

AVON MERCANTILE LIMITED

**ANNUAL REPORT
2018-19**

CORPORATE INFORMATION

STATUTORY AUDITORS

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

INTERNAL AUDITOR

M/s. RBAS & Associates
Chartered Accountants
Office No. 49, II Floor,
A-215, Chawla Complex,
Shakarpur, Delhi- 110092

SECRETARIAL AUDITOR

M/s. K Rakesh & Co.
Company Secretaries
C-532, Aman Vihar, Near Rohini,
Sector-20, Kirari
Delhi-110086

SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi - 110 020
Ph:- 011-41406149, Fax:- 011-4170 9881
Email: helpdeskdelhi@mcsregistrars.com
Website: www.mcsregistrars.com

REGISTERED / CORPORATE OFFICE

S Global Knowledge Park
19A & 19B, Sector-125,
Noida, Uttar Pradesh - 201301

BANKERS

IndusInd Bank Limited, New Delhi
State Bank of India, New Delhi

CONTENTS

Notice	01
Directors' Report	07
Extract of Annual Return in Form MGT-9	13
AOC-2	20
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo	21
Particulars of Employees	22
Secretarial Audit Report	24
Corporate Governance Report & Compliance Certificate thereon	27
Management Discussion & Analysis Report	36
Financial Statements	
● Auditors' Report	38
● Balance Sheet	44
● Profit & Loss Account	45
● Cash Flow Statement	46
● Schedules forming part of Balance Sheet and Profit & Loss Account and Notes to Accounts	47

AVON MERCANTILE LIMITED**Registered Office :**

S Global Knowledge Park, 19A & 19B,
Sector-125, NOIDA-201301 (U.P.)
CIN : L17118UP1985PLC026582
Phone : 0120-3355131, 3859000
Website: www.avonmercantile.in
Email Id : avonsecretarial@gmail.com

NOTICE

Notice is hereby given that the 34th Annual General Meeting of AVON MERCANTILE LIMITED will be held on Monday, 30th September, 2019 at 10:00 A.M. at S Global Knowledge Park, 19A & 19B, Sector-125, Noida – 201301 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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.

SPECIAL BUSINESS:

2. 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 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Kamalapati Kashyap (DIN: 02359002), who was appointed as an Additional Director of the Company w.e.f. 21st July, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation.”
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 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Gurvinder Pal Singh (DIN: 05207077), who was appointed as an Additional Director of the Company w.e.f. 21st July, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation.”
4. 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 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended, the appointment of Ms. Seema Salwan (DIN : 06944301) who was appointed by the Board as an Additional Director in the category of Non – Executive Independent Director and holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Act has been received from a member of the Company proposing her candidature for the office of Director and who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations be and is hereby approved as an Independent Director of the Company for a period of five years w.e.f. 14th August, 2019 not liable to retire by rotation.”

By Order of the Board
For Avon Mercantile Limited

Sd/-
(Pranjul Gupta)
Company Secretary &
Compliance Officer
M. No. A35912

Place : Noida
Date : 14th August 2019

NOTES :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto (**Annexure-A**).
2. Brief resume of the Director seeking re-appointment as mandated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed as (**ANNEXURE – B**) hereto and forms part of the Notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY OF ANY OTHER MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ATTENDANCE SLIP.
4. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the meeting.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing them to attend and vote on their behalf at the meeting.
6. A route map has been attached with this notice for your convenience to reach at the venue of the Annual General Meeting of the Company.
7. Members are requested to intimate any change in their address directly to the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited – F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020.
8. The members are requested to intimate their queries to the Company at its Registered Office Address, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th September 2019 to Monday, 30th September 2019 (both days inclusive).
10. 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.
11. The Copy of the Annual Report is being sent by electronic mode to members who have registered their e- mail ids with the Company. Members whose e-mail id is not registered with the Company will be sent physical copies of the Annual Report at their registered address through permitted mode as specified under Section 20(2) of the Companies Act, 2013 and Rule 35 of the Companies (Incorporation) Rules, 2013. To support the 'Green Initiative' the Members who have not registered their email addresses are requested to register the same with the Company.
12. The Annual Report of the Company for the year ended 31st March 2019 is uploaded on the Company's website www.avonmercantile.in and may be accessed by the members.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares can submit their PAN to the Company / MCS Share Transfer Agent Limited.
14. Statutory Registers and documents referred to in the Notice and Explanatory Statement as required to be maintained under the provisions of the Companies Act, 2013, are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting and will also be available for inspection at the venue of the meeting.
15. VOTING THROUGH ELECTRONIC MEANS
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the members to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e- voting") will be provided by National Securities Depository Limited (NSDL).

-
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The process and manner for remote e-voting are as under:
- a. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):
- Open e-mail and open PDF file viz "Avon-remote e-Voting.pdf" with your Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password and you will be asked to change this password when you log-in for the first time.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>.
 - Click on Shareholder-Login.
 - Put user ID and password as initial password noted in step (a) above. Click Login.
 - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select "EVEN" of "AVON Limited".
 - Now you are ready for remote e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to caamitjain.btp@gmail.com with a copy marked to evoting@nsdl.com.
- b. In case of Members receiving Physical copy of Notice of Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy) :
- Initial password is provided in the box overleaf.
 - Please follow all steps from Sl. No. (b) to Sl. No. (l) above at 14 (IV) (A), to cast vote.
 - If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsd.com or contact NSDL at the following toll free no.: 1800-222-990.
 - The e-voting period commences on Friday, 27th September, 2019 (9.00 am) and will end on Saturday, 29th September 2019 (5.00 pm). During this period members of the Company, holding shares as on the cut-off date, being 23rd September 2019 may cast their vote electronically in the manner and process as set out above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on the resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.
 - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2019.
-

- g) Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2019, they may also obtain the login ID and password by sending a request at evoting@nsdl.com or RTA, MCS Share Transfer Agent Limited.
- h) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- i) A person, whose name is recorded in the register of members, as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- j) Mr. Amit Kumar Jain, Practicing Chartered Accountant (M. No.-509349) has been appointed 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.
- k) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e- voting facility.
- l) 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.
- m) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://www.avonmercantile.in/> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the Calcutta Stock Exchange Association Limited.

ANNEXURE - A**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS****Item No. 2**

As per Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed company is required to have not less than fifty per cent of the board of directors shall comprise of non-executive directors.

Accordingly in terms of Sections 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Kamalapati Kashyap was appointed as an Additional Director w.e.f. 21st July 2019, to hold office till conclusion of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

Mr. Kamalapati Kashyap is a Company Secretary and has more than 20 years of experience in various fields covering Business Companies Act, 2013, Legal Aspects etc. and is on the Board of several Indian Companies.

The Board feels that presence of Mr. Kamalapati Kashyap on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 2 for adoption.

None of the Directors except Mr. Kamalapati Kashyap, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Item No. 3

As per Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed company is required to have not less than fifty per cent of the board of directors shall comprise of non-executive directors..

Accordingly in terms of Sections 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Gurvinder Pal Singh was appointed as an Additional Director w.e.f. 21st July 2019, to hold office till conclusion of this Annual General Meeting. His term of office shall be liable to determination by retirement of directors by rotation.

Mr. Gurvinder Pal Singh is a Chartered Accountant and has more than 20 years of experience in various fields covering Finance, Legal Aspects etc. and is on the Board of several Indian Companies.

The Board feels that presence of Mr. Gurvinder Pal Singh on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 3 for adoption.

None of the Directors except Mr. Gurvinder Pal Singh, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Item No. 4

In terms of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint Independent Directors, who shall hold office for a period of upto five consecutive years and shall not be liable to retire by rotation. An Independent Director may be appointed for a maximum of two consecutive terms of upto five years each.

Accordingly in terms of Sections 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Seema Salwan is proposed to be appointed as Independent Director for a term as stated in the Resolution. The Company has received notices, in writing, from a member, alongwith the deposit of the requisite amount under Section 160 of the Act, proposing the candidature of Ms. Seema Salwan for the appointment as Independent Director of the Company. She is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declarations from her that she meet with the criteria of independence as prescribed under Section 149 (6) of the Act and SEBI (LODR) Regulations, 2013.

In the opinion of the Board, she fulfill the conditions as specified in the Companies Act, 2013 and Rules made thereunder for the appointment as Independent Director of the Company and she is independent from the management.

A brief profile of Independent Director to be appointed, including nature of their expertise and other disclosure as required under SEBI (LODR) Regulations, 2013, is provided at **Annexure-B** of this Notice.

Except this Director, being appointees or their relatives, none of the Directors and Key Managerial

Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item No. 4.

The Board recommends the resolution in relation to the appointment of her as Independent Director, for the approval by the shareholders of the Company.

