVSL Foils Private Limited	8,99,240	16.87%	0	0%
	Universal Polychem Private Limited	4,80,000	9.00%	0	0%
	V.B. Polymers Private Limited	2,20,000	4.13%	0	0%

(iv) SHAREHOLDINGPATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS & HOLDER OF GDRS & ADRS)

S No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Change in shareholding during the year		Shareholding at the end of the year as on 31.3.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rahul Chhajer	115600	2.97%	115600	2.17%	115600	2.17%
2.	Choice Equity Broking Private Limited	0	0	93000	1.74%	93000	1.74%
3.	Kusum Gupta	64100	1.65%	64100	1.20%	64100	1.20%
4.	Virender Bisht	0	0	63000	1.18%	63000	1.18%
5.	Pawan Kumar Gupta	0	0	63000	1.18%	63000	1.18%
6.	Nidhi Wadhwa	0	0	63000	1.18%	63000	1.18%
7.	Sanjeev Aggarwal	0	0	63000	1.18%	63000	1.18%
8.	Mamta Chhajer	0	0	57000	1.07%	57000	1.07%
9.	Om Prakash Wadhwa	0	0	51000	0.96%	51000	0.96%
10	Surbhi Singhal	0	0	51000	0.96%	51000	0.96%

(v) **SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginning of the year				
	PritiBansal	3400	0.087%	0	0%
	Sanjay Bansal	17,82,500	45.81%	0	0%
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Change in the Shareholding because of the allotment of Shares through Initial Public Offer dated 03rd October, 2016			
3.	At the end of the year				
	PritiBansal	3400	0.06%	0	0%
	Sanjay Bansal	17,82,500	33.44%	0	0%
	Ashish Garg	0	0%	0	0%
	Sugreev Singh	0	0%	0	0%
	Dhirendra Sangal	0	0%	0	0%
	Ramesh Chandar	0	0%	0	0%
	Rishika	0	0%	0	0%

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Rs`)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,43,98,669	4,35,50,318	Nil	8,79,48,987
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**4,43,98,669**	**4,35,50,318**	**Nil**	**8,79,48,987**
Change in Indebtedness during the financial year				
•Additions	2,49,77,481	29,34,005	Nil	2,79,11,486
•Reduction	Nil	Nil	Nil	Nil
Net Change	**2,49,77,481**	**29,34,005**	**Nil**	**2,79,11,486**
Indebtedness at the end of the financial year				
i) Principal Amount	6,93,76,150	4,64,84,323	Nil	11,58,60,473
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	6,93,76,150	4,64,84,323	**Nil**	**11,58,60,473**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: **(in Rs`)**

Sl.No.	Particulars of Remuneration	MD/WTD and/or Manager	Total Amount
		SANJAY BANSAL	
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	5,40,000	5,40,000
	(b) Value of perquisites u/s 17(2) Income tax	-	-

	Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission -as % of profit -others (specify)	-	-
5.	Others, please specify	-	-
	Total (A)	5,40,000	5,40,000

B. Remuneration to other director:-

(in Rs`)

S No.	Name of the Directors	Fee for attending Board/ Committee meetings	Conveyance Charges	Others	Total
1.	Priti Bansal	1,08,000	-		1,08,000

* No Commission was paid during the year.

** No fees has been paid to the Non-executive Directors and Independent Directors

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD (inRs`)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	**Gross Salary**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,00,000	1,95,000	4,95,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil

	(b) Value of perquisites u/s 17(3) Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	**3,00,000**	**1,95,000**	**4,95,000**

VIII. 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)

A.COMPANY

Penalty	**None**
Punishment	
Compounding	

B.DIRECTORS

Penalty	**None**
Punishment	
Compounding	

C.OFFICCERS IN DEFAULT

Penalty	**None**
Punishment	
Compounding	

For and on behalf of the Board of Directors of

AVSL INDUSTRIES LIMITED

Sd/-

SANJAY BANSAL
(Managing Director)
DIN: 01467290
Address: KU-109 VISHAKHA ENCLAVE,
PITAMPURA,DELHI 110034

Sd/-

PRITI BANSAL
(Director)
DIN: 07107908
Address : 109, BLOCK KU,
PITAMPURA DELHI 110088

Date: 29.05.2017
Place: New Delhi

Declaration / Certification:

a. Code of Conduct:

The Board has laid down a Code of Conduct applicable to all the Directors and senior management of the Company.

b. Managing Director & CFO Certification:

As per requirements of Corporate Governance Code, Mr. Sanjay Bansal, Managing Director and Mr. Ramesh Chander, Chief Financial Officer have jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31st March, 2017.

Declaration by Managing Director on Code of Conduct

I, Sanjay Bansal, Managing Director of AVSL Industries Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of AVSL Industries Limited, which has been applicable to all the Directors and senior management of the Company. The code of Conduct has been affirmed to by all the Directors and senior management of the Company.

Sd/-

Place: Delhi
Date: 01.06.2017

SANJAY BANSAL
MANAGING DIRECTOR
DIN: 01467290

Independent Auditor's Report

To

Members of AVSL INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **AVSL INDUSTRIES LIMITED**('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and 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 Standalone Financial Statements

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 and presentation of these standalone 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 standalone 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 the 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 the 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except non provision of retiring benefits of employees required as per accounting standard 15;

   e) on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at 31st March 2017 which would materially impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at 31st March 2017.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March 2017.

iv. The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note 21(3)(K) to the standalone financial statements.

