ANNUAL REPORT

# Avon Mercantile Limited

YOUR SMALL BUSINESS FUNDING SCHEME

## Annual Report 2025-26


**AVON MERCANTILE LIMITED**

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

**CIN**: L17118UP1985PLC026582

**Website**: www.avonmercantile.co.in

**Email**: avonsecretarial@gmail.com /compliance@avonmercantile.co.in

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# Overview of the Company

## ➢ CORPORATE PROFILE

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

Avon Mercantile Limited is a Public Limited Company are listed on BSE Limited. The Company was incorporated on January 21, 1985 under the Companies Act, 1956 and it is registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company.

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

## ➢ THE VISION

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

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

## ➢ LOOKING AHEAD

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

# Corporate Information (Board, Management & Governance Structure)

## KEY MANAGERIAL PERSONNEL

- **Chief Financial Officer:**

  **Mr. Gaurav Aggarwal** *(Appointed w.e.f. 30th October, 2025)*

- **Manager:**

  **Mr. Gaurav Aggarwal** *(Resigned w.e.f. 29th October, 2025)*

  **Ms. Nikita Sehrawat** *(Appointed w.e.f. 22nd January, 2026)*

- **Company Secretary & Compliance Officer:**

  **Ms. Himanshi Dhakad** *(Appointed w.e.f. 30th October, 2025)*

  **Ms. Disha Soni** *(Resigned w.e.f. 16th September, 2025)*

## BOARD OF DIRECTORS

Non-Executive Director: **Mr. Gurvinder Pal Singh**

Independent Director: **Ms. Himani Aneja**

Independent Director: **Mr. Siddheshwar Kumar Upadhyay**

## COMMITTEES OF THE BOARD

**Audit Committee**

Mr. Siddheshwar Kumar Upadhyay,
Ms. Himani Aneja,
Mr. Gurvinder Pal Singh

**Nomination & Remuneration Committee**

Ms. Himani Aneja
Mr. Siddheshwar Kumar Upadhyay
Mr. Gurvinder Pal Singh

**Stakeholders' Relationship Committee**

Mr. Gurvinder Pal Singh
Mr. Siddheshwar Kumar Upadhyay
Ms. Himani Aneja

## STATUTORY AUDITORS

**M/s Gupta Garg & Agrawal, Chartered Accountants**

G-55, Royal Palace, IInd Floor, Laxmi Nagar, Vikas Marg, Delhi – 110092

## INTERNAL AUDITOR

**M/s Garg Gagan & Associates, Chartered Accountants**

G-19, Second Floor, Shakarpur, Delhi – 110092
Email: ggarg1989@yahoo.co.in

## SECRETARIAL AUDITOR

**M/s. Roni Soni & Associates, Company Secretaries**

Second Floor, RZ7A/29, Puram Nagar, Palam Colony, Street No. 3, New Delhi – 110045 (Near Palam Metro Station, Gate No. 3)

Email: csronisoni@gmail.com

## REGISTRAR & SHARE TRANSFER AGENT

**MCS Share Transfer Agent Limited**

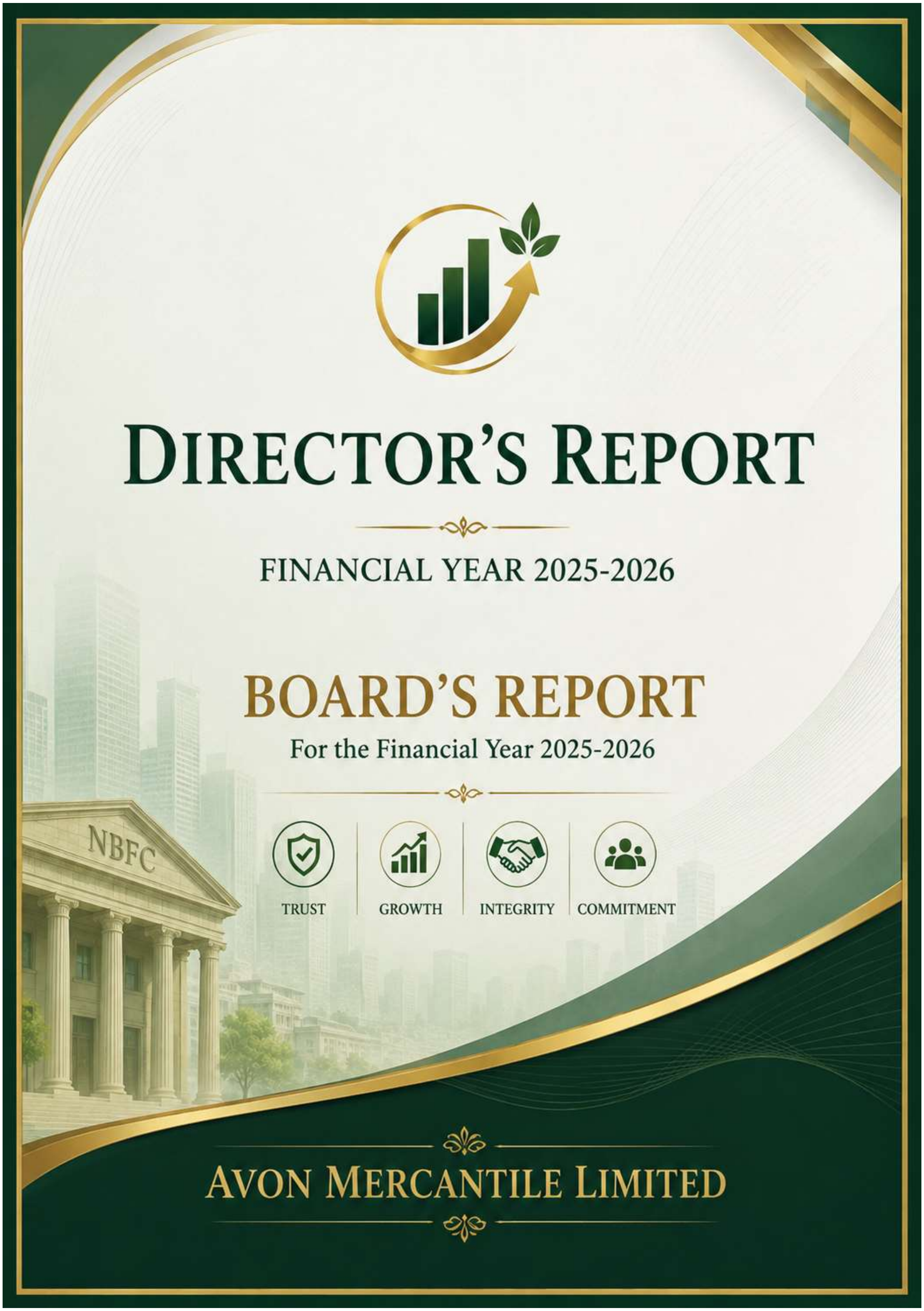
1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020
Phone: 011-41406149 | Fax: 011-41709881
Email: helpdeskdelhi@mcsregisters.com
Website: www.mcsregistrars.com

## BANKERS

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

## REGISTERED / CORPORATE OFFICE

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


DIRECTOR'S REPORT
FINANCIAL YEAR 2025-2026
BOARD'S REPORT
For the Financial Year 2025-2026
NBFC
TRUST
GROWTH
INTEGRITY
COMMITMENT
AVON MERCANTILE LIMITED

# BOARD'S REPORT

**To**
**The Members**
**AVON MERCANTILE LIMITED**

Your Board of Directors has pleasure in presenting the 41st Annual Report of your Company for the Financial Year ended on 31st March, 2026. The Company has duly made appropriate disclosures in this Board report with the objective of accountability and transparency in the working of the Company and to make you aware about the working and future perspective of the Company.

## 1. FINANCIAL SUMMARY OF HIGHLIGHTS/ PERFORMANCE OF THE COMPANY

The performance of the Company for the Financial Year ended 31st March, 2026 pursuant to requirement under Section 134(1) of the Companies Act, 2013 ("Act") read along with Rule 8(5)(1) of Companies (Accounts) Rules, 2014 is tabulated below:

### RESULTS OF OUR OPERATIONS

**(Amount in 'lakhs)**

| Particulars | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| Revenue from Operations | NIL | NIL |
| a) Interest Income | 484.21 | 255.22 |
| Other Income | 1.40 | 1.73 |
| **Total Income** | **485.62** | **256.95** |
| Finance Costs | 337.49 | 161.11 |
| Employee Benefits Expenses | 26.49 | 48.15 |
| Depreciation, Amortization and Impairment | 1.10 | 0.86 |
| Other Expenses | 28.92 | 48.24 |
| **Total Expenses** | **394.00** | **258.36** |
| **Profit / (Loss) before Exceptional Items and Tax** | **91.62** | **(1.41)** |
| Exceptional Items | NIL | NIL |
| **Profit / (Loss) Before Tax** | **91.62** | **(1.41)** |
| Tax Expenses | NIL | NIL |
| ***Profit / (Loss) After Tax*** | **91.62** | **(1.41)** |
| Earnings per Equity Share – Basic (₹) | 1.23 | (0.02) |
| Earnings per Equity Share – Diluted (₹) | 1.23 | (0.02) |

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

### FINANCIAL ANALYSIS

During the year under review, the revenue generated from operations i.e, from interest is INR 484.21 Lakhs & revenue from other sources is INR 1.40 Lakhs during the year, which was however INR 255.22

Lakhs and INR 1.73 Lakhs during the preceding financial year. The Profit generated during the year under review was 91.62 Lakhs as compared to the loss incurred 1.41 Lakhs during the previous Financial Year 2024-2025.

## 2. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK

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

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

There is no change in the nature in the business of the Company during the financial year ended March 31, 2026.

## 4. DIVIDEND

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

## 5. UNCLAIMED DIVIDEND

The Company has not declared any dividend since FY 2018-19. Accordingly, there is no amount of dividend lying unpaid or unclaimed in respect of any financial year and, consequently, the provisions relating to transfer of unpaid or unclaimed dividend to the Investor Education and Protection Fund (IEPF) under Section 124(5) of the Companies Act, 2013 are not applicable to the Company.

The details of unpaid/unclaimed dividend are therefore not applicable to the Company.

## 6. TRANSFER OF RESERVES

During the Financial Year 2025-2026, the Company has earned profits; however, in view of the accumulated losses of the previous financial years, no amount was transferred to the General Reserve in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

## 7. CHANGES IN SHARE CAPITAL

The paid-up equity shares capital of the Company as on 31 March 2026 was 74,773.90 thousand. There has been no change in the Equity Share Capital of the Company during the year. The Authorized Share Capital of the Company is 750 Lakhs divided into 75,00,000 (Seventy-Five Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The Company has no other type of securities except equity shares forming part of Equity share capital.

## 8. DEPOSIT

The company is a Non-Deposit Taking–Non-Systematically Important NBFC (NBFC). As per the Reserve Bank Guidelines, the company is NBFC ND-ICC as the Company is not holding or accepting deposits as on the date of Balance Sheet. Further, the company being Loan Company falls in the category of Investment and Credit Company (NBFC-ICC) as per classification notified by RBI.

## 9. LISTING ON STOCK EXCHANGE

The shares of the Company are listed on main platform of BSE Limited. The International Securities Identification Number (ISIN) of company is INE471D01019 and the Scrip code is 512265.

The suspension in trading of equity shares of the company was revoked w.e.f. July 03, 2025 by BSE.
The Company had voluntarily applied for delisting of its equity shares from Calcutta Stock Exchange and the same has been granted w.e.f. 10th June, 2025.

## 10. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented its internal financial controls system considering the fundamental parts of various critical processes, physical and operational which include its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance. This ensures orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Audit Committee of the Board reviews the adequacy and effectiveness of the internal controls and checks and suggests desired improvements from time to time.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNELS

As on date, the Board of Directors of the Company comprises three Directors — two Independent Directors, namely Ms. Himani Aneja and Mr. Siddheshwar Kumar Upadhyay, and one Non-Executive Director, namely Mr. Gurvinder Pal Singh. Both Independent Directors have submitted declarations confirming that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013, and that there has been no change in circumstances during the year affecting their status as Independent Directors.

### Changes in Key Managerial Personnel

During the year under review, the following changes took place in the Key Managerial Personnel of the Company:

- Mr. Ajay Singh resigned from the position of Chief Financial Officer (CFO) with effect from July 31, 2025.
- Ms. Disha Soni resigned from the position of Company Secretary (CS) with effect from September 16, 2025.
- Mr. Gaurav Aggarwal resigned from the position of Manager with effect from October 29, 2025, and was appointed as Chief Financial Officer (CFO) with effect from October 30, 2025.
- Ms. Himanshi Dhakad was appointed as Company Secretary (CS) with effect from October 30, 2025.
- Ms. Nikita Sherawat was appointed as Manager with effect from January 22, 2026.

