

AVON MERCANTILE LIMITED

YOUR SMALL BUSINESS FINDING SCHEME

ANNUAL REPORT 2021-2022

AVON MERCANTILE LIMITED

Upper Basement, Smart Bharat Mall, Secto-25A, Gautam Budh Nagar, Noida,
Uttar Pradesh-201301

CIN: L17118UP1985PLC026582, Website: www.avonmercantile.co.in
Email id: avonsecretarial@gmail.com





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OVERVIEW OF THE COMPANY

Avon Mercantile Limited is one of the NBFCs, promoted by its first subscribers, Smart Bharat Private Limited and Oasis Cineplex Private Limited. The Company since its incorporation is engaged in the activities of investment, providing inter-corporate deposits, short-term loans and advances to its group companies.

Avon Mercantile Limited is a Public Limited Company listed with BSE Limited and Calcutta Stock Exchange Limited. The Company was established on January 21st, 1985 and is registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company.

The Company has always been an innovator par excellence that enabled it to lead the way and stay ahead in the game. The Company does not accept public deposits.

THE VISION

The Company is incorporated with the main objects to carry on all or any of the business of buyers, sellers, producers, manufactures, to act as financiers with the object of financing by bridge loans, inter corporate deposits, to lend or deal with the money either with or without interest or security and to arrange, negotiate loans.

Avon Mercantile Limited as on date do not have any Subsidiary Company (ies)

LOOKING AHEAD

As a company focused on providing loans, AVON MERCANTILE LIMITED is prone to the concentration risk. Financial sector regulators in India have been expressing concern over the concentration risk inherent in the mono-line business model. To assuage their concerns, the company has always initiated bold moves to become a multi-product company.



CORPORATE Information

Details of the Board of Directors and Management

Whole -time Key Managerial Personnel

Mr. Jagdutt Kumar Sharma

Chief Financial Officer

Mr. Gopal Singh Negi

Non- Executive Director

Independent Directors

Ms. Seema Salwan

Mr. Siddeshwar
Kumar Updhya

Company Secretary & Compliance Officer

Ms. Disha Soni (w.e.f. 30th June, 2021)

Committees of the Board

Audit Committee

Mr. Siddheshwar Kumar Upadhyay
Ms. Seema Salwan
Mr. Kamalapati Kashayap (until 30th June, 2021)
Mr. Rakesh Kumar Bhatnagar (w.e.f. 30th June, 2021)

Nomination & Remuneration Committee

Mr. Siddheshwar Kumar Upadhyay
Ms. Seema Salwan
Mr. Gurvinder Pal Singh

Stakeholder's Relationship Committee

Mr. Kamalapati Kashayap (until 30th June, 2021)
Mr. Rakesh Kumar Bhatnagar (w.e.f. 30th June, 2021)
Ms. Seema Salwan
Mr. Siddheshwar Kumar Upadhyay

Statutory Auditors

M/s Goel, Garg & Co.,
Chartered Accountants
18, Ground Floor, National Park, Lajpat Nagar-IV
New Delhi-110024

Internal Auditor

M/s Krishnan Kumar & Co.
Chartered Accountants
L-1st , Street No. 17,
House No.921, Sangam Vihar,
Near Naveen Public School,
Delhi- 110080

Secretarial Auditor

M/s. Divyanshu Sahni & Associates
Company Secretaires,
512-B. 5th Floor, Kirti Shikhar Bilding,
District Centre, Janakpuri,
New Delhi-110058

Registrar & Share Transfer

MCS Share Transfer Agent Limited, F-65,
1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Ph- 011041406149,
Fax:- 011-41709881
[Email:helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)
[Website: www.mcsregistrars.com](http://www.mcsregistrars.com)

Bankers:

IndusInd Bank Limited, New Delhi
State Bank of India

Registered/Corporate Office:

Upper Basement, Smart Bharat Mall,
Sector- 25A, Guatam Budha Nagar
Noida, Uttar Pradesh-201301

AVON MERCANTILE LIMITED

Registered Office:

Upper Basement, Smart Bharat Mall,
Plot No.I-2, Sector - 25A,
Gautam Buddha Nagar, Noida,
Uttar Pradesh- 201301 India
CIN: L17118UP1985PLC026582
Phone: 0120-3355131, 3859000
Website: www.avonmercantile.co.in
Email id: avonsecretarial@gmail.com

NOTICE of the 37th ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of AVON MERCANTILE LIMITED will be held on Sunday, 25th September, 2022 at 11: A.M. Noon through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2022 and the Profit and Loss Account together with Cash Flow Statement for the Financial Year ended on that date along with the Directors' Report and Auditors' Report thereon.
2. To re-appoint Mr. Rakesh Kumar Bhatnagar (DIN No. : 02922258) as a Director of the Company who retires by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014 (Rules) including any statutory modification(s) or re-

enactment thereof, for the time being in force, M/s. Gupta Garg & Agarwal, Chartered Accountants (Firm Registration No. 505762C), who have confirmed their eligibility to be appointed as Auditors, in terms of Section 141 of the Act read with Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors, M/s. Goel Garg & Co., Chartered Accountants (Firm Registration No. 000397N), to hold office for a period of five consecutive years from the conclusion of this 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting to be held in the calendar year 2027, subject to ratification of their appointment by the members of the Company at every Annual General Meeting, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT Mr. Rakesh Kumar Bhatnagar, Director of the Company and Ms. Disha Soni, Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For Avon Mercantile Limited

Place: Noida

Date: 12th August, 2022

Sd/-

(Disha Soni)

Company Secretary & Compliance Officer

M. No.: A42944

NOTES:

1. An Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/ P/2020/79 , SEBI/HO/CFD/CMD2/ CIR/P/2021/11 and SEBI/HODDHS/P/CIR/2022/0063 dated May 12, 2020, January 15, 2021 and May 13, 2022,

respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
4. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to avonsecretarial@gmail.com with a copy marked to evoting@nsdl.co.in
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the

Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

9. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at avonsecrearial@gmail.com. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. The Registers of Members and Share Transfer Books of the Company will remain closed from **Sunday, September 18, 2022 to Sunday, September 25, 2022** (both days inclusive) for the purpose of annual closure of books.
11. Dividend on Company's Equity Shares for the year ended 31st March, 2022, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
 - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Saturday, September 17, 2022**.
 - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on **September, 30, 2022**.
12. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.ef. April 01,2019

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

13. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process , any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be fridge by RTA on or after 1st April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e www.mcsregistrars.com

A separate communication has already been sent to the respective shareholders.

14. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021- 22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2021-22 are available on the website of the Company at avonsecretarial@gmail.com and on the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English edition) and Jansatta (Hindi edition).
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.
16. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
18. For receiving all future correspondence (including Annual Report) from the Company electronically-

In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2021-2022 and login details for e-voting.

Physical Holding

Send a signed request letter to Registrar and Transfer Agents of the Company, MCS Share Transfer Agent Limited at admin@mcsregistrars.com providing Folio Number, Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of Avon Mercantile Limited.

Demat Holding

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

19. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.amritcorp.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>.

20. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cur-off date for e-voting i.e. **Saturday, September, 17, 2022**, such person may obtain the User ID and Password from RTA by e-mail request on admin@mcsregistrars.com
21. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
22. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
23. Shareholders of the Company are informed that pursuant to the provisions of the Act and

the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2013-14 has already been transferred to IEPF. Shareholders who have not encashed their dividend warrant(s), for the years 2014-15 to 2020- 21 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately.

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due for transfer to the IEPF and has also published the details thereof in notices published in newspapers.

The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at <http://www.iepf.gov.in/IEPF/refund.html>.

24. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
25. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MCS Share Transfer Agent Limited having address at RTA i.e. MCS Share Transfer Agent

Limited, having address at F-65, 1st Floor, Ma Anandmayee Marg, Okhla I, Okhla Industrial Estate, New Delhi, Delhi 110020 by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

26. Pursuant to Finance Act, 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 21-22 does not exceed Rs.5,000/-.

A resident individual shareholder with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at investor@masserv.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

27. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
28. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 37th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Saturday, September 17, 2022** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on Thursday, September, 22, 2022 at 9:00 A.M. and ends on Saturday, September 24, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 17, September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday September 17, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility , please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the " Beneficial Owner " icon under "Login" which is available under " IDeAS " section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-

	<p>Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS”Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by

	<p>providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bskashtwal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event,

you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to admin@mcsregistrars.com or avonsecretarial@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to admin@mcsregistrars.com or avonsecretarial@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. [In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.](#)

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-

Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH

VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at disha@smartbharatgroup.com or avonsecretarial.com . The same will be replied by the company suitably.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. CA. AMIT JAIN, Practicing Chartered Accountant (Membership No. FCS-509349), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.avonmercantile.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

ANNEXURE - A**Details of Director seeking appointment/re-appointment at the 37th Annual General Meeting**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name of the Director	Mr. Rakesh Kumar Bhatnagar
Date of Birth/Age	10 th November, 1958
Nationality	Indian
Brief Resume of the Director and nature of his Expertise in specific functional area	<p>Mr. Rakesh Kumar Bhatnagar is currently the Chief Financial Officer of IO System Limited. He has an experience of 25 to 30 years in finance and has been graduated from M. M. Degree College, Modi Nagar.</p> <p>Further, he also holds M.Com (PGDBA) from Annamalai University. He started his career with Modi Rubber Limited, with the utmost experience of 12 years in the field of Finance and Accounts.</p> <p>He has been working in the Smart Group for more than three decades and has been looking after accounts and finance functions including Payroll, vendor management, contractor's accounting and other routine suppliers.</p>
Relationship with Directors and Key Managerial Personnel	N/A
Membership of Committee of the Board	Audit Committee and Stakeholder's Relationship Committee
Number of shares held in the Company	N/A

AVON MERCANTILE LIMITED

DIRECTOR'S REPORT

FINANCIAL YEAR 2021-2022

BOARD'S REPORT

To

The Members**AVON MERCANTILE LIMITED**

Your Board of Directors has pleasure in presenting the Thirty Seventh Annual Report of your Company for the Financial Year ended on 31st March, 2022. The Company has duly made appropriate disclosures in this Board report with the objective of accountability and transparency in the working of the Company and to make you aware about the working and future perspective of the Company.

1. FINANCIAL SUMMARY OF HIGHLIGHTS/ PERFORMANCE OF THE COMPANY

The performance of the Company for the Financial Year ended 31st March, 2022 in pursuant to requirement under Section 134(1) of the Companies Act, 2013 ("Act") read along with Rule 8(5)(1) of Companies (Accounts) Rules, 2014 is tabulated below:

RESULTS OF OUR OPERATIONS**(in Lakhs)**

PARTICULARS	March 31, 2022	March 31, 2021
Revenue from Operations	NIL	NIL
Interest Incomes	62,483.32	53,369.65
Other Incomes	612.80	757.03
Total Incomes	63,096.12	54,126.68
Finance Costs	55,929.25	45,104.57
Employee benefits expenses	9,683.44	9,215.79
Depreciation, amortization and impairment	95.03	105.22
Other Expenses	16,271.51	18,540.75
Total Expenses	18,883.10	72,966.75
Profit/(Loss) before exceptional Items and tax	(18,918.90)	(18,839.65)
Exceptional Items	NIL	NIL
Profit/Loss Before Tax	(18,918.90)	(18,839.65)
Tax Expenses	(35.80)	(96.67)
Profit/ Loss After Tax	(18,918.90)	<u>(18,742.98)</u>
Earnings per Equity Share- Basic	(2.53)	(2.51)
Earnings per Equity Share- Diluted	(2.53)	(2.51)

**The amount shown in bracket () are negative or decrease in value.*

FINANCIAL ANALYSIS

During the year under review, there were not many operations in the Company, due to which there is no revenue generated in the Company. The revenue generated from interest & other sources is 63,096.12 Lakhs during the year, which was however Rs. 54,126.68 Lakhs during the preceding financial year. The loss suffered during the year under review was 18,7918.90 Lakhs as compared to the loss of 18,742.98 Lakhs during the previous Financial Year 2020-2021.

2. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK

The Company has been registered with the Reserve Bank of India as a Non-Banking Financial Institution (Non-Deposit taking). During the year, the Company has categorized as a Non- Systemically Important Non-Deposit taking Non-Banking Financial Company'' as the main activity of the Company is of lending funds. The Company intends to continue the same line of business in future as well.

3. CHANGE(S) IN NATURE OF BUSINESS, IF ANY

The Registered address of the Company was changed w.e.f. 12th November, 2021 as Upper Basement, Smart Bharat Mall Plot No.I-2, Sector - 25A, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301. There is no change in the nature in the business of the Company during the financial year ended March 31, 2022.

4. COVID-19 IMPACT ON BUSINESS OUTLOOK

The Covid-19 pandemic has life and economic activities. The Govt. of India imposed stringent nationwide lockdown w.e.f. March 24, 2020, which has severally impacted the operations of the Company. Even after relaxation/ lifting of restrictions by the authorities after the first wave of pandemic, revenue and profitability of the Company's operations continued to be adversely impacted.

The second wave of the pandemic has hit again in April, 2021 with many State Government imposing mobility restrictions. The magnitude and speed of Covid-19, with its mutated contagious strain, has been unprecedented and has hit hard the customers, economy and the market.

In enforcing social distancing to contain led to an unprecedented health crisis and has disrupted human the spread of the disease, our offices and client offices all over the world have been operating with minimal or no staff for extended periods of time. To effectively respond to and manage our operations through this crisis, the Company triggered its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being.

COVID-19 has created unique challenges in the operation and oversight of all Indian entities. These challenges are particularly acute when it comes to financial reporting and disclosure. Financial reports necessarily contain forward looking statements.

Financial Year 2023 will experience the impact of COVID-19, in the areas of demand pickup, credit culture, repayment capacity and willingness to pay. While we anticipate strong recoveries, there may be a slow pick-up in the real estate and infrastructure financing segments. Apart from doing stringent project monitoring, your Company has also introduced stringent credit norms for fresh business disbursements and undertaken several measures for the overall enhancement of its business efficiencies.