For Gupta Jalan& Associates
Chartered Accountants

Sd/-

CA R.N.Jalan
Partner
M.No.-082389

Place: Delhi
The 27TH Day of May 2017

Annexure "A "to the Auditors' Report

The Annexure referred to in our report to the members of AVSL INDUSTRIES LIMITED ('the Company') for the year ended on 31stMarch 2017,we report that:

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   b) All the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No serious discrepancies have been noticed on such physical verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. a) The management has been conducted the physical verification of inventory at reasonable intervals.

   b) The discrepancies noticed on physical verification of the inventories as compared to books records which has been properly dealt with in the books of account were not material.

3. The Company had not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii) of the order is not applicable to the company.

4. In our opinion and according to the information and explanations given to us, the Company has not made any loan or advances or has not given any guarantee or investment as required under the provision of section 185 and 186 of Companies Act 2013 with respect to the loans, investments, guarantees and security.

5. The Company had not accepted any deposits from the public.

6. Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.

7. In respect of Statutory dues:-

i) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including income tax, service tax, sales tax, any other statutory dues to the appropriate authorities, however there have been delays in certain cases. Also, no undisputed amounts payable in respect of income tax, service tax, sales tax, any other statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

ii) According to the information and explanations given to us, there is no disputed statutory liability as on 31st March 2017.

8. In our opinion and according to the information and explanation to us, the company had taken loan from Banks or financial Institution; the Company has not defaulted in the repayment of dues to banks.

9. (i) According to the information and explanations given to us, company had raised money by way of initial public offer in October 06,2016. The Company was Listed on NSE SME Platform on

October 06, 2016 and total IPO Proceeds during the year is 518.40 Lakhs and the money was applied for the purposes for which those funds are raised.

(ii) According to the information and explanations given to us, the company had received term loan and had not defaulted in repayment of its installments during the year.

10. According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed during the course of our audit.

11. According to the information and explanations given to us, The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company; therefore the provisions of Nidhi companies are not applicable on the company.

13. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and Sections 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The registration with Reserve Bank of India under section 45-IA of the Reserve Bank of India Act 1934 is not applicable on the company.

FOR GUPTA JALAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

CA R.N.Jalan
Partner
M.No.-082389

Place: Delhi
The 27 Day of May 2017

Annexure B" to the Independent Auditor's 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 **AVSL INDUSTRIES LIMITED** ('the Company') as of 31st March 2017 in conjunction with our audit of the standalone 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 ('ICAI').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. The company is in process of designing internal financial control system as per guidance note on audit of internal financial control over financial reporting issued by ICAI.

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 of financial records and documents even though the company is in process of designing and implementation of internal control financial system to the extent applicable to an audit of internal financial control as prescribed in guidance note on audit of internal financial control over financial reporting and accounting standards as issued by ICAI. Those Standards and the Guidance 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) providereasonable assurance that transactions arerecorded 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. We are of the opinion that after designing and implementation of internal control system as per guidance note on audit of internal financial controls over financial reporting issued by ICAI will not substantiallyimpact on our opinion on internal financial control system presently implemented in the company. The present system of internal financial control is effectively prevailing in the company.

for Gupta Jalan& Associates
Chartered Accountants

Sd/-

CA R.N.Jalan
Partner
M.No.-082389

Place: Delhi
The 27thDay of May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	NOTE	AS AT 31.03.2017	AS AT 31.03.2016
A EQUITY AND LIABILITIES			
1 **Share Holder's Fund**			
i)Share Capital	1	53,311,200	38,911,200
ii)Reserve & Surplus	2	66,648,906	22,016,819
		11,99,60,106	**6,09,28,019**
2 **Non Current Liabilities**			
i)Long-Term Borrowings	3	2,950,463	-
3. **Current Liabilities**			
i)Short term Borrowings	4	115,860,473	87,948,987
ii)Trade Payables (Other than MSME)		201,985,107	235,305,822
iii)Other Current Liabilities	5	12,384,011	6,059,087
iv)Short term Provisions	6	6,266,480	1,633,439
		339,446,534	**33,09,47,334**
Total in Rs.		**459,406,640**	**391,875,353**
B ASSETS			
1. Non Current Assets			
i)Tangible Assets	7	43,141,966	26,636,866
ii)Long Term Loans & Advances	8	2,572,117	2,271,717
iii)Deferred Tax Assets		1,255,142	347,983
		46,969,225	29,256,566
2. Current Assets			
i)Inventories	9	49,629,939	114,443,893
ii)Trade Receivable	10	317,217,378	225,018,499
iii)Cash & Cash Equivalents	11	9,352,811	10,483,116
iv)Short Term Loans & Advances	12	36,237,287	12,673,279
		412,437,415	**362,618,787**
Total in Rs.		**459,406,640**	**391,875,353**