The brief resume and other details of the Directors proposed to be re-appointed, as required under the applicable Secretarial Standards, are set out in the Notice convening the Annual General Meeting.

**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 2025-2026 under review are as follows

| Sr. No. | Name of Director / Key Managerial Personnel | Designation | Date of Appointment / Change in Designation | Date of Resignation / Cessation |
|---|---|---|---|---|
| 1 | **Mr. Gurvinder Pal Singh** | Non-Executive Non-Independent Director | 21/07/2019 | – |
| 2 | **Mr. Siddheshwar Kumar Upadhyay** | Non-Executive Independent Director | 28/09/2019 (Second Tenure) | – |
| 3 | **Ms. Himani Aneja** | Non-Executive Independent Director | 29/08/2024 | – |
| 4 | **Ms. Disha Soni** | Company Secretary | 30/06/2021 | *16/09/2025* |
| 5 | **Mr. Ajay Singh** | Chief Financial Officer | 17/03/2025 | *31/07/2025* |
| 6 | **Mr. Gaurav Aggarwal** | Manager | 09/11/2023 | *29/10/2025* |
| 7 | **Mr. Gaurav Aggarwal** | Chief Financial Officer | 30/10/2025 | – |
| 8 | **Ms. Himanshi Dhakad** | Company Secretary | 30/10/2025 | – |
| 9 | **Ms. Nikita Sehrawat** | Manager | 22/01/2026 | – |

As on March 31, 2026, your Company's Board had a strength of 3 (Three) Directors. The Composition of the Board is as below:

| Category | No. of Directors | % of Total no. of Directors |
|---|---|---|
| **Non- Executive Director** | 3 | 100% |

| S. No. | Name of the Director | Date of Appointment | Status |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 1. | Mr. Gurvinder Pal Singh | Director (since 21st July, 2019) | Non-Executive |
| 2. | Ms. Himani Aneja | Director (since 29th August, 2024) | Non-Executive Independent |
| 3. | Mr. Siddheshwar Kumar Upadhyay | Director (Since 28th September,2019) | Non-Executive Independent |

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

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

## 13. INDEPENDENT DIRECTORS' MEETING

As per Section 149, Schedule IV of the Companies Act, 2013, and Rules made thereunder, read with the Listing Regulations, the Independent Directors of the Company met amongst themselves without the presence of Non-Independent Directors and members of Management on its meeting 22th January, 2026.

## 14. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2025-26, 5(Five) Board Meetings were held. The Board periodically evaluates the need for change in its composition and size. Details of Board Meetings held and attended by the directors during the financial year 2025-26 are: -

| Meeting Number | Date of the Meeting | Percentage of Attendance |
|---|---|---|
| First Meeting | 15th May, 2025 | 100% |
| Second Meeting | 13th August, 2025 | 100% |
| Third Meeting | 30th October, 2025 | 100% |
| Fourth Meeting | 14th November, 2025 | 100% |
| Fifth Meeting | 22nd January, 2026 | 100% |

## 15. COMMITTEES OF BOARD

### 1. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2026, the Audit Committee of Avon Mercantile

Limited comprises of following 3 (Three) Members, 2(Two) members are Independent Non-Executive Directors.

| Name | Designation | Category |
|---|---|---|
| Mr. Siddheshwar Kumar Upadhyay | Chairman | Independent Non-Executive Director |
| Ms. Himani Aneja | Member | Independent Non-Executive Director |
| Mr. Gurvinder Pal Singh | Member | Non-Executive Director |

The recommendation made by the Audit Committee from time to time was accepted by the Board of Directors.

## 2. NOMINATION AND REMUNERATION COMMITTEE

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

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Senior Management / KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

| Name | Designation | Category |
|---|---|---|
| Ms. Himani Aneja | Chairman | Independent Non-Executive Director |
| Mr. Gurvinder Pal Singh | Member | Non-Executive Director |
| Mr. Siddheshwar Kumar Upadhyay | Member | Independent Non-Executive Director |

## 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The details pertaining to composition of Stakeholders Relationship Committee in accordance with Section 178(5) of the Act are mentioned in the Corporate Information section of the Annual Report.

| Name | Designation | Category |
|---|---|---|
| Mr. Gurvinder Pal Singh | Chairman | Non-Executive Director |

| | | |
|---|---|---|
| Ms. Himani Aneja | Member | Independent Non-Executive Director |
| Mr. Siddheshwar Kumar Upadhyay | Member | Independent Non-Executive Director |

### 4. RISK MANAGEMENT COMMITTEE

This committee has been constituted for monitoring and managing the different types of risks, pursuant to the requirement of Scale Based Regulations issued by Reserve Bank of India.

| Name | Designation | Category |
|---|---|---|
| Mr. Gurvinder Pal Singh | Chairman | Non-Executive Director |
| Mr. Gaurav Aggarwal | Vice Chairman | CFO |
| Mr. Siddheshwar Kumar Upadhyay | Member | Independent Non-Executive Director |

### 5. CREDIT COMMITTEE

This committee has been constituted for analyzing and sanctioning of loans to the potential borrowers, review the repayment schedules and default made by borrower in the repayment of loans.

## 16. SUBSDIARIES, 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.

## 17. INTER-SE TRANSFER OF PROMOTERS' SHAREHOLDINGS

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

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

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

### Manner of Evaluation:

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

The process of the annual performance evaluation broadly comprises:

**Board and Committee Evaluation:**

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

**Independent / Non-Executive Director Evaluation:**

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

**Manager or Chief Executive Officer Evaluation:**

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

In a separate meeting of Independent Directors held on 22th January, 2026 performance of Non-Independent Director, performance of the Board as a whole considering the views of Non-Executive Director was done.

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

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

## 19. CORPORATE GOVERNACE & COMPLIANCE CERTIFICATE (Not Applicable)

According to the provisions of Regulation 27(2) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, read with Regulation 15(2) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the paid up capital of Avon Mercantile Limited (“the Company”) having the registered office at Upper Basement, Smart Bharat Mall Plot No.I-2, Sector - 25A, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301, is less than Ten Crores i.e. INR 7,47,73,900.00 (Indian Rupees Seven Crores Forty Seven Lakhs Seventy Three Thousands Nine Hundred Only) and the Net Worth of the Company is less than Twenty Five Crores i.e. INR 6,04,00,065.00/- (Indian Rupees Six Crores Four Lakhs Sixty Five Only) as per latest audited Financial Statements as on financial year ended 31st March, 2026.

Hence, as per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, Corporate Governance provisions as specified in Regulation 17, 17 A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V is not applicable on the Company.

Further, Avon Mercantile Limited received a Non – Applicability Certificate of Corporate Governance Report from M/s. Roni Soni & Associates, Company Secretaries in Practice (C.P. No. 21854) 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, 2026. The certificate confirming Non – Applicability of Corporate Governance Report on the Company is annexed as ‘**ANNEXURE – VII’** and form integral part of this report.

## 20. AUDITORS AND AUDITORS’ REPORT

At the 37th Annual General Meeting held on September 25, 2022, M/s. Gupta Garg & Agrawal, Chartered Accountants (Firm Registration No. 505762C), were appointed as Statutory Auditors of the Company to hold office for a term of 5 years, and they continue to hold their office during the year under review.

Pursuant to Section 139 and all the other applicable provisions of the Companies Act, 2013 read with relevant rules thereunder, M/s Gupta, Garg & Agrawal, Chartered Accountants (ICAI FRN: 505762C), having their office at G-55, Royal Palace, IInd Floor Laxmi Nagar, Vikas Marg, Delhi – 110092, were appointed as Statutory Auditors from the conclusion of the 37th AGM in the year 2022 until the conclusion of the AGM in the year 2027.

There are no qualifications, reservations or adverse remarks made by M/s Gupta, Garg & Agrawal, Chartered Accountants, Statutory Auditors, in their report for the financial year ended March 31, 2026. The notes on financial statement referred to in the Auditors’ Report are self-explanatory and do not call for any further comments. The Auditors’ Report does not contain any qualification, reservation or adverse remark.

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

## 21. SECRETARIAL AUDIT REPORT

As required under Section 204(1) of the Companies Act, 2013 read with the rules made thereunder, M/s. Roni & Associates, Company Secretaries in Practice (C.P. No. 21854), were appointed as the Secretarial Auditors of the Company for a period of five consecutive years at the 40th Annual General Meeting of the Company to conduct the Secretarial Audit of the Company.

Accordingly, the Secretarial Audit Report for the financial year 2025-26, submitted by M/s. Roni & Associates in the prescribed Form MR-3, is annexed to this Report as **‘Annexure IV’** and forms an integral part of this Report.

With respect to the observations made by the Secretarial Auditors in their Report, the Company has provided the necessary explanations/clarifications to the Secretarial Auditors, which form part of the Secretarial Audit Report. The Company is taking all necessary steps to ensure compliance with the observations made by the Secretarial Auditors.

## 22. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A Certificate of Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V para-C of Clause (10) (i) of SEBI LODR, 2015 has been attached as **'ANNEXURE-V'** obtained from M/s. Roni Soni & Associates, Company Secretaries in Practice (C.P. No. 21854) forms part of this Report.

## 23. COST RECORDS

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

## 24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Schedule V(B) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in the separate section and is marked as **ANNEXURE - VIII** and forms an integral part of this report.

## 25. SECRETARIAL STANDARDS

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

## 26. DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

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

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

## 27. RISK MANAGEMENT POLICY

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

Keeping in view the Risks associated with the Company being NBFC and the need to mitigate those risks, as per the requirements of Scale based Regulations of RBI, the Company has formed a Risk Management Committee during the year under review with the following Composition of Directors:

| Name | Designation | Category |
|---|---|---|
| Mr. Gurvinder Pal Singh | Chairman | Non-Executive Director |
| Mr. Gaurav Aggarwal<br>(Appointed w.e.f. 30/10/2025) | Vice Chairman | CFO |
| Mr. Siddheshwar Kumar Upadhyay | Member | Independent Non-Executive Director |

## 28. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of annual return of the financial year 2025-26 on its website at https://avonmercantile.co.in/investors.php.

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

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

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

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

## 31. INTERNAL FINANCIAL CONTROL SYSTEM

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

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

The Board has appointed M/s Garg Gagan & Associates, Chartered Accountants, as the Internal Auditors of the Company for the Financial Year 2026-2027. The Internal Audit Report for the financial year ending 2026 along with observations and recommendations contained therein was placed before the Audit Committee in its meeting held on 20th May, 2026 and was taken note of.

## 32. DISCLOSURE ON EMPLOYEE STOCK OPTION/PURCHASE SCHEME

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

## 33. DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2025-26 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.

## 34. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of directors and employees as required under Section 197(12) of the Companies Act read with Rule 5(1) and Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 "Remuneration Rules" and "the names of the top ten employees in terms of remuneration drawn" are provided in the **ANNEXURE-III** to Board's Report and there are no employees/ Directors who were in receipt of remuneration in excess of the limit provided in Section 197(12).

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

During the financial year ended March 31, 2026, the Company lays down the details of the particulars of loans, guarantees and investments covered under Section 186 of the Act have been disclosed in the financial statements forms part of this Annual Report.

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

During the financial year 2025-26, your Company has not entered into any transaction with related parties as defined under Section 2(76) of the Companies Act, 2013, read with Companies (Specification of Definition Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of Section 188 (1) of the Companies Act, 2013, read with the applicable Rules issued thereunder is attached in Form **AOC-2 as "ANNEXURE-I"** which forms part of this report.

## 37. PREVENTION OF SEXUAL HARASSMENT POLICY

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

The Company is committed to provide a safe and conducive work environment to its employees. Your directors further state that during the year under review, no case of sexual harassment was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of sexual harassment complaints for the financial year ended 31st March, 2026 are as follows:

| Particulars | FY 2025-26 |
|---|---|
| Complaints filed during the year | NIL |
| Complaints disposed of during the year | NIL |
| Complaints pending > 90 days | NIL |
| Complaints pending at end of the year | NIL |

## 38. MATERNITY BENEFIT COMPLIANCE

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including provision of maternity leave, nursing breaks, and crèche facilities (where applicable), ensuring a supportive work environment for women employees.

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

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

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

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

## 41. DIRECTOR'S RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the loss of the company for that period;

c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;

d. They have prepared the annual accounts on a going concern basis; and

e. They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 42. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY & BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year under review, there was no application made and proceeding initiated/pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company. As on the date of this report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

## 43. THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not taken any term loan from any Bank(s).

## 44. ACKNOWLEDGEMENT

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

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

**Date: 14.08.2026**
**Place: Noida**

**Sd/-**
**(Siddheshwar Kumar Upadhyay)**
**Director**
**DIN: 07871728**

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

**ANNEXURE I**

# Annexures to the Director's Report

FORM NO. AOC-2 — PARTICULARS OF RELATED PARTY CONTRACTS

## 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 arm's length transactions under the third proviso thereto.

### 1. 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. 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 II

# Annexures to the Director's Report

INFORMATION UNDER SECTION 134(3)(m) — CONSERVATION, TECHNOLOGY & FOREX

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, 2026.