ANNEXURE-B

Details of Directors seeking reappointment in forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Name of Director	Mr. Kamalapati Kashyap	Mr. Gurvinder Pal Singh	Ms. Seema Salwan
Date of Birth	30 th August, 1975	12 th September, 1961	7 th September, 1966
Date of Appointment as Director	21 st July, 2019	21 st July, 2019	14 th August, 2019
Qualification	CS, CWA and LL.B by qualification, having experience of over 20 years in finance, Secretarial and legal.	Chartered Accountant from ICAI.	A practicing advocate, having Honours Degree in Psychology and LL.B, having experience of more than 30 years in legal field.
Expertise in specific functional areas	Have 20 years of experience in Finance, secretarial and legal aspects.	Have more than 20 years of vast experience in Finance, accounting and expertise in fields of Direct and Indirect Taxation etc. the field of finance and accounting.	Have more than 30 years of legal practice in the areas of litigation, mediation, corporate and commercial law, mergers and acquisitions, regulatory and compliance, and litigation strategy.
List of Other Directorship	Smart Dreams Pvt. Ltd., Saket City Residences Pvt. Ltd., Smart Global Corporate Holdings Pvt. Ltd., Smart Entertainment Pvt. Ltd., Modipur Realty Pvt. Ltd., Smart Global Ventures Pvt. Ltd. (under strike off), Spicebulls Investments Ltd., Modipur Devices Pvt. Ltd., Saket City Medical Office Building Pvt. Ltd., Global Citizen Forum India, Saket Medicity Pvt. Ltd., Saket City Rehabilitation Centre Pvt. Ltd., Smart Yoga Pvt. Ltd.	Smart Entertainment Pvt. Ltd.	Hindustan Retail Pvt. Ltd., Bharat BPO Services Ltd. and IO System Ltd.
List of Companies in which the membership of Committees of the Board held	IO System Limited	NIL	Member – Nomination & Remuneration Committee & Audit Committee of Bharat BPO Services Ltd.
Number of Shares held in the Company	NIL	NIL	NIL

DIRECTORS' REPORT

To,
The Members

Avon Mercantile Limited

The Board of Directors of your Company have pleasure in placing before the Members the 34th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2019.

➤ **FINANCIAL HIGHLIGHTS**

The financial highlights of the Company during the year under review are as under:

Rs. (in Lakhs)

PARTICULARS	2018-19	2017-18
Total Income	607.74	571.93
Less : Total Expenses	614.22	535.59
Profit / (Loss) before exceptional and extraordinary items and tax	(6.48)	36.34
Less: Prior Period Expenses	-	-
Less : Tax for current year	(1.81)	8.25
Less: Income Tax paid for earlier years	-	-
Profit After Tax	(8.29)	28.09

During the year under review the total revenue of the Company was Rs. 607.74 Lakhs consisting of revenue from operations for Rs. 607.70 Lakhs and other Income for Rs. 0.04 Lakhs as against the total revenue of the Company was Rs. 571.93 Lakhs consisting of revenue from operations for Rs. 570.41 Lakhs and other Income for Rs. 1.52 Lakh during the previous financial year 2017-18. The loss for the year under review is Rs. 8.29 Lakhs as compared to profit of Rs. 28.09 Lakhs during the previous financial year 2017-18.

➤ **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

During the year under review, the Company, being a Non-Banking Financial Company, has carried out its main activity of lending funds. The Company intends to continue the same line of business in future as well.

➤ **CHANGE(S) IN THE NATURE OF BUSINESS**

During this period there is no change in business of the Company or in the subsidiaries' business or in the nature of business carried on by them.

➤ **DIVIDEND**

For the purpose of business growth and expansion, the Board of Directors of the Company has not recommended any dividend for the Financial Year ending 31st March, 2019.

➤ **TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to the Reserves Fund as required under the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 as the company has incurred losses of Rs. 8.29 Lakhs during the year 2018-19.

➤ **CHANGES IN SHARE CAPITAL**

During the year under review, there was no change in the Authorized and paid up share capital of the Company.

➤ **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of section 92 of the Companies Act, 2013 ("Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the extract of Annual return in Form No. MGT-9 is annexed herewith as ANNEXURE-I and forms part of this report.

➤ **NUMBER OF BOARD MEETINGS**

During the year under review, four meetings of the Board were held on 30/05/2018, 14/08/2018, 10/11/2018 and 14/02/2019 respectively.

➤ **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

➤ **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, the Company has not entered into any contract or arrangement with related parties under section 188 of the Act. The form AOC-2 is enclosed to this Report as ANNEXURE – II.

➤ **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There is no material change and commitment affecting the financial position of the Company between the end of the Financial Year of the Company to which financial statements relate and the date of report.

➤ **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as ANNEXURE-III and forms part of this report.

➤ **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.

➤ **INTER-SE TRANSFER OF PROMOTERS' SHAREHOLDING**

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

➤ **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

A Certificate of non-disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (LODR) 2015 obtained from M/s. K Rakesh & Co., Company Secretaries, forms a part of this report.

➤ **RISK MANAGEMENT POLICY**

The Company believes that managing risks goes hand-in-hand with maximum returns. To this effect, there is a robust process in place to identify key risks and prioritise the relevant action plans to mitigate these risks. Risk management framework is reviewed periodically like review of compliance and regulatory matters by the Board Members.

➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Ramesh Chandra Agarwal, Independent Director of the Company, resigned with effect from 30th June, 2019. Also, with effect from 21st July, 2019, Mr. Kamalapati Kashyap and Mr. Gurvinder Pal Singh were appointed as Additional Directors based on the recommendation of Nomination & Remuneration Committee, who hold office upto the conclusion of this Annual General Meeting. The Company has received a notice from a member of the Company proposing the candidature of Mr. Kamalapati Kashyap and Mr. Gurvinder Pal Singh for appointment as a Director of the Company. Ms. Preeti Malhotra was appointed as Additional Director and Chairperson of the Company, Mr. Rakesh Kumar Bhatnagar and Ms. Rashi Adlakha resigned from the Board with effect from 21st July, 2019.

Also, Ms. Seema Salwan was appointed as an Additional Director, Non-executive (Independent) of the Company with effect from 14th August, 2019. In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of shareholders is sought for the appointment of Ms. Seema Salwan as an Independent Director for a term of 5 (five) consecutive years from 14th August, 2019 to 13th August, 2024, not liable to retire by rotation. The Company has received consent from Ms. Seema Salwan to act as a Director and declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and also a declaration under Section 164 of the Act that she is not disqualified from being appointed as a Director. In the opinion of the Board and on the basis of the recommendation of Nomination and Remuneration Committee, the Board believes that she 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 she is independent of the management and her appointment as an Independent Director would be beneficial to the Company and this will enable the Board to discharge its functions and duties effectively.

At present the Board of Directors of the Company comprise *inter-alia* of two independent Directors, viz., Mr. Satish Kumar Gupta and Ms. Seema Salwan, 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. The term of Mr. Satish Kumar Gupta as an Independent Director expires on 28th September, 2019. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Naveen Chand Khulve was appointed as Chief Financial Officer (CFO) of the Company with effect from 1st June, 2018 and was resigned as Chief Financial Officer (CFO) of the Company with effect from 24th August, 2018. Further, Mr. Gopal Singh Negi was appointed as Chief Financial Officer (CFO) of the Company with effect from 1st March, 2019 and is continuing till date.

There has not been any other change in the Directorship or appointment / resignation of Key Managerial Personnel.

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/Key Managerial Person	Designation	Date of Appointment	Date of Resignation
	Mr. Pranjul Gupta	Company Secretary & Compliance Officer	13/04/2018	-
	Mr. Naveen Chand Khulve	Chief Financial Officer	01/06/2018	24/08/2018
	Mr. Gopal Singh Negi	Chief Financial Officer	01/03/2019	-
	Mr. Ramesh Chandra Agarwal	Non-Executive Independent Director	30/09/2014	30/06/2019
	Ms. Preeti Malhotra	Non-Executive Non Independent Director	21/07/2019	-
	Mr. Kamalapati Kashyap	Non-Executive Non Independent Director	21/07/2019	-
	Mr. Gurvinder Pal Singh	Non-Executive Non Independent Director	21/07/2019	-
	Mr. Rakesh Kumar Bhatnagar	Non-Executive Non Independent Director	06/02/2012	21/07/2019
	Ms. Rashi Adlakha	Non-Executive Non Independent Director	08/02/2018	21/07/2019
	Ms. Seema Salwan	Non-Executive Independent Director	14/08/2019	-

➤ **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

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

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

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.

➤ **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, no significant order has been passed by any regulators or courts or tribunals.

➤ **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company maintains appropriate systems of internal control and monitoring procedures to ensure that all assets are safeguarded against loss from unauthorized use or disposition. It provides for adequate checks and balances and is meant to ensure that all transactions are authorized, recorded and 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 had appointed M/s RBAS & Associates, Chartered Accountants, as Internal Auditor of the Company for the Financial Year 2018-19. The Internal Audit Report along with observations and recommendations contained therein was placed before the Audit Committee in its meeting held on 27-5-2019 and was taken note of.