5. DIVIDEND

Based on Company's performance in the current year, the Board of Directors of the Company does not recommend any dividend on Equity Shares of the Company.

6. TRANSFER OF RESERVES

During the Financial Year 2021-2022, the Company has not transferred any amount to the General Reserve in terms of Section 45-IC of the Reserve Bank of India Act, 1934, as the company has incurred losses of 18,918.90 during the year 2021-22.

7. CHANGES IN SHARE CAPITAL

The paid up equity share capital of the Company as on 31 March 2022 was 74,773.90 Lakhs. There has been no change in the Equity Share Capital of the Company during the year. The Authorized Share Capital of the Company is 750 Lakhs divided into 75,00,000 (Seventy Five Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The Company has no other type of securities except equity shares forming part of Equity share capital.

8. DIRECTORS AND KEY MANAGERIAL PERSONNELS

Mr. Kamalapati Kashyap (DIN: 02359002), non-independent non-executive Director of the Company, resigned with effect from 30th June, 2021 and Mr. Rakesh Kumar Bhatnagar (DIN: 02922258), non-independent non-executive Director of the Company, was appointed as an Additional Director of the Company with effect from 13th August, 2021 and who holds office up to the date of this Annual General Meeting. The term of office of Mr. Rakesh Kumar Bhatnagar shall be liable to determination by retirement of directors by rotation.

In the opinion of the Board and on the basis of the recommendation of Nomination and Remuneration Committee, the Board believes that he is a person of integrity and possesses the relevant expertise and experience and fulfills the conditions specified in

the Act and the Rules made thereunder and he is independent of the management and his appointment as an Non-Executive Director would be beneficial to the Company and this will enable the Board to discharge its functions and duties effectively.

Mr. Kamalapati Kashyap has resigned from the Board with effect from 30th June, 2021. At present the Board of Directors of the Company comprise inter-alia of two independent Directors, viz., Ms. Seema Salwan and Mr. Siddheshwar Kumar Upadhyay, both of whom have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Mr. Rakesh Kumar Bhatnagar (DIN: 02922258) retires at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Gopal Singh Negi continues to be the Chief Financial Officer (CFO) of the Company with effect from 1st March, 2015.

Thereafter, Ms. Disha Soni was appointed as the Company Secretary of the Company w.e.f. 30th June, 2021. Mr. Jagdutt Kumar Singh continues to be the Manager of the Company.

The brief resume and details of Directors who are to be appointed / re-appointed are furnished in the Notice for the Annual General Meeting as **ANNEXURE-B**.

i. Changes in the composition of the Board of Directors / Key Managerial Personnel.

As required under the provisions of Section 134(q) read with Rule 8(5) (iii) of the Companies (Accounts) Rules, 2014, the details of Directors or Key Managerial Personnel who were appointed or have resigned during the year under review are as follows:

Sr. No.	Name of Director or Key Managerial Person	Designation	Date of Appointment	Date of Resignation
1.	Mr. Rakesh Kumar Bhatnagar (<i>appointed as Additional Director</i>)	Non-Executive Non-Independent Director	30/06/2021	-
2.	Mr. Kamalapati Kashyap	Non-Executive Non Independent Director	21/07/2019	30/06/2021
3.	Mr. Gurvinder Pal Singh	Non-Executive Non Independent Director	21/07/2019	-
4.	Mr. Rakesh Kumar	Non-Executive Non	30/06/2021	-

	Bhatnagar	Independent Director		
6.	Ms. Seema Salwan	Non-Executive Independent Director	14/08/2019	-
7.	Mr. Siddheshwar Kumar Upadhyay	Non-Executive Independent Director	28/09/2019	-
8.	Ms. Disha Soni	Company Secretary	30/06/2021	-

As on March 31, 2022, your Company's Board had a strength of 4 (Four) Directors. The Composition of the Board is as below:

Category	No. of Directors	% of Total nos. of Directors
Non-Executive Director	4	100%

S. No.	Name of the Director	Date of Appointment	Status
1.	Mr. Gurvinder Pal Singh	Director (since 21st July, 2019)	Non-Executive
2.	Mr. Kamalapati Kashyap (resigned on 30th June, 2021)	Director (since 21st July, 2019)	Non-Executive
3.	Ms. Seema Salwan	Director (since 14th August, 2019)	Non-Executive Non-Independent
4.	Mr. Siddheshwar Kumar Upadhyay	Director (Since 28th September, 2019)	Non-Executive Non-Independent
5.	Mr. Rakesh Kumar Bhatnagar	Director (Since 30 th June, 2021)	Non-Executive Non-Independent Director

9. STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB- SECTION (6) OF SECTION 149

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the criteria of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics laid down for the Board of Directors, Senior Management Personnel and Other Employees

10. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, 4 (Four) Board Meetings were held. The Board periodically evaluates the need for change in its composition and size. Details of

Board Meetings held and attended by the directors during the financial year 2021-22 in the Report on Corporate Governance forming part of this Annual Report.

Meeting Number	Date of the Meeting	Percentage of Attendance
First Meeting	30 th June ,2021	100%
Second Meeting	13 th August ,2021	100%
Third Meeting	12 th November ,2021	100%
Fourth Meeting	14 th February ,2022	100%

11. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2022, the Audit Committee of Avon Mercantile Limited comprises of following 3 (Three) Members, 2(Two) members are Independent Non-Executive Directors.

Name	Designation	Category
Mr. Siddheshwar Kumar Upadhyay	Chairman	Independent Non-Executive Director
Ms. Seema Salwan	Member	Independent Non-Executive Director
Mr. Rakesh Kumar Bhatnagar	Member	Non-Executive Director

The recommendation made by the Audit Committee from time to time was accepted by the Board of Directors. The details of the terms of reference, meetings held during the year, attendance of directors at such meetings etc. are provided in the Report on Corporate Governance forming part of this Annual Report.

12. NOMINATION AND REMUNERATION COMMITTEE

The details pertaining to composition of Nomination and Remuneration Committee ("NRC") and the Company's policy on Directors, Key Managerial Personnel and other Employees' appointment and remuneration and other matters provided in Section 178(3) and (4) of the Act have been disclosed in the Corporate Governance Report, which forms part of this report. NRC while determining and / or recommending the criteria for remuneration / remuneration for Directors, Senior Management / KMPs and other employees ensure that:

the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Senior Management / KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its

goals.

During the year under review, no changes except those required under regulatory provisions were carried out to the Policy.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE

The details pertaining to composition of Stakeholders Relationship Committee in accordance with Section 178(5) of the Act are included in the Corporate Governance Report, which forms part of this report.

14. SUBSIDIARIES, JOINT-VENTURES OR ASSOCIATE COMPANIES

During the year under review, no Company has become or ceased to be its Subsidiary, Joint Venture or Associate Company.

15. INTER-SE TRANSFER OF PROMOTERS' SHAREHOLDINGS

During the year under review, there was no change in inter-se-transfer of shares between promoter's Groups.

16. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF IT COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and the SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

Manner of Evaluation:

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and individual directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Managing Director and Chief Executive Officer and Chairperson of the Company.

The process of the annual performance evaluation broadly comprises:

Board and Committee Evaluation:

- Evaluation of Board as a whole and the Committees is done by the individual directors / members, followed by submission of collation to NRC and feedback to the Board.

Independent / Non-Executive Director Evaluation:

- Evaluation done by Board members excluding the Director being evaluated is submitted to the Chairperson of the Company and individual feedback provided to each Director.

Manager & Chief Executive Officer Evaluation:

- Evaluation as done by the individual directors is submitted to the Chairperson of the Nomination and Remuneration Committee who further provides feedback to the Nomination and Remuneration Committee and subsequently to the Board.

In a separate meeting of Independent Directors held on 14th February, 2022 performance of Non-Independent Directors, performance of the Board as a whole considering the views of Non-Executive Directors was done.

The performance of all the directors during the year was satisfactory and towards the growth prospects.

Personnel relations with all employees remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciation for the devoted services of all employees of the Company.

17. CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

At Avon Mercantile Limited, it is our firm belief that the quintessence of Good Corporate Governance lies in the phrase 'Your Company'. It is 'Your Company' because it belongs to you –the stakeholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Your Company has evolved and followed the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Your Company is devoted to benchmarking itself with global standards for providing Good Corporate Governance. The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under SEBI Listing Regulations. The Board has also evolved and implemented a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally.

A detailed report on Corporate Governance is annexed as '**ANNEXURE VII (a)**' and forms part of this report.

Further, Avon Mercantile Limited received a certificate from M/s. Divyanshu Sahni & Associates, Company Secretaries in Practice (C.P. No. 42200) regarding compliance with Corporate Governance norms as stipulated in Part C of Schedule V of the Listing Regulations for the financial year ended 31st March, 2021. The certificate confirming compliance of the conditions of Corporate Governance is annexed as '**ANNEXURE – VII (b)**' and form integral part of this report.

18. DETAILS OF ASSOCIATES/JOINT VENTURES/SUBSIDIARY COMPANIES

During the year under review, no Company has become or ceased to be its Associates, Joint Ventures or Subsidiary.

19. AUDITORS AND AUDITORS' REPORT

At the 32nd Annual General Meeting held on September 30, 2017, M/s Goel, Garg & Co., Chartered Accountants (ICAI FRN: 000397N), having their office at 18, Ground Floor, National Park, Lajpat Nagar-IV, New Delhi-110024, were appointed as Statutory Auditors of the Company to hold office for a term of 5 years.

Further, the Company at the 37th Annual General Meeting, scheduled to be held on 25th September, 2022 has confirmed to appoint M/s. Gupta Garg & Agarwal, Chartered Accountants (Firm Registration No. 505762C), who have confirmed their eligibility to be appointed as Auditors, in terms of Section 141 of the Act read with Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors, M/s. Goel Garg & Co., Chartered Accountants (Firm Registration No. 000397N), to hold office for a period of five consecutive years from the conclusion of this 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting to be held in the calendar year 2027, subject to appointment by the members of the Company at the Annual General Meeting, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

In respect of the Opinion given by the Auditors in their report at clause no. 1, the management states as under:

- A total gross amount of INR 7,67,344.51 thousands (previous year INR 686032.39 thousands) on account of loan receivables (including interest outstanding thereon) is outstanding as at 31 March, 2022. Based on explanations and information provided by management, INR 3,07,955.49 thousands (previous year INR 2,89,478.49 thousands) (including interest outstanding thereon) have been outstanding unsettled/unadjusted for significantly long period of time. The management, based on internal assessments and evaluations, have represented that these outstanding loan receivables are recoverable and that no accrual for

diminution in value of loan receivable is necessary as at 31 March, 2022. However, the management has provided INR 32,094.57 thousands (previous year INR 17,231.13 thousands) as expected credit loss against these outstanding loan receivables. Further, management has represented that, they are seriously undertaking all steps to recover/adjust these amounts at the earliest. Pending the above, we are currently unable to ascertain whether these long overdue outstanding loan receivables are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, on the statement of assets and liabilities that may arise in case any of these remaining loan receivables are subsequently determined to be doubtful of recovery.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, the Statutory Auditors has not reported of any incident of fraud to the Audit Committee during the year under review.

20. **SECRETARIAL AUDIT REPORT**

As required under Section 204(1) of the Companies Act, 2013 read with rules framed thereunder, the Company has appointed M/s. Divyanshu Sahani & Associates, Company Secretaries in Practice (C.P. No. 42200) to conduct the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report submitted by M/s. Divyanshu Sahni & Associates, in the prescribed form MR- 3 is attached as '**Annexure V**' and forms part of this Report

As per the observations given by the Secretarial Auditors, the explanation to the same has been given to them which form part of the Secretarial Audit Report. The Company is taking all necessary steps to comply with the observations given by the secretarial auditors.

21. **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

A Certificate of Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V para C of Clause (10) (i) of SEBI LODR, 2015 has been attached as '**ANNEXURE-VI**' obtained from M/s. Divyanshu Sahni & Associates, Company Secretaries in Practice (C.P. No. 42200) forms part of this Report.

22. **COST RECORDS**

Pursuant to Section 148 of the Companies Act, 2013, the maintenance of Cost Records has not been specified by the Central Government for the business activities carried out by the Company. Thus report under Clause 3 (vi) of the Order is not applicable to your Company.

23. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Schedule V(B) of the Securities Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in the separate section and is marked as **ANNEXURE - VIII** and forms an integral part of this report.

24. SECRETARIAL STANDARDS

SECRETARIAL STANDARDS The Company has complied with the applicable Secretarial Standards - 1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India and approved by the Central Government.

25. DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) of the Act, the Company has adopted a Vigil Mechanism Framework. The objective of the framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the Directors and employees can raise actual or suspected violations directly to the Chairman of the Audit Committee of the Company.

The role of Chairman of the Audit Committee of the Company is to review the grievance at the initial stage and in case the grievance is material, the same is investigated through appropriate delegation. After investigation, the complaint with investigation report is forwarded to Audit Committee. The Committee takes necessary actions to maintain confidentiality within the organization on matters brought to its attention.

26. RISK MANAGEMENT POLICY

A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take and its ability to manage them efficiently. Many risks exist in a Company's Risk Management process and they emerge on a regular basis. A Risk Management Policy is formed to frame, implement, and monitor the risk management plan for the Company and ensuring its effectiveness. The sole purpose of this policy shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regards to the identification, evaluation and mitigation of operational, strategic and external environmental risks.

27. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return as on March 31, 2022 in Form MGT-9 is enclosed as "**ANNEXURE-I**" to this report.

28. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which financial statements relates and the date of this Report.

29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

30. INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134(5) (e) of the Companies Act, 2013, the term Internal Financial Control means the policies and procedure's adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed, proper and adequate internal financial control systems which ensure that all assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. It provides for adequate checks and balances and is meant to ensure that all transactions are authorized, reported correctly. The Internal Financial controls with reference to the Financial Statements are adequate commensurate with the size and nature of its business.