## Form "B"

### (A) Conservation of Energy

*Since the Company is not engaged in a manufacturing / business activity of this nature, this clause is not applicable.*

| S. No. | Particulars | Applicability |
|---|---|---|
| I | The steps taken or impact on conservation of energy | **Not Applicable** |
| II | The steps taken by the Company for utilizing alternate sources of energy | **Not Applicable** |
| III | The capital investment on energy conservation equipment | **Not Applicable** |

### (B) Technology Absorption

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

### (C) Foreign Exchange Earnings and Outgo

NIL

ANNEXURE III

# Annexures to the Director's Report

SECTION 197 — REMUNERATION OF MANAGERIAL PERSONNEL

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 ended 31st March, 2026:

   Not Applicable, as none of the Directors of the Company has received any remuneration from the Company except sitting fees paid to the Independent Directors.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year:

| Name of Key Managerial Personnel | Designation | Remuneration for F/Y 2025–26 (₹ in thousands) | Remuneration for F/Y 2024–25 (₹ in thousands) | % Increase in Remuneration |
|---|---|---|---|---|
| **Mr. Ajay Singh (resigned w.e.f. 31.07.2025)** | Chief Financial Officer | 305.67 | 28.20 | 983.94% |
| **Ms. Disha Soni (resigned w.e.f 16.09.2025)** | Company Secretary | 1252.58 | 1552.68 | -19.33% |
| **Mr. Gaurav Aggarwal (resigned w.e.f. 29.10.2025)** | Manager | 360.40 | 662.51 | -45.60% |
| **Mr. Gaurav Aggarwal (w.e.f. 30.10.2025)** | Chief Financial Officer | 453.36 | - | - |
| **Ms. Himanshi Dhakad (w.e.f. 30.10.2025)** | Company Secretary | 80.52 | - | - |
| **Ms. Nikita Sehrawat (w.e.f. 22.01.2026)** | Manager | 154.40 | - | - |

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

   Not Applicable, since there were no employees other than the Key Managerial Personnel during the financial year 2025–26.

4. Number of permanent employees on the rolls of the Company:

   During the financial year ended 31st March, 2026, there were 3 (Three) employees, being the Key Managerial Personnel, on the rolls of the Company.

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

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

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

| Particulars | Mr. Ajay Singh (CFO, resigned w.e.f. 31.07.2025) | Ms. Disha Soni (CS, Resigned w.e.f. 16.09.2025) | Mr. Gaurav Aggarwal (Manager, Resigned w.e.f. 29.10.2025) | Mr. Gaurav Aggarwal (CFO, w.e.f. 30.10.2025) | Ms. Himanshi Dhakad (CS, w.e.f. 30.10.2025) | Ms. Nikita Sehrawat (Manager, w.e.f. 22.01.2026) |
|---|---|---|---|---|---|---|
| **Remuneration of KMP (₹ in thousands)** | 305.67 | 1252.58 | 360.40 | 453.36 | 80.52 | 154.40 |
| **Revenue (₹ in thousands)** | 48561.56 | 48561.56 | 48561.56 | 48561.56 | 48561.56 | 48561.56 |
| **Remuneration as % of Revenue** | 0.63% | 2.58% | 0.74% | 0.93% | 0.17% | 0.32% |
| **Profit / (Loss) before Tax (₹ in thousands)** | 9161.82 | 9161.82 | 9161.82 | 9161.82 | 9161.82 | 9161.82 |
| **Remuneration as % of PBT** | 3.34% | 13.67% | 3.93% | 4.95% | 0.88% | 1.69% |

**7.** Key parameters for the variable component of remuneration availed by Directors:

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

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

It is hereby affirmed that the remuneration was recommended by the Nomination and Remuneration Committee based on the Company's Remuneration Policy.

# SECRETARIAL AUDIT REPORT

## For the Financial Year Ended 31.03.2026

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

AVON MERCANTILE LIMITED

ANNEXURE IV

# Roni & Associates

*(Practicing Company Secretaries)*

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
For the Financial Year Ended 31.03.2026
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**AVON MERCANTILE LIMITED**
Reg. Address: Upper Basement, Smart Bharat Mall Plot No.I-2,
Sector - 25A, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AVON MERCANTILE LIMITED** (hereinafter called "the Company) for the Financial Year ended on 31st March 2026. 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 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 the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2025 and ended on 31st March, 2026 complied with 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 hereafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

   i. The Companies Act, 2013 (**the Act**) and the rules made there under;

   ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   iv. The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2025-26: -

   **i.** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **were complied with to the extent applicable.**

   **ii.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable**.

**Address: Second Floor, RZ7A/29, Puran Nagar, Palam, Street No. 3, New Delhi – 110045**
**Near Palam Metro Station Gate No. 3**
csronisoni@gmail.com, **Phone No. 9818957339**

iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **Complied with yearly and event-based disclosures, wherever applicable**.

iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable as the Company has not issued any Capital during the year under review.**

v. The Securities and Exchange Board of India (Share based Employee Benefits & Sweat Equity) Regulations, 2021; **Not applicable as the Company has not issued any Employee Stock Options during the year under review.**

vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable as the Company has not issued any non-convertible securities during the year under review.**

vii. 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 year under review. However, the Company has MCS Share Transfer Agent Limited as its Share Transfer Agent.**

viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **During the year, the Company received a letter dated June 9, 2025, from The Calcutta Stock Exchange Limited confirming that the equity shares of Avon Mercantile Limited have been delisted from the Exchange with effect from June 10, 2025. The Company has complied with all requirements relating to the said delisting. Further, the equity shares of the Company continue to remain listed on BSE Limited.**

ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

x. **The Management has identified and confirmed that the following laws are also applicable to the Company:**

1. Reserve Bank of India Act, 1934 and its circulars, Master Circulars and notifications as prescribed for Non-Banking Finance Companies;
2. Prevention of Money Laundering Act, 2002;

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

i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.

ii. The Uniform Listing Agreement entered into with BSE Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”)

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

**We further report that:**

- The current composition of the Board of Directors does not include an Executive Director, which is not in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  During the year under review, the Company filed Form MGT-14 in respect of the resolutions covered under Section 179(3) of the Companies Act, 2013, passed at the Board Meeting held on 13th August, 2025. However, inadvertently, one resolution relating to the Board’s Report was not filed with the Registrar of Companies. The Management has assured that the said resolution will be filed on priority.

- During the period under review, the Company has substantially complied with the disclosure requirements under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and submitted the requisite disclosures to the Stock Exchange within the prescribed timelines. However, there was a delay in filing the disclosure pertaining to the resignation of the Manager and the appointment of the Chief Financial Officer and Company Secretary. In this regard, the Company submitted a clarification letter dated November 07, 2025 to the Stock Exchange, explaining the reasons for the delay.
- Please note that, out of the total 9 Promoters, 7 Promoters are presently untraceable and, accordingly, their shareholding continues to remain in physical form.

  Further, as informed by the Management, BSE Limited directed the Company to keep the shareholding of the concerned Promoters/Promoter Group under lock-in / stop transfer restrictions until submission of PAN details by such Promoters/Promoter Group members. Pursuant to the said directions, the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, has taken the necessary action in this regard.

- During the year, there is no change in the composition of Board of Directors of the Company.

- During the financial year, Mr. Ajay Singh, Chief Financial Officer (CFO), resigned from his position with effect from 31st July, 2025. Mr. Gaurav Agarwal, Manager, resigned from his position with effect from 29th October, 2025, and was subsequently appointed as the Chief Financial Officer (CFO) of the Company with effect from 30th October, 2025. Further, Ms. Disha Soni, Company Secretary and Compliance Officer, resigned from her position with effect from 16th September, 2025, and Ms. Himanshi Dhakad was appointed as the Company Secretary of the Company with effect from 30th October, 2025. Ms. Nikita Sehrawat was appointed as Manager with effect from 22nd January, 2026.

- Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

- In my opinion there is scope to improve the systems and processes in the Company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- The compliance by the Company with applicable financial laws like Direct and Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial auditor and other designated professionals.

**Place: Delhi**
**Date:14/08/2026** **For Roni & Associates**

**Roni Soni**
**Practicing Company Secretary**
**M. No.: F11600**
**C.P. No.: 21854**
**UDIN:** F011600H001075718
**Peer Review Cert. No.: 3471/2023**

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

**ANNEXURE-A**

To,
The Members,
**AVON MERCANTILE LIMITED**
Reg. Address: Upper Basement, Smart Bharat Mall Plot No.I-2,
Sector - 25A, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.

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

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

**For Roni & Associates**

**Roni Soni**
**Practicing Company Secretaries**
**M. No.: F11600**
**C.P. No.: 21854**
**UDIN: F011600H001075718**
**Peer Review Cert. No.: 3471/2023**

**Date: 14.08.2026**
**Place: Delhi**

ANNEXURE V

# Roni & Associates

*(Practicing Company Secretaries)*

## 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 OF**

**AVON MERCANTILE LIMITED**
**Reg. Address: Upper Basement, Smart Bharat Mall Plot No.I-2,**
**Sector - 25A, 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 Limited** (hereinafter referred to as 'the Company') having CIN **L17118UP1985PLC026582** and having Registered Office at **Upper Basement, Smart Bharat Mall Plot No.I-2, Sector - 25A, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301**, 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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 as stated below for the Financial Year ended on March 31, 2026 has 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.

| DIN/DPIN/PAN | Full Name | Designation | *Date of Appointment |
|---|---|---|---|
| 05207077 | Gurvinder Pal Singh | Non-Executive Non-Independent Director | 21/07/2019 |
| 07871728 | Siddheshwar Kumar Upadhyay | Non-Executive Independent Director | 28/09/2019 |
| 09009974 | Himani Aneja | Non-Executive Independent Director | 29/08/2024 |

*The date of appointment is as per the MCA Portal.

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**Near Palam Metro Station Gate No. 3**
csronisoni@gmail.com, **Phone No. 9818957339**

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.

**Place: Delhi**
**Date:14/08/2026**

**For Roni & Associates**
**Practicing Company Secretaries**

**Roni Soni**
**Practicing Company Secretaries**
**M.NO.: F11600**
**C.PNO.: 21854**
**UDIN: F011600H001075938**
**PR. CERT NO.: 3471/2023**

ANNEXURE VI

# Annexures to the Director's Report

CERTIFICATION BY MANAGER — REGULATION 17, SEBI (LODR) REGULATIONS, 2015

## Certification by Manager of Avon Mercantile Limited as on 31st March, 2026 (In terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, Nikita Sehrawat, Manager of the Company heading the finance function and discharging that function, to the best of my knowledge and belief, certify to the Board that:

A. I have reviewed the Balance Sheet as at 31st March, 2026, the Profit and Loss Account and all its Schedules and Notes to the Accounts, as well as the Cash Flow Statement for the year ended on that date, and that to the best of my 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; and
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. As per my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting, and confirm that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, and 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, along with the steps taken or proposed to rectify these deficiencies.

D. I 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 we 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 reporting.

E. I further declare that all Board Members have affirmed compliance with the code of conduct for the year under review.

**For Avon Mercantile Limited**
Sd/-
Nikita Sehrawat
*(Manager)*

Place: Noida
Date: [14.08.2026]

ANNEXURE VIA

# Annexures to the Director's Report

DECLARATION OF CODE OF CONDUCT

## 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 at https://www.avonmercantile.co.in/investors.php.

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, 2026.

By Order of the Board
**For Avon Mercantile Limited**
Sd/-
**Nikita Sehrawat**
***(Manager)***

Place: Noida
Date: [14.08.2026]

ANNEXURE VII

# Roni & Associates

*(Practicing Company Secretaries)*

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY**
**NON-APPLICABILITY/NON-SUBMISSION OF CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026**

**TO WHOMSOEVER IT MAY CONCERN**
**Scrip Code: 512265**

This is to certify that in order to comply with the provisions of Regulation 27(2) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, read with Regulation 15(2) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the paid up capital of **Avon Mercantile Limited** ("the Company") having the registered office at Upper Basement, Smart Bharat Mall Plot No.I-2, Sector - 25A, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301, is less than Ten Crores i.e. INR 7,47,73,900.00 (Indian Rupees Seven Crores Forty Seven Lakhs Seventy Three Thousands Nine Hundred Only) and the Net Worth of the Company is less than Twenty Five Crores i.e. INR 6,04,00,065/- (Six Crore Four Lakhs Sixty-Five Only) as per latest audited Financial Statements as on financial year ended 31st March, 2026.

Hence, as per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance provisions as specified in Regulation 17, 17 A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable on the Company.