➤ **DISCLOSURE ON EMPLOYEE STOCK OPTION/PURCHASE SCHEME**

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

➤ **DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public and as such no amount of principal or interest thereon was outstanding as on 31st March 2019.

➤ **PARTICULARS OF EMPLOYEES**

In terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, table containing the names and other particulars of employees is appended in **ANNEXURE - IV**.

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 receipt of remuneration of Rs. 60 lakh or more, or
- b) employed for part of the year and was in receipt of Rs. 5 lakh 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.

➤ **CORPORATE SOCIAL RESPONSIBILITY**

The provisions contained in Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 are not applicable to the Company.

➤ **AUDITORS AND AUDITORS' REPORT**

M/s. Goel, Garg & Co., Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 30th September, 2017 for a term of five consecutive years, subject to ratification by the members of the Company at every Annual General Meeting. However, vide notification dated 7th May 2018; the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 34th Annual General Meeting.

The Auditors Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. There was no fraud reported by Auditors under section 143(12) of the Companies Act, 2013.

➤ **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the Financial Year 2018-19, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2019 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud

and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

➤ **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, there is no requirement to appoint a cost auditor for the company.

➤ **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration) Rules, 2014, the Board had appointed M/s. K Rakesh & Co., Company Secretaries in Practice (C.P No 14700) to undertake the Secretarial Audit of the Company for the financial year 2018-19 and the report is annexed as **ANNEXURE-V** to this report.

➤ **AUDIT COMMITTEE**

The details pertaining to composition of Audit Committee and its terms of reference in accordance with Sections 134(3) and 177(4) of the Act respectively are included in the Corporate Governance Report, which forms part of this report.

There are no instances of the Board not accepting the recommendations of the Audit Committee during the Financial Year 2018-19.

➤ **NOMINATION AND REMUNERATION COMMITTEE**

The details pertaining to composition of Nomination and Remuneration Committee 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.

➤ **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.

➤ **BOARD EVALUATION**

Pursuant to Section 134(q) of the Companies Act, 2013, read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulation 17(10) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a formal annual evaluation of its own performance, performance of the Individual Directors (including Independent Directors) as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has in terms of Section 178(2) and (3) of the Companies Act, 2013 and relevant regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The nomination and remuneration policy, inter alia, giving details about the policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence and other details are included in nomination and remuneration policy, the details of which are given in the Corporate Governance Report, which forms part of this Report.

➤ **CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE**

The Company is committed to follow the standards of good Corporate Governance. As required under Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is annexed as **ANNEXURE – VI(a)** and forms integral part of this report.

Further the Company has received a certificate from M/s. K Rakesh & Co, Company Secretaries in Practice (C.P. No. 14700) 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, 2019. The certificate confirming compliance of the conditions of Corporate Governance is annexed as **ANNEXURE – VI(b)** and form integral part of this report.

➤ **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 - VII** and forms an integral part of this report.

➤ **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 Schedule V(B) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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.

➤ **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013**

During the Period no cases has been reported under Sexual Harassment of Women at Workplace.

➤ **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere thanks and appreciation for the co-operation and help provided by State Government and the Bankers to the Company.

Your Directors also acknowledge the continued trust and confidence that Shareholders have placed in the Company.

By Order of the Board
For Avon Mercantile Limited

Sd/-
(Kamalapati Kashyap)
Director
DIN No. : 02359002

Sd/-
(Gurvinder Pal Singh)
Director
DIN No. : 05207077

Place : Noida
Date : 14th August, 2019

Annexure-I**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2019***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***1. 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	S Global Knowledge Park, 19A & 19B, Sector-125, Noida – 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

2. 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	99.99%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	70	70	0	0	70	70	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	19,60,000	19,60,000	26.21	0	19,60,000	19,60,000	26.21	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	19,60,070	19,60,070	26.21	0	19,60,070	19,60,070	26.21	0
2) Foreign									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	0	19,60,070	19,60,070	26.21	0	19,60,070	19,60,070	26.21	0
B. Public Shareholding									
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) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
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									
(ii) Overseas	0	0	0	0	0	0	0	0	0
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 Rs 1 lakh	0	85,000	85,000	1.14	0	85,000	85,000	1.14	0
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	73.79	0	74,77,390	74,77,390	73.79	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 Entertainment Pvt. Ltd.	7,38,500	9.88	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 Entertainment 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	01.04.2018	At the beginning of the year	494500	6.61	494500	6.61
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	494500	6.61	494500	6.61
2	Blue Chip India Limited	01.04.2018	At the beginning of the year	292500	3.91	292500	3.91
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	292500	3.91	292500	3.91
3	Benzer Agencies Limited	01.04.2018	At the beginning of the year	403750	5.40	403750	5.40
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	403750	5.40	403750	5.40
4	ATN International Limited	01.04.2018	At the beginning of the year	213250	2.85	213250	2.85
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	213250	2.85	213250	2.85
5	Precision Papers Industries Limited	01.04.2018	At the beginning of the year	87500	1.17	87500	1.17
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	87500	1.17	87500	1.17
6	Silicon Valley Infotech Limited	01.04.2018	At the beginning of the year	80750	1.08	80750	1.08
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	80750	1.08	80750	1.08
7	Orbital Contractors & Financiers Pvt Ltd	01.04.2018	At the beginning of the year	70000	0.93	70000	0.93
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	70000	0.93	70000	0.93
8	Atma Sales Pvt Ltd	01.04.2018	At the beginning of the year	60000	0.80	60000	0.80
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	60000	0.80	60000	0.80
9	Gainwell Commodities Pvt Ltd	01.04.2018	At the beginning of the year	57500	0.77	57500	0.77
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	57500	0.77	57500	0.77
10	Apex Enterprises India Ltd	01.04.2018	At the beginning of the year	55000	0.73	55000	0.73
		-	Change during the Year	-	-	-	-
		31.03.2019	At the End of the year	55000	0.73	55000	0.73

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and KMP	Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Ramesh Chandra Agarwal (Independent Director)(Upto 30.06.2019)	NIL	NIL	NIL	NIL
2.	Mr. Satish Kumar Gupta (Independent Director)	NIL	NIL	NIL	NIL
3.	Mr. Rakesh Kumar Bhatnagar (Director) (upto 21.07.2019)	NIL	NIL	NIL	NIL
4.	Ms. Rashi Adlakha (Director) (upto 21.07.2019)	NIL	NIL	NIL	NIL
5.	Ms. Preeti Malhotra (w.e.f. 21.07.2019)	NIL	NIL	NIL	NIL
6.	Mr. Kamalapati Kashyap (w.e.f. 21.07.2019)	NIL	NIL	NIL	NIL
7.	Mr. Gurvinder Pal Singh (w.e.f. 21.07.2019)	NIL	NIL	NIL	NIL
8.	Mr. Gopal Singh Negi (Chief Financial Officer) (w.e.f. 01.03.2019)	NIL	NIL	NIL	NIL
9.	Mr. Jagdutt Kumar Sharma (Manager)	NIL	NIL	NIL	NIL
10.	Mr. Pranjul Gupta (Company Secretary) (w.e.f. 13.04.2018)	NIL	NIL	NIL	NIL

5. INDEBTEDNESS

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

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	-	495,412,000	-	495,412,000
ii) Interest due but not paid	-	37,652,371	-	37,652,371
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	533,064,371	-	533,064,371
Change in Indebtedness during the financial year				
- Addition	-	189,320,000	-	189,320,000
- Reduction	-	168,359,353	-	168,359,353
Net change	-	20,960,647	-	20,960,647
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	516,372,647	-	516,372,647
ii) Interest due but not paid	-	41,987,601	-	41,987,601
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	558,360,248	-	558,360,248

6. 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 Rs.)
1.	Gross salary	Mr. Jagdutt Kumar Sharma (Manager)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15,39,600
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		1,80,000
	(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		4,75,404
6.	Total(A)		21,95,004
	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		Total Amount
		Mr. Ramesh Chandra Agrawal	Mr. Satish Kumar Gupta	
1.	<u>Independent Directors</u> ·Fee for attending board / committee meetings ·Commission ·Others, please specify	Rs. 30,000 NIL NIL	Rs. 30,000 NIL NIL	Rs. 60,000 NIL NIL
	Total(1)	Rs. 30,000	Rs. 30,000	Rs. 60,000
2.	<u>Other Non-Executive Directors</u> ·Fee for attending board / committee meetings ·Commission ·Others, please specify	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
	Total(2)	NIL	NIL	NIL
	Total(B)=(1+2)	Rs. 30,000	Rs. 30,000	Rs. 60,000
	Total Managerial Remuneration	Rs. 30,000	Rs. 30,000	Rs. 60,000
	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 Secretary	CFO		Total
		None	Mr. Pranjul Gupta *	Mr. Naveen Chand Khulve**	Mr. Gopal Singh Negi ***	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	3,93,008	3,40,726	91,000	824,734
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL	16,334	16,334
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5.	Others- Reimbursement	NIL	NIL	NIL	26,104	26,104
	Total	NIL	3,93,008	3,40,726	1,33,438	8,67,172

* For the period from 13th April 2018 to 31st March 2019.