The Board has appointed M/s Krishan Kumar & Co., Chartered Accountants, as the Internal Auditors of the Company for the Financial Year 2021-2022. The Internal Audit Report along with observations and recommendations contained therein was placed before the Audit Committee in its meeting held on 12TH August, 2022 and was taken note of.

31. DISCLOSURE ON EMPLOYEE STOCK OPTION/PURCHASE SCHEME

The Company has not provided any Employee Stock Option Scheme or Purchase Scheme to the employees.

32. DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2021-22 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.

33. PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended in "**ANNEXURE-IV**" to this Report.

Further, in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee:-

- a. Employed throughout the financial year was in respect of remuneration of INR 60 Lacs or more, or
- b. Employed for part of the year and was in receipt of INR 5 Lacs or more per month, and
- c. Was in receipt of remuneration in excess of that drawn by the manager and holds by himself/herself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the Company.

34. PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the financial year ended March 31, 2022, the Company lays down the details of the particulars of loans, guarantees and investments covered under Section 186 of the Act have been disclosed in the financial statements forms part of this Annual Report.

35. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1) OF THE COMPANIES ACT, 2013

During the financial year 2021-22, your Company has not entered into any transaction with related parties as defined under Section 2(76) of the Companies Act, 2013, read with Companies (Specification of Definition Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of Section 188 (1) of the Companies Act, 2013, read with the applicable Rules issued thereunder is attached in Form **AOC-2** as "**ANNEXURE-II**" which forms part of this report.

36. PREVENTION OF SEXUAL HARASSMENT POLICY

Your Company has constituted Internal Complaints Committee under the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" in order to provide a protective environment at workplace for all its women employees. The framework of the policy for reporting sexual harassment cases at workplace ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against the sexual harassment are conducted across the organization.

The Company has not received any Complaints on Sexual Harassment during the year. The Internal Complaints Committees of the Company has also submitted its Annual Report on Sexual Harassment to the Board declaring that no Complaints were received during the year.

37. ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rules 8(3) of the Companies (Accounts) Rules, 2014 the details of the activities in the nature of Energy Conservation, Research and Developments, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as "**ANNEXURE- III**" which forms part of this report.

38. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to Section 135 of the Companies Act, 2013, and the relevant rules, the Company has not developed and implemented any Corporate Social Responsibilities' initiatives, as the said provisions are not applicable on your Company.

39. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the loss of the company for that period;
- c. they have taken proper and sufficient care for the 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;
- d. they have prepared the annual accounts on a going concern basis; and
- e. they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

40. **ACKNOWLEDGEMENT**

The Board acknowledges with gratitude the co-operation and assistance provided to the Company by its bankers, financial institutions, and government as well as Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. Your Directors gives their sincere gratitude to the customers, clients, vendors and other business associates for their continued support for the Company's growth. The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

**For and on behalf of the Board of Directors
AVON MERCANTILE LIMITED**

Date : 12th August, 2022

Place : New Delhi

**Sd/-
(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258**

**Sd/-
(Gurvinder Pal Singh)
Director
DIN: 05207077**

ANNEXURES TO THE DIRECTOR'S REPORT

ANNEXURE-I

Annexure to DIRECTOR'S REPORT

For the Financial Year

2021-2022

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2022

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17118UP1985PLC026582
ii.	Registration Date	21.01.1985
iii.	Name of the Company	Avon Mercantile Limited
iv.	Category/Sub-Category of the Company	Company Limited by shares / Non-Government Company
v.	Address of the Registered office and contact details	Upper Basement, Smart Bharat Mall, Sector-25A, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi -1100 20 Ph:- 011-41406149 Fax:- 011-4170 9881 Email: helpdeskdelhi@mcsregistrars.com Website: www.mcsregistrars.com

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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Services	99711	99.45%

III. PRINCIPALS OF LOANS, SUBSIDIARIES AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of the company	CIN/GLN	Holding / Subsidiary /Associate	% of shares held	Applicable Section
NIL					

g									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) e) State Govt(s)	0	0	0	0	0	0	0	0	0
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) FIs	0	0	0	0	0	0	0	0	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	0	49,81,260	49,81,260	66.62	0	49,81,260	49,81,260	66.62	0
(i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	4,51,060	4,51,060	6.03	0	4,51,060	4,51,060	6.03	0
(ii) Individual shareholders holding nominal share capital in excess of	0	85,000	85,000	1.14	0	85,000	85,000	1.14	0

Rs 1 lakh									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	55,17,320	55,17,320	73.79	0	55,17,320	55,17,320	73.79	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	55,17,320	55,17,320	73.79	0	55,17,320	55,17,320	73.79	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	74,77,390	74,77,390	100	0	74,77,390	74,77,390	100	0

ii) Shareholding of Promoters: -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Smart Bharat Private Limited	14,70,750	19.67	0	14,70,750	19.67	0	0
2.	Oasis Cineplex Pvt. Ltd.	4,89,250	6.54	0	4,89,250	6.54	0	0
3	Bir Bahadur Mishra	10	0.00	0	10	0.00	0	0
4	Haridas Nambiar	10	0.00	0	10	0.00	0	0
5	Deepak Chakrawarti	10	0.00	0	10	0.00	0	0
6	Azad Singh	10	0.00	0	10	0.00	0	0
7	L N Maheshwari	10	0.00	0	10	0.00	0	0

8	Sudhir Kumar	10	0.00	0	10	0.00	0	0
9	Ashok Kumar	10	0.00	0	10	0.00	0	0
	Total	19,60,070	26.21	0	19,60,070	26.21	0	0

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

Sr. no	PARTICULARS	Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Smart Bharat Pvt. Ltd.	14,70,750	19.67	14,70,750	19.67
	At the beginning of the year				
	At the end of the year	14,70,750	19.67	14,70,750	19.67
2	Oasis Cineplex Pvt. Ltd.	4,89,250	6.54	4,89,250	6.54
	At the beginning of the year				
	At the end of the year	4,89,250	6.54	4,89,250	6.54
3	Bir Bahadur Mishra	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00
4	Haridas Nambiar	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00
5	Deepak Chakrawarti	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00

6	Azad Singh	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00
7	L N Maheshwari	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00
8	Sudhir Kumar	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00
9	Ashok Kumar	10	0.00	10	0.00
	At the beginning of the year				
	At the end of the year	10	0.00	10	0.00

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

Sl. No	Particulars of Each of the Top 10 Shareholders	Date	Reason of change	Shareholding		Cumulative Shareholding	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LCC Infotech Limited	01.04.2020	At the beginning of the	494500	6.61	494500	6.61
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	494500	6.61	494500	6.61
2	Blue Chip India Limited	01.04.2020	At the beginning of the	292500	3.91	292500	3.91
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	292500	3.91	292500	3.91
3	Benzer Agencies	01.04.2020	At the beginning of the	403750	5.40	403750	5.40
		-	Change during the Year	-	-	-	-

	Limited	31.03.2021	At the End of the year	403750	5.40	403750	5.40
4	ATN International Limited	01.04.2020	At the beginning of the	213250	2.85	213250	2.85
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	213250	2.85	213250	2.85
5	Precision Papers Industries Limited	01.04.2020	At the beginning of the	87500	1.17	87500	1.17
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	87500	1.17	87500	1.17
6	Silicon Valley Infotech Limited	01.04.2020	At the beginning of the	80750	1.08	80750	1.08
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	80750	1.08	80750	1.08
7	Orbital Contractors & Financiers Pvt Ltd	01.04.2020	At the beginning of the	70000	0.93	70000	0.93
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	70000	0.93	70000	0.93
8	Atma Sales Pvt Ltd	01.04.2020	At the beginning of the	60000	0.80	60000	0.80
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	60000	0.80	60000	0.80
9	Gainwell Commodities Pvt Ltd	01.04.2020	At the beginning of the	57500	0.77	57500	0.77
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	57500	0.77	57500	0.77
10	Apex Enterprises India Ltd	01.04.2020	At the beginning of the	55000	0.73	55000	0.73
		-	Change during the Year	-	-	-	-
		31.03.2021	At the End of the year	55000	0.73	55000	0.73

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No		Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and KMP				
1.	Mr. Kamalapati Kashyap (till 30.06.2021)	NIL	NIL	NIL	NIL
2.	Mr. Gurvinder Pal Singh (w.e.f. 21.07.2019)	NIL	NIL	NIL	NIL
3.	Mr. Siddheshwar Kumar Upadhyay (w.e.f. 28.09.2019)	NIL	NIL	NIL	NIL
4.	Ms. Seema Salwan (w.e.f. 14.08.2019)	NIL	NIL	NIL	NIL
5.	Mr. Gopal Singh Negi (Chief Financial Officer)	NIL	NIL	NIL	NIL
6.	Mr. Jagdutt Kumar Sharma (Manager)	NIL	NIL	NIL	NIL
7.	Mr. Rakesh Kumar Bhatnagar (Non-Executive Director, we.e.f. 30 th June,	NIL	NIL	NIL	NIL

8.	Ms. Disha Soni(Company Secretary)(w.e.f. 30 th June, 2021)	NIL	NIL	NIL	NIL
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V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits (in Rs.)	Unsecured Loans (in Rs.)	Deposits (in Rs.)	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount		53,29,01,897		53,29,01,897
ii) Interest due but not paid		4,17,21,726		4,17,21,726
iii) Interest accrued but not due				-
Total (i+ii+iii)		57,46,23,623		57,46,23,623
Change in Indebtedness during the financial year				
- Addition		21,55,52,698		21,55,52,698
- Reduction		13,43,71,726		13,43,71,726
Net change		8,11,80,972		8,11,80,972
Indebtedness at the end of the financial year				
i) Principal Amount		60,55,01,897		60,55,01,897
ii) Interest due but not paid		5,03,02,698		5,03,02,698
iii) Interest accrued but not due				-
Total (i+ii+iii)		65,58,04,595		65,58,04,595

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Lakhs.)
1.	Gross salary	Mr. Jagdutt Kumar Sharma	
		(Manager)	1,612.56

	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961		
	(b)Value of perquisites u/s 17(2) of the Income-tax Act, 1961		240.00
	(c)Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961		NIL
2.	Stock Option		NIL
3.	Sweat Equity		NIL
4.	Commission - as % of profit - others specify		NIL NIL
5.	Others – Reimbursement		430.80
6.	Total(A)		2,283.36
	Ceiling as per the Act	Within the limit prescribed under Schedule V of the Companies Act, 2013	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors (Independent Directors)		Total Amount
		Ms. Seema Salwan	Mr. Siddheshwar Kumar Upadhyay	
1.				
	- Fee for attending board / committee meetings - Commission - Others, please specify	30,000	30,000	60,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Within the limit prescribed under Section 197(4) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company	CFO	Total
		None	Ms. Disha Soni (w.e.f. 30 th June, 2022) (in Lakhs)	Mr. Gopal Singh Negi (in Lakhs)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	468.98	1,201.20	1,669.98
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL	240.00	240
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	NIL	NIL	297.80	297.80
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others- Reimbursement	NIL	NIL	NIL	NIL
	Total	NIL	468.98	1,739.00	

VII. 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			NIL		
Punishment			NIL		
Compounding			NIL		
B. Directors					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. Other Officers In Default					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

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.- None

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Not Applicable
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis. - None

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Not Applicable
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Date of approval by the Board	

6	Amount paid as advances, if any	
---	---------------------------------	--

INFORMATION AS PER SECTION 134(3)(m) OF THE ACT READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021:

FORM- "B"

(A) Conservation of Energy

Since the Company is not engaged in business activity, this clause is not applicable.

S. No.	Particulars	Applicability
I	the Steps taken or impact on conservation of energy:	Not Applicable
II	the Steps taken by the company for utilizing alternate sources of energy:	Not Applicable
III	the capital investment on energy conservation equipment's:	Not Applicable

(B) Technology Absorption

S. No.	Particulars	Applicability
I	the efforts made towards technology absorption:	NIL
II	the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
III	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	NIL
IV	the expenditure incurred on Research and Development:	NIL

(C) Foreign Exchange Earnings and Outgo

NIL

Information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending 31st March, 2022:

Not Applicable as none of the Directors of the Company has received any remuneration from the Company except for sitting fees by the Independent Directors

2. Percentage increase in remuneration of each director, Chief Financial officer, Chief Executive officer, company secretary or manager, if any in the financial year:

Name of Key Managerial Personnel	Designation	Remuneration for F/Y ended 31 st March 2022	Remuneration for F/Y ended 31 st March 2021	% increase in remuneration
Mr. Jagdutt Kumar Sharma	Manager	2,283.36	1,825.03	25.11%
Mr. Disha Soni (appointed w.e.f 30 th June, 2022)	Company Secretary	468.98	NIL	N/A
Mr. Gopal Singh Negi	Chief Financial Officer	1,739.00	1,376.71	26.31%

3. Percentage increase in median remuneration of employees in the financial year

Not Applicable since there is no employee except Key Managerial Personnel employed during the financial year 2021-22.

4. The number of permanent employees on the rolls of the company

During the financial year ending 31st March, 2022, there was 3 (three) employee (i.e. Key Managerial Personnel) on the role of the Company.

5. The explanation on the relationship between average increase in

remuneration and company performance

There was an increase of 25.11% in the total revenue earned by the Company during the F.Y 2021-22 as compared to last F.Y. 2020-21.

There was an increase of 26.31% in the total revenue earned by the Company during the F.Y 2021-22 as compared to last F.Y. 2020-21. The percentage decrease in remuneration of the Chief Financial Officer during the F.Y. 2021-22 was 26.31%

6. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Not Applicable as the Company's shares are not frequently traded.

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison to percentile increase in remuneration of managerial personnel:

Not Applicable as Company does not have any employee except Key Managerial Personnel.