Therefore, it is not required to submit Corporate Governance Report for the Financial Year ended 31st March, 2026.

The Company also undertakes that whenever this regulation becomes applicable to our Company at a later date, it will comply with the requirements of the above regulations within six months from the date on which the provision becomes applicable to the Company.

**Place: Delhi**
**Date: 14.08.2026**

**For Roni & Associates**
**Practicing Company Secretaries**

**Roni Soni**
**Practicing Company Secretaries**
**M.NO.: F11600**
**C.PNO.: 21854**
**UDIN: F011600H001075839**
**PR. CERT NO.: 3471/2023**

**Address: Second Floor, RZ7A/29, Puran Nagar, Palam, Street No. 3, New Delhi – 110045**
**Near Palam Metro Station Gate No. 3**
csronisoni@gmail.com, **Phone No. 9818957339**

ANNEXURE VIII

# Management Discussion & Analysis

SCHEDULE V, PART B OF THE SEBI (LODR) REGULATIONS, 2015

***This section includes a discussion on the following matters within the limits set by the Company's competitive position, in terms of Part B of Schedule V read with Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:***

## (a) Industry Structure and Developments

Avon Mercantile Limited is registered with the Reserve Bank of India as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934, and is classified as a Base Layer NBFC (NBFC-BL) under the RBI's Scale-Based Regulation framework.

In terms of its Memorandum of Association, the Company is authorized to carry on the business of a financier — including inter-corporate deposits and bridge loans — as well as the business of an investment company. In keeping with these objects, the funds of the Company are presently deployed in loans, investments and bank fixed deposits, with its core activities centered on inter-corporate deposits and short-term loans and advances to its group companies.

The Indian NBFC sector continues to play a significant role in extending credit to segments underserved by the banking system. Companies such as Avon Mercantile Limited, being closely-held and group-focused in their lending and investment activities, operate on a considerably smaller and more contained scale. As at 31st March, 2026, the total asset size of the Company stood at **₹4,570.66 lakhs.**

## (b) Opportunities and Threats

### ➢ Opportunities

As a Base Layer NBFC, the Company benefits from a lighter regulatory and compliance framework compared to Middle and Upper Layer NBFCs, allowing for cost-efficient operations.

The Company's objects as a loan company provide scope to deploy surplus funds across inter-corporate deposits, short-term loans and investments, depending on requirements.

Demand for short-term inter-corporate funding.

### ➢ Threats

Any tightening of RBI's regulatory norms applicable to Base Layer NBFCs could increase compliance requirements going forward.

Interest rate fluctuations may affect the yield on loans, deposits and investments.

Limited scale restricts the Company's ability to diversify into a broader NBFC-ICC lending base.

### (c) Segment-wise or Product-wise Performance

As a Base Layer NBFC, the Company operates in a single reportable segment, namely financing and investment activities, comprising inter-corporate deposits, short-term loans and advances, and investment of surplus funds. Accordingly, no separate segment-wise disclosure is applicable, and performance is discussed on an aggregate basis.

During the financial year ended 31st March, 2026, the Company earned Revenue from Operations of ₹484.21 lakhs and Other Income of ₹1.40 lakhs, aggregating to a Total Income of ₹485.62 lakhs. The Company recorded a Profit After Tax of ₹91.62 lakhs for the year, as against a loss of ₹1.41 lakhs in the previous financial year, reflecting a turnaround in operational performance driven primarily by income from its core lending and investment activities.

### (d) Outlook

Having recorded a Profit After Tax of ₹91.62 lakhs for the financial year ended 31st March, 2026, as against a loss of ₹1.41 lakhs in the previous financial year, the Company's financial position has shown a marked improvement. The management expects to sustain this positive trend by continuing its focus on inter-corporate deposits, short-term lending and prudent deployment of surplus funds among its group companies, while maintaining a cautious approach given the Company's limited scale of operations as a Base Layer NBFC.

### (e) Risks and Concerns

The Company's key risks include concentration risk (lending largely confined to group companies), credit risk of delay or default in repayment, interest rate risk affecting yields, liquidity risk given its limited asset base as a Base Layer NBFC, and regulatory risk from changes in RBI or SEBI norms.

### (f) 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.

### (g) Discussion on Financial Performance with Respect to Operational Performance

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

### (h) Material Developments in Human Resources / Industrial Relations, including number of people employed

The Company, being a Base Layer NBFC with operations confined to loan activities, does not have an industrial workforce, and accordingly there were no industrial relations matters during the year under review. As on 31st March, 2026, the Company had 3 (Three) employees, comprising its Key Managerial Personnel.

During the year, there were changes in the Company's Key Managerial Personnel, including in the positions of Chief Financial Officer, Company Secretary, and Manager, details of which are set out in Director's Report.

### (i) Details of Significant Changes (25% or more vs. the immediately preceding Financial Year) in Key Financial Ratios

*Or sector-specific equivalent ratios, as applicable. "Inventory Turnover" and "Debtors Turnover" are generally not applicable to an NBFC and may be substituted with sector-specific measures (e.g., Yield on Advances, Gross/Net NPA Ratio, CRAR).*

| Ratio | F.Y. 2025–26 | F.Y. 2024–25 | % Variance | Reason for Variance (if ≥ 25%) |
|---|---|---|---|---|
| **Debtors Turnover** | NA | NA | NA | NA |
| **Inventory Turnover** | NA | NA | NA | NA |
| **Interest Coverage Ratio** | 1.27 | 0.99 | 28.27% | Due to Increase in Margins |
| **Current Ratio** | NA | NA | NA | NA |
| **Debt-Equity Ratio** | 5.96 | 6.38 | 6.59% | Due to Increase in Margins |
| **Operating Profit Margin (%)** | NA | NA | NA | NA |
| **Net Profit Margin (%)** | 0.19 | -0.01 | 3534.74% | Due to Increase in Margins and Decrease in Employee Benefit Expenses |

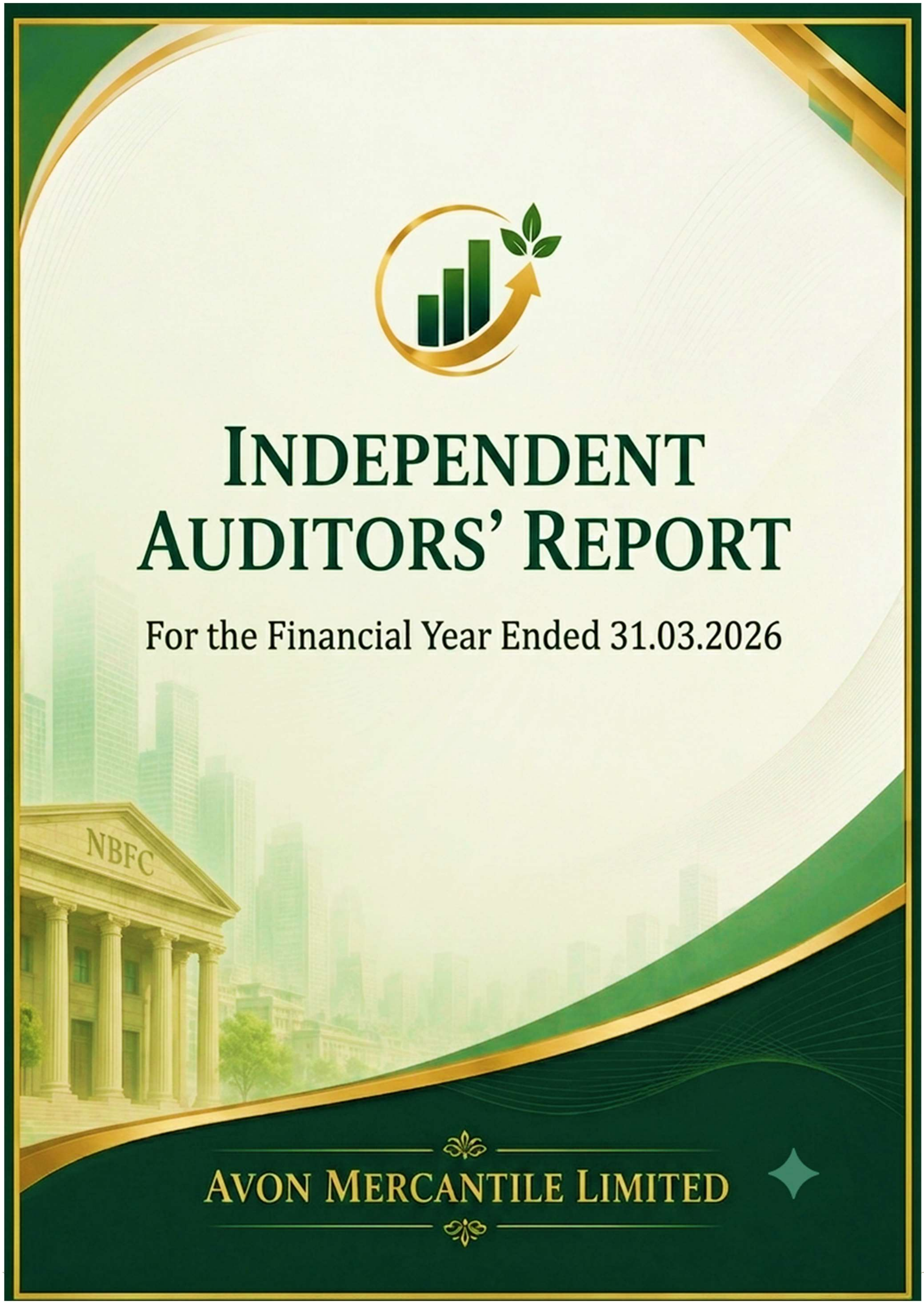
### (j) Details of any Change in Return on Net Worth as Compared to the Immediately Preceding Financial Year

| Particulars | F.Y. 2025–26 | F.Y. 2024–25 | % Change |
|---|---|---|---|
| **Return on Net Worth** | 15.17 | -0.28 | **5606.68%** |

## 2. Disclosure of Accounting Treatment

(Required only where, in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, together with management's explanation as to why the alternative treatment better represents a true and fair view of the underlying business transaction.)

In the preparation of the financial statements for the year under review, the Company has followed the treatment prescribed under the applicable Accounting Standards, and there has been no deviation from any Accounting Standard prescribed under the Companies Act, 2013.


INDEPENDENT
AUDITORS' REPORT
For the Financial Year Ended 31.03.2026
NBFC
AVON MERCANTILE LIMITED

**GUPTA GARG & AGRAWAL**
Chartered Accountants

G-55, Royal Palace, IInd Floor,
Laxmi Nagar, Vikas Marg,
Delhi – 110 092
Phone – 22502455 / 43016663

# INDEPENDENT AUDITORS' REPORT

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

## Report on the Audit of the Ind AS financial statements

### Opinion

We have audited the Ind AS financial statements of Avon Mercantile Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2026, the statement of Profit and Loss and Statement of cash flow for the year ended and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 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, 2026, and its profits, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provision of the Companies Act, 2013 and the rules 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 Ind AS financial statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion on these matters. We have no key audit matters to be communicated in our report.

| S. No. | Key Audit Matter | Auditor's Response |
|---|---|---|

| | | |
|---|---|---|
| 1 | NA | NA |

**Other Information – Board of Directors' Report**

A. The Company's Board of Directors is responsible for the preparation and presentation of its Board Report which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the Ind AS financial statements and our auditor's report thereon.

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

B. 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

**Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor’s responsibilities for the Audit of the Ind AS financial statements**

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

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

• Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

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

(e) on the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

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

i) the company does not have any pending litigations which would impact its financial position.

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

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

iv) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the .understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v) The company has neither declared nor paid any dividend during the year.

vi) Based on our examination which included test checks. The company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tempered with. Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the previous year.

(h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, no remuneration was paid by the Company to its directors during the year.

**For GUPTA GARG & AGRAWAL**
**CHARTERED ACCOUNTANTS**
Firm Registration No. 505762C

**(B. B. GUPTA)**
PARTNER
Membership No. 012399
UDIN: 26012399JKXLGM2921

Place: Noida
Date: 20.05.2026

**RE: Avon Mercantile Limited**

ANNEXURE “1” REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE
The comments are in seriatim of the order:

(i) (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property Plant & Equipment.

(B) The company does not have intangible assets; hence the clause is not applicable

(b) As per the information given by the management, the physical verification of Property Plant & Equipment was carried out at the end of the financial year. No discrepancy on such verification noticed by the management and reported to us.

(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.

(d) The company has not revalued its Property Plant & Equipment during the year under consideration

(e) No proceedings have been initiated or are pending against the company as at 31.03.2026 for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (as amended in 2016) and rules made there under.

(ii) (a) The Company does not have inventory; as such the clause is not applicable.

(b) During the year under consideration, the company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of times during the year, from banks or financial institutions on the basis of security of current assets; as such the clause is not applicable.