The accompanying notes 1 to 21 are and integral part of the financial statements

As per our report annexed
For Gupta Jalan& Associates
Chartered Accountant
Sd/-

R.N Jalan
Partner
M.No. 082389

Place: Delhi

The 27th day of May 2017

For and on behalf of Board of Directors

Sd/-

SANJAY BANSAL
(Managing Director)
DIN- 01467290

SD/-

RAMESH CHANDER
(Chief Financing Officer)
PAN: AVJPC3968M

Sd/-

PRITI BANSAL
(Director)
DIN-07107908

SD/-

RISHIKA
(Company Secretary)
M.NO-43726

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2017	FOR THE YEAR ENDED 31.03.2016
I REVENUE FROM OPERATIONS			
i)Sales (Net of stock transfer)	13	783,923,527	669,148,351
ii)Other Income	14	20,202,917	16,805,317
Total Revenue (A)		**804,126,444**	**685,953,668**
II EXPENDITURE			
i)Materials Consumed	15	286,531,094	311,179,846
ii)Cost of Trading Goods	16	423,469,060	308,377,194
Iii)Change in value of Stock of Finished Goods/Work-in-process	17	2,696,511	(4,782,198)
iv)Employee Benefits Expenses	18	6,512,902	10,608,094
v)Finance Costs	19	8,348,014	4,071,661
vI)Other Expenses	20	61,918,082	52,442,258
vii)Depreciation Written Off	7	2,644,531	1,252,809
Total Expenses (B)		**792,120,194**	**683,149,664**
ProfitBefore Exceptional & Extraordinary Items & Taxation		12,006,250	2,804,004
III Exceptional & Extra Ordinary Items		578,060	-
Profit After Extraordinary Items		11,428,190	2,804,004
Profit Before Tax		11,428,190	2,804,004
V Tax Expenses :			
i) Provision for Taxation		5,004,870	989,832
ii) Deferred Tax (Asset)/Liability		907,159	103,577
iii) Income Tax for Earlier Year		138,391	10,100
Profit After Taxation		**7,192,088**	**1,907,649**
VI Earning Per Share(of Rs.10/- each)			
i)Basic earning Per Share		**1.56**	**0.58**
ii)Diluted earning Per Share		**1.56**	**0.58**

In Accompanying notes 1 to 21 are and integral part of the financial statements

As per our report annexed
For Gupta Jalan& Associates
Chartered Accountant
Sd/-

R.N Jalan
Partner
M.No. 082389

Place: Delhi

The 27th day of May 2017

For and on behalf of Board of Directors

Sd/-

SANJAY BANSAL
(Managing Director)
DIN- 01467290

SD/-

RAMESH CHANDER
(Chief Financing Officer)
PAN: AVJPC3968M

Sd/-

PRITI BANSAL
(Director)
DIN-07107908

SD/-

RISHIKA
(Company Secretary)
M.NO-43726

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	11,428,190	2,804,004
Adjustments For :		
Depreciation	2,644,531	1,252,809
Interest Expenses	8,348,014	4,071,661
Interest Income	(267,075)	(185,697)
(Profit)/Loss on Sale of Fixed Assets	(141,662)	(71,349)
Preliminary Expenses Written off	-	-
Transfer to Reserves	-	-
Operating Profit before working capital Changes	**22,011,999**	**7,871,428**
Adjustments For :		
(Increase)/ Decrease in Sundry Debtors	(92,198,879)	(181,673,756)
(Increase)/ Decrease in Inventories	64,813,954	(62,427,922)
(Increase)/Decrease in Loans & Advances and other current assets	(23,564,008)	(3,265,518)
Increase/ (Decrease) in Sundry Creditors and other liabilities	(22,362,750)	136,484,465
Cash Generated From Operations	**(51,299,684)**	**(103,011,304)**
Less: Direct Tax Paid	5,143,261	999,932
Net Cash Generated From/(used in) Operating Activities	**(56,442,945)**	**(104,011,236)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net of subsidy received)	(19,239,970)	(344,500)
Proceeds from sales of Fixed Assets	232,000	870,985
Purchase of Long Term Investment	-	-
Interest Received	267,075	185,697
Increase in Long Term Loan & Advances	(300,400)	(428,956)
Net Cash Generated from (used in) investing activities	**(19,041,296)**	**283,226**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital / Share Application Money	14,400,000	6485,200
Share Premium Account including reserves	37,440,000	16,861,520
Proceeds from Secured & Unsecured loans	27,911,486	83,121,647
Interest / Financial Charges	(8,348,014)	(4,071,661)
Increase/(Decrease) in Long Term Liabilities	2,950,463	-
Net Cash Generated from (used in) Financing Activities	**74,353,935**	**102,396,706**
I Total increase (decrease) in cash and cash equivalents during the year (A+B+C)	**(1,130,305)**	**(1,331,304)**
II Cash and cash equivalents at beginning of year	**10,483,116**	**11,814,420**
III Cash and cash equivalents as at 31st March 2016 (I+II)	**9,352,811**	**10,483,116**

As per our report annexed **For and on behalf of Board of Directors**

For Gupta Jalan& Associates
Chartered Accountant

Sd/- Sd/- Sd/-

R.N Jalan **SANJAY BANSAL** **PRITI BANSAL**
Partner **(Managing Director)** **(Director)**
M.No. 082389 **DIN- 01467290** **DIN-07107908**
FRN-03721N
Place: Delhi SD/- SD/-