8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

	Mr. Jagdutt Kumar Sharma (Manager)	Mr. Gopal Singh Negi (CFO)	Mr. Pranjul Gupta (Company Secretary)
Remuneration of Key Managerial Personnel (in Lakhs)	2,283.36	1,739	468.98
Revenue (in Lakhs)	63,096.12	63,096.12	63,096.12
Remuneration of KMPs (as a % of revenue)	3.62%	2.75%	0.74%
Profit/(Loss) before Tax (in Lakhs)	(18,918.90)	(18,918.90)	(18,918.90)
Remuneration of KMP (as a % of PBT)	-	-	-

9. Key parameters of variable component of remuneration availed by directors:

Not Applicable as no remuneration was paid to any of the Director (except for sitting fees to Independent Directors).

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable as no remuneration was paid to any of the Director (except for sitting fees to Independent Directors).

11. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that remuneration was recommended by Nomination and remuneration committee based on the Policy of Remuneration committee.



**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3RD Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058

Email: info@finlegalforte.com Mob; +91-9871027426

Website: www.finlegalforte.com, www.csdivyanshusahni.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2022

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

To,

**The Members,
AVON MERCANTILE LIMITED,
Upper Basement, Smart Bharat Mall,
Plot No.I-2, Sector - 25A,
Gautam Buddha Nagar,
Noida, Uttar Pradesh- 201301
CIN: L17118UP1985PLC026582
Phone: 0120-3355131, 3859000
www.avonmercantile.co.in**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avon mercantile Limited (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 provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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 Avon mercantile Limited for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) All the rules, regulations, guidelines and circulars applicable to the non-banking financial companies under The RBI Act, 1934
- (v) Foreign Exchange Management Act, 1999 and 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 during the audit period)
- (vi) The 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 (Listing obligations and disclosure requirements) Regulation, 2015
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the audit period)
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; / securities and exchange board of India (share based employee benefits) regulations, 2014 (Not applicable to the company during the audit period)
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the audit period)
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; (Not applicable to the Company during the audit period) and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period)
- v. The company has identified the following laws as especially applicable to the company;
 - i. The Indian Contract Act, 1872;
 - ii. The Indian Stamp Act, 1899;
 - iii. Negotiable Instrument Act, 1881;
 - iv. The Payment of Bonus Act, 1965;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock exchanges in India including Agreement entered in pursuance to securities and exchange board of India (Listing obligations and disclosure requirements) regulations, 2015

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

Place: New Delhi

Date: August 12, 2022

Sd/-

Divyanshu Sahni & Associates

M. No. : FCS11737

CP. No. : 18449

UDIN: F011737D000788106

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.



**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3RD Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058

Email: info@finlegalforte.com Mob; +91-9871027426

Website: www.finlegalforte.com, www.csdivyanshusahni.com

'Annexure -1'

To,
The Members,
AVON MERCANTILE LIMITED,
Upper Basement, Smart Bharat Mall,
Plot No.I-2, Sector - 25A,
Gautam Buddha Nagar,
Noida, Uttar Pradesh- 201301
CIN: L17118UP1985PLC026582
Phone: 0120-3355131, 3859000
www.avonmercantile.in

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 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. Where ever 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 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.

Date: August 12, 2022

Place: New Delhi

**Sd/-
(DIVYANSHU SAHNI)
Practicing Company Secretary
M.No: FCS 11737
COP No: 1 8449
UDIN: F011737D000788106**



**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3rd Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058
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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members,
AVON MERCANTILE LIMITED,
Upper Basement, Smart Bharat Mall,
Plot No.I-2, Sector - 25A,
Gautam Buddha Nagar,
Noida, Uttar Pradesh- 201301
CIN: L17118UP1985PLC026582
Phone: 0120-3355131, 3859000
www.avonmercantile.in

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AVON MERCANTILE LIMITED** having CIN L17118UP1985PLC026582 and having registered office at Upper Basement, Smart Bharat Mall, Plot No. I-2, Sector-25A, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301 (hereinafter referred to as 'the Company'), produced before us for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No	Name of Director*	DIN	Designation	Date of Appointment	Date of Cessation
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1.	KAMALAPATI KASHYAP	02359002	NON-EXECUTIVE NON- INDEPENDENT	21/07/2019	30/06/2021
2.	RAKESH KUMAR BHATNAGAR	02922258	NON-EXECUTIVE NON- INDEPENDENT DIRECTOR	30/06/2021	
3.	GURVINDER PAL SINGH	05207077	NON-EXECUTIVE NON- INDEPENDENT	21/07/2019	-
4.	SEEMA SALWAN	06944301	NON-EXECUTIVE INDEPENDENT	14/08/2019	-
4.	SIDDHESHWAR KUMAR UPADHYAY	07871728	NON-EXECUTIVE INDEPENDENT	28/09/2019	-

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: August 12, 2022

Sd/-
Divyanshu Sahni
Divyanshu Sahni & Associates
Company Secretary
M. No. FCS11737
CP No.:18449
UDIN: F011737D000788106

CORPORATE GOVERNANCE REPORT

In compliance with the Corporate Governance requirements as stipulated in Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the report on the matters mentioned in the said Regulations on Corporate Governance and due compliance report on specific areas wherever applicable for the Financial Year ended 31st March, 2021.

1. **COMPANY'S PHILOSOPHY**

The Company continues to believe in conduct of its high standard of integrity, ethical behavior, and respect for laws, fair business and strong and effective audit controls in areas of its operations. Your Company in this pursuit lays great emphasis on transparency, accountability and compliance which guides the Company towards fulfilling the high standards of Corporate Governance consistently.

2. **BOARD OF DIRECTORS**

I. Composition of Board

As on 31st March, 2022, the Board consisted of Mr. Rakesh Kumar Bhatnagar, Mr. Gurvinder Pal Singh, Mr. Siddheshwar Kumar Upadhyay and Ms. Seema Salwan. The Board has a balanced mixed of non-executive directors including Woman Director and Independent Directors. 1/3rd of the Board Members are Independent Directors.

The Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company during the year 2021-2022.

All the Independent Directors possess the requisite qualifications and are experienced in their own fields. Directors other than Independent Directors are liable to retire by rotation.

II. Board Meetings, other Directorship and Attendance of Directors

A total of (4) Four Board Meetings were held during the year i.e. on 30/06/2021, 13/08/2021, 12/11/2021 and 14/02/2022 respectively.

The gap between any two Meetings never exceeded 120 days.

None of the Directors of the Company is a member of more than ten Committees or a Chairman of more than 5 Committees across all the companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other public companies as at 31st March, 2022 have been made by Directors.

The composition of the Board, attendance of Directors at Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on 31st March 2022 are given herein below.

- i. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	No. of Board meetings during the Financial Year 2021-22		Whether attended last AGM held on 26/09/2021	No. of Directorships in Other Public Companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Seema Salwan (Appointed w.e.f 14/08/2019)	Non-Executive Independent	4	4	Yes	0	1	0	3
Siddheshwar Kumar Upadhyay (Appointed w.e.f 28/09/2019)	Non-Executive Independent	4	4	-	0	1	2	1

Kamalapati Kashyap (Appointed w.e.f. 21/07/2019; resigned on 30/06/2021)	Non-Executive Non-Independent	1	1	Yes	0	NA	NA	NA
Gurvinder Pal Singh (Appointed w.e.f. 21/07/2019)	Non-Executive Non-Independent	4	4	Yes	0	0	0	1
Rakesh Kumar Bhatnagar	Non-Executive Non-Independent	4	4	Yes	0	0	1	1

Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 14th February, 2022 without the attendance of Non-Independent Directors and members of Management to review:

- A) the performance of Non-Independent Directors and the Board as a whole,
- B) the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors, and
- C) the quality, quantity and timeliness of flow of information between the Company Management and the Board.

3. DIRECTORS REMUNERATION

Remuneration / Sitting fees paid to Director (s) during the year is given below:

I. Executive Directors

There is no executive director on the Board of Directors of the Company.

II. Non-Executive Directors / Independent Directors

The Non-Executive Directors are not paid any remuneration including sitting fees for attending the meetings of the Board of Directors and committees thereof.

However the Independent Directors are paid sitting fees for attending the meetings of the Board of Directors and committees thereof.

The Company does not have any material pecuniary relationship or transactions with its Non-Executive Directors. The details of sitting fees paid and shares held by the Non-Executive Directors / Independent Directors are as under:

Sr. No.	Names of Director	Sitting fees (in Rs.)	No. of Shares held
1.	Ms. Seema Salwan	30,000	0
2.	Mr. Siddheshwar Kumar Upadhyay	30,000	0
3.	Mr. Kamalapati Kashyap	0	0
4.	Mr. Gurvinder Pal Singh	0	0

III. Board Procedure

The Directors are elected based on their qualifications and experience in varied fields as well as company's business needs. The Nomination and Remuneration Committee, recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, an invitation to join the Board of the Company is sent and a directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentation is also made to the new Director regarding the business and other details of the Company. During the year a separate meeting of the independent directors was held on 12th February, 2021, to review, *inter-alia*, the performance of non-independent directors and the board as a whole.

4. DIRECTORS SEEKING RE-APPOINTMENT

Mr. Rakesh Kumar Bhatnagar, Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

5. PROHIBITION OF INSIDER TRADING

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Senior Managerial Personnel and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company has revised Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015.

6. COMMITTEE (S) OF THE BOARD

I. Audit Committee

Audit Committee monitors & provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

The functions and scope of the Audit Committee includes review of Company's financial reporting, internal controls, related party transactions, utilization of IPO proceeds, if any, insider trading, disclosure in financial statements, management discussion and

analysis, risk mitigation mechanism, appointment of statutory auditor and internal auditor and all other aspects as specified by Regulation 18 of SEBI (LODR) Regulations, 2015.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a. Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- b. Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company's Audit Committee carries out all the functions as mentioned under SEBI (LODR) Regulations, 2015.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- a. Management discussion and analysis of financial condition;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Internal audit report relating to internal control weaknesses;
- d. The appointment, removal and terms of remuneration of the internal auditor and statutory auditor;
- e. The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital etc.), as part of the quarterly declaration of financial results, wherever applicable..

The Audit Committee is also apprised on information with regard to related party transactions by presenting the following:

- a. A statement in summary form of transactions with related parties in the ordinary course of business;
- b. Details of material individual transactions with related parties which are not in the normal course of business, if any;
- c. Details of material individual transactions with related parties.

Composition and Meetings of the Audit Committee:

During the period from 1st April, 2020 till 31st March, 2021, the composition of Audit Committee was as follows:

Sr.	Name	Designation
1.	Mr. Siddheshwar Kumar Upadhyay	Chairman
2.	Mr. Kamalapati Kashyap	Member
3.	Ms. Seema Salwan	Member

The Audit Committee met four times during the year i.e. on 30/06/2021, 13/08/2021, 12/11/2021 and 14/02/2022 respectively.

The details as to the attendance at the Meetings held are as follows:

Name of Director	Chairman/Member	Category	Attendance at the Meetings held during the year from 1 st April 2021 to 31 st March 2022
Mr. Kamalapati Kashyap (Appointed w.e.f. 21 st July, 2019 and resigned on 30 th June, 2021)	Member	Non-Executive Director	1
Ms. Seema Salwan (Appointed w.e.f. 14 th August, 2019)	Chairman	Non-Executive Director	4
Mr. Siddheshwar Kumar Upadhyay (Appointed w.e.f. 28 th September, 2019)	Member	Non-Executive Director	4
Mr. Rakesh Kumar Bhatnagar	Member	Non-Executive Director	4

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;

- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- e. All other aspects as specified under the SEBI (LODR) Regulations, 2015.

Appointment criteria

The criteria for the appointment of directors, KMPs and senior management are as follows:

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management level and recommend to the Board his/ her appointment.

2. A person to be appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment to. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. A person, to be appointed as director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.

4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of the Company.

Remuneration Policy:

The Committee reviews and recommends the remuneration and performance linked bonuses to Key Managerial Personnel and other employees of the Company and also evaluates their performance based on the overall performance and financial results of

the Company and on the assessment of the personal contribution and achievements of the individuals. The remuneration policy is in agreement with the existing industry practice.

Increments to the existing remuneration of Key Managerial Personnel and other employees of the Company are recommended by the committee to the Board.

Evaluation Criteria of the Board by the Committee:

- The Board's functioning was evaluated on various aspects, including degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board's processes, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings.

In addition, the Chairman was also evaluated on key aspects of his role, including setting-up the strategic agenda of the Board, encouraging active engagement by all Board members.

- The areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- In terms of Schedule IV of the Companies Act, 2013, the performance of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

Composition of the Nomination and Remuneration Committee:

During the period from 1st April, 2021 till 31st March, 2022, the composition of Nomination and Remuneration Committee was as follows:

Sr. No.	Name	Designation
1.	Mr. Siddheshwar Kumar Upadhyay	Chairman
2.	Ms. Seema Salwan	Member
3.	Mr. Gurvinder Pal Singh	Member

The Nomination and Remuneration Committee met twice during the year i.e. on 30th June, 2021 and 28th September, 2021.

The details as to the attendance at the Meetings held are as follows:

Name of Director	Chairman/ Member	Category	Attendance at the Meetings held during the year from 1st April 2020 to 31st March 2021
Ms. Seema Salwan (Appointed 14/08/2019) w.e.f.	Member	Non-Executive Independent Director	2
Mr. Siddheshwar Kumar Upadhyay (Appointed 28 th September, 2019) w.e.f.	Chairman	Non-Executive Independent Director	2
Mr. Gurvinder Pal Singh (Appointed 28 th September, 2019) w.e.f.	Member	Non-Executive Director	2

Mr. Siddheshwar Kumar Upadhyay, Chairman of Nomination and Remuneration Committee, was present at the last Annual General Meeting of the Company which was held on 26th September, 2021.

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for:

- Redressal of Shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet, approval of the share transfers, transmissions, transpositions and issue of duplicate share certificates;
- specifically look into the redressal of grievances of shareholders of the Company; and
- such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended by such Committee.