**For the period 1st June, 2018 till 24th August, 2018

*** For the period 1st March, 2019 till 31st March, 2019

7. 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		

ANNEXURE-II

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	

ANNEXURE -III

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 2019:

- (A) Conservation of Energy: Since the Company is not engaged in manufacturing activity, this clause is not applicable.
- (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 equipments:
Not Applicable
- (B) Technology Absorption: Since the Company is not engaged in manufacturing activity, this clause is not applicable.
- (i) the efforts made towards technology absorption:
Not Applicable
 - (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
Not Applicable
 - (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
Not Applicable
 - (iv) the expenditure incurred on Research and Development:
Not Applicable
- (C) Foreign Exchange Earnings and Outgo: (in Rs.)
NIL

ANNEXURE –IV**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, 2019:

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 31st March 2019	Remuneration for F/Y ended 31st March 2018	% increase in remuneration
Mr. Jagdutt Kumar Sharma	Manager	21,95,004	20,54,200	6.58
Mr. Pranjul Gupta*	Company Secretary	3,93,008	-	NA
Mr. Naveen Chand Khulve**	Chief Financial Officer	3,40,726	-	NA
Mr. Gopal Singh Negi***	Chief Financial Officer	1,33,438	-	NA

*Remuneration paid for the period from 13th April 2018 to 31st March 2019.

** Mr. Naveen Chand Khulve was appointed as CFO w.e.f. 1st June, 2018 and Resigned as CFO w.e.f. 24th August 2018. The remuneration paid during the F.Y. 2018-19 was for the period from 1st June, 2018 till 24th August, 2018. Therefore the % increase in remuneration has been mentioned proportionally.

*** Mr. Gopal Singh Negi was appointed as CFO w.e.f. 1st March, 2019. Remuneration paid during the financial year 2018-19 for the period from 1st March, 2019 till 31st March, 2019. Therefore the % increase in remuneration has been mentioned proportionally.

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 2018-19.

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

During the financial year ending 31st March, 2019, there was 1 (one) 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 6.26% in the total revenue earned by the Company during the F.Y 2018-19 as compared to last F.Y. 2017-18. The percentage increase in remuneration of the Manager during the F.Y. 2018-19 was 6.58%.

6. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2018-19 (in Rs.)	8,67,172
Revenue (in Rs.)	6,07,74,479
Remuneration of KMPs (as a % of revenue)	1.43
Profit/(Loss) before Tax (in Rs.)	(648,499)
Remuneration of KMP (as a % of PBT)	-

7. 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.

8. 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.

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

	Mr. Jagdutt Kumar Sharma (Manager)	Mr. Naveen Chand Khulve (CFO)	Mr. Gopal Singh Negi (CFO)	Mr. Pranjul Gupta (Company Secretary)
Remuneration of Key Managerial Personnel (KMP) in FY 2018-19 (in Rs.)	21,95,004	3,40,726	1,33,438	3,93,008
Revenue (in Rs.)	6,07,74,479	6,07,74,479	6,07,74,479	6,07,74,479
Remuneration of KMPs (as a % of revenue)	3.61%	0.56%	0.22%	0.65%
Profit/(Loss) before Tax (in Rs.)	(648,499)	(648,499)	(648,499)	(648,499)
Remuneration of KMP (as a % of PBT)	-	-	-	-

10. 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).

11. 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).

12. 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.

ANNEXURE-V

K RAKESH & CO.
Company Secretaries

C-532, Aman Vihar,
Near Rohini Sector-20,
Kirari, Delhi-110086
Phone: 9560522530, 8377954952
krakeshandcompany@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

To,

The Members,

Avon Mercantile Limited,
S Global Knowledge Park,
19A & 19B, Sector-125, Noida,
Gautam Buddha Nagar-201301(UP).

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Avon Mercantile Limited (**CIN: L17118UP1985PLC026582**) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Avon Mercantile Limited 'the Company' for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- (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;
All the Rules, Regulations, Guidelines and Circulars applicable to the Non Banking Financial Companies under The RBI Act, 1934;
- (iv) 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 as the Company did not issue any security during the financial year under review**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 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, 2009. (**Not applicable as the Company did not issue any security during the financial year under review**);
 - (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 Employees Benefits) Regulations, 2014. (**Not applicable as the Company has not granted any option to its employees during the financial year under review**);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not applicable as the Company has not issued any debt security during the financial year under review**);
 - (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 as the Company is not registered as Registrar to an issue and share transfer agent during the financial year under review**);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (**Not Applicable as**

the Company has not delisted its equity shares from any stock exchange during the financial year under review);

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable as the Company has not bought back any of its securities during the financial year under review);**

The Company has identified the following laws as specially 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;

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

- i. Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period under review and as per the representation and clarification provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement etc.

During the Audit Period, the Company has accepted the resignation of the following Directors, Chief Financial Officer and Company Secretary & Compliance Officer:

- Resignation of Mr. Vikas Kapoor (DIN: 03020854) as Director w.e.f. 30th November, 2017;
- Resignation of Mrs. Gunjan Arora (DIN: 07134573) as Director w.e.f. 30th November, 2017;
- Resignation of Mr. Rajesh Kumar (PAN: AICPK6657P) as Chief Financial Officer w.e.f. 30th November, 2017;
- Resignation of Mrs. Jyoti Manchand (PAN: AKPPM5835J) as Company Secretary & Compliance Officer w.e.f. 30th November, 2017;

During the Audit Period, Ms. Rashi Adlakha (DIN: 07742051), was appointed as Additional Director in the Board w.e.f. 8th February, 2018.

During the year under review M/s Goel Garg & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five year w.e.f. 1st April, 2017 till 31st March, 2022.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per the provisions of Companies Act, 2013 and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during audit period, the Company has not incurred any specific event/ action that can have major bearing on the Company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines etc..

For K. Rakesh & Company
Company Secretaries

Sd/-
(RAKESH KUMAR)
ACS: 32443
C. P.: 14700
Date: 20th July, 2018
Place: Noida

K RAKESH & CO.

Company Secretaries

C-532, Aman Vihar,
Near Rohini Sector-20,
Kirari, Delhi-110086
Phone: 9560522530, 8377954952
krakeshandcompany@gmail.com

To,

The Members,

Avon Mercantile Limited,
S Global Knowledge Park,
19A & 19B, Sector-125, Noida,
Gautam Buddha Nagar-201301(UP).

My Secretarial Report of even date, for the financial year 2017-2018 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintenance Secretarial records, devise proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standard and procedure followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For K. Rakesh & Co.

Company Secretaries

Sd/-

(RAKESH KUMAR)

ACS: 32443

C. P.: 14700

Date: 20th July, 2018

Place: Noida

ANNEXURE – VI(a)

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, 2019.

1. COMPANY'S PHILOSOPHY

The Company continues to believe in conduct of its high standard of integrity, ethical behavior, 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, 2019, the Board consisted of Mr. Ramesh Chandra Agarwal, Mr. Satish Kumar Gupta, Mr. Rakesh Kumar Bhatnagar and Ms. Rashi Adlakha. 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 2018-2019.

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 30/05/2018, 14/08/2018, 10/11/2018 and 14/02/2019 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, 2019 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 2019 are given herein below.

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 Directors	Category	No. of Position held in other Public Limited Companies			Attendance at Board Meetings held during the year from 1st April 2018 to 31st March 2019	Attendance at last AGM
		Board	Committee			
			Membership	Chairmanship		
Mr. Rakesh Kumar Bhatnagar	Non-Executive	4	0	0	4	Yes
Mr. Ramesh Chandra Agarwal	Independent Non-Executive Director	4	5	1	4	Yes
Mr. Satish Kumar Gupta	Independent Non-Executive Director	4	4	2	4	Yes
Ms. Rashi Adlakha	Non-Executive	4	0	1	4	Yes

III. Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 14th February, 2019 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.	Mr. Vikas Kapoor	0	0
2.	Ms. Gunjan Arora	0	0
3.	Mr. Rakesh Kumar Bhatnagar	0	0
4.	Mr. Ramesh Chandra Agarwal	30,000	0
5.	Mr. Satish Kumar Gupta	30,000	0
6.	Ms. Rashi Adlakha	0	0

4. DIRECTORS SEEKING RE-APPOINTMENT

The required information regarding the details of Directors seeking re-appointment is furnished in the Notice for the Annual General Meeting as Annexure - B.