(iii) During the year the company has made investments in a company and granted unsecured loans to companies and other entities, during the year, in respect of which:

(a) The company’s principal business is to give loans and hence reporting under clause 3(iii) (a) of the order is not applicable.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loan granted by the Company, the schedule of repayment of the principal and payment of interest has been stipulated and receipts of the principal amount and the interest are generally regular.

(d) According to the information and explanation given to us, no amount is overdue in this respect.

(e) Reporting under clause 3(iii)(e) of the order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities, as applicable.

Further, the Company is registered as a Non-Banking Financial Company (NBFC) under the provisions of the Reserve Bank of India Act, 1934. Accordingly, in terms of Section 186(11) of the Companies Act, 2013, the provisions of Section 186, except those contained in sub-section (1), are not applicable to the Company.

(v) The Company has not accepted any deposits from the public and as such the clause is not applicable.

(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) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues such as goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable was in arrears as at March 31, 2026, for a period of more than six months from the date they became payable;

(b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute;

(viii) During the year under consideration, the company has neither surrendered any non-recorded transaction nor disclosed as income in tax assessment under the Income Tax Act.

(ix) (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;

(b) Company is not declared wilful defaulter by any bank or financial institution or other lender;

(c) On an overall examination of the financial statements of the company, term loans were applied for the purpose for which the loans were obtained;

(d) On an overall examination of the financial statements of the company, funds raised on short term basis have, prima facie, not been utilized during the year for long term purposes by the company;

(e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The company does not have any subsidiaries, joint ventures or associate companies Accordingly, and hence reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company;

(x) (a) As per the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence; there are no comments in this regard.

(b) During the year under consideration, the company has not made any preferential allotment or private placement or convertible debenture and as such the clause is not applicable.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed and reported during the year.

(b) No report under sub section (12) of section 143 of the Companies Act has been filed by the auditors under rule 13 of Companies (Audit and Auditor's) Rule-2014 and as such the clause is not applicable.

(c) During the year under consideration, no whistle-blower complaint has been received and as such the question of its consideration by the auditors does not arises.

(xii) The company is not a Nidhi Company and as such the sub clauses (a) (b) (c) are not applicable;

(xiii) The transactions with related parties are in compliance with sections 177 and 188 on the Companies Act 2013 and full disclosure has been made in financial statement;

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company;

(xvi) (a) The company is duly registered under section 45-1A of the Reserve Bank of India Act, 1934. Reporting under clause 3(xiv)(b) of the order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit. The Company had incurred cash losses of Rs. 54.70 thousand in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year, however there is rotation of auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageingand expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period ofone year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based onthe facts up to the date of the audit report and we neithergive any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due; and

(xx) Section 135 of the Companies Act 2013 is not applicable to company. Accordingly, reporting under paragraph 3(xx)(a) and (xx)(b) of the Order is not applicable.

**For GUPTA GARG & AGRAWAL**
**CHARTERED ACCOUNTANTS**
Firm Registration No. 505762C

**(B. B. GUPTA)**
PARTNER
Membership No. 012399
UDIN: 26012399JKXLGM2921

Place: Noida
Date: 20.05.2026

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF AVON MERCANTILE LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the members of Avon Mercantile Limited

We have audited the internal financial controls over financial reporting of Avon Mercantile Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GUPTA GARG & AGRAWAL**
**CHARTERED ACCOUNTANTS**
Firm Registration No. 505762C

**(B. B. GUPTA)**
PARTNER
Membership No. 012399
UDIN: 26012399JKXLGM2921

Place: Noida
Date: 20.05.2026

# AVON MERCANTILE LIMITED

**Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301**
**CIN:L17118UP1985PLC026582**
**Balance Sheet as at March 31, 2026**

| Particulars | Notes | Amount as at 31-03-2026 (Amount in ₹'000) | Amount as at 31-03-2025 (Amount in ₹'000) |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial Assets** | | | |
| (a) Cash and cash equivalents | 2 | 1,075.41 | 618.49 |
| (b) Loans | 3 | 407,377.87 | 370,950.00 |
| (c) Investments | 4 | - | - |
| (d) Other Financial Assets | 5 | 43,622.74 | 22,987.00 |
| **Sub - Total Financial assets** | | **452,076.02** | **394,555.49** |
| **Non-Financial Assets** | | | |
| (a) Property, plant and equipment | 6 | 148.19 | 208.05 |
| (b) Current tax assets (net) | 7 | 4,842.12 | 2,552.19 |
| **Sub Total Non-Financial assets** | | **4,990.31** | **2,760.24** |
| **TOTAL ASSETS** | | **457,066.33** | **397,315.73** |
| **LIABILITIES AND EQUITY** | | | |
| **Financial Liabilities** | | | |
| (a) Borrowings | 8 | 359,975.47 | 326,925.47 |
| (b) Other Financial Liabilities | 9 | 34,810.88 | 17,346.44 |
| **Sub - Total Financial Liabilities** | | **394,786.35** | **344,271.91** |
| **Non - Financial Liabilities** | | | |
| (a) Provisions | 10 | 1,879.91 | 1,805.58 |
| **Sub - Total Non-Financial Liabilities** | | **1,879.91** | **1,805.58** |
| **EQUITY** | | | |
| (a) Equity Share Capital | 11 | 74,773.90 | 74,773.90 |
| (b) Other Equity | 12 | (14,373.83) | (23,535.66) |
| **Sub - Total Equity** | | **60,400.07** | **51,238.24** |
| **TOTAL - LIABILITIES AND EQUITY** | | **457,066.33** | **397,315.73** |
| 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 Gupta Garg & Agrawal**
**Chartered Accountants**
**Firm Registration No. 505762C**

**For and on behalf of the Board of Directors**

**(B. B. Gupta)**
Partner
M. No. 012399

**(Gurvinder Pal Singh)**
Director
DIN: 05207077

**(Siddheshwar Kumar Upadhyay)**
Director
DIN: 07871728

**(Gaurav Aggarwal)**
CFO
PAN:BDPPA1294R

**(Himanshi Dhakad)**
(Company Secretary)
M No. ACS 59385

Place : Noida
Date : 20.05.2026

# AVON MERCANTILE LIMITED

**Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301**
**CIN:L17118UP1985PLC026582**
**Statement of Profit & Loss for the year ended March 31, 2026**

| Particulars | Notes | Amount for the year ended 31-03-2026 (Amount in ₹ '000) | Amount for the year ended 31-03-2025 (Amount in ₹ '000) |
|---|---|---|---|
| **Revenue from Operations** | | | |
| Interest Income | 13 | 48,421.19 | 25,521.91 |
| Other income | 14 | 140.37 | 173.45 |
| **Total Income** | | **48,561.56** | **25,695.36** |
| **Expenses** | | | |
| Finance costs | 15 | 33,748.88 | 16,110.81 |
| Employees benefits expenses | 16 | 2,648.61 | 4,814.89 |
| Depreciation, amortisation and impairment | 6 | 109.81 | 86.44 |
| Other expenses | 17 | 2,892.44 | 4,824.36 |
| **Total** | | **39,399.74** | **25,836.50** |
| **Profit / (Loss) before execeptional items and tax** | | **9,161.82** | **(141.14)** |
| **(i) Excess provision of income tax w. back** | | | |
| (i) Prior period Incomes | | | |
| Exceptional items | | - | - |
| Provision for Doubtful Debts reversed | | | |
| **Profit / (Loss) before tax** | | **9,161.82** | **(141.14)** |
| **Tax Expenses :** | | | |
| (i) Current Tax | | - | - |
| (ii) Deferred Tax | | - | - |
| (iii) Income Tax for earlier years | | - | - |
| **Profit / (Loss) for the peiod** | | **9,161.82** | **(141.14)** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | - | - |
| Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| **Subtotal (a)** | | **-** | **-** |
| Items that will be reclassified to profit or loss | | - | - |
| Income tax relating to items that will be reclassified to profit or loss | | - | - |
| **Subtotal (b)** | | **-** | **-** |
| **Other Comprehensive Income (a+b)** | | **-** | **-** |
| **Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)** | | **9,161.82** | **(141.14)** |
| **Earnings Per Equity Share** | 18 | | |
| Basic (In Rs.) | | 1.23 | (0.02) |
| Diluted (In Rs.) | | 1.23 | (0.02) |
| 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 Gupta Garg & Agrawal**
**Chartered Accountants**
**Firm Registration No. 505762C**

**For and on behalf of the Board of Directors**

**(B. B. Gupta)**
Partner
M. No. 012399

**(Gurvinder Pal Singh)**
Director
DIN: 05207077

**(Siddheshwar Kumar Upadhyay)**
Director
DIN: 07871728

Place : Noida
Date : 20.05.2026

**(Gaurav Aggarwal)**
CFO
PAN:BDPPA1294R

**(Himanshi Dhakad)**
(Company Secretary)
M No. ACS 59385

# AVON MERCANTILE LIMITED

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

**CIN:L17118UP1985PLC026582**

**Cash Flow Statement for the year ended March 31, 2026**

| Particulars | | 31-Mar-26 (Amount in ₹ '000) | 31-Mar-25 (Amount in ₹ '000) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **9,161.82** | **(141.14)** |
| **Adjustments for:** | | | |
| Depreciation/ amortization | | 109.81 | 86.44 |
| **Operating profit before working capital changes** | | **9,271.63** | **(54.70)** |
| Movements in working capital : | | | |
| Increase/(Decrease) in Borrowings | | 33,050.00 | 318,850.00 |
| Increase/ (Decrease) in Other Financial/Non-Financial | | 17,538.77 | 14,483.62 |
| (Increase)/Decrease in Loans & Advances, Other Financial/Non-Financial Assets | | (59,353.54) | (337,072.61) |
| **Net Cash Used in Operations** | | **506.86** | **(3,793.68)** |
| Direct taxes paid (net of refunds) | | - | - |
| **Net cash flow from/ (used in) operating activities** | **A** | **506.86** | **(3,793.68)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of Property Plant and Equipment / Capital Advance | | (49.95) | (131.24) |
| **Net cash flow from/ (used in) investing activities** | **B** | **(49.95)** | **(131.24)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| **Net cash flow from/ (used in) in financing activities** | **C** | **-** | **-** |
| **Net increase/(decrease) in cash and cash equivalents** | **A+B+C** | **456.92** | **(3,924.92)** |
| Cash and cash equivalents at the beginning of the year | | 618.49 | 4,543.41 |
| **Cash and cash equivalents at the end of half year** | | **1,075.41** | **618.49** |
| **Components of cash and cash equivalents** | | | |
| With banks- on current account | | 1,075.41 | 618.49 |
| **Total cash and cash equivalents (Refer Note No.2)** | | **1,075.41** | **618.49** |

**Notes :**

1. Negative figures have been shown in brackets.

Summary of significant accounting policies 1

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

As per our attached report of even date

**For Gupta Garg & Agrawal**
**Chartered Accountants**
**Firm Registration No. 505762C**

**For and on behalf of the Board of Directors**

**(B. B. Gupta)**
Partner
M. No. 012399

**(Gurvinder Pal Singh)**
Director
DIN: 05207077

**(Siddheshwar Kumar Upadhyay)**
Director
DIN: 07871728

Place : Noida
Date : 20.05.2026

**(Gaurav Aggarwal)**
CFO
PAN:BDPPA1294R

**(Himanshi Dhakad)**
(Company Secretary)
M No. ACS 59385

**AVON MERCANTILE LIMITED**

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

**Statement of Changes in Equity for the year ended March 31, 2026**

**A. Equity Share Capital**

**1) Current reporting period** (Amount in ₹ '000)

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

**2) Previous reporting period** (Amount in ₹ '000)

| Balance at the beginning of previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|---|---|---|---|---|
| 74,773.90 | - | - | - | **74,773.90** |

**B. Other Equity**

**1) Current reporting period** (Amount in ₹ '000)

| SNo. | Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Capital Reserve | Securities Premium | Reserves Fund U/S 45IC of The RBI Act | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements | Other items of Other Comprehensive Income (specify nature) | | |
| 1 | Balance at the beginning of the current reporting period | - | - | 60,352.09 | - | 1,463.27 | (85,351.01) | - | - | - | - | - | - | - | (23,535.66) |
| 2 | Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Restated balance at the beginning of the current reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **4** | **Total Comprehensive Income for the current year** | **-** | **-** | **60,352.09** | **-** | **1,463.27** | **(85,351.01)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(23,535.66)** |
| 5 | Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transfer to retained earnings | - | - | - | - | **1,832.36** | 7,329.46 | - | - | - | - | - | - | - | 9,161.82 |
| 7 | Any other change (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **8** | **Balance at the end of the current reporting period** | **-** | **-** | **60,352.09** | **-** | **3,295.63** | **(78,021.55)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(14,373.83)** |

**2) Previous reporting period** (Amount in ₹ '000)

| SNo. | Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Capital Reserve | Securities Premium | Reserves Fund U/S 45IC of The RBI Act | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements | Other items of Other Comprehensive Income (specify nature) | | |
| 1 | Balance at the beginning of the previous reporting period | - | - | 60,352.09 | - | 1,463.27 | (85,209.87) | - | - | - | - | - | - | - | (23,394.52) |
| 2 | Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Restated balance at the beginning of the previous reporting period | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **4** | **Total Comprehensive Income for the previous year** | **-** | **-** | **60,352.09** | **-** | **1,463.27** | **(85,209.87)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(23,394.52)** |
| 5 | Dividends | - | - | - | - | - | | - | - | - | - | - | - | - | - |
| 6 | Transfer to retained earnings | - | - | - | - | - | (141.14) | - | - | - | - | - | - | - | (141.14) |
| 7 | Any other change (to be specified) | - | - | - | - | - | | - | - | - | - | - | - | - | - |
| **8** | **Balance at the end of the previous reporting period** | **-** | **-** | **60,352.09** | **-** | **1,463.27** | **(85,351.01)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(23,535.65)** |

## 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 Division III of the Schedule III of the Companies Act, 2013 i.e. "General Instructions for preparation of financial statements of a Non-Banking Financial Company (NBFC) that is required to comply with Indian Accounting Standards (Ind AS)"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 resouces for settling the obligation.