The 27th day of May 2017 **RAMESH CHANDER** **RISHIKA**
(Chief Financing Officer) **(Company Secretary)**
PAN: AVJPC3968M **M.NO-43726**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
SHARE CAPITAL		
Authorised Share Capital		
60,00,000(Previous year 60,00,000) Equity Shares of Rs. 10/- each	60,000,000	60,000,000
Issued Subscribed & Paid up		
53,31,120 (Previous year 38,91,120 equity shares of Rs.10/- fully paid up, including 29,18,340 bonus share issued as capitalisation of reserves)	53,311,200	38,911,200
Total Rs.	53,311,200	38,911,200
A) Reconcilation of Number of Ordinary Shares Outstanding	**No. of Shares**	**No. of Shares**
As at Beginning of the Year		
Fully paid up	3,891,120	324,260
Add : Issue of Shares		
i)Fully paid up	1,440,000	-
ii) As Bonus by capitalisation of reserve	-	2,918,340
iii) Right issue	-	648,520
As at the End of the Year		
Fully paid up	5,331,120	3,891,120
B) Share holders holding more than 5% of the ordinary shares in the company		
S.No. Name	**No. of shares**	**No. of shares**
1. VB POLYMERS PVT. LTD	-	220,000
2. UNIVERSAL POLYCHEM PVT. LTD	480,000	480,000
3. AVSL FOILS PVT. LTD.	899,240	899,240
4. SANJAY BANSAL (HUF)	-	185,700
5. SANJAY BANSAL	1,782,500	1,782,500
C) Ordinary Shares allotted as fully paid up Bonus shares for the period of five years immediately preceding 31st March		
	No. of shares	
Bonus Shares issued in 2015-16	2,918,340	

NOTE 2

PARTICULARS		AS AT 31.03.2017	AS AT 31.03.2016
RESERVES & SURPLUS			
Surplus in Profit & Loss account			
Brought Forward From Previous Year		3,822,299	1,914,650
Profit for the Year		7,192,087	1,907,649
Carried to Next Year	**(A)**	**11,014,386**	**3,822,299**
Share Premium Account			
Opening Balance		18,194,520	30,516,400
Add:- Received during the year		37,440,000	16,861,520
Less:- Utillized for issue of bonus share		-	29,183,400
	(B)	**55,634,520**	**18,194,520**
Total Rs.	**(A+B)**	66,648,906	22,016,819

NOTE 3

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
LONG TERM BORROWINGS		
MEDIUM TERM LOANS		
From Banks	2,950,463	-
Total Rs.	**2,950,463**	**-**

F.Y. 2016-17

Particulars	Repayable within 1 year	Repayable 1 year to 5 years	Total
For the Year Ended 31/03/2017			
1) Medium Term Loan			
From Bank			
(a) against Vehicles	1,192,663	2,950,463	4,143,126
(b) other than Vehicles			
Total Rs.	**1,192,663**	**2,950,463**	**4,143,126**

F.Y. 2015-16

Particulars	Repayable within 1 year	Repayable 1 year to 5 years	Total
For the Year Ended 31/03/2016			
1) **Medium Term Loan**			
From Bank	-	-	-
(a) against Vehicles			
(b) other than Vehicles	-	-	-
Total Rs			

Medium Term Medium Term Loans of Rs 41.43 Lacs against vehicle from banks repayable in equated period of instalments up to a period of three to five years from the date of respective loans. These loans are repayable on different dates carrying different rate of interest. These are secured against hypothecation of vehicles and personal guarantee of directors.

NOTE 4

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
SHORT TERM BORROWINGS		
Secured Loan		
Working Capital Loan From bank	68,183,487	44,398,669
Unsecured Loan		
From Directors & relatives	32,133,012	22,207,385
From Body Corporates	14,351,311	21,342,933
Current Maturities of Long Term Debt (including interest accrued)	1,192,663	-
	115,860,473	**87,948,987**

***Working Capital Loan**

The company has received working capital facilities of Rs 700/- lakhs from Standard Chartered Bank previous year from Yes Bank. Secured against charge on current assets of the company, collaterally secured against equitable mortgage of company's industrial properties at C block Narela Industrial Park, New Delhi and residential property of directors and lien on fixed deposits besides personal guarantee of Sanjay Bansal and PritiBansal directors of the company and corporate guarantee of Sanjay Bansal HUF.

NOTE 5

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
Other Current Liabilities		
Advance from Customers	144,830	1,906,370
Expenses Payable	12,239,181	4,152,717
Total Rs.	**12,384,011**	**6,059,087**

NOTE 6

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
SHORT TERM PROVISIONS		
Statutory Liabilities	1,261,610	643,607
Provision for Taxation	5,004,870	989,832
Total Rs.	6,266,480	1,633,439