- All other aspects as specified under the SEBI (LODR) Regulations, 2015.

Composition of the Stakeholders Relationship Committee:

During the period from 1st April, 2021 till 31st March, 202, the composition of Nomination and Remuneration Committee was as follows:

Sr.	Name	Designation
1.	Mr. Rakesh Kumar Bhatnagar	Chairman
2.	Ms. Seema Salwan	Member
3.	Mr. Satish Kumar Gupta	Member

The Stakeholders Relationship Committee met once during the year i.e. on 12th November, 2021.

The details as to the attendance at the Meetings held are as follows:

Name of Director	Chairman/ Member	Category	Attendance at the Meetings held during the year from 1 st April 2020 to 31 st March 2021
Mr. Rakesh Kumar Bhatnagar (Appointed w.e.f. 30 th June,2021)	Chairman	Non-Executive Director	1
Mr. Siddheshwar Kumar Upadhyay (Appointed w.e.f. 28 th September, 2019)	Member	Non-Executive Independent Director	1
Ms. Seema Salwan (Appointed w.e.f. 14 th August, 2019)	Member	Non-Executive Independent Director	1

The details of the investors' compliant / grievance received by the Company during the Financial Year 2021-2022 are mentioned below:

No. of complaints pending at the beginning of the year	NIL
No. of complaints received during the year	NIL
No. of complaints resolved during the year	NIL

No. of complaints pending as at the end of the year	NIL
---	-----

No complaint was received from the shareholders during the year ended 31st March 2022.

Mr. Rakesh Kumar Bhatnagar, Chairman of Stakeholders' Relationship Committee, was present at the last Annual General Meeting of the Company which was held on 26th September, 2020.

7. GENERAL BODY MEETINGS

I. General Meeting

(a) Annual General Meeting:

The Location, date and time of General Meeting held during the last three years are given below:-

Period / Year	Location	Date	Time
2021	Audio and Visual	26 th September, 2021	12:00 Noon
2020	S Global Knowledge Park, 19A & 19B, Sector-125, Noida, UP – 201301	27 th September, 2020	10.00 A.M.
2019	S Global Knowledge Park, 19A & 19B, Sector-125, Noida, UP – 201301	30 th September, 2019	10.00 A.M.

(b) Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year 2021-22.

II. Postal Ballot: No Postal Ballot was conducted during the year 2021-22

III. Special Resolutions

The details of Special resolutions passed by the Shareholders during the last three Annual General Meetings are as follows:

Date of AGM	Whether any Special Resolution was passed	Particulars
27th September, 2021	No	No Special resolution has been passed
30th September, 2019	No	No Special resolution has been passed
29th September, 2018	No	No Special resolution has been passed

Details of Voting Pattern: All resolutions were passed with requisite majority.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and the details of voting pattern:

During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

8. **SUBSIDIARY**

During the year under review, the Company has no subsidiary.

9. **CEO / CFO CERTIFICATION**

As required by Regulation 17 of SEBI (LODR) Regulations, 2015, the certification on the Financial statements and the cash flow Statements for the year ended 31st March, 2022, by the Manager (in absence of CEO) is enclosed as **ANNEXURE – VII(a)(i)** at the end of this Report.

10. **CODE OF CONDUCT**

The Company has adopted a Code of Conduct for all Board Members of the Company. All Board Members have affirmed compliance with the Code of Conduct as applicable to them. A declaration to this effect is enclosed as **ANNEXURE – VII(a)(ii)** at the end of this report.

11. **DISCLOSURES**

a. **Disclosures on materially significant related party transactions i.e. transactions of**

the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

There are no transactions with any of the related parties.

- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**

No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

- c. Vigil Mechanism/Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its powers), Rules 2014 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has established a Vigil Mechanism to report genuine concerns about actual or suspected frauds, unethical behavior etc. and the same has been posted on the official website of the Company.

Further it is affirmed that no personnel has been denied access to the audit committee.

- d. Compliance of Mandatory Requirement**

The Company has complied with the mandatory requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as presently applicable during the year under review. Details of non-mandatory provisions to the extent complied with have been disclosed in this report.

12. MEANS OF COMMUNICATION

The Company publishes its quarterly un-audited (Provisional) financial results and Audited financial results in English newspaper named 'Financial Express' and Hindi newspaper named 'Jansatta'.

13. GENERAL SHAREHOLDER INFORMATION

(a) **Registered Office** : Upper Basement, Smart Bharat Mall,
Plot No. I-2, Sector -25A, Noida ,
Gautam Buddha Nagar, UP 201301

(b) **Annual General Meeting**

Date : 25th September, 2021
Time : 11:00 A.M.
Venue : Through Audio-Visual Means.

(c) **Financial Year ending** : 31st March every year
(d) **Date of Book Closure** : 18.09.2021 to 25.09.2021 (both days
inclusive).
(e) **Stock Exchanges at
Which Shares of the
Company are listed** : (1) Bombay Stock Exchange Ltd
(2) The Calcutta Stock Exchange
Association Ltd

(f) **Stock Market Data**

There has been no trading in the shares of the Company during the Financial Year under review.

The listing fees are due for the year 2021-22.

Registrar and Transfer Agent:

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi -1100 20
Ph:- 011-41406149
Fax:- 011-4170 9881
Email:helpdeskdelhi@mcsregistrars.com
Website:www.mcsregistrars.com

(g) **Share Transfer System**

The Company transfers the Shares in physical form and dispatch the same within 15 days from the date of their receipt, subject to the documents being valid and complete in all respects. The Stakeholders Relationship Committee looks into the issues relating to Investors Grievances.

(h) Distribution of Shareholding as on 31st March 2022

a. Promoter & promoter group	-	26.21%
b. Financial Institutions, Banks, State and Central Government	-	NIL
c. Foreign Institutional Investors	-	NIL
d. Public & Others	-	73.79%

(i) Dematerialization of Shares and Liquidity

The ISIN Number for the Company's Shares is INE471D01019. The members are being provided the facility to get their shares dematerialized and further trading in equity shares of the Company on the stock exchanges is permitted in demat and physical form.

**(j) Outstanding GDRs/ADRs/
Warrants or Convertible
Instruments, conversion
Date and likely impact
on Equity** : Not Applicable

**(k) Address for Investor
Correspondence & for
any query on Annual Report** : Company Secretary & Compliance officer
Avon Mercantile Limited,
Upper Basement, Smart Bharat Mall,
Plot No. I-2, Sector 25-A, Noida,
Gautam Buddha Nagar, UP 201301

The above report was placed before the Board at its Meeting held on 12th August, 2022 and the same was approved.

CERTIFICATION BY MANAGER AND CHIEF FINANCIAL OFFICER OF AVON MERCANTILE LIMITED AS ON 31ST MARCH, 2022 (IN TERMS OF REGULATION 17 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

We, Mr. Jagdutt Kumar Sharma, Manager and Mr. Gopal Singh Negi, Chief Financial Officer of the Company heading the finance function and discharging that function, to the best of our knowledge and belief, certify to the Board that:

- A. We have reviewed Balance Sheet as at 31st March 2022 and the Profit and Loss Account and all its Schedules and Notes to the Accounts as well as Cash Flow Statement for the year ended on 31st March 2022 and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial.

E. We further declare that all Board members have affirmed compliances with the code of conduct for the year under review.

FOR AVON MERCANTILE LIMITED

**Sd/-
Jagdutt Kumar Sharma
(Manager)**

**Sd/-
Gopal Singh Negi
(Chief Financial Officer)**

Place: Noida

Date: 12th August, 2022

DECLARATION OF CODE OF CONDUCT

**To,
The Members of
Avon Mercantile Limited**

This is to inform that the Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31st March 2022.

**By Order of the Board
For AVON MERCANTILE LIMITED**

**Sd/-
(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258**

**Sd/-
(Gurvinder Pal Singh)
Director
DIN: 05207077**

**Place : Noida
Date : 12th August, 2022**

MANAGEMENT DISCUSSION ANALYSIS REPORT

Industry Structure and Developments: -

The funds of Avon Mercantile Ltd are deployed in loans, investments and bank fixed deposits.

Outlook/Projections for 2022-23:

The Company hopes to increase its income in near future.

Internal Control systems and their adequacy:

During the year under review, Company has an internal control system in place and was periodically reviewed for effectiveness.

Financials:

Financial performance has been given separately in the Directors' Report.

Cautionary Statement

Statements in the 'Management Discussion and Analysis Report describing the Company's Objectives, projections, estimates, expectations or predictions may be forward-looking statement within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed in the statement. Important factors that could make a difference to the Company's operations include, among others, the performance of the other Companies in which Company has made investments and the interest rates, changes in the Government regulations, tax laws and other statutes and incidental factors.

**By Order of the Board
For Avon Mercantile Limited
Noida**

Place

:

Sd/-

Date: 12th August, 2021

**(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258**



INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF AVON MERCANTILE LIMITED****Report on the Audit of the Ind AS Financial Statements****Qualified Opinion**

We have audited the accompanying Ind AS financial statements of **AVON MERCANTILE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. A total gross amount of ₹ 7,67,344.51 thousands (previous year ₹ 686032.39 thousands) on account of loan receivables (including interest outstanding thereon) is outstanding as at 31 March, 2022. Based on explanations and information provided by management, ₹ 3,07,955.49 thousands (previous year ₹ 2,89,478.49 thousands) (including interest outstanding thereon) have been outstanding unsettled/unadjusted for significantly long period of time. The management, based on internal assessments and evaluations, have represented that these outstanding loan receivables are recoverable and that no accrual for diminution in value of loan receivable is necessary as at 31 March, 2022. However, the management has provided ₹ 32,094.57 thousands (previous year ₹ 17,231.13 thousands) as expected credit loss against these outstanding loan receivables. Further, management has represented that, they are seriously undertaking all steps to recover/adjust these amounts at the earliest. Pending the above, we are currently unable to ascertain whether these long overdue outstanding loan receivables are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, on the statement of assets and liabilities that may arise in case any of these remaining loan receivables are subsequently determined to be doubtful of recovery.



We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	NA	NA

Information Other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, change in equity and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act, as applicable and other accounting principles generally accepted in India. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as



fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public



disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

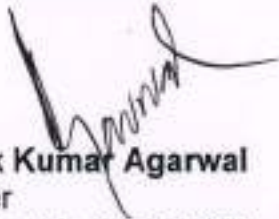


- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has neither declared nor paid any dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



3. As required by Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("Directions"), we give in "Annexure C" a separate report on the matters specified in the said Directions.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration Number 000397N



Ashok Kumar Agarwal
Partner
Membership No.084600



UDIN: 22084600AJXFCY3764

Place of Signature: Delhi
Date: 30th May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **AVON MERCANTILE LIMITED** of even date)

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of **AVON MERCANTILE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Ind AS financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, 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 Ind AS 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 internal financial controls system with reference to Ind AS financial statements of the Company.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to Ind AS financial statements 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.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration Number 000397N



Ashok Kumar Agarwal
Partner
Membership No. 084600



UDIN: 22084600AJXFCY3764

Place of Signature: Delhi
Date: 30th May, 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AVON MERCANTILE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The Company does not have any intangible asset. Hence reporting under clause 3 (i) (a) (B) of the Order is not applicable;
 - (b) The Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not have any immovable property, hence reporting under clause 3 (i) (c) of the Order is not applicable;
 - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has made investment in a company and granted unsecured loans to companies and other entities, during the year, in respect of which:
 - (a) The Company's principal business is to give loans and hence reporting under clause 3(iii)(a) of the Order is not applicable.



- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation except for two parties having total outstanding of ₹ 307,955.49 thousands as at 31st March 2022.
- (d) In respect of loans granted by the Company, there is an overdue amount more than ninety days of ₹ 289,478.49 thousands which remaining outstanding as at the balance sheet date. As per information and explanation available to us, the Company has made efforts during the year to recover overdue amount of principal and interest but need to take more aggressive steps to recover overdue principal and interest.
- (e) Reporting under clause 3(iii) (e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. The company being a non-banking financial company, nothing contains in section 186, except sub section (1), is applicable to it.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income tax and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Provident Fund, Employees' State Insurance, Sales Tax, Value Added Tax, duty of Custom, duty of Excise and Cess are not applicable to the company.



There were no undisputed amounts payable in respect of Goods and Service tax, Income tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, there are no dues of Goods and Service Tax Income tax and other material statutory dues applicable to it which have not been deposited with the appropriate authorities on account of any dispute as at 31st March 2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or Interest thereon taken from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associates Companies since company does not have any subsidiaries, joint ventures or associates Company.
 - (f) The Company does not have any subsidiaries, joint ventures or associates Company and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.




- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is duly registered under section 45-IA of the Reserve Bank of India Act, 1934 and a valid Certificate of registration. Reporting under clause 3 (xvi) (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies



(Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has incurred cash losses of ₹ 3,674.76 thousands during the financial year covered by our audit and ₹ 804.63 thousands in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3(xx) of the Order is not applicable.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration Number 000397N


Ashok Kumar Agarwal
Partner
Membership No. 084600



UDIN: 22084600AJXFCY3764

Place of Signature: Delhi
Date: 30th May, 2022

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AVON MERCANTILE LIMITED of even date)

- a. The company is engaged in the business of Non-Banking Financial institution. The company being a Non-Banking Finance Company has obtained a certificate of registration from the Reserve Bank of India to carry on such business. Further, the company is entitled to continue to hold such certificate of registration in terms of its asset & income pattern as on 31st March, 2022.
- b. The board of Directors of the Company has passed a resolution for the non-acceptance of any public deposits.
- c. The company has not accepted any public deposits during the year ended 31st March, 2022.
- d. In our opinion and according to the information and explanations given to us, as per the updated circular DNBR.PD.007/03.10.119/2016-17 dt Sep 01,2016 (as amended), Chapter IV, paragraph 70 and Chapter V of the above circular does not apply to the Company. The Company is non-banking financial company having asset size of less than Rs. 100 crores. Further it neither hold any public funds nor have any customer interface as such prudential norms are not applicable to the Company.