5. 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 year under review, the composition of Audit Committee was as follows:

S.No	Name	Designation
1.	Mr. Ramesh Chandra Agarwal	Chairman
2.	Mr. Satish Kumar Gupta	Member
3.	Mr. Rakesh Kumar Bhatnagar	Member

The Audit Committee met four times during the year i.e. on 30/05/2018, 14/08/2018, 10/02/2018 and 14/02/2019 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 1st April 2018 to 31st March 2019
Mr. Ramesh Chandra Agarwal	Chairman	Non-Executive Independent Director	4
Mr. Satish Kumar Gupta	Member	Non-Executive Independent Director	4
Mr. Rakesh Kumar Bhatnagar	Member	Non-Executive Director	4

Mr. Ramesh Chandra Agrawal, Chairman of Audit Committee, was present at the last Annual General Meeting of the Company which was held on 29th September, 2018.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- a. 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 year under review, the composition of Nomination and Remuneration Committee was as follows:

Sr. No.	Name	Designation
1.	Mr. Satish Kumar Gupta	Chairman
2.	Mr. Ramesh Chandra Agarwal	Member
3.	Mr. Rakesh Kumar Bhatnagar	Member

The Nomination and Remuneration Committee met once during the year i.e. on 30th May, 2018, 14th August, 2018 and 14th February 2019.

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 2018 to 31st March 2019
Mr. Satish Kumar Gupta	Chairman	Non-Executive Independent Director	3
Mr. Ramesh Chandra Agarwal	Member	Non-Executive Independent Director	3
Mr. Rakesh Kumar Bhatnagar	Member	Non-Executive Director	3

Mr. Satish Kumar Gupta, Chairman of Nomination and Remuneration Committee, was present at the last Annual General Meeting of the Company which was held on 29th September, 2018.

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 year under review, the composition of Nomination and Remuneration Committee was as follows:

Sr. No.	Name	Designation
1.	Ms. Rashi Adlakha	Chairman
2.	Mr. Satish Kumar Gupta	Member
3.	Mr. Ramesh Chandra Agarwal	Member

The Stakeholders Relationship Committee met once during the year i.e. on 14th February 2019.

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 2018 to 31st March 2019
Ms. Rashi Adlakha	Chairman	Non-Executive Director	1
Mr. Satish Kumar Gupta	Member	Non-Executive Independent Director	1
Mr. Ramesh Chandra Agarwal	Member	Non-Executive Independent Director	1

The details of the investors' compliant / grievance received by the Company during the Financial Year 2018-19 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 2019.

Ms. Rashi Adlakha, Chairman of Stakeholders' Relationship Committee, was present at the last Annual General Meeting of the Company which was held on 29th September, 2018.

6. 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
2018	S Global Knowledge Park, 19A & 19B, Sector-125, Noida, UP – 201301	29th September, 2017	10.00 A.M.
2017	S Global Knowledge Park, 19A & 19B, Sector-125, Noida, UP - 201301	30th September, 2017	10.00 A.M.
2016	S Global Knowledge Park, 19A & 19B, Sector-125, Noida, UP - 201301	30th September, 2016	10.00 A.M.

(b) Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year 2018-19.

I. Postal Ballot: No Postal Ballot was conducted during the year 2018-19.

II. 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
29 th September, 2018	No	No Special resolution has been passed
30 th September, 2017	No	No Special resolution has been passed
30 th September, 2016	No	No Special resolution has been passed

6. SUBSIDIARY

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

7. 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, 2019, by the Manager (in absence of CEO) is enclosed as ANNEXURE – VI(a)(i) at the end of this Report.

8. 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 – VI(a)(ii) at the end of this report.

9. 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.

10. 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'.

11. GENERAL SHAREHOLDER INFORMATION

(a) **Registered Office** : S Global Knowledge Park, 19A & 19B,
Sector-125, Noida, Uttar Pradesh - 201301

(b) Annual General Meeting

Date : 30th September, 2019

Time : 10.00 AM

Venue : S Global Knowledge Park, 19A & 19B,
Sector-125, Noida, Uttar Pradesh - 201301

(c) Financial Year ending : 31st March every year

(d) Date of Book Closure : 24th September, 2019 to 30th September, 2019

(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 fee due for the year 2018-19 was duly paid to both the stock exchanges.

(g) 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

(h) 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.

(i) Distribution of Shareholding as on 31st March 2018

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%

(j) Dematerialisation 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.

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

(l) Address for Investor Correspondence & for any query on Annual Report : Company Secretary & Compliance officer
Avon Mercantile Limited,
S Global Knowledge Park, 19A & 19B
Sector-125, Noida, Uttar Pradesh - 201301

The above report was placed before the Board at its Meeting held on 14th August, 2018 and the same was approved.

ANNEXURE – VI(a)(i)

CERTIFICATION BY MANAGER AND CHIEF FINANCIAL OFFICER OF AVON MERCANTILE LIMITED AS ON 31ST MARCH, 2019 (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 2019 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 2019 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

Jagdutt Kumar Sharma
(Manager)

Sd/-
Gopal Singh Negi
(Chief Financial Officer)

Place : Noida

Date : 14th August, 2019

ANNEXURE – VI(a)(ii)**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 2019.

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

Place : Noida

Date : 14th August, 2019

**Sd/-
(Kamalapati Kashyap)
Director
DIN No. : 02359002**

**Sd/-
(Gurvinder Pal Singh)
Director
DIN No. : 05207077**

ANNEXURE – VI(b)

K RAKESH & CO.

Company Secretaries

C-532, Aman Vihar,
Near Rohini Sector-20,
Kirari, Delhi-110086
Phone: 9560522530, 8377954952
krakeshandcompany@gmail.com

CORPORATE GOVERNANCE CERTIFICATE

{Under Regulation 34(3) and Schedule V (E) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,

The Members,

Avon Mercantile Limited

- 1) I have examined the compliance of conditions of Corporate Governance by Avon Mercantile Limited ("the Company"), for the financial year ended on 31st March, 2018, as stipulated in Part C of Schedule V of the Listing Regulations.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations for the financial year ended 31st March 2018.
- 4) I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date : 14th August 2018

Place : Noida

For K. Rakesh & Co.
Company Secretaries

**Sd/-
(Rakesh Kumar)
C.P. No. 14700**

Annexure - VII

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 2019-20:

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.

Place : Noida
Date : 14th August 2019

By Order of the Board
For Avon Mercantile Limited

Sd/-
(Kamalapati Kashyap)
Director
DIN: 02359002

K RAKESH & CO.
Company Secretaries

C-532, Aman Vihar, Kirari Suleman Nagar,
Near Rohini Sector-20, New Delhi-110086,
Phone: 9560522530, 8377954952
krakeshandcompany@gmail.com

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
S Global Knowledge Park,
19-A & 19-B, Sector-125, Noida,
Gautam Buddha Nagar,
Uttar Pradesh-201301

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Avon Mercantile Ltd. (CIN: L17118UP1985PLC026582) having registered office at S - Global Knowledge Park, 19-A & 19-B, Sector-125, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301 (hereinafter referred to as 'the Company'), produced before me by the Company 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2019 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.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

For **K. Rakesh and Company**

(Rakesh Kumar)
M. No.: A32443
CP No.: 14700

Place : NOIDA
Date : 13/08/2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVON MERCANTILE LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AVON MERCANTILE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss and the Cash Flows Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 audit opinion on the 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 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.

Information Other than the 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standard specified under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“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

Place of Signature: Delhi

Date: 30th May, 2019

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 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 financial statements of **AVON MERCANTILE LIMITED** (“the Company”) as of March 31, 2019 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to 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

Place of Signature: Delhi

Date: 30th May, 2019

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)

- i. In respect of the Company's fixed assets (Property, Plant and Equipment):
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) The Company has a program of verification to cover all the items of fixed assets (Property, Plant and Equipment) in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets (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) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the sub clause is not applicable.
- ii. The company is not carrying on any manufacturing or trading activity. Therefore clause 3(ii) of the Order is not applicable to the company.
- iii. As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to grant of loans, making investments and providing guarantees and securities, as applicable. The company being a non banking financial company, nothing contain in section 186, except sub section (1), shall apply.
- v. The Company does not have any deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and as per information and explanations given to us by the management, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues, including Income Tax, Service Tax, Goods and Service 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, Customs Duty, Excise Duty and Cess are not applicable to the company.
 - (b) According to information and explanations given to us, there are no dues of income tax, Service Tax and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company does not have any term loan from Bank, Institutions or Debenture holders. Therefore clause 3(viii) of the Order is not applicable to the company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further based on our audit procedures and according to the information and explanations given to us, we are of the opinion that money raised by the company by way of term loan has been applied for the purpose for which it was raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Goel Garg & Co.

Chartered Accountants

Firm's Registration Number 000397N

Ashok Kumar Agarwal

Partner

Membership No. 084600

Place of Signature: Delhi

Date: 30th May, 2019

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, 2019.
- 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, 2019.
- d. The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 amended upto date. In our opinion and according to the information and explanations given to us, as per the updated circular DNBR (PD) CC. No.044/03.10.119/2015-16 dated 11th April 2016, the prudential norms except para 15 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.