NOTE 7

	GROSS BLOCK				DEPRICATION				NET BLOCK	
Particulars	**As At 01.04.2016**	**Additions during the year**	**Sale during the year**	**As at 31.03.2017**	**Up to 31.03.2016**	**For the year**	**Written off for the year ended**	**Upto 31.03.2017**	**As at 31.03.2017**	**Asat 31.03.2016**
Land	22,670,880	9,843,137	-	32,514,017	-	-	-	-	32,514,017	22,670,880
Buildings	2,132,770	-	-	2,132,770	1,113,466	95,845	-	1,209,311	923,459	1,019,304
Plant & Machineries	4,253,598	2,334,619	35,700	6,552,517	1,921,070	540,617	19,722	2,441,965	4,110,552	2,332,528
Car	3,542,045	6,886,060	911,375	9,516,730	2,982,087	1,902,674	837,014	4,047,748	5,468,982	559,958
Furniture & Fixtures	8,460	-	-	8,460	7,557	285	-	7,842	618	903
Computer	175,194	174,050	-	349,244	119,796	105,110	-	224,906	124,338	55,398
Total Rs.	**32,782,947**	**19,237,866**	**947,075**	**51,073,738**	**6,143,976**	**2,644,531**	**-**	**7,931,772**	**43,141,966**	**26,638,971**
Previous year Figures	34,725,056	344,500	2,286,609	32,782,947	6,380,245	1,252,809	-	6,146,081	26,636,866	28,344,811

NOTE 8

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
LONG TERM LOANS & ADVANCES Security deposits	2,572,117	2,271,717
Total Rs.	**2,572,117**	**2,271,717**

NOTE 9

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
INVENTORIES (As taken, valued and certified by the management) Refer Note 21 (F)		
Raw Materials	19,035,624	20,965,917
Packing Materials	1,068,188	88,571
Finished Goods	2,924,950	2,621,250
Work In Process	1,944,706	4,944,917
Trading Goods	24,656,471	85,823,239
Total Rs.	**49,629,939**	**114,443,894**

NOTE 10

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
TRADE RECEIVABLES		
(Unsecured, Consider Good)		
More Then Six Months	25,950,517	4,743,417
Others	291,266,861	220,275,082
Total Rs.	**317,217,378**	**225,018,499**

NOTE 11

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
CASH & CASH EQUIVALENTES		
Cash in hand (As certified)	1,178,450	1,540,943
Balance with scheduled banks in current account	4,209,878	5,616,408
Fixed Deposit against margin money with Scheduled bank included interest accrued thereon	3,964,484	3,325,765
Total Rs.	**9,352,812**	**10,483,116**

NOTE 12

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
SHORT TERM LOANS & ADVANCES		
Prepaid Expenses	620,527	272,751
Advance Income Tax	4,491,357	2,073,300
Advance to Suppliers & Others	31,125,403	10,327,228
Total Rs.	**36,237,287**	**12,673,279**

NOTE 13

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
SALES		
I) Trading Sales		
Export	193,379,411	151,403,801
Domestic	590,544,116	517,744,550
	783,923,527	**669,148,351**

NOTE 14

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
OTHER INCOME		
Interest Received	267,075	185,697
Discount Received	17,919,341	8,978,000
Job Work Charges Received	1,680,310	1,964,473
Duty Draw Back	479,508	476,660
Fluctuation in Foreign Currency	(301,574)	5,129,138
Profit on sale of Car	141,661	71,349
Other Income	16,597	-
	20,202,917	**16,805,317**

NOTE 15

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
MATERIAL CONSUMED		
(A) RAW MATERIALS		
Opening Stock	20,965,917	16,489,379
Purchased during the year	290,794,433	320,530,310
Total	**311,760,350**	**337,019,689**
Less: Raw Material transfer to trading goods	6,239,825	5,141,055
Less: Closing Stock	19,035,624	20,965,917
Raw Materials Consumed	**286,484,901**	**310,912,717**
(B) PACKING MATERIALS		
Opening Stock	88,571	37,593
Add: Purchased during the year	1,025,810	318,107
	1,114,381	**355,700**
Less: Closing Stock	1,068,188	88,571
Packing Materials Consumed	46,193	267,129
Total Material Consumed Rs. (A+B)	**286,531,094**	**311,179,846**

NOTE 16

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
Cost of Trading Goods		
Opening Stock	85,823,239	32,705,031
Add: Purchased during the year	356,062,468	356,354,346
Add: Transfer from raw materials	6,239,825	5,141,055
	448,125,531	**394,200,432**
Less: Closing Stock	24,656,471	85,823,239
Cost of Trading Goods	**423,469,060**	**308,377,194**

NOTE 17

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
INCREASE/DECREASE IN CLOSING STOCKOF FINISHED GOODS AND WORK-IN PROCESS		
Closing Stock		
Finished Goods	2,924,950	2,621,250
Work in Process	1,944,706	4,944,917
	4,869,656	**7,566,167**
Less: Opening Stock		
Finished Goods	2,621,250	947,549
Work in Process	4,944,917	1,836,420
	7,566,167	**2,783,969**
Total Rs.	**2,696,511**	**(4,782,198)**

NOTE 18

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	5,274,261	2,945,394
Employer Contributions towards ESI & EPF	590,641	462,700
Directors Remuneration	648,000	7,200,000
Total Rs.	**6,512,902**	**10,608,094**

NOTE 19

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
FINANCE COST		
Interest Paid		
On Term Loans	385,650	-
On Unsecured Loans	4,826,374	2,695,471
On Working capital Loan	2,158,437	1,052,821
Bank Charges	977,552	323,369
Total Rs.	**8,348,014**	**4,071,661**