**viii) Events occurring after the balance sheet date**

Adjustments to assets and liablities 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 vaule of the other consideration given to acquire an asset at the time of its acquisition or constructino 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 underibed under Schedule II of the Companies Act, 2013.

## 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

## 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### xii) Reserve Fund

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

### XIII) Retirement Benefits

**Retirement benefit costs and termination benefits**

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

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

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

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

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

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

**Short-term and other long-term employee benefits**

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

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

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

**Notes to Financial Statements as at March 31, 2026**

| Particulars | Amount as at 31-03-2026 (Amount in ₹ '000) | Amount as at 31-03-2025 (Amount in ₹ '000) |
|---|---|---|
| **2. Cash and cash equivalents** | | |
| Balances with banks: | | |
| Current Accounts | | |
| - IndusInd Bank | 955.91 | 498.99 |
| - Forex in Hand | 119.50 | 119.50 |
| | **1,075.41** | **618.49** |
| **5. Other Financial Assets** | | |
| Interest receivable | 43,579.07 | 22,969.71 |
| Prepaid expenses | 18.75 | 17.29 |
| Other advances | 24.92 | - |
| | **43,622.74** | **22,987.00** |
| **7. Current tax assets (net)** | | |
| TDS recoverable | 4,842.12 | 2,552.19 |
| | **4,842.12** | **2,552.19** |
| **9. Other Financial Liabilities** | | |
| Audit Fee Payable | 70.20 | 70.20 |
| TDS Payable | 3,381.14 | 1,626.20 |
| GST Payable | - | 9.65 |
| Expenses Payable & Others | 858.08 | 971.17 |
| Salary & Wages Payable | 127.47 | 169.50 |
| Interest Payable | 30,373.99 | 14,499.72 |
| | **34,810.88** | **17,346.44** |
| **10. Provisions** | | |
| **Long term provisions** | | |
| Provision for leave encashment | 39.06 | 128.03 |
| Provision for Gratuity | 33.79 | 95.47 |
| **Short term provisions** | | |
| Provision for leave encashment | 3.17 | 6.25 |
| Provision for Gratuity | 0.06 | 0.15 |
| Provision for standard asset | 1,803.83 | 1,575.68 |
| | **1,879.91** | **1,805.58** |
| **11. Equity Share Capital** | | |
| **Authorized shares** | | |
| 75,00,000 (75,00,000) Equity Shares of Rs. 10/- each | 75,000.00 | 75,000.00 |
| **Issued, subscribed and fully paid-up shares** | | |
| 74,77,390 (74,77,390) Equity Shares of Rs. 10/- each | 74,773.90 | 74,773.90 |
| **Total issued, subscribed and fully paid-up share capital** | **74,773.90** | **74,773.90** |

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

| | As at 31-03-2026 | | As at 31-03-2025 | |
|---|---|---|---|---|
| **Particulars** | **No. of Shares** | **Amount In Rs. '000** | **No. of Shares** | **Amount In Rs. '000** |
| At the beginning of the year | 7,477,390 | 74,773.90 | 7,477,390 | 74,773.90 |
| Issued during the year – Bonus issue | - | - | - | - |
| Issued during the year – ESOP | - | - | - | - |
| Outstanding at the end of the year | **7,477,390** | **74,773.90** | **7,477,390** | **74,773.90** |

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

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

NIL NIL

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

NIL NIL

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

| | As at 31-03-2026 | | As at 31-03-2025 | |
|---|---|---|---|---|
| **Name of the shareholder** | **No. of shares** | **% holding in the class** | **No. of shares** | **% holding in the class** |
| Smart Bharat Private 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% |

| Particulars | Amount as at 31-03-2026 (Amount in ₹ '000) | Amount as at 31-03-2025 (Amount in ₹ '000) |
|---|---|---|

**(e) Details of shareholding by promoters**

**(i) Disclosure of shareholding of promoters as at 31st March, 2026 is as follows:**

| Promoter name | As at 31st March, 2026 | | As at 31st March, 2025 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Mr. Bir Bahadur Mishra | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Haridas Nambiar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Deepak Chakrawati | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Azad Singh | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. L N Maheshwari | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Sudhir Kumar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Ashok Kumar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Oasis Cineplex Private Limited | 489,250 | 6.5431% | 489,250 | 6.5431% | 0.00% |
| Smart Bharat Private Limited | 1,470,750 | 19.6693% | 1,470,750 | 19.6693% | 0.00% |
| **Total** | **1,960,070** | **26.21%** | **1,960,070** | **26.21%** | **0.00%** |

**(ii) Disclosure of shareholding of promoters as at 31st March, 2025 is as follows:**

| Promoter name | As at 31st March, 2025 | | As at 31st March, 2024 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Mr. Bir Bahadur Mishra | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Haridas Nambiar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Deepak Chakrawati | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Azad Singh | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. L N Maheshwari | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Sudhir Kumar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Mr. Ashok Kumar | 10 | 0.0001% | 10 | 0.0001% | 0.00% |
| Oasis Cineplex Private Limited | 489,250 | 6.5431% | 489,250 | 6.5431% | 0.00% |
| Smart Bharat Private Limited | 1,470,750 | 19.6693% | 1,470,750 | 19.6693% | 0.00% |
| **Total** | **1,960,070** | **26.21%** | **1,960,070** | **26.21%** | **0.00%** |

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

## 12. Other Equity

| | | |
|---|---|---|
| **Reserves Fund U/S 45IC of The RBI Act** | | |
| Balance at the beginning of the year | 1,463.27 | 1,463.27 |
| ADD : Addition during the year | 1,832.36 | - |
| **Closing Balance** | **3,295.63** | **1,463.27** |
| | | |
| **Surplus/ (deficit) in the statement of profit and loss** | | |
| Balance as per last financial statements | (85,351.01) | (85,209.87) |
| Profit/(Loss) for the year | 9,161.82 | (141.14) |
| **Less :** Appropriation | | |
| Transfer to NBFC Reserve Fund u/s 45IC of RBI Act | (1,832.36) | - |
| **Net surplus/(deficit) in the statement of profit and loss** | **(78,021.55)** | **(85,351.01)** |
| | | |
| Special Reserve | 60.76 | 60.76 |
| Amalgamation Reserve | 60,291.33 | 60,291.33 |
| | | |
| **Total Reserves and Surplus** | **(14,373.83)** | **(23,535.66)** |

### Contingent liabilities and commitments

| | | |
|---|---|---|
| **(1) Contingent Liabilities** | | |
| a) Claims aganinst the company not acknoledged as debts | NIL | NIL |
| b) Guarantees | NIL | NIL |
| c) other money for which company is contingently liable | | |
| - amount payable against TDS default | NIL | NIL |
| | | |
| **(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 |

## Note 3: Loans

**The carrying value and fair value of Loans by categories as of 31 March 2026 are as follows. (Amount in ₹ '000)**

| Particulars | Amortised cost | At Fair Value | | | Sub-total | Total |
|---|---|---|---|---|---|---|
| | | through OCI | through profit or loss | Designated at fair value through profit or loss | | |
| **Loans** (Refer Note No.24) | | | | | | |
| (A) (i) Term Loans | 407,377.87 | - | - | - | - | 407,377.87 |
| (ii) Others | - | - | - | - | - | - |
| **Total (A) Gross** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (A) Net** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| | | | | | | |
| (B) (i) Secured by intangible assets | 407,377.87 | - | - | - | - | 407,377.87 |
| (ii) Unsecured | - | | | | | - |
| **Total (B) Gross** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (B) Net** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| | | | | | | |
| **(C) (I) Loans in India** | | | | | - | - |
| (i) Public Sector | - | - | - | - | - | - |
| (ii) Others | 407,377.87 | - | - | - | - | 407,377.87 |
| **Total (C) Grosss** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (C) (I) Net** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| **Total (C) (II) Net** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total (C) (I) and (C) (II)** | **407,377.87** | **-** | **-** | **-** | **-** | **407,377.87** |

**The carrying value and fair value of Loans by categories as of 31 March 2025 are as follows. (Amount in ₹ '000)**

| Particulars | Amortised cost | At Fair Value | | | Sub-total | Total |
|---|---|---|---|---|---|---|
| | | through OCI | through profit or loss | Designated at fair value through profit or loss | | |
| **Loans** (Refer Note No.24) | | | | | | |
| (A) (i) Term Loans | 370,950.00 | - | - | - | - | 370,950.00 |
| (ii) Others | - | - | - | - | - | - |
| **Total (A) Gross** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (A) Net** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| | | | | | | |
| (B) (i) Secured by intangible assets | 351,450.00 | - | - | - | - | 351,450.00 |
| (ii) Unsecured | 19,500.00 | - | - | - | - | 19,500.00 |
| **Total (B) Gross** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (B) Net** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| | | | | | | |
| **(C) (I) Loans in India** | | | | | - | - |
| (i) Public Sector | - | - | - | - | - | - |
| (ii) Others | 370,950.00 | - | - | - | - | 370,950.00 |
| **Total (C) Grosss** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| Less: Expected Credit Loss (ECL) | - | - | - | - | - | - |
| **Total (C) (I) Net** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Less: Impairment Loss Allowance | - | - | - | - | - | - |
| **Total (C) (II) Net** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total (C) (I) and (C) (II)** | **370,950.00** | **-** | **-** | **-** | **-** | **370,950.00** |

## Note 3: Loans

AVON MERCANTILE LIMITED
Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A,
NOIDA, UTTAR PRADESH - 201301
CIN:L17118UP1985PLC026582
Notes to Financial Statements as at March 31, 2026

## Note 4: Investments

**The carrying value and fair value of Investments by categories as of 31 March 2026 are as follows.**

**(Amount in ₹ '000)**

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

**The carrying value and fair value of Investments by categories as of 31 March 2025 are as follows.**

**(Amount in ₹ '000)**

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

# AVON MERCANTILE LIMITED

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

CIN:L17118UP1985PLC026582

**Notes to financial statements as at March 31, 2026**

**Note 6. Property, Plant and Equipment** (Amount in ₹ '000)

| Particulars | Office equipments | Computers | Furniture & Fixtures | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1st April 2024** | **250.04** | **377.84** | **36.35** | **664.23** |
| Additions | 8.03 | 123.21 | - | **131.24** |
| Disposal | - | - | - | - |
| **At 31st March 2025** | **258.07** | **501.05** | **36.35** | **795.46** |
| Additions | - | 49.95 | - | **49.95** |
| Disposal | - | - | - | - |
| **At 31st March 2026** | **258.07** | **551.00** | **36.35** | **845.41** |
| | | | | |
| **Depreciation** | | | | |
| **At 1st April 2024** | **250.04** | **225.40** | **25.54** | **500.97** |
| Depreciation | 1.38 | 81.62 | 3.45 | 86.44 |
| Depreciation on Disposals | - | - | - | - |
| **At 31st March 2025** | **251.42** | **307.01** | **28.99** | **587.42** |
| Depreciation | 4.02 | 102.33 | 3.47 | 109.81 |
| Depreciation on Disposals | - | - | - | - |
| **At 31st March 2026** | **255.43** | **409.34** | **32.46** | **697.23** |
| | | | | |
| **Net Block** | | | | |
| **At 1st April 2024** | **(0.00)** | **152.45** | **10.81** | **163.26** |
| **At 31st March 2025** | **6.65** | **194.04** | **7.36** | **208.05** |
| **At 31st March 2026** | **2.64** | **141.66** | **3.89** | **148.19** |