For Goel Garg & Co.
Chartered Accountants
Firm's Registration Number 000397N


Ashok Kumar Agarwal
Partner
Membership No. 084600



UDIN: 22084600AJXFCY3764

Place of Signature: Delhi
Date: 30th May, 2022

AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A,
NOIDA, UTTAR PRADESH - 201301
CIN:L17118UP1985PLC026582
Balance Sheet as at March 31, 2022

Particulars	Notes	Amount as at 31-03-2022 (Amount in ₹'000)	Amount as at 31-03-2021 (Amount in ₹'000)
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	2	374.81	1,839.61
(b) Loans	3	5,97,850.02	5,57,584.45
(c) Investments	4	-	-
(d) Other Financial Assets	5	1,37,438.34	1,11,247.53
Sub - Total Financial assets		7,35,663.17	6,70,671.59
Non-Financial Assets			
(a) Property, plant and equipment	6	61.80	104.48
(b) Current tax assets (net)	7	10,258.59	10,142.03
Sub Total Non-Financial assets		10,320.39	10,246.51
TOTAL ASSETS		7,45,983.56	6,80,918.10
LIABILITIES AND EQUITY			
Financial Liabilities			
(a) Borrowings	8	6,05,501.90	5,32,901.90
(b) Other Financial Liabilities	9	57,243.53	46,061.49
Sub - Total Financial Liabilities		6,62,745.43	5,78,963.39
Non - Financial Liabilities			
(a) Provisions	10	4,163.35	3,961.05
Sub - Total Non-Financial Liabilities		4,163.35	3,961.05
EQUITY			
(a) Equity Share Capital	11	74,773.90	74,773.90
(b) Other Equity	12	4,300.86	23,219.76
Sub - Total Equity		79,074.76	97,993.66
TOTAL - LIABILITIES AND EQUITY		7,45,983.56	6,80,918.10
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date
For Goel Garg & Co.
Chartered Accountants
FRN: 000397N

(Ashok Kumar Agarwal)
Partner
M. No.084600



For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258

(Gopal Singh Negi)
CFO
PAN AASPN4263A

(S. K. Upadhyay)
Director
DIN: 07871728

(Disha Soni)
(Company Secretary)
M No.: A42944

Place : Noida
Date : 30.05.2022

AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A,
NOIDA, UTTAR PRADESH - 201301
CIN:L17118UP1985PLC026582

Statement of Profit & Loss for the year ended March 31, 2022

Particulars	Notes	Amount for the year	Amount for the year
		ended 31-03-2022 (Amount in ₹ '000)	ended 31-03-2021 (Amount in ₹ '000)
Revenue from Operations			
Interest Income	13	62,483.32	53,369.65
Other income	14	612.80	757.03
Total Income		63,096.12	54,126.68
Expenses			
Finance costs	15	55,929.25	45,104.57
Employees benefits expenses	16	9,683.44	9,215.79
Depreciation, amortisation and impairment	6	95.03	105.22
Other expenses	17	16,271.51	18,540.75
Total		81,979.22	72,966.33
Profit / (Loss) before tax		(18,883.10)	(18,839.65)
Tax Expenses :			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
(iii) Income Tax for earlier years		(35.80)	96.67
Profit / (Loss) for the period		(18,918.90)	(18,742.98)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (a)			
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (b)			
Other Comprehensive Income (a+b)			
Total Comprehensive Income for the period (Comprising Profit / (Loss) and other Comprehensive Income for the period)		(18,918.90)	(18,742.98)
Earnings Per Equity Share	18		
Basic (In Rs.)		(2.53)	(2.51)
Diluted (In Rs.)		(2.53)	(2.51)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Goel Garg & Co.
Chartered Accountants
FRN: 000397N

(Ashok Kumar Agarwal)
Partner
M. No 084600



Place Noida
Date 30.05.2022

For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258

(S. K. Upadhyay)
Director
DIN: 07871728

(Gopal Singh Negi)
CFO
PAN: AASPN4263A

(Disha Boni)
(Company Secretary)
M No.: A42944

AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. 1-2, SECTOR-25A,
NOIDA, UTTAR PRADESH - 201301

CIN:L17118UP1985PLC026582

Cash Flow Statement for the year ended March 31, 2022

Particulars	31-Mar-22 (Amount in ₹ '000)	31-Mar-21 (Amount in ₹ '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(18,883.10)	(18,839.65)
Adjustments for:		
Depreciation/ amortization	95.03	105.22
Operating profit before working capital changes	(18,788.07)	(18,734.43)
Movements in working capital :		
Increase/(Decrease) in Borrowings	72,600.01	1,55,586.61
Increase/ (Decrease) in Other Financial/Non-Financial liabilities	11,384.35	(3,378.66)
(Increase)/Decrease in Loans & Advances, Other Financial/Non-Financial Assets	(66,572.94)	(1,31,832.10)
Net Cash Used in Operations	(1,376.65)	1,641.42
Direct taxes paid (net of refunds)	(35.80)	96.67
Net cash flow from/ (used in) operating activities	A (1,412.45)	1,738.09
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment / Capital Advance	(52.35)	-
Net cash flow from/ (used in) investing activities	B (52.35)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flow from/ (used in) in financing activities	C -	-
Net increase/(decrease) in cash and cash equivalents	A+B+C (1,464.80)	1,738.09
Cash and cash equivalents at the beginning of the year	1,839.61	101.52
Cash and cash equivalents at the end of half year	374.81	1,839.61
Components of cash and cash equivalents		
With banks- on current account	374.81	1,839.61
Total cash and cash equivalents (Refer Note No.2)	374.81	1,839.61

Notes :

1. Negative figures have been shown in brackets.

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Goel Garg & Co.
Chartered Accountants
FRN: 000397N

(Ashok Kumar Agarwal)
Partner
M. No.084600



For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258

(Gopal Singh Negi)
CFO
PAN:AASPN4263A

(S. K. Upadhyay)
Director
DIN: 07871728

(Disha Soni)
(Company Secretary)
M No.: A42944

Place : Noida
Date : 30.05.2022

Statement of Changes in Equity for the year ended 31 March, 2022

A. Equity Share Capital

1] Current reporting period	Balance at the beginning of current reporting period	Changes in Equity Share Capital due to prior period errors	Revalued balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	74,773.90	-	-	-	74,773.90

(Amount in ₹ '000)

2] Previous reporting period

Balance at the beginning of previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
74,773.90	-	74,773.90

(Amount in ₹ '000)

B. Other Equity

S.No.	Particulars	Reserves and Surplus							Total						
		Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Reserve Fund US 48C of The RBI Act	Retained Earnings	Debt Instruments through Other Comprehensive vs Income		Equity Instruments through Other Comprehensive vs Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements	Other items of Other Comprehensive vs Income (specify nature)	Money received against share warrants
1	Balance at the beginning of the current reporting period	-	-	60,352.09	-	1,178.11	58,310.44	-	-	-	-	-	-	-	73,210.76
2	Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Restated balance at the beginning of this current reporting period	-	-	60,352.09	-	1,178.11	58,310.44	-	-	-	-	-	-	-	73,210.76
4	Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Balance at the end of the current reporting period	-	-	60,352.09	-	1,178.11	57,229.34	-	-	-	-	-	-	-	4,360.88

(Amount in ₹ '000)

S.No.	Particulars	Reserves and Surplus							Total						
		Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Reserve Fund US 48C of The RBI Act	Retained Earnings	Debt Instruments through Other Comprehensive vs Income		Equity Instruments through Other Comprehensive vs Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements	Other items of Other Comprehensive vs Income (specify nature)	Money received against share warrants
1	Balance at the beginning of the previous reporting period	-	-	60,352.09	-	1,178.11	19,967.85	-	-	-	-	-	-	-	81,562.74
2	Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Restated balance at the beginning of the previous reporting period	-	-	60,352.09	-	1,178.11	19,967.46	-	-	-	-	-	-	-	81,562.74
4	Total Comprehensive Income for the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Balance at the end of the previous reporting period	-	-	60,352.09	-	1,178.11	18,310.44	-	-	-	-	-	-	-	23,210.76

(Amount in ₹ '000)

Summary of significant accounting policies
 The accompanying notes are an integral part of the financial statements
 As per our attached report of even date

For Goel Singh & Co.
 Chartered Accountants
 FRN: 000097N
 (Ashok Kumar Agarwal)
 Partner
 M. No. (04081)



For and on behalf of the Board of Directors

(Rakesh Kumar Bhandagar)
 Director
 DIN: 00022256

(B. K. Upadhyay)
 Director
 DIN: 07071728

(Gopal Singh Nigri)
 CFO
 PAN: AAASPM4203A

(Disha Sorli)
 (Company Secretary)
 M. No. AC2546

AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301

CIN:L17118UP1985PLC026582

Note to financial statements for the year ended March 31, 2022

1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions and presentational requirements of the Companies Act, 2013.

ii) Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

iii) Recognition of Income

Income is recognised and accounted for on accrual basis unless otherwise stated.

iv) Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

v) Investments

Long-term investments are valued at cost being the purchase price plus direct costs. Provision is made for permanent diminution, if any, in the value of the investments.

vi) Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

vii) Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

viii) Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

ix) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

x) Tangible Assets & Depreciation

Tangible assets are measured on the basis of cost model. According to cost model, tangible assets should be carried at its cost less any accumulated depreciation and any impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset.

xi) Depreciation

Depreciation on property, plant & equipment was provided on the basis of useful lives prescribed under Schedule II of the Companies Act, 2013.

Depreciation on addition to assets is calculated pro-rata from the date of such addition to the end of the year. The company assumes residual value to be Nil and assets costing Rs. 5000/-or less are fully depreciated in the year of purchase.



AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301

CIN:L17118UP1985PLC026582

Note to financial statements for the year ended March 31, 2022

1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

xii) Reserve Fund

Company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared as per section 45IC of the Reserve Bank of India Act, 1934.

XIII) Retirement Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.



AVON MERCANTILE LIMITED

Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. 1-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301
CIN:L17118UP1985PLC026582

Notes to Financial Statements as at March 31, 2022

Particulars	Amount as at 31-03-2022 (Amount in ₹ '000)	Amount as at 31-03-2021 (Amount in ₹ '000)
2. Cash and cash equivalents		
Balances with banks:		
Current Accounts		
- IndusInd Bank	343.40	1,807.08
- State Bank of India	31.41	32.53
	<u>374.81</u>	<u>1,839.61</u>
5. Other Financial Assets		
Interest due but not received	1,37,399.92	1,11,216.81
Prepaid expenses	30.60	26.27
Other Advances	7.82	2.45
	<u>1,37,438.34</u>	<u>1,11,247.53</u>
7. Current tax assets (net)		
TDS recoverable	10,258.59	10,142.03
	<u>10,258.59</u>	<u>10,142.03</u>
9. Other Financial Liabilities		
Audit Fee Payable	107.48	92.53
TDS Payable	5,659.35	3,398.16
Expenses Payable & Others	625.99	118.68
Salary & Wages Payable	548.01	730.40
Interest Payable	50,302.70	41,721.73
	<u>57,243.53</u>	<u>46,061.49</u>
10. Provisions		
Long term provisions		
Provision for leave encashment	216.47	133.85
Provision for Gratuity	152.65	88.96
Short term provisions		
Provision for leave encashment	344.50	341.78
Provision for Gratuity	406.45	353.18
Provision for standard asset	3,043.30	3,043.30
	<u>4,163.35</u>	<u>3,961.05</u>
11. Equity Share Capital		
Authorized shares		
75,00,000 (75,00,000) Equity Shares of Rs. 10/- each	75,000.00	75,000.00
Issued, subscribed and fully paid-up shares		
74,77,390 (74,77,390) Equity Shares of Rs. 10/- each	74,773.90	74,773.90
Total issued, subscribed and fully paid-up share capital	<u>74,773.90</u>	<u>74,773.90</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year
Equity shares

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount in Rs. '000	No. of Shares	Amount in Rs. '000
At the beginning of the year	74,77,390	74,773.90	74,77,390	74,773.90
Issued during the year – Bonus issue	-	-	-	-
Issued during the year – ESOP	-	-	-	-
Outstanding at the end of the year	<u>74,77,390</u>	<u>74,773.90</u>	<u>74,77,390</u>	<u>74,773.90</u>

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the company, shares held by its holding company are stated below:

NIL

NIL

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

NIL

NIL



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CIN:L17118UP1985PLC026582

Notes to Financial Statements as at March 31, 2022

Particulars	Amount as at 31-03-2022 (Amount in ₹ '000)	Amount as at 31-03-2021 (Amount in ₹ '000)
-------------	--	--

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Smart Bharat Private Limited (Formerly known as Smart Entertainment Private Limited)	14,70,750	19.67%	14,70,750	19.67%
Oasis Cineplex Private Limited	4,89,250	6.54%	4,89,250	6.54%
LCC Infotech Ltd	4,94,500	6.61%	4,94,500	6.61%

(e) Details of shareholding by promoters

NIL

NIL

(f) The above information (from (a) to (e)) is as per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownerships of shares.