NOTE 20

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
OTHER EXPENSES		
A) Manufacturing Expenses		
Power & Fuel	19,954,597	22,632,434
Cartage Inward	10,319,150	9,237,138
Consumable Store	-	148,157
Total Rs	**30,273,747**	**32,017,729**
(b) Administrative Expenses		
Printing & Stationeries	4,625	29,344
Postage, Telegram & Telephone Exenses	407,039	199,204
Fees &Scubscription	135,832	38,000
Insurance Expenses	169,859	124,311
Legal & Professional Charges	446,531	16,250
Repair & Maintenance	575,597	22,100
Rent Paid	3,578,381	1,955,938
General Expenses	2,972,046	923,720
Share listing Expenses	2,877,161	456,000
Auditors Remuneration		
Audit Fees	200,000	57,250

Certification Charges	67,998	-
Total Rs	**11,435,069**	**3,822,117**
(c)Selling & Distribution Expenses		
Discount on Sale	35,13,087	2,153,170
Commission on sales	297,345	224,759
Clearing & Forwarding Expenses	9428203	7,074,782
Advertisement & Business promotion	122462	8,311
Cartage Outward	6766911	7,141,389
Central Sales tax Paid on Stock Tfr.	81258	-
Total Rs.	**20,209,266**	**16,602,411**
Total Rs. (a+b+c)	**61,918,081**	**52,442,258**

Note No. 21

ACOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

1. ACCOUNTING POLICIES

a) CONVENTION

The accounts are prepared on the accrual basis under the historical cost convention in accordance with the provisions of The Companies Act, 2013 and with the Accounting standard issued by the Institute of Chartered Accountants of India.

b) SALES

Sales comprises export & domestic sales.

c) Purchases and Sales are accounted for net of Value Added Tax of state Governments.

d) TANGIBLE FIXED ASSETS

Fixed Assets are stated at their historical cost including freight, taxes and other incidental expenses related to acquisition/installation.

e) DEPRECIATION

The depreciation has been charged on written down value method based on year/remaining year of life of assets as prescribed in schedule-II of the Companies Act, 2013.

f) **INVENTORY VALUATION**

The inventory has been physically taken by the management at the end of the year. There is no significant discrepancies found in physical stock and books stock which has been properly accounted for in the books of accounts and inventory has been valued as under :

The company followed system of valuation of raw materials, packing materials at cost (FIFO) and finished goods at cost or market price i.e. sales price less gross profit margin, whichever is lower respectively. Whereas valuation of work-in process are being taken on cost or realisation value whichever is lower.

g) RETIREMENT BENEFITS TO THE EMPLOYEES:

The company had made provision for gratuity for its employees, who had completed five years of service for 15 days each of completed year of service. However no certificate of actuarial valuation has been obtained. Other retirement benefits will be accounted for as and when paid.

CONTINGENT LIABILITES (AS CERTIFIED)		Current Year 31.03.2017 (Rs)	Previous Year 31.03.2016 (Rs)
A.	Claim against the company not acknowledged as debt	Nil	Nil
B.	Outstanding Letter of Credit	Nil	Nil
C.	Margin money (FDR) for Bank Guarantee on behalf of third party	6,58,000	2,842,000
D.	Estimated amount of outstanding Capital Commitment	Nil	Nil

(3) NOTES ON ACCOUNT

A. Earning Per Share		
Profit Attributable to Equity Shares	7,192,088	1,907,649
Weighted Average no. of Shares (Excluding Potential Shares)	4,597,312	3,265,698
Weighted Average no. of Shares (Including Potential Shares)	4,597,312	3,265,698
Basic Earning Per Share	1.56	0.58
Diluted Earning Per Share	1.56	0.58
B. CIF Value of Imports		
Raw Materials	12,803,262.00	168,521,362.00
Trading Goods	172,564,714.00	-
C. Expenditure in Foreign Currency		
Raw Materials	12,803,262.00	161,567,502.00
Trading Goods	166,602,774.00	-
D. FOB Value of Exports	193,379,411.00	151,403,801.00

Name of the Related	Relation	Nature of Transaction	Opening Balance	Volume of Transactions		Closing Balance
				Dr.	Cr.	
Sanjay Bansal	Director	Salary	-	540000.00	540000.00	-
		Loan	12,995,710.00	22523000.00	30475000	20,947,710.00
		Interest on loan	409,602.00	373821.00	1869106	1904887.00
		Rent	-	436950.00	805500	368550.00
Sinco Communication (India) Pvt. Ltd.	Director is Director	Sale	-	2098131.00	933463	1164668.00
Priti Bansal	Director	Salary	670,000.00	778000.00	108000	-
		Loan	8,250,000.00	1811403.00	1461000	7,899,597.00
		Interest on loan	552,073.00	92083.00	920828	1,380,818.00
AVSL Foils Pvt. Ltd	Director is Director	Rent	-	360000.00	360000.00	-
		Reimbursement of Electricity Exp.	-	192040.55	192040.55	-
Hind Trading Global	Director is Proprietor	Purchase	2,199,450.00	5694852.00	7894302	-

F. In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the aggregate amount as shown in the Balance Sheet.

G. The outstanding balances of sundry debtors and creditors are as per the books of accounts of the Company which are subject to confirmations and reconciliation, if any.