For Goel Garg & Co.

Chartered Accountants

Firm's Registration Number 000397N

Ashok Kumar Agarwal

Partner

Membership No. 084600

Place of Signature: Delhi

Date: 30th May, 2019

Balance Sheet as at March 31, 2019

Particulars	Notes	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	74,773,900	74,773,900
(b) Reserves and surplus	3	50,604,897	51,434,487
		125,378,797	126,208,387
Non-current liabilities			
(a) Long term Borrowings	4	48,600,000	25,000,000
(b) Long-term provisions	5	518,655	135,047
		49,118,655	25,135,047
Current liabilities			
(a) Short-term borrowings	6	467,772,647	470,412,000
(b) Other current liabilities	7	47,788,181	42,507,551
(c) Short-term provisions	8	4,657,034	3,540,103
		520,217,862	516,459,654
TOTAL		694,715,314	667,803,088
ASSETS			
Non-current assets			
(a) Property plant and equipments			
Tangible assets	9	46,880	74,269
(b) Non-current investments	10	-	-
(c) Long-term loans and advances	11	119,880,000	133,480,000
		119,926,880	133,554,269
Current assets			
(a) Cash and cash equivalents	12	4,766,941	14,858,005
(b) Short-term loans and advances	13	477,266,208	456,600,185
(c) Other current assets	14	92,755,285	62,790,629
		574,788,434	534,248,819
TOTAL		694,715,314	667,803,088

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 : Delhi

Date : 30.05.2019

For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)

Director

DIN: 02922258

(Pranjul Gupta)

Company Secretary

M. No.: A35912

(Rashi Adlakha)

Director

DIN: 07742051

(Gopal Singh Negi)

CFO

PAN:AASPN4263A

Statement of Profit & Loss for the period ended March 31, 2019

Particulars	Notes	Amount for the period ended 31-03-2019 Rs.	Amount for the year ended 31-03-2018 Rs.
Income			
Revenue from operations	15	60,770,822	57,041,369
Other income	16	3,657	152,167
Total		60,774,479	57,193,536
Expenses			
Employee benefits expense	17	10,862,368	11,015,279
Finance costs	18	46,652,896	40,181,666
Depreciation and amortization expense	9	34,040	42,346
Other expenses	19	3,873,674	2,319,720
Total		61,422,978	53,559,011
Profit/(Loss) before exceptional and extraordinary items and tax		(648,499)	3,634,525
Exceptional items			
Prior period expenses		-	-
Profit/(Loss) before extraordinary items and tax		(648,499)	3,634,525
Extraordinary items			
Profit / (Loss) before tax		(648,499)	3,634,525
Tax Expenses :			
(i) Current Tax		(181,093)	(825,029)
(ii) Current Tax (Mat)		-	-
(ii) Income tax paid for earlier years		-	-
Profit / (Loss) for the year		(829,592)	2,809,496
Earnings per equity share [nominal value of share Rs. 10 (31 March 2017: Rs. 10)]	20		
1) Basic		(0.11)	0.38
2) Diluted		(0.11)	0.38
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

For and on behalf of the Board of Directors

(Ashok Kumar Agarwal)
Partner
M. No.084600

(Rakesh Kumar Bhatnagar)
Director
DIN: 02922258

(Rashi Adlakha)
Director
DIN: 07742051

Place : Delhi
Date : 30.05.2019

(Pranjul Gupta)
Company Secretary
M. No.: A35912

(Gopal Singh Negi)
CFO
PAN:AASPN4263A

Cash Flow Statement for the year ended March 31, 2019

Particulars	31-Mar-19 Rs.	31-Mar-18 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(648,499)	3,634,525
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation/ amortization	34,040	42,346
Operating profit before working capital changes	(614,459)	3,676,871
Movements in working capital :		
Increase / (decrease) in short-term provisions	935,838	(1,021,923)
Increase / (decrease) in short-term borrowings	(2,639,353)	108,912,000
Increase/ (decrease) in other current liabilities	5,280,630	37,659,406
Increase/ (decrease) in other long-term Provisions	383,608	135,047
Decrease / (increase) in short-term loans and advances	(20,666,023)	(176,257,772)
Decrease / (increase) in other current assets	(29,964,656)	(43,622,736)
Proceeds/(Repayment) of long term Borrowings	23,600,000	25,000,000
Decrease/ (Increase) in long term loans & advances	13,600,000	56,320,000
Cash generated from /(used in) operations	(10,084,415)	10,800,893
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities	(10,084,415)	10,800,893
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(6,650)	(25,600)
Net cash flow from/ (used in) investing activities	(6,650)	(25,600)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flow from/ (used in) in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(10,091,064)	10,775,292
Cash and cash equivalents at the beginning of the year	14,858,005	4,082,713
Cash and cash equivalents at the end of the year	4,766,941	14,858,005
Components of cash and cash equivalents		
With banks- on current account	4,766,941	14,858,005
Total cash and cash equivalents (Note 12)	4,766,941	14,858,005

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 : Delhi

Date : 30.05.2019

For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)

Director

DIN: 02922258

(Pranjul Gupta)

Company Secretary

M. No.: A35912

(Rashi Adlakha)

Director

DIN: 07742051

(Gopal Singh Negi)

CFO

PAN:AASPN4263A

Note to financial statements for the year ended March 31, 2019

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.

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.

2. Share Capital

Particulars	Amount as at 31-03-2019	Amount as at 31-03-2018
	Rs.	Rs.
Authorized shares		
75,00,000 (75,00,000) Equity Shares of Rs. 10/- each	75,000,000	75,000,000
Issued, subscribed and fully paid-up shares		
74,77,390 (74,77,390) Equity Shares of Rs. 10/- each	74,773,900	74,773,900
Total issued, subscribed and fully paid-up share capital	74,773,900	74,773,900

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
At the beginning of the year	7,477,390	74,773,900	7,477,390	74,773,900
Issued during the year – Bonus issue	-	-	-	-
Issued during the year – ESOP	-	-	-	-
Outstanding at the end of the year	7,477,390	74,773,900	7,477,390	74,773,900

(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:

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

Name of the shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Smart Entertainment Private Limited (Formerly known as Smart Entertainment Limited)	1,470,750	19.67%	1,470,750	19.67%
Oasis Cineplex Private Limited	489,250	6.54%	489,250	6.54%
LCC Infotech Ltd	494,500	6.61%	494,500	6.61%

(e) The above information (from (a) to (d)) 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.

3. Reserves and Surplus**Reserves Fund U/S 45IC of The RBI Act**

Balance at the beginning of the year	1,178,113	616,214
ADD : Addition during the year	-	561,899
Closing Balance	1,178,113	1,178,113

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

Balance as per last financial statements	(10,095,713)	(12,343,310)
Profit/(Loss) for the year	(829,592)	2,809,496

Less : Appropriation

Transfer to NBFC Reserve Fund u/s 45IC of RBI Act	-	(561,899)
---	---	------------------

Net surplus/(deficit) in the statement of profit and loss

Special Reserve	60,762	60,762
Amalgamation Reserve	60,291,325	60,291,325
Total Reserves and Surplus	50,604,897	51,434,487

4. Long term borrowings**Unsecured**

Saket City Residences Private Limited *	47,400,000	25,000,000
Global Mobile Infrastructure Pvt. Ltd.**	1,200,000	-
	48,600,000	25,000,000

* Loan is repayable on 7th December 2020 and bearing interest @ 10% p.a.

** Loan is repayable on 24th September 2020 and bearing interest @ 9.50% p.a.

5. Long term provisions

Particulars	Amount as at	Amount as at
	31-03-2019	31-03-2018
	Rs.	Rs.
Provision for leave encashment (Refer Note No.27)	158,747	80,802
Provision for Gratuity (Refer Note No.27)	359,908	54,245
	518,655	135,047

6. Short-term borrowings**Unsecured**

Smart Entertainment Pvt. Ltd. (formerly known as Smart Entertainment Ltd.)	391,972,647	394,612,000
Smart Global Corporate Holding Pvt Ltd. (Smartvalue Ventures Pvt. Ltd. merged with Smart Global Corporate Holding Pvt Ltd)	75,800,000	75,800,000
	467,772,647	470,412,000

7. Other current liabilities

Audit Fee Payable	74,700	64,650
TDS Payable	4,796,028	4,150,538
Expenses Payable and Others	206,978	482,753
Other payable	200,000	-
Salary & Wages Payable	159,874	134,157
Bonus Payable	363,000	23,082
Interest Payable	41,987,601	37,652,371
	47,788,181	42,507,551

8. Short term provisions

Provision for income tax	1,632,622	1,451,529
Provision for leave encashment	324,547	292,330
Provision for Gratuity	2,170	187,621
Provision for standard asset	2,697,695	1,608,623
	4,657,034	3,540,103

9. Property, plant & equipments

(Figures in Rs.)