12. Other Equity

Reserves Fund U/S 45IC of The RBI Act

Balance at the beginning of the year	1,178.11	1,178.11
ADD : Addition during the year	-	-
Closing Balance	1,178.11	1,178.11

Surplus/ (deficit) in the statement of profit and loss

Balance as per last financial statements	(38,310.44)	(19,567.46)
Profit/(Loss) for the year	(18,918.90)	(18,742.98)
Less : Appropriation		
Transfer to NBFC Reserve Fund u/s 45IC of RBI Act	-	-
Net surplus/(deficit) in the statement of profit and loss	(57,229.34)	(38,310.44)

Special Reserve	60.76	60.76
Amalgamation Reserve	60,291.33	60,291.33
Total Reserves and Surplus	4,300.86	23,219.75

Contingent liabilities and commitments

(1) Contingent Liabilities

a) Claims against the company not acknowledged as debts	NIL	NIL
b) Guarantees	NIL	NIL
c) other money for which company is contingently liable		
- amount payable against TDS default	1.94	1.80

(2) Commitments

a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



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Notes to Financial Statements for the year ended March 31, 2022

Note 3: Loans

The carrying value and fair value of Loans by categories as of 31 March 2022 are as follows

(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
Loans (Refer Note No.24)						
(A) (i) Term Loans *	6,29,839.50	-	-	-	-	6,29,839.50
(ii) Others	105.09	-	-	-	-	105.09
Total (A) Gross	6,29,944.59	-	-	-	-	6,29,944.59
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	32,094.57	-	-	-	-	32,094.57
Total (A) Net	5,97,850.02	-	-	-	-	5,97,850.02
(B) (i) Unsecured	6,29,944.59	-	-	-	-	6,29,944.59
Total (B) Gross	6,29,944.59	-	-	-	-	6,29,944.59
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	32,094.57	-	-	-	-	32,094.57
Total (B) Net	5,97,850.02	-	-	-	-	5,97,850.02
(C) (i) Loans in India						
(a) Public Sector	-	-	-	-	-	-
(ii) Others	6,29,944.59	-	-	-	-	6,29,944.59
Total (C) Gross	6,29,944.59	-	-	-	-	6,29,944.59
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	32,094.57	-	-	-	-	32,094.57
Total (C) (i) Net	5,97,850.02	-	-	-	-	5,97,850.02
(C) (ii) Loans outside India	-	-	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (C) (ii) Net	-	-	-	-	-	-
Total (C) (i) and (C) (ii)	5,97,850.02	-	-	-	-	5,97,850.02

* Note: Loan amounting to Rs.2,07,300 (Thousands) and Interest amounting to Rs.1,00,655.49 (Thousands) is long overdue from two parties.

The carrying value and fair value of Loans by categories as of 31 March 2021 are as follows.

(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
Loans (Refer Note No.24)						
(A) (i) Term Loans	5,74,739.50	-	-	-	-	5,74,739.50
(ii) Others	76.08	-	-	-	-	76.08
Total (A) Gross	5,74,815.58	-	-	-	-	5,74,815.58
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	17,231.13	-	-	-	-	17,231.13
Total (A) Net	5,57,584.45	-	-	-	-	5,57,584.45
(B) (i) Unsecured	5,74,815.58	-	-	-	-	5,74,815.58
Total (B) Gross	5,74,815.58	-	-	-	-	5,74,815.58
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	17,231.13	-	-	-	-	17,231.13
Total (B) Net	5,57,584.45	-	-	-	-	5,57,584.45
(C) (i) Loans in India						
(a) Public Sector	-	-	-	-	-	-
(ii) Others	5,74,815.58	-	-	-	-	5,74,815.58
Total (C) Gross	5,74,815.58	-	-	-	-	5,74,815.58
Less: Impairment Loss Allowance	-	-	-	-	-	-
Less: Expected Credit Loss (ECL)	17,231.13	-	-	-	-	17,231.13
Total (C) (i) Net	5,57,584.45	-	-	-	-	5,57,584.45
(C) (ii) Loans outside India	-	-	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (C) (ii) Net	-	-	-	-	-	-
Total (C) (i) and (C) (ii)	5,57,584.45	-	-	-	-	5,57,584.45



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Notes to Financial Statements for the year ended March 31, 2022

Note 4: Investments

The carrying value and fair value of Investments by categories as of 31 March 2022 are as follows.

(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
Equity Instruments (27,60,000 Shares of Modikem Private Limited)	27,808.00	-	-	-	-	27,808.00
Others	-	-	-	-	-	-
Total (A) Grosss	27,808.00	-	-	-	-	27,808.00
(i) Investment outside India	-	-	-	-	-	-
(ii) Investment in India	27,808.00	-	-	-	-	27,808.00
Total (B) Grosss	27,808.00	-	-	-	-	27,808.00
Less: Allowance for Impairment	27,808.00	-	-	-	-	27,808.00
Total (C) (I) Net	-	-	-	-	-	-

The carrying value and fair value of Investments by categories as of 31 March 2021 are as follows.

(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
Equity Instruments (27,60,000 Shares of Modikem Private Limited)	27,808.00	-	-	-	-	27,808.00
Others	-	-	-	-	-	-
Total (A) Grosss	27,808.00	-	-	-	-	27,808.00
(i) Investment outside India	-	-	-	-	-	-
(ii) Investment in India	27,808.00	-	-	-	-	27,808.00
Total (B) Grosss	27,808.00	-	-	-	-	27,808.00
Less: Allowance for Impairment	27,808.00	-	-	-	-	27,808.00
Total (C) (I) Net	-	-	-	-	-	-



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Notes to financial statements as at 31 March 2022

Note 6. Property, Plant and Equipment				(Amount in ₹ '000)
Particulars	Office equipments	Computers	Furniture & Fixtures	Total
Cost				
At 1st April 2020	217.44	165.40	36.35	419.19
Additions	-	-	-	-
Disposal	-	-	-	-
At 31st March 2021	217.44	165.40	36.35	419.19
Additions	29.60	22.75	-	52.35
Disposal	-	-	-	-
At 31st March 2022	247.04	188.15	36.35	471.54
Depreciation				
At 1st April 2020	107.46	90.86	11.17	209.49
Depreciation	68.95	32.64	3.63	105.22
Depreciation on Disposals	-	-	-	-
At 31st March 2021	176.41	123.49	14.81	314.70
Depreciation	55.11	36.29	3.63	95.03
Depreciation on Disposals	-	-	-	-
At 31st March 2022	231.52	159.78	18.44	409.74
Net Block				
At 1st April 2020	109.98	74.55	25.17	209.70
At 31st March 2021	41.04	41.91	21.54	104.48
At 31st March 2022	15.53	28.37	17.91	61.80



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Notes to Financial Statements for the year ended March 31, 2022

Note 8: Borrowings

The carrying value and fair value of Borrowings by categories as of 31 March 2022 are as follows.
(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
a) Term Loans						
i) from Banks	-	-	-	-	-	-
ii) from Other parties (unsecured)						
Smart Bharat Pvt Ltd (ROI @ 9.5%, Due date - 31.12.2023)	2,65,096.44	-	-	-	-	2,65,096.44
Saket City Residences Pvt. Ltd. (ROI @ 10%, Due date - 08.12.2023)	42,750.00	-	-	-	-	42,750.00
Global Mobile Infrastructure Pvt. Ltd. (ROI @ 9.5%, Due date - 24.09.2022)	1,225.47	-	-	-	-	1,225.47
Smart Global Corporate Holding Pvt. Ltd. (ROI @ 9.5%, Due date - 10.01.2024)	2,96,430.00	-	-	-	-	2,96,430.00
Total (A) Gross	6,05,501.90	-	-	-	-	6,05,501.90
(i) Borrowings in India	6,05,501.90	-	-	-	-	6,05,501.90
(ii) Borrowings outside India	-	-	-	-	-	-
Total (B) Gross	6,05,501.90	-	-	-	-	6,05,501.90

The carrying value and fair value of Borrowings by categories as of 31 March 2021 are as follows.
(Amount in ₹ '000)

Particulars	Amortised cost	At Fair Value			Sub-total	Total
		through OCI	through profit or loss	Designated at fair value through profit or loss		
a) Term Loans						
i) from Banks	-	-	-	-	-	-
ii) from Other parties (unsecured)						
Smart Bharat Pvt Ltd (ROI @ 9.5%, Due date - 31.12.2023)	2,62,896.44	-	-	-	-	2,62,896.44
Saket City Residences Pvt. Ltd. (ROI @ 10%, Due date - 08.12.2023)	49,700.00	-	-	-	-	49,700.00
Global Mobile Infrastructure Pvt. Ltd. (ROI @ 9.5%, Due date - 24.09.2022)	1,225.46	-	-	-	-	1,225.46
Smart Global Corporate Holding Pvt. Ltd. (ROI @ 9.5%, Due date - 10.01.2024)	2,19,080.00	-	-	-	-	2,19,080.00
Total (A) Gross	5,32,901.90	-	-	-	-	5,32,901.90
(i) Borrowings in India	5,32,901.90	-	-	-	-	5,32,901.90
(ii) Borrowings outside India	-	-	-	-	-	-
Total (B) Gross	5,32,901.90	-	-	-	-	5,32,901.90



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Notes to Financial Statements for the year ended March 31, 2022

Particulars	Amount for the year ended 31-03-2022 (Amount in ₹ '000)	Amount for the year ended 31-03-2021 (Amount in ₹ '000)
13. Interest Income		
Interest on loan	62,480.24	53,366.67
Interest on Staff Loan	3.08	2.98
	62,483.32	53,369.65
14. Other Income		
Miscellaneous income	-	3.38
Interest income on Income tax refund	612.80	753.65
	612.80	757.03
15. Finance costs		
Interest on borrowings	55,929.25	45,104.57
	55,929.25	45,104.57
16. Employee benefits expenses		
Salaries, wages and bonus	8,713.70	7,979.79
Leave encashment expenses	168.70	446.76
Gratuity	116.97	155.24
Staff welfare expenses	684.06	634.00
	9,683.44	9,215.79
17. Other expenses		
Rates and Taxes	4.80	4.44
Legal and professional fees	258.95	191.14
Advertisement Charges	43.95	53.07
Payment to Auditors (Refer details below)	162.25	162.25
Bank Charges	1.48	1.22
Listing Fees	374.65	404.42
Miscellaneous Exp.	83.77	12.57
Communication Costs	52.14	43.95
Repair and maintenance	14.09	37.90
Travelling & Conveyance	278.76	304.51
Printing & Stationery	35.89	23.36
Director's sitting fees	70.80	70.80
Provision for Expected Credit Loss	14,863.44	17,231.13
	16,271.51	18,540.75
Payment to auditors:		
Audit fee	76.70	76.70
Limited review	44.25	44.25
Other services	41.30	41.30
	162.25	162.25
18. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit/ (loss) after tax	(18,918.90)	(18,742.98)
Number of ordinary equity shares	74,77,390	74,77,390
Weighted average number of ordinary equity shares	74,77,390	74,77,390
Nominal Value of ordinary shares	10	10
Basic earning per share	(2.53)	(2.51)
Diluted earning per share	(2.53)	(2.51)



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Notes to financial statements for the year ended March 31, 2022

ADDITIONAL NOTES TO ACCOUNTS

- 19 The financials for current year ended on March 31, 2022 have been prepared as per the provisions and schedules prescribed under the Companies Act, 2013.
- 20 The company being listed on stock exchange therefore, has complied with all the notified applicable Accounting Standards.
- 21 **Deferred Taxes**
As per the provisions of Indian Accounting Standard AS - 12 "Income taxes", the company as on the date of balance sheet, at the income tax rates applicable on the said date has Deferred Tax Assets (DTA) on temporary differences. The said DTA has not been recognized in the books of account, on account of virtual uncertainty of future long term profits and revival in the values of long term investments respectively.
- 22 Previous year figures have been regrouped/re-classified wherever considered to make comparable with the current year figures.
- 23 All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account including Annexure-A as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
- 24 Disclosure required under section 186(4) of the Companies Act, 2013

(Amount in ₹ '000)

Name of Loanee	Rate of Interest	Due Date	Secured/ Unsecured	31-Mar-22	31-Mar-21	Purpose
Saket Medical Pvt. Ltd. (Formerly Saket City Medical Assisted Living Centre Pvt. Ltd.)	10.50%	14-Mar-22	Unsecured	3,04,340.00	2,73,740.00	For General Purpose
Plus Fac Holdings Private Limited *	10.00%	14-Jan-21	Unsecured	2,05,300.00	2,05,300.00	For General Purpose
Smart Dreams Pvt. Ltd.	10.00%	31-Mar-24	Unsecured	17,452.50	12,502.50	For General Purpose
Cutting Edge ventures Pvt. Ltd. *	11.00%	25-Sep-18	Unsecured	2,000.00	2,000.00	For General Purpose
Smart Vishwas Society	10.00%	02-Feb-25	Unsecured	5,000.00	16,800.00	For General Purpose
ID System Ltd.	10.00%	29-Apr-22	Unsecured	41,630.00	14,130.00	For General Purpose
Spice Smart Solutions Ltd.	10.00%	05-May-22	Unsecured	750.00	750.00	For General Purpose
MBM Limited	10.00%	12-Aug-22	Unsecured	2,767.00	2,767.00	For General Purpose
Bouganvillea Multiplex & Entertainment Center Pvt. Ltd.	10.00%	11-Feb-24	Unsecured	11,100.00	6,100.00	For General Purpose
Welltech Private Limited (Formerly known as Smart Yoga Private Limited)	10.00%	28-Aug-22	Unsecured	39,150.00	38,500.00	For General Purpose
Waterisher Holdings Pvt. Ltd.	10.00%	12-Sep-22	Unsecured	350.00	150.00	For General Purpose
Manjeet Singh	10.00%	31-Oct-23	Unsecured	95.37	40.33	For General Purpose
Vijay Singh Rana	10.00%	31-Aug-21	Unsecured	9.72	28.67	For General Purpose

* Note: Loan amounting to Rs 2,07,300 (Thousands) is long overdue from two parties.