H. Previous year figures have been regrouped/rearranged wherever found necessary.

I. The company has been converted into public limited company w.e.f. 24.05.2016 .
J. The Company has given Rs. 2 Lakhs advance for expenses of wholly owned subsidiary to be established at Dubai, which will be reimbursed as and when the company starts its operations.

K. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

	SBNs	**Other Denominations notes**	**Total**
Closing cash in hand as on 08.11.2016	3,050,000.00	787,232.50	3,837,232.50
(+) Permitted receipts	-	720,000.00	720,000.00
(-) Permitted payments	-	462,871.00	462,871.00
(-) Amount deposited in Banks	3,050,000.00	-	3,050,000.00
Closing cash in hand as on 30.12.2016	**-**	**1,044,361.50**	**1,044,361.50**

That additional commissioner central excise department, Delhi had raised the demand of Rs 1110529/- on 28.01.2016 towards evasion of central excise duty and penalty after verification of documents seized at the time of survey at company's premises on 21.09.2011 .The company had already deposited Rs. 10 lacs as an advance and had furnished the bank guarantee of Rs 317965/- and surety bond of Rs 7217797/- . The commissioner alleale 1 central Excise Delhi had upheld the above said duties and penalties on 20/03/2017.
Note 1 to 21 are forming part of Balance Sheet, Profit & Loss & Cash Flow Statement and have bee authenticated by the directors.

As per our report annexed
For Gupta Jalan& Associates
Chartered Accountant

Sd/-
R.N Jalan
Partner
M.No. 082389

For and on behalf of Board of Directors

Sd/-
SANJAY BANSAL
(Managing Director)
DIN- 01467290

Sd/-
PRITI BANSAL
(Director)
DIN-07107908

Place: Delhi

The 27th day of May 2017

SD/-
RAMESH CHANDER
(Chief Financing Officer)
PAN: AVJPC3968M

SD/-
RISHIKA
(Company Secretary)
M.NO-43726

Annexure-1

DEPRICATION ALLOWABLE AS PER INCOME TAX ACT

Particulars	Rate	W.D.V as at 01.04.2016	Addittions upto 30.09.2016	Additions after 30.09.2016	Sold during the year	Subsidy	Additions/Deduction during the Year on account of following adjustment		Depriciation During the year	W.D.V as at 31.03.2017
Land	-	22,670,880.00	5,259,137.00	4,584,000.00	-	-	-	-		32,514,017.00
Buildings	10.00	978,881.00	-	-	-	-	-	-	97,888	880,993.00
Machineries	15.00	1,989,156.00	493,619.00	1,841,000.00	25,000.00	-	-	-	789,565	3,509,210.00
Generator	15.00	49,850.00	-	-	-	-	-	-	7,478	42,372.00
Computer	60.00	42,138.00	145,750.00	28,300.00	-	-	-	-	121,223	94,965.00
Furniture & Fixtures	10.00	6,743.00	-	-	-	-	-	-	674	6,069.00
Car	15.00	2,025,376.00	6,008,548.00	877,512.00	207,000	-	-	-	1,239,852	7,464,584.00
Total Rs.	-	**27,763,024.00**	**11,907,054.00**	**7,330,812.00**	**232,000.00**	-	-	-	**2,256,680**	**44,512,210.00**

PROXY FORM

AVSL INDUSTRIES LIMITED

CIN: U18101DL2003PLC121698

Regd. Office: Unit No. 1001, 10th Floor, NDM-2, Wazirpur District Centre, Netaji Subhash Place, Pitampura, Delhi-110034
Tel: 011-47561234, 011-45561234
Website: WWW.AVSL.CO.IN
E-mail: avsl_pvc@avsl.co.in, avslagricom@gmail.com

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

I/We being the Member(s), holding _____ of the above named company, hereby appoint:

1	Name Address Email id	Signature
2	Name Address Email id	Signature
3	Name Address Email id	Signature

As my / our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting to be held on Wednesday, 27th day of September, 2017 at CROWNE PLAZA, Pearl Ballroom, Twin District Centre, Sector-10, Rohini, New Delhi- 110085:

Ordinary Business:

1. Adoption of Financial Statements for the year ended 31.03.2017.

2. Re-appointment of Mr. Ashish Garg who retires by rotation.

5. Ratification of appointment of M/s Gupta Jalan & Associates, Chartered Accountants, Delhi as Auditors and fixing their remuneration.

In this 28th day of August, 2017

Signature of shareholder: _____ Signature of Proxy holder(s): _____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company

Form No. MGT-12

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company		**AVSL INDUSTRIES LIMITED**		
Registered Office		CIN: U18101DL2003PLC121698 Unit No. 1001, 10th Floor, NDM-2, Wazirpur District Centre, Netaji Subhash Place, Pitampura, Delhi-110034 Ph: +91-011-47561234/45561234 Email:- avsl_pvc@avsl.co.in avslagricom@gmail.com Website: www.avsl.co.in		
Sr.No	Particulars	Details		
1	Name of the First Named Shareholder (In Block Letter)			
2	Postal Address			
3	Registered Folio No./8 Client ID No. (* Applicable to investors holding shares in dematerialized form)			
4	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner.				
No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1	To receive, consider and adopt the Audited Financial Statement compromising the Balance Sheet as at March 31, 2017 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with Report of Directors and Auditors thereon (Ordinary Resolution)			