Sr. No	Particulars	Gross Block			Depreciaton			Net Block		
		As at 01.04.2018	Additions during the year	Deletions during the year	As at 31.03.2019	Upto 01.04.2018	For the period	Adjustments	As at 31.03.2019	As at 31.03.2018
1	Tangible Assets									
	Office Equipments	72,340	-	-	72,340	60,862	8,500	-	69,362	11,478
	Computer & Printer	67,400	-	-	67,400	29,878	22,446	-	52,324	37,522
	Furniture	29,697	6,650	-	36,347	4,427	3,094	-	7,521	25,270
	Total (Current Year)	169,437	6,650	-	176,087	95,168	34,040	-	129,208	74,269
	(Previous year)	143,837	25,600	-	169,437	52,823	42,346	-	95,169	91,014

9. Property, plant & equipments

(Figures in Rs.)

Sr. No	Particulars	Gross Block			Depreciaton			Net Block		
		As at 01.04.2017	Additions during the year	Deletions during the year	As at 31.03.2018	Upto 01.04.2017	For the year	Adjustments	As at 31.03.2018	As at 31.03.2017
1	Tangible Assets									
	Office Equipments	46,740	25,600	-	72,340	43,930	16,932	-	60,862	2,810
	Computer & Printer	67,400		-	67,400	7,434	22,446		29,880	59,966
	Furniture	29,697		-	29,697	1,459	2,968		4,427	28,238
	Total (Current Year)	143,837	25,600	-	169,437	52,823	42,346	-	95,169	91,014
	(Previous year)	33,490	110,347	-	143,837	25,512	27,311	-	52,823	7,978

10. Non-current Investments

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
Long Term Investment in Unquoted Equity Shares of Rs. 10/- each Fully Paid Up		
27,60,000 (27,60,000) Modikem Private Limited (formerly known as Modikem Limited)	27,808,000	27,808,000
	27,808,000	27,808,000
Less : Provision for Diminution in the value of Investment Total	27,808,000	27,808,000
	-	-
Aggregate amount of quoted investments at Cost	Nil	Nil
Aggregate amount of unquoted investments at Cost	27,808,000	27,808,000
Aggregate amount of unquoted investments at Market Value	-	0
Aggregate Provision for Diminution in Value of Investments	27,808,000	27,808,000

* In the absence of market quotation, cost of investments have been considered as market price.

Previous year figures have been shown in brackets.

11. Long term loans and advances

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
Unsecured and considered good		
Loans and advances to others (Refer Note No. 26)	119,880,000	133,480,000
	119,880,000	133,480,000

12. Cash and cash equivalents

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
Balances with banks:		
Current Accounts		
- IndusInd Bank	4,733,111	14,823,231
- State Bank Of Patiala	33,830	34,774
	4,766,941	14,858,005

13. Short term loans and advances

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
Unsecured and considered good		
Loans and advances to others (Refer Note No. 26)	477,215,000	456,500,000
Loans to employees	7,083	59,495
Prepaid expenses	44,125	40,690
	477,266,208	456,600,185

14. Other current assets

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
Interest due but not received	77,321,555	53,409,568
TDS recoverable	15,436,356	9,359,491
Employee Imprest	(2,626)	21,570
	92,755,285	62,790,629

Contingent liabilities and commitments

Particulars	Amount as at 31-03-2019 Rs.	Amount as at 31-03-2018 Rs.
(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	48,860	49,050

(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

15. Revenue from operation

Interest on loan	60,768,562	57,034,912
Interest on Staff Loan	2,260	6,457
	60,770,822	57,041,369

16. Other Income

Excess provision written back	-	6,514
Miscellaneous income	3,657	145,653
	3,657	152,167

17. Employee benefits expense

Salaries, wages and bonus	10,270,124	10,019,204
Leave encashment expenses (Refer Note No.27)	310,819	473,775
Gratuity (Refer No.27)	120,212	275,848
Staff welfare expenses	161,213	246,452
	10,862,368	11,015,279

18. Finance costs

Interest on Loan	46,652,896	40,181,666
	46,652,896	40,181,666

19. Other expenses

Rates and Taxes	4,200	6,000
Legal and professional fees	457,432	636,283
Advertisement Charges	35,574	32,757
Payment to Auditors (Refer details below)	73,750	73,525
Custodial Charges	13,000	10,350
Bank Charges	4,366	2,705
Listing Fees	858,450	307,625
Demat Charges	-	10,916
Miscellaneous Exp.	99,730	140,094
Telephone & Internet Expenses	106,085	77,925
Running & Maintenance	393,540	81,242
Travelling & Conveyance	572,931	360,778
Printing & Stationery	94,744	106,912
Director's sitting fees	70,800	70,350
Provision for Standard Asset	1,089,072	402,258
	3,873,674	2,319,720

Payment to auditors:

Audit fee	35,400	35,400
Tax audit fee	11,800	11,800
Limited review	26,550	26,325
	73,750	73,525

20. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit/ (loss) after tax	(829,592)	2,809,496
Number of ordinary equity shares	7,477,390	7,477,390
Weighted average number of ordinary equity shares	7,477,390	7,477,390
Nominal Value of ordinary shares	10	10
Basic earning per share	(0.11)	0.38
Diluted earning per share	(0.11)	0.38

21 The financials for current year ended on March 31, 2019 have been prepared as per the provisions and schedules prescribed under the Companies Act, 2013.

22 The company being listed on stock exchange therefore, has complied with all the notified applicable Accounting Standards.

23 Deferred Taxes

As per the guidance note of the Institute of Chartered Accountants of India on Accounting Standard AS - 22 " Taxes on Income", the company as on the date of balance sheet, at the income tax rates applicable on the said date has Deferred Tax Assets (DTA) of Rs.81,40,227/- (Previous year Rs.77,25,433) on Timing 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.

24 Previous year figures have been regrouped/re-classified wherever considered to make comparable with the current year figures.

25 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 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

26 Disclosure required under section 186(4) of the Companies Act, 2013

Name of Loanee	Rate of Interest	Due Date	Secured/ Unsecured	31-Mar-19	31-Mar-18	Purpose
Spice Connect Private Limited (Formerly Smart Venture Private Limited)	10.00%	3-Jan-19	Unsecured	-	4,000,000	For General Purpose
Bougainvillea Multiplex & Entertainment Center Pvt. Ltd.	10.00%	12-Jan-19	Unsecured	-	62,500,000	For General Purpose
Bougainvillea Multiplex & Entertainment Center Pvt. Ltd.	10.00%	15-Feb-20	Unsecured	-	34,900,000	For General Purpose
Saket Mediciti Pvt. Ltd. (Formerly Saket City Medical Assisted Living Centre Pvt. Ltd.)	10.50%	14-Mar-20	Unsecured	162,890,000	102,800,000	For General Purpose
Saket City Rehabilitation Centre Pvt. Ltd.	10.50%	14-Mar-20	Unsecured	44,670,000	64,200,000	For General Purpose
Plus Pac Holdings Private Limited	11.5% till 31.12.2018 and 10% from 01.01.2019	16-Jan-19	Unsecured	200,825,000	198,500,000	For General Purpose
Smart Dreams Pvt. Ltd	10.00%	31-Mar-21	Unsecured	95,880,000	41,880,000	For General Purpose
Modiciti Cinemas Pvt. Ltd	10.00%	12-May-19	Unsecured	1,130,000	1,000,000	For General Purpose
Mudaliar & Sons Hotels Pvt. Ltd	10.00%	4-Jun-19	Unsecured	55,700,000	55,700,000	For General Purpose
Cutting Edge ventures Pvt. Ltd.	11.00%	25-Sep-18	Unsecured	12,000,000	12,000,000	For General Purpose
Smart Vishwas Society	10.00%	27-Sep-21	Unsecured	24,000,000	12,500,000	For General Purpose
Ved Prakash Sharma	10.00%	30-Jun-17	Unsecured	7,086	7,086	For General Purpose
Sunil Singh Pundir	10.00%	31-Jan-19	Unsecured	-	40,000	For General Purpose
Ram Rup Kamath	10.00%	30-Apr-18	Unsecured	-	2,076	For General Purpose
Mahesh Kumar Sharma	10.00%	31-May-18	Unsecured	-	10,336	For General Purpose

27 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:

	Rs.	Rs.
	Gratuity	Leave
Defined benefit obligation at 31 March 2018	241,866	373,132
Current service cost	130,633	180,989
Interest expense	-	-
Benefits paid	-	(12,500)
Actuarial (gain)/ loss on obligations	(10,421)	(58,327)
Defined benefit obligation at 31 March 2019	362,078	483,294

Changes in the fair value of plan assets are as follows:

	Rs.	Rs.
	Gratuity	Leave
Fair value of plan assets at 31 March 2018	-	-
Defined benefit obligation at 31 March 2018	-	-
Fair value of plan assets at 31 March 2019	-	-
Defined benefit obligation at 31 March 2019	362,078	483,294
Amount recognised in the Balance Sheet at 31 March 2019	(362,078)	(483,294)