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Notes to financial statements for the year ended March 31, 2022

ADDITIONAL NOTES TO ACCOUNTS

25 Employee benefits

Defined Benefit Plans - General Description

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are as follows:

	(Amount in ₹ '000)	(Amount in ₹ '000)
	Gratuity	Leave
Defined benefit obligation at 01 April 2020	359.37	418.23
Current service cost	100.34	140.68
Interest expense	23.83	27.73
Benefits paid	(72.48)	(141.66)
Actuarial (gain)/ loss on obligations	31.07	30.65
Defined benefit obligation at 31 March 2021	442.13	475.62
Current service cost	117.73	150.35
Interest expense	27.94	30.06
Benefits paid	-	(83.36)
Actuarial (gain)/ loss on obligations	(28.71)	(11.70)
Defined benefit obligation at 31 March 2022	559.09	560.96

Reconciliation of fair value of plan assets and defined benefit obligation:

	Rs in '000	Rs in '000
Fair value of plan assets at 01 April 2020	-	-
Defined benefit obligation at 01 April 2020	359.37	418.23
Fair value of plan assets at 31 March 2021	-	-
Defined benefit obligation at 31 March 2021	442.13	475.62
Amount recognised in the Balance Sheet at 31 March 2021	(442.13)	(475.62)
Fair value of plan assets at 31 March 2022	-	-
Defined benefit obligation at 31 March 2022	559.09	560.96
Amount recognised in the Balance Sheet at 31 March 2022	(559.09)	(560.96)



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ADDITIONAL NOTES TO ACCOUNTS

Amount recognised in Statement of Profit and Loss:

	(Amount in ₹ '000)	(Amount in ₹ '000)
	Gratuity	Leave
Current service cost	100.34	140.68
Net interest expense	23.83	27.73
Actuarial gain/ (loss) on obligations	31.07	30.65
Amount recognised in Statement of Profit and Loss for year ended 31 March 2021	155.24	199.05
Current service cost	117.73	150.35
Net interest expense	27.94	30.06
Actuarial gain/ (loss) on obligations	(28.71)	(11.70)
Amount recognised in Statement of Profit and Loss for year ended 31 March 2022	116.97	168.70

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

	31st March 2022	31st March 2021
Discount rate (in %)	7.00%	6.32%
Salary Escalation (in %)	5.50%	5.50%
Expected average remaining working lives of employees (in years)	11.29	7.12

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

Assumptions	Discount rate		Salary Increase	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(Amount in ₹ '000)		(Amount in ₹ '000)	
Gratuity	(4.17)	4.47	4.51	(4.24)
Leave	(7.83)	8.39	8.50	(7.92)

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Assumptions	Discount rate		Salary Increase	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(Amount in ₹ '000)		(Amount in ₹ '000)	
Gratuity	(2.07)	2.18	2.18	(2.09)
Leave	(5.18)	5.57	5.59	(5.22)



AVON MERCANTILE LIMITED

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Notes to financial statements for the year ended March 31, 2022

26 Fair Values

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Amortised cost	Fair value through profit or loss	Fair value through OCI	(Amount in ₹ '000)
				Total carrying value
Financial Assets				
Cash and cash equivalents	101.52			101.52
Loans	4,49,851.42			4,49,851.42
Investments	-			-
Other Financial Assets	82,230.71			82,230.71
Total Financial Assets	5,32,183.65	-	-	5,32,183.65
Financial Liabilities				
Borrowings	3,77,315.29			3,77,315.29
Other financial liabilities	49,580.30			49,580.30
Total Financial Liabilities	4,26,895.59	-	-	4,26,895.59

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	Fair value through profit or loss	Fair value through OCI	(Amount in ₹ '000)
				Total carrying value
Financial Assets				
Cash and cash equivalents	1,839.61			1,839.61
Loans	5,57,584.45			5,57,584.45
Investments	-			-
Other Financial Assets	1,11,247.53			1,11,247.53
Total Financial Assets	6,70,671.59	-	-	6,70,671.59
Financial Liabilities				
Borrowings	5,32,901.90			5,32,901.90
Other financial liabilities	46,061.49			46,061.49
Total Financial Liabilities	5,79,963.39	-	-	5,79,963.39

26.2 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payable, and other current liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	31 March 2022	(Amount in ₹ '000)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-			-
Total	-	-	-	-



AVON MERCANTILE LIMITED

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Notes to financial statements for the year ended March 31, 2022

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

Particulars	31 March 2021	(Amount in ₹ '000)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in equity instruments	-	-	-	-
Total	-	-	-	-

27 Financial risk management objectives and policies

Financial risk management

Financial risk factors

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowings.

Interest rate sensitivity calculated on borrowings

	Increase/(Decrease) in basis points	Effect on profit before tax
31-Mar-22		
(Amount in ₹ '000)	0.5	(2,931.03)
	-0.5	2,931.02
31-Mar-21		
(Amount in ₹ '000)	0.5	(2,367.67)
	-0.5	2,367.67

Equity Price Risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed and unlisted equity securities at fair value is not material (excluding investment in subsidiaries).



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CIN:L17118UP1005PLC026592

Notes to financial statements for the year ended March 31, 2022**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

Liquidity risk

The Company's objective is to maintain a low debt exposure. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:
(Amount in ₹ '000)

Particulars	Less than 1 year	1-5 years	Total
Borrowings	1,225.47	6,04,276.44	6,05,501.90
Other financial liabilities	57,243.53	-	57,243.53
Total	58,469.00	6,04,276.44	6,62,745.44

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:
(Amount in ₹ '000)

Particulars	Less than 1 year	1-5 years	Total
Borrowings	-	5,32,901.90	5,32,901.90
Other financial liabilities	46,061.49	-	46,061.49
Total	46,061.50	5,32,901.90	5,78,963.39

28 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within borrowings, Trade payables, other financial liabilities, other current liabilities

(Amount in ₹ '000)

	31 March 2022	31 March 2021
Borrowings	6,05,501.90	5,32,901.90
Other financial liabilities	57,243.53	46,061.49
Less: Cash and cash equivalents	374.61	1,839.61
Net Debt	6,62,370.83	5,77,123.78
Equity	74,773.90	74,773.90
Capital and net debt	7,37,144.53	6,51,897.68
Gearing ratio	89.85%	88.53%

29 Financial Ratios

	31 March 2022	31 March 2021
(a) Capital to risk-weighted assets ratio (CRAR)	10.60%	14.39%
(b) Tier I CRAR	10.60%	14.39%
(c) Tier II CRAR	NA	NA
(d) Liquidity Coverage Ratio	5.40%	42.39%



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Notes to financial statements for the year ended March 31, 2022

ADDITIONAL NOTES TO ACCOUNTS

- 30** Details of Key Managerial Personnel Remuneration
- | | (Amount in ₹ '000) | (Amount in ₹ '000) |
|--|--------------------|--------------------|
| Name: Mr. Jagdutt Kumar Sharma (Manager) | 2021-22 | 2020-21 |
| Salary / Allowances | 1,612.56 | 1,293.98 |
| Car Lease Rent paid | 240.00 | 190.00 |
| Other reimbursement | 430.80 | 341.05 |
| | 2,283.36 | 1,825.03 |
| Name: Mr. Pranjul Gupta
(Company Secretary w.e.f. 13.04.2018 upto 05.02.2021) | 2021-22 | 2020-21 |
| Salary / Allowances | - | 588.81 |
| | - | 588.81 |
| Name: Ms. Disha Soni
(Company Secretary w.e.f. 30.06.2021) | 2021-22 | 2020-21 |
| Salary / Allowances | 468.93 | - |
| | 468.93 | - |
| Name: Mr. Gopal Singh Negi (CFO w.e.f. 01.03.2019) | 2021-22 | 2020-21 |
| Salary / Allowances | 1,201.20 | 950.95 |
| Car Lease Rent paid | 240.00 | 190.00 |
| Other reimbursement | 297.80 | 235.75 |
| | 1,739.00 | 1,376.71 |
- 31** Information required to be given by way of note regarding foreign currency income/outgo
- Nil
- 32 (a) Related Party Disclosures :**
- Holding Company
- Nil
- Subsidiary Company
- Nil
- Fellow Subsidiary Company
- Nil
- Associate company
- Nil
- Key Management Personnel**
- Mr. Jagdutt Kumar Sharma (Manager)
 Mr. Pranjul Gupta (Company Secretary w.e.f. 13.04.2018 upto 05.02.2021)
 Mr. Rakesh Kumar Bhatnagar (Director w.e.f. 30.06.2021)
 Ms. Seema Salwan (Director w.e.f. 14.08.2019)
 Mr. Siddheshwar Kumar Upadhyay (Director w.e.f. 28.09.2019)
 Mr. Kamalapati Kashyap (Director w.e.f. 21.07.2019 upto 30.06.2021)
 Mr. Gurninder Pal Singh (Director w.e.f. 21.07.2019)
 Mr. Gopal Singh Negi (CFO w.e.f. 01.03.2019)
 Ms. Disha Soni (Company Secretary w.e.f. 30.06.2021)
- (b) Related Party Transactions**
- Attached as per annexure 1
- 33** The Company, using its best estimates based on reasonable and supportable assumptions and projections, has made provision for expected credit loss (ECL) of Rs.32,094.57 thousands in accordance with Indian Accounting Standard AS 109.
- 34** As per the updated circular DNBR/PD/007/03-10-119/2016-17 dt 1st September 2016 (As amended), the directions under chapter IV, paragraph 70 and chapter V are not applicable to the company as it is not accessing any public funds and do not have any customer interface.

As per our attached report, of even date

For Gopal Garg & Co.
Chartered Accountants
FRN: 000397N

(Ashok Kumar Agarwal)
Partner
M No 984600



Place: Noida
Date: 30.06.2022

For and on behalf of the Board of Directors

Rakesh Bhatnagar

(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258

Gopal Singh Negi
(Gopal Singh Negi)
CFO
PAN: AASPN4263A

S. K. Upadhyay

(S. K. Upadhyay)
Director
DIN: 07871728

Disha Soni
(Disha Soni)
(Company Secretary)
M No: A42044

AVON MERCANTILE LIMITED

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Related Party transactions for the year ended March 31, 2022

Annexure-1

(Amount in ₹ '000)

Particulars	Key management Personnel		Total	
	2021-22	2020-21	2021-22	2020-21
(A) Transactions				
Salary & Allowances Paid				
Jagdutt Kumar Sharma	2,283.36	1,825.03	2,283.36	1,825.03
Pranjul Gupta	-	588.81	-	588.81
Disha Soni	468.98	-	468.98	-
Gopal Singh Negi	1,739.00	1,376.71	1,739.00	1,376.71
Director's Sitting Fees Paid				
Seema Salwan	30.00	30.00	30.00	30.00
Siddheshwar Kumar Upadhyay	30.00	30.00	30.00	30.00



ANNEXURE 'A" FORMING PART OF THE ACCOUNTS

Particulars as per NBFC Directions as at 31.03.2022

As required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Rs. (IN Lakhs)

		Particulars		
		Liabilities side :		
(1)		Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
	(a)	Debentures : Secured	-	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	-	-
	(d)	Inter-corporate loans and borrowing (Unsecured)	6,558.05	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans (specify nature)	-	-
		* Please see Note 1 below		
(2)		Break-up of (1)(f) above (Outstanding public deposits inclusive of interest		
	(a)	In the form of Unsecured debentures		
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c)	Other public deposits		
		* Please see Note 1 below		
		Assets side :	Amount outstanding	
(3)		Break - up of Loans and Advances including bills / Trade receivables [other than those included in (4) below] :		
	(a)	Secured	-	
	(b)	Unsecured	5,978.50	
(4)		Break-up of Leased Assets and stock on hire and other assets counting towards AFC Activities		N.A.



(5)	<u>Break-up of Investment :</u>	
	<u>Current Investment :</u>	
	1 <u>Quoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2 <u>Unquoted :</u>	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-



ANNEXURE 'A' FORMING PART OF THE ACCOUNTS**Particulars as per NBFC Directions as at 31.03.2022**

As required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Rs. (IN Lakhs)

Particulars		Amount net of provisions		
		Secured	Unsecured	Total
(6)	Borrower group-wise classification of assets financed as in (3) & (4) above: Please see Note 2 below			
	Category			
1	Related Parties **			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group *	-	-	-
(c)	Other related parties	-	-	-
2	Other than related parties	-	5,978.50	5,978.50
	Total	-	5,978.50	5,978.50
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see Note 3 below			
	Category	Market Value / Break up or fair value or NAV***	Book Value (Net of Provisions)	
1	Related Parties **		-	-
(a)	Subsidiaries		-	-
(b)	Companies in the same group *		-	-
(c)	Other related parties		-	-
2	Other than related parties		-	-
	Total		-	-

** As per Accounting Standard of ICAI (Please see Note 3)

The definition of "Companies in the same group" has been taken in terms of paragraph 2(1)(iii) of Non-

* Systemically Important non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential

(B) Other information

Particulars		Amount
(i)	Gross Non - Performing Assets	NA
(a)	Related parties	-
(b)	Other than related parties	-
(ii)	Net Non - Performing Assets	NA
(a)	Related parties	-
(b)	Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	NA

Notes :

- As defined in point xxv of paragraph 3 of Chapter -II of these Directions
- Provisioning norms shall be applicable as prescribed in these Directions. However as per the updated circular DNBR.PD.007/03.10.119/2016-17 dt 1st September 2016 (As amended), the prudential norms shall not apply to the Company as the Company is non-banking financial company having asset size of less than Rs.500 crores and further it does not accept/hold any public funds. Accordingly provisioning norms are not applicable to the company.
- All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in



GREEN INITIATIVE APPEAL TO THE SHAREHOLDERS

The Shareholders holding shares in demat form are requested to register their e-mail id with their Depository. Shareholders holding shares in physical form are requested to send their consent to our Registrar and Transfer Agent, M/s MCS Share Transfer Agent Limited in the following format.

Date: _____

Unit: Avon Mercantile Limited

M/s. MCS Share Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area, Phase-I,

New Delhi - 110020

Phone No: 011-41406149

Fax No: 011-41709881

E-mail id: helpdeskdelhi@mcsregistrars.com

Website: www.mcsregistrars.com

I/We _____ holding _____ shares of the Company in physical form intend to receive all communications including notices, annual reports, through my/our e-mail id given hereunder:

Folio No _____ E-mail id _____

Signature of the first holder



AVON MERCANTILE LIMITED

CIN: L17118UP1985PLC026582

S, GLOBAL KNOWLEDGE PARK,
19A & 19B, SECTOR-125,
NOIDA-201301