3	To re-appoint a Non-Executive Director Mr. Ashish Garg who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).			
4	To ratify the appointment of M/s. Gupta Jalan & Associates, Chartered Accountants as Auditors of the Company and authorize the Board of Directors to fix their remuneration (Ordinary Resolution)			

Date:

Place: Delhi (Signature of the Shareholder)

ATTENDANCE SLIP
(To be handed over at the entrance of the meeting hall)

14th ANNUAL GENERAL MEETING – SEPTEMBER 27, 2017

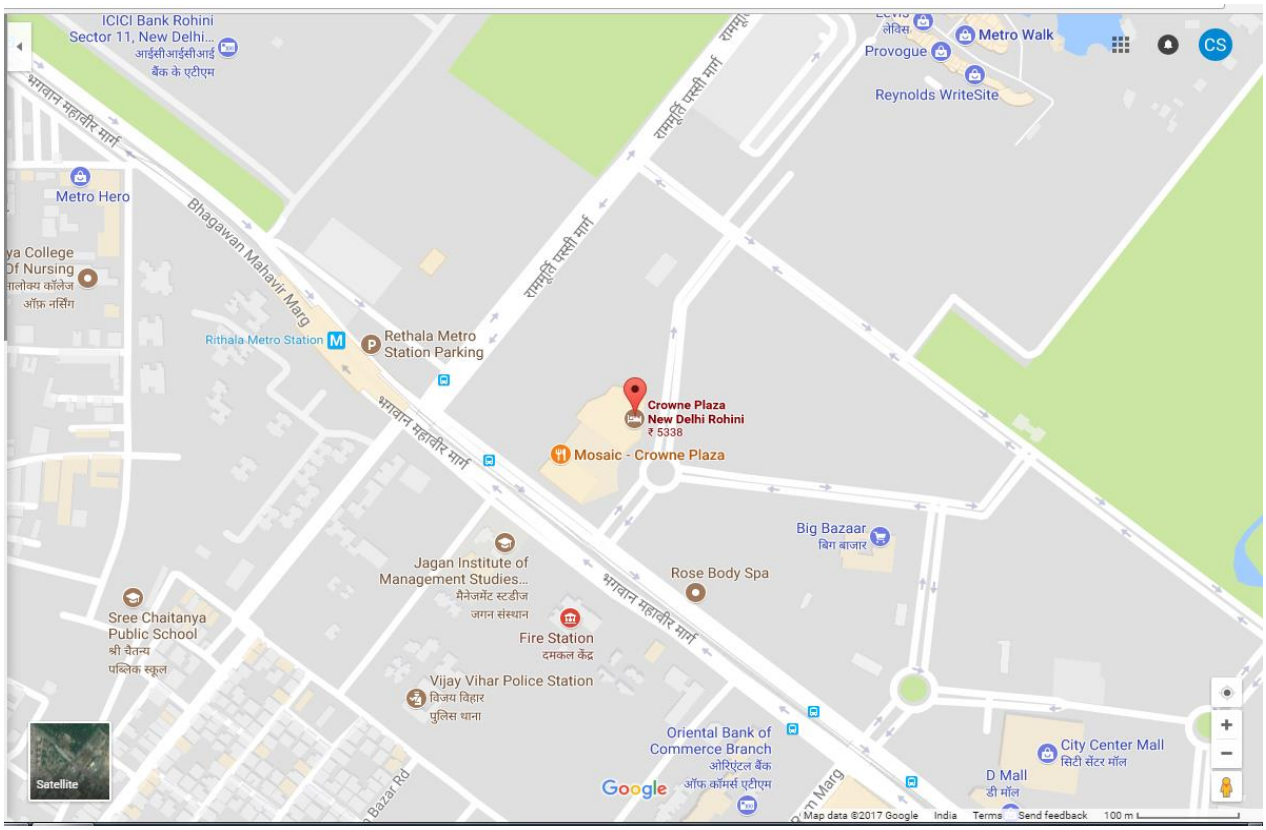
Members' Name and Address details	

Reg. Folio No.	
DP & Client No.	
No. of Shares Held	

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 14th Annual General Meeting of the Company at CROWNE PLAZA, Pearl Ballroom, Twin District Centre, Sector-10, Rohini, New Delhi-110085 at 10.30 A.m. on Wednesday, 27th day of September, 2017.

Member's Name: _____ Proxy's Name:_____
Member's/Proxy's Signature_____

ROUTE MAP FOR THE ANNUAL GENERAL MEETING



AVSL
INDUSTRIES LIMITED

REGISTERED OFFICE:

Uni No. 1001, NDM-2, Wazirpur District Centre, Netaji Subhash Place,
Pitampura, New Delhi- 110034

DELHI WORKS:

C-611-612, DSIDC Industrial Area, Narela, Delhi- 110040

BHIWADI WORKS:

E-675, Bhiwadi I to IV, Ph. Ghatal, Samtal, Bhiwadi (Unit-1), Distt. Alwar, Rajasthan-301019

GUJARAT WORKS:

Plot No. 2006, Halol, GIDC Estate, Halol, Godhara (PMS)-389350
Plot No.717, Halol-2 and Halol-Maswad Industrial Estate, Gujarat
Plot No. 1702, GIDC, Umbergoan, Valsad, Gujarat-396171