Amount recognised in Statement of Profit and Loss:

	Rs.	Rs.
	Gratuity	Leave
Current service cost	130,633	180,989
Net interest expense	-	-
Actuarial gain/ (loss) on obligations	-10,421	-58,327
Amount recognised in Statement of Profit and Loss for year ended 31 March 2019	120,212	122,662

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

	31st March 2019
Discount rate (in %)	7.56%
Salary Escalation (in %)	5.50%
Expected average remaining working lives of employees (in years)	10.46

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Assumptions	31-Mar-19			
	Discount rate		Salary Increase	
Sensitivity Level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	Rs.	Rs.	Rs.	Rs.
Gratuity	(5,644)	6,005	6,096	(5,776)
Leave	(7,685)	8,189	8,313	(7,866)

28 Details of Key Managerial Personnel Remuneration

Name: Mr. Jagdutt Kumar Sharma (Manager)	2018-19	2017-18
Salary / Allowances	1,539,600	1,461,220
Car Lease Rent paid	180,000	146,200
Medical reimbursement	-	15,000
Other reimbursement	475,404	431,780
	2,195,004	2,054,200

Name: Mrs. Jyoti Manchanda (Company Secretary upto 30.11.2017)	2018-19	2017-18
Salary / Allowances	-	531,067
Car Lease Rent paid	-	22,000
Medical reimbursement	-	9,994
Other reimbursement	-	205,510
	-	768,571

Name: Mr. Rajesh Kumar (CFO upto 30.11.2017)	2018-19	2017-18
Salary / Allowances	-	451,063
Medical reimbursement	-	10,000
	-	461,063

Name: Mr. Pranjul Gupta (Appointed w.e.f. 13/04/2018)	2018-19	2017-18
Salary / Allowances	393,008	-
	393,008	-

Name: Mr. Gopal Singh Negi (CFO) w.e.f. 01.03.2019	2018-19	2017-18
Salary / Allowances	91,000	-
Car Lease Rent paid	16,334	-
Other reimbursement	24,104	-
	131,438	-

29 Information required to be given by way of note regarding foreign currency income/outgo

30 (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. Rajesh Kumar- (CFO upto 30.11.2017) Mrs. Jyoti Manchanda (Company Secretary upto 30.11.2017) Mr. Pranjul Gupta (Company Secretary w.e.f. 13.04.2018) Mr. Gopal Singh Negi (CFO w.r.t. 01.03.2019)

(b) Related Party Transactions Attached as per annexure 1

31 As per the updated circular DNBR (PD) CC. No.044/03.10.119/2015-16 dated 11th April 2016, the prudential norms except para 15 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.

As per our attached report of even date

For Goel Garg & Co.

Chartered Accountants
FRN: 000397N

(Ashok Kumar Agarwal)

Partner
M. No.084600

Place : Delhi

Date : 30.05.2019

For and on behalf of the Board of Directors

(Rakesh Kumar Bhatnagar)

Director
DIN: 02922258

(Pranjul Gupta)
Company Secretary

M. No.: A35912

(Rashi Adlakha)

Director
DIN: 07742051

(Gopal Singh Negi)
CFO

PAN:AASPN4263A

AVON MERCANTILE LIMITED
CIN: L17118UP1985PLC026582
Regd. Off.: S Global Knowledge Park, 19A & 19B, Sector-125, Noida, Uttar Pradesh-201301

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/we hereby record my/our presence at the 34th ANNUAL GENERAL MEETING of AVON MERCANTILE LIMITED held on Monday, the 30th day of September, 2019 at 10:00 A.M. at S Global Knowledge Park, 19A & 19B, Sector-125, Noida, Uttar Pradesh-201301.

Name of the member(s)..... (In Block Letters)

Folio No. _____

No. of Shares _____

Name of Proxy (in Block letters) _____

(To be filled in, if the Proxy attends instead of the Member) _____

Member's/Proxy's Signature

Notes:

- a) If you are attending the meeting in person or by proxy, please bring the copy of the Annual Report at the time of meeting.
- b) No Gifts/ Gift Coupons will be distributed at the Meeting.

AVON MERCANTILE LIMITED

CIN: L17118UP1985PLC026582

Regd. Off.: S Global Knowledge Park, 19A & 19B, Sector-125, Noida, Uttar Pradesh-201301

FORM NO MGT-11**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

Name of the Member(s) :	
Registered Address :	
E-mail ID :	
Folio No.	

I / We, being the member(s) of shares of the above named company, hereby appoint:

Name Address

E-mail ID Signature

Name Address

E-mail ID Signature

Name Address

E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, the 30th day of September 2019 at 10.00 A.M at S Global Knowledge Park, 19A & 19B, Sector- 125, Noida, Uttar Pradesh - 201301 and any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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.

SPECIAL BUSINESS:

- 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 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Kamalapati Kashyap (DIN: 02359002), who was appointed as an Additional Director of the Company w.e.f. 21st July, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation."

- 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 149, 152, 161(1), 184 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Gurvinder Pal Singh (DIN: 05207077), who was appointed as an Additional Director of the Company w.e.f. 21st July, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Director, whose period of office shall be liable to determination by retirement of directors by rotation."

- 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 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended, the appointment of Ms. Seema Salwan (DIN : 06944301) who was appointed by the Board as an Additional Director in the category of Non – Executive Independent Director and holds office upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Act has been received from a member of the Company proposing her candidature for the office of Director and who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations be and is hereby approved as an Independent Director of the Company for a period of five years w.e.f. 14th August, 2019 not liable to retire by rotation."

Signed this.....day of2019.

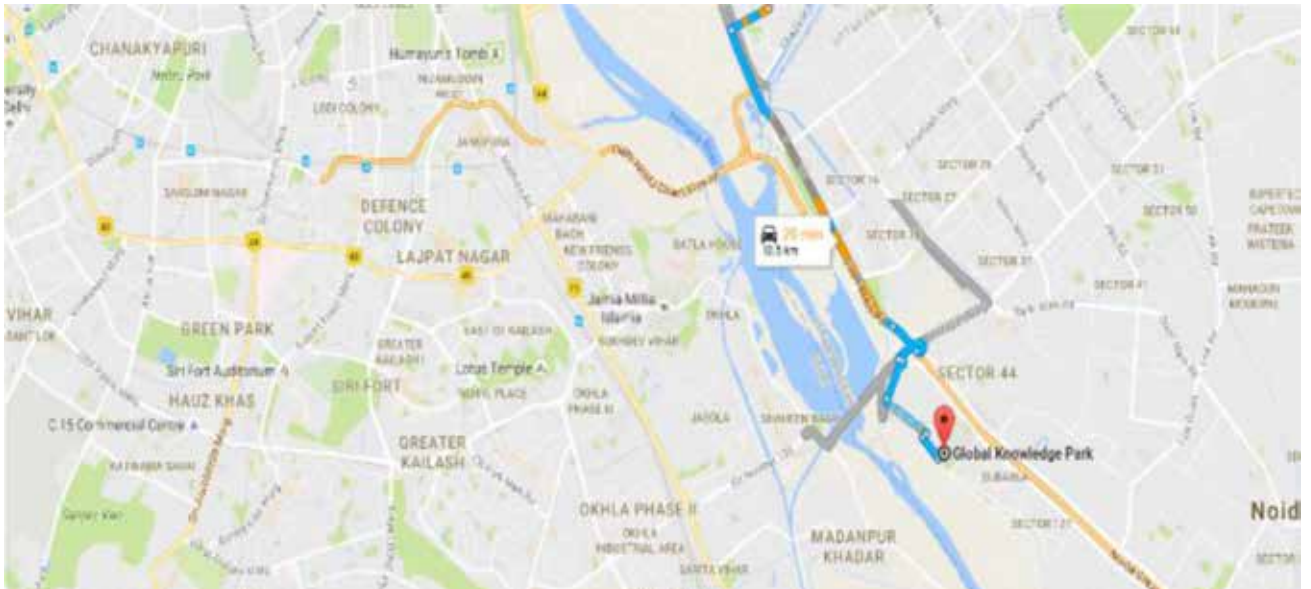
Signature of the Shareholder.....

Signature of the Proxy holder(s).....

Affix Re.1
Revenue
Stamp

Notes: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Route Map for the venue of the 34th Annual General Meeting of Avon Mercantile Limited to be held on 30th September 2019 at S Global Knowledge Park, 19A & 19B, Sector-125, Noida, Uttar Pradesh – 201301 at 10.00 A. M



If undelivered return to:

AVON MERCANTILE LIMITED

CIN: L17118UP1985PLC026582

S Global Knowledge Park, 19A & 19B, Sector-125,

Noida, Uttar Pradesh - 201301

Website: www.avonmercantile.in

Email id: avonsecretarial@gmail.com