**AVON MERCANTILE LIMITED**
**Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301**
**CIN:L17118UP1985PLC026582**
**Notes to Financial Statements as at March 31, 2026**

## Note 8: Borrowings

**The carrying value and fair value of Borrowings by categories as of 31 March 2026 are as follows.**
**(Amount in ₹ '000)**

| Particulars | Amortised cost | At Fair Value | | | Sub-total | Total |
|---|---|---|---|---|---|---|
| | | through OCI | through profit or loss | Designated at fair value through profit or loss | | |
| a) Term Loans | | | | | | |
| i) from Banks | - | - | - | - | - | - |
| ii) from Other parties (unsecured) | | | | | | |
| Smart Bharat Pvt Ltd (ROI @ 9.5%, Due date - 25.03.2027) | 152,850.00 | - | - | - | - | 152,850.00 |
| Global Mobile Infrastructure Pvt. Ltd. (ROI @ 9.5%, Due date - 31.03.2027) | 1,625.47 | - | - | - | - | 1,625.47 |
| Bougainvillea Multiplex & Entertainment Center Pvt. Ltd. (ROI @ 10%, Due date - 23.01.2028) | 205,500.00 | | | | | 205,500.00 |
| **Total (A) Grosss** | **359,975.47** | **-** | **-** | **-** | **-** | **359,975.47** |
| (i) Borrowings in India | 359,975.47 | - | - | - | - | 359,975.47 |
| (ii) Borrowings outside India | - | - | - | - | - | - |
| **Total (B) Grosss** | **359,975.47** | **-** | **-** | **-** | **-** | **359,975.47** |

**The carrying value and fair value of Borrowings by categories as of 31 March 2025 are as follows.**
**(Amount in ₹ '000)**

| Particulars | Amortised cost | At Fair Value | | | Sub-total | Total |
|---|---|---|---|---|---|---|
| | | through OCI | through profit or loss | Designated at fair value through profit or loss | | |
| a) Term Loans | | | | | | |
| i) from Banks | - | - | - | - | - | - |
| ii) from Other parties (unsecured) | | | | | | |
| Smart Bharat Pvt Ltd (ROI @ 9.5%, Due date - 25.03.2027) | 127,950.00 | - | - | - | - | 127,950.00 |
| Global Mobile Infrastructure Pvt. Ltd. (ROI @ 9.5%, Due date - 31.03.2025) | 975.47 | - | - | - | - | 975.47 |
| Bougainvillea Multiplex & Entertainment Center Pvt. Ltd. (ROI @ 10%, Due date - 23.01.2028) | 198,000.00 | - | - | - | - | 198,000.00 |
| | | | | | | |
| **Total (A) Grosss** | **326,925.47** | **-** | **-** | **-** | **-** | **326,925.47** |
| (i) Borrowings in India | 326,925.47 | - | - | - | - | 326,925.47 |
| (ii) Borrowings outside India | - | - | - | - | - | - |
| **Total (B) Grosss** | **326,925.47** | **-** | **-** | **-** | **-** | **326,925.47** |

**AVON MERCANTILE LIMITED**
**Regd. Address: UPPER BASEMENT, SMART BHARAT MALL, PLOT NO. I-2, SECTOR-25A, NOIDA, UTTAR PRADESH - 201301**
**CIN:L17118UP1985PLC026582**
**Notes to Financial Statements for the year ended March 31, 2026**

| Particulars | Amount for the year ended 31-03-2026 (Amount in ₹ '000) | Amount for the year ended 31-03-2025 (Amount in ₹ '000) |
|---|---|---|
| **13. Interest Income** | | |
| Interest on loan | 48,421.19 | 25,521.91 |
| | **48,421.19** | **25,521.91** |
| **14. Other Income** | | |
| Interest income on Income tax refund | 140.37 | 173.45 |
| | **140.37** | **173.45** |
| **15. Finance costs** | | |
| Interest on borrowings | 33,748.88 | 16,110.81 |
| | **33,748.88** | **16,110.81** |
| **16. Employee benefits expenses** | | |
| Salaries, wages and bonus | 2,363.60 | 4,397.79 |
| Leave encashment expenses | 129.12 | 152.01 |
| Gratuity | 70.89 | 79.89 |
| Staff welfare expenses | 85.00 | 185.20 |
| | **2,648.61** | **4,814.89** |
| **17. Other expenses** | | |
| Rates and Taxes | 3.60 | 2.54 |
| Legal and professional fees | 1,318.73 | 2,008.72 |
| Advertisement Charges | 76.86 | 76.69 |
| Payment to Auditors (Refer details below) | 150.45 | 153.99 |
| Custodial Charges | 264.63 | - |
| Bank Charges | 0.12 | 0.04 |
| Listing Fees | 29.50 | 413.00 |
| Miscellaneous Exp. | 57.30 | 101.78 |
| Communication Costs | 39.95 | 63.93 |
| Repair and maintenance | 19.13 | 15.30 |
| Travelling & Conveyance | 577.06 | 552.52 |
| Printing & Stationery | 44.34 | 9.43 |
| Director's sitting fees | 82.60 | 70.80 |
| Provision for Standard Asset | 228.17 | 1,355.61 |
| | **2,892.44** | **4,824.36** |
| **Payment to auditors:** | | |
| Audit fee | 76.70 | 76.70 |
| Limited review | 44.25 | 44.25 |
| Other services | 29.50 | 33.04 |
| | **150.45** | **153.99** |
| **18. Earnings per share (EPS)** | | |
| **The following reflects the profit and share data used in the basic and diluted EPS computations:** | | |
| Profit/ (loss) after tax | 9,161.82 | (141.14) |
| 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** | **1.23** | **(0.02)** |
| **Diluted earning per share** | **1.23** | **(0.02)** |

**ADDITIONAL NOTES TO ACCOUNTS**

**19** The financials for current year ended on March 31, 2026 have been prepared as per the provisions and schedules prescribed under the Companies Act, 2013.

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

**21** **Deferred Taxes**
As per the provisions of Indian Accounting Standard AS - 12 "Income taxes", the company as on the date of balance sheet, at the income tax rates applicable on the said date has Deferred Tax Assets (DTA) on temporary differences. The said DTA has not been recognized in the books of account, on account of virtual uncertainty of future long term profits and revival in the values of long term investments respectively.

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

**23** All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account including Annexure-A as required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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

(Amount in ₹ '000)

| Name of Loanee | Rate of Interest | Due Date | Secured/ Unsecured | 31-Mar-26 | 31-Mar-25 | Purpose |
|---|---|---|---|---|---|---|
| Modipur Realty Private Limited | 12.00% | 31-Jul-29 | Secured | 18,450.00 | 15,150.00 | For General Purpose |
| Beyond 100 Rishikesh Pvt Ltd | 12.00% | 18-Mar-27 | Secured | 25,427.87 | 44,300.00 | For General Purpose |
| Modipur Devices Pvt. Ltd. | 12.50% | 19-Apr-27 | Secured | 242,000.00 | 222,000.00 | For General Purpose |
| Modi Studios Pvt. Ltd. | 12.50% | 26-Jan-28 | Secured | 70,000.00 | 70,000.00 | For General Purpose |
| Modi Studios Pvt. Ltd. | 12.50% | 3-Feb-26 | Unsecured | - | 19,500.00 | For General Purpose |
| Modi Studios Pvt. Ltd. | 12.50% | 1-Feb-29 | Secured | 51,500.00 | - | For General Purpose |

**ADDITIONAL NOTES TO ACCOUNTS**

## 25 Employee benefits

**Defined Benefit Plans - General Description**

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

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

| | (Amount in ₹ '000) | (Amount in ₹ '000) |
|---|---|---|
| | **Gratuity** | **Leave** |
| **Defined benefit obligation at 01 April 2024** | **296.99** | **379.77** |
| Current service cost | 33.43 | 27.46 |
| Interest expense | 21.47 | 46.02 |
| Benefits paid | (281.26) | (397.50) |
| Actuarial (gain)/ loss on obligations | 24.98 | 78.54 |
| **Defined benefit obligation at 31 March 2025** | **95.62** | **134.28** |
| Current service cost | 18.10 | 9.45 |
| Interest expense | 6.73 | 20.95 |
| Benefits paid | (132.66) | (221.18) |
| Actuarial (gain)/ loss on obligations | 46.06 | 98.72 |
| **Defined benefit obligation at 31 March 2026** | **33.85** | **42.22** |

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

| | **Rs in '000** | **Rs in '000** |
|---|---|---|
| Fair value of plan assets at 01 April 2024 | - | - |
| Defined benefit obligation at 01 April 2024 | 296.99 | 379.77 |
| Fair value of plan assets at 31 March 2025 | - | - |
| Defined benefit obligation at 31 March 2025 | 95.62 | 134.28 |
| **Amount recognised in the Balance Sheet at 31 March 2025** | **(95.62)** | **(134.28)** |
| Fair value of plan assets at 31 March 2026 | - | - |
| Defined benefit obligation at 31 March 2026 | 33.85 | 42.22 |
| **Amount recognised in the Balance Sheet at 31 March 2026** | **(33.85)** | **(42.22)** |

# AVON MERCANTILE LIMITED

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

**CIN:L17118UP1985PLC026582**

**Notes to financial statements for the year ended March 31, 2026**

**ADDITIONAL NOTES TO ACCOUNTS**

**Amount recognised in Statement of Profit and Loss:**

| | (Amount in ₹ '000) Gratuity | (Amount in ₹ '000) Leave |
|---|---|---|
| Current service cost | 33.43 | 27.46 |
| Net interest expense | 21.47 | 46.02 |
| Actuarial gain/ (loss) on obligations | 24.98 | 78.54 |
| **Amount recognised in Statement of Profit and Loss for year ended 31 March 2025** | **79.89** | **152.01** |
| Current service cost | 18.10 | 9.45 |
| Net interest expense | 6.73 | 20.95 |
| Actuarial gain/ (loss) on obligations | 46.06 | 98.72 |
| **Amount recognised in Statement of Profit and Loss for year ended 31 March 2026** | **70.89** | **129.12** |

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

| | 31st March 2026 | 31st March 2025 |
|---|---|---|
| Discount rate (in %) | 7.09% | 7.04% |
| Salary Escalation (in %) | 5.50% | 5.50% |
| Expected average remaining working lives of employees (in years) | 27.96 | 27.82 |

**A quantitative sensitivity analysis for significant assumption as at 31 March 2026 is as shown below:**

| **Assumptions** | **Discount rate** | | **Salary Increase** | |
|---|---|---|---|---|
| Sensitivity Level | + 0.5% | - 0.5% | + 0.5% | - 0.5% |
| **Impact on defined benefit obligation** | **(Amount in ₹ '000)** | | **(Amount in ₹ '000)** | |
| Gratuity | (3.04) | 3.42 | 3.49 | (3.12) |
| Leave | (3.58) | 3.92 | 4.03 | (3.62) |

**A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:**

| **Assumptions** | **Discount rate** | | **Salary Increase** | |
|---|---|---|---|---|
| Sensitivity Level | + 0.5% | - 0.5% | + 0.5% | - 0.5% |
| **Impact on defined benefit obligation** | **(Amount in ₹ '000)** | | **(Amount in ₹ '000)** | |
| Gratuity | (8.08) | 9.00 | 9.09 | (8.22) |
| Leave | (11.16) | 12.24 | 12.43 | (11.26) |

## 26 Fair Values

**Financial instruments by category**

**The carrying value and fair value of financial instruments by categories as of March 31, 2026 were as follows:**

**(Amount in ₹ '000)**

| Particulars | Amortised cost | Fair value through profit or loss | Fair value through OCI | Total carrying value |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and cash equivalents | 1,075.41 | | | 1,075.41 |
| Loans | 407,377.87 | | | 407,377.87 |
| Investments | - | | | - |
| Other Financial Assets | 43,622.74 | | | 43,622.74 |
| **Total Financial Assets** | **452,076.02** | **-** | **-** | **452,076.02** |
| **Financial Liabilities** | | | | |
| Borrowings | 359,975.47 | | | 359,975.47 |
| Other financial liabilities | 34,810.88 | | | 34,810.88 |
| **Total Financial Liabilities** | **394,786.35** | **-** | **-** | **394,786.35** |

**The carrying value and fair value of financial instruments by categories as of March 31, 2025 were as follows:**

**(Amount in ₹ '000)**

| Particulars | Amortised cost | Fair value through profit or loss | Fair value through OCI | Total carrying value |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and cash equivalents | 618.49 | | | 618.49 |
| Loans | 370,950.00 | | | 370,950.00 |
| Investments | - | | | - |
| Other Financial Assets | 22,987.00 | | | 22,987.00 |
| **Total Financial Assets** | **394,555.49** | **-** | **-** | **394,555.49** |
| **Financial Liabilities** | | | | |
| Borrowings | 326,925.47 | | | 326,925.47 |
| Other financial liabilities | 17,346.44 | | | 17,346.44 |
| **Total Financial Liabilities** | **344,271.91** | **-** | **-** | **344,271.91** |

### 26.2 Fair value hierarchy

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

**Fair value hierarchy**

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

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

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

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

**The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2026:**

**(Amount in ₹ '000)**

| Particulars | 31 March 2026 | Fair value measurement at end of the reporting period/year using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| Investments in equity instruments | - | | | - |
| **Total** | **-** | **-** | **-** | **-** |

**The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2025:**

**(Amount in ₹ '000)**

| Particulars | 31 March 2025 | Fair value measurement at end of the reporting period/year using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| Investments in equity instruments | - | | | - |
| **Total** | - | - | - | - |

## 27 Financial risk management objectives and policies

**Financial risk management**
**Financial risk factors**
**Market risk**

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

**Interest Rate Risk**

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

**Interest rate sensitivity calculated on borrowings**

| | Increase/(Decrease) in basis points | Effect on profit before tax |
|---|---|---|
| **31-Mar-26** | | |
| (Amount in ₹ '000) | 0.5 | (1,721.91) |
| | -0.5 | 1,721.91 |
| **31-Mar-25** | | |
| (Amount in ₹ '000) | 0.5 | (842.92) |
| | -0.5 | 842.92 |

**Equity Price Risk**

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

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

**Credit Risk**

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

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

**Liquidity risk**

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

**The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2026:**

**(Amount in ₹ '000)**

| Particulars | Less than 1 year | 1-5 years | Total |
|---|---|---|---|
| Borrowings | 154,475.47 | 205,500.00 | 359,975.47 |
| Other financial liabilities | 34,810.88 | - | 34,810.88 |
| **Total** | **189,286.35** | **205,500.00** | **394,786.35** |

**The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2025:**

**(Amount in ₹ '000)**

| Particulars | Less than 1 year | 1-5 years | Total |
|---|---|---|---|
| Borrowings | 975.47 | 325,950.00 | 326,925.47 |
| Other financial liabilities | 17,346.44 | - | 17,346.44 |
| **Total** | **18,321.91** | **325,950.00** | **344,271.91** |

## 28 Capital management

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

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

**(Amount in ₹ '000)**

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| Borrowings | 359,975.47 | 326,925.47 |
| Other financial liabilities | 34,810.88 | 17,346.44 |
| Less: Cash and cash equivalents | 1,075.41 | 618.49 |
| **Net Debt** | **393,710.94** | **343,653.41** |
| Equity | 74,773.90 | 74,773.90 |
| **Capital and net debt** | **468,484.84** | **418,427.31** |
| Gearing ratio | 84.04% | 82.13% |

## 29 Financial Ratios

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| (a) Capital to risk-weighted assets ratio (CRAR) | 13.21% | 12.90% |
| (b) Tier I CRAR | 13.21% | 12.90% |
| (c) Tier II CRAR | NA | NA |
| (d) Liquidity Corerage Ratio | 24.24% | 21.73% |

## ADDITIONAL NOTES TO ACCOUNTS

**30** Details of Key Managerial Personnel Remuneration

| | (Amount in ₹ '000) | (Amount in ₹ '000) |
|---|---|---|
| **Name: Mr. Gaurav Aggarwal (Manager) upto 29.10.2025 CFO w.e.f. 30.10.2025** | **2025-26** | **2024-25** |
| Salary / Allowances | 686.40 | 572.73 |
| Other reimbursement | 127.36 | 89.78 |
| | **813.76** | **662.51** |

| | | |
|---|---|---|
| **Name: Ms. Disha Soni (Company Secretary) upto 16.09.2025** | **2025-26** | **2024-25** |
| Salary / Allowances | 825.20 | 1,098.30 |
| Car Lease Rent paid | 22.13 | 24.00 |
| Other reimbursement | 405.25 | 430.38 |
| | **1,252.58** | **1,552.68** |

| | | |
|---|---|---|
| **Name: Mr. Ajay Singh (CFO) w.e.f. 17.03.2025 upto 31.07.2025** | **2025-26** | **2024-25** |
| Salary / Allowances | 265.99 | 23.95 |
| Other reimbursement | 39.68 | 4.25 |
| | **305.67** | **28.20** |

| | | |
|---|---|---|
| **Name: Ms. Nikita Sehrawat (Manager) w.e.f. 22.01.2026** | **2025-26** | **2024-25** |
| Salary / Allowances | 104.17 | - |
| Other reimbursement | 50.23 | - |
| | **154.40** | **-** |

| | | |
|---|---|---|
| **Name: Ms. Himanshi Dhakad (Company Secretary) w.e.f. 30.10.2025** | **2025-26** | **2024-25** |
| Salary / Allowances | 80.52 | - |
| | **80.52** | **-** |

**31** **Information required to be given by way of note regarding foreign currency income/outgo** Nil

**32** **(a) Related Party Disclousers :**

| | |
|---|---|
| **Holding Company** | Nil |
| **Subsidiary Company** | Nil |
| **Fellow Subsidiary Company** | Nil |
| **Associate company** | Nil |

**Key Management Personnel**

Mr. Gurvinder Pal Singh (Director)
Mr. Siddheshwar Kumar Upadhyay (Independent Non -Executive Director)
Ms. Himani Aneja (Independent Non -Executive Director) w.e.f. 29.08.2024
Mr. Gaurav Aggarwal (Manager) upto 29.10.2025 CFO w.e.f. 30.10.2025
Ms. Nikita Sehrawat (Manager) w.e.f. 22.01.2026
Ms. Himanshi Dhakad (Company Secretary) w.e.f. 30.10.2025
Mr. Ajay Singh (CFO) w.e.f. 17.03.2025 upto 31.07.2025
Ms. Disha Soni (Company Secretary) upto 16.09.2025

**(b) Related Party Transactions** Attached as per annexure 1

**ADDITIONAL NOTES TO ACCOUNTS**

**33** The Company, using its best estimates based on reasonable and supportable assumptions and projections, has made provision for expected credit loss (ECL) of Rs Nil in accordance with Indian Accounting Standard AS 109.

**34** In terms of Paragraph 3.4 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the directions under Chapter IV, Chapter V, paragraphs 4.1.1, 45, 66 and 67 are not applicable to the company as it is not availing any public funds and do not have any customer interface.

As per our attached report of even date

| | | |
|---|---|---|
| **For Gupta Garg & Agrawal**<br>**Chartered Accountants**<br>**Firm Registration No. 505762C** | **For and on behalf of the Board of Directors** | |
| **(B. B. Gupta)**<br>Partner<br>M. No. 012399 | **(Gurvinder Pal Singh)**<br>Director<br>DIN: 05207077 | **(Siddheshwar Kumar Upadhyay)**<br>Director<br>DIN: 07871728 |
| Place : Noida<br>Date : 20.05.2026 | **(Gaurav Aggarwal)**<br>CFO<br>PAN:BDPPA1294R | **(Himanshi Dhakad)**<br>(Company Secretary)<br>M No. ACS 59385 |

# AVON MERCANTILE LIMITED

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

**CIN:L17118UP1985PLC026582**

**Related Party transactions for the year ended March 31, 2026**

**Annexure-1** **(Amount in ₹ '000)**

| Particulars | | Key management Personnel | | Total | |
|---|---|---|---|---|---|
| | | 2025-26 | 2024-25 | 2025-26 | 2024-25 |
| (A) | Transactions | | | | |
| | | | | | |
| | **Salary & Allowances Paid** | | | | |
| | Gaurav Aggarwal | 813.76 | 662.51 | 813.76 | 662.51 |
| | Disha Soni | 1,252.58 | 1,552.68 | 1,252.58 | 1,552.68 |
| | Ajay Singh | 305.67 | 28.20 | 305.67 | 28.20 |
| | Nikita Sehrawat | 154.40 | - | 154.40 | - |
| | Himanshi Dhakad | 80.52 | - | 80.52 | - |
| | | | | | |
| | **Director's Sitting Fees Paid** | | | | |
| | Himani Aneja | 35.00 | 30.00 | 35.00 | 30.00 |
| | Siddheshwar Kumar Upadhyay | 35.00 | 30.00 | 35.00 | 30.00 |
| | | | | | |

**ANNEXURE 'A" FORMING PART OF THE ACCOUNTS**

**Particulars as per NBFC Directions as at 31.03.2026**

(as required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Rs. (IN Crore)

| | | Particulars | | |
|---|---|---|---|---|
| | | **Liabilities side :** | | |
| (1) | | **Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :** | Amount Outstanding | Amount Overdue |
| | (a) | Debentures : Secured | - | - |
| | | : Unsecured (other than falling within the meaning of public deposits*) | - | - |
| | (b) | Deferred Credits | - | - |
| | (c) | Term Loans | - | - |
| | (d) | Inter-corporate loans and borrowing | 39.03 | - |
| | (e) | Commercial Paper | - | - |
| | (f) | Public Deposits* | | |
| | (g) | Other Loans (specify nature) | - | - |
| | * | Please see Note 1 below | | |
| (2) | | **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):** | | |
| | (a) | In the form of Unsecured debentures | | |
| | (b) | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | | |
| | (c) | Other public deposits | | |
| | * | Please see Note 1 below | | |

**Assets side :**

| | | | **Amount outstanding** |
|---|---|---|---|
| (3) | | **Break - up of Loans and Advances including bills / Trade receivables [ other than those included <u>in (4) below ]</u> :** | |
| | (a) | Secured | 40.74 |
| | (b) | Unsecured | - |
| (4) | | **Break-up of Leased Assets and stock on hire and other assets counting towards AFC Activities** | N.A. |

ANNEXURE 'A" FORMING PART OF THE ACCOUNTS

**Particulars as per NBFC Directions as at 31.03.2026**

(as required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Rs. (IN Crore)

| | | Particulars | |
|---|---|---|---|
| (5) | | **Break-up of Investment :** | |
| | | **Current Investment :** | |
| | 1 | Quoted : | |
| | (i) | Shares : (a) Equity | - |
| | | (b) Preference | - |
| | (ii) | Debentures and Bonds | - |
| | (iii) | Units of mutual funds | - |
| | (iv) | Government Securities | - |
| | (v) | Others (please specify) | - |
| | 2 | Unquoted : | |
| | (i) | Shares : (a) Equity | - |
| | | (b) Preference | - |
| | (ii) | Debentures and Bonds | - |
| | (iii) | Units of mutual funds | - |
| | (iv) | Government Securities | - |
| | (v) | Others (please specify) | - |
| | | **Long Term Investment (Net of Provision of diminution in value of investments:** | |
| | 1 | Quoted : | |
| | (i) | Shares : (a) Equity | - |
| | | (b) Preference | - |
| | (ii) | Debentures and Bonds | - |
| | (iii) | Units of mutual funds | - |
| | (iv) | Government Securities | - |
| | (v) | Others (please specify) | - |
| | 2 | Unquoted : | |
| | (i) | Shares : (a) Equity (net of provision) | - |
| | | (b) Preference | - |
| | (ii) | Debentures and Bonds | - |
| | (iii) | Units of mutual funds | - |
| | (iv) | Government Securities | - |

## ANNEXURE 'A" FORMING PART OF THE ACCOUNTS

**Particulars as per NBFC Directions as at 31.03.2026**

(as required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Rs. (IN Crore)

| | | **Particulars** | |
|---|---|---|---|
| | (v) | Others (please specify) | - |

**ANNEXURE 'A" FORMING PART OF THE ACCOUNTS**

**Particulars as per NBFC Directions as at 31.03.2026**

(as required in terms of Paragraph 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Rs. (IN Crore)

| | **Particulars** | | | |
|---|---|---|---|---|
| (6) | **Borrower group-wise classification of assets financed as in (2) & (3) above:** | | | |
| | Please see Note 2 below | **Amount net of provisions** | | |
| | Category | **Secured** | **Unsecured** | **Total** |
| 1 | Related Parties ** | | | |
| (a) | Subsidiaries | - | - | - |
| (b) | Companies in the same group * | - | - | - |
| (c) | Other related parties | - | - | - |
| 2 | Other than related parties | 40.74 | - | 40.74 |
| | **Total** | **40.74** | **-** | **40.74** |
| (7 | **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :** Please see Note 3 below | | | |
| | Category | Market Value / Break up or fair value or NAV*** | | Book Value (Net of Provisions) |
| 1 | Related Parties ** | | - | - |
| (a) | Subsidiaries | | - | - |
| (b) | Companies in the same group | | - | - |
| (c) | Other related parties | | | |
| 2 | Other than related parties | | - | - |
| | **Total** | | **-** | **-** |

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

(8) Other information

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

**Notes :**

1. As defined in paragraph 5.1.26 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

2. Provisioning norms shall be applicable as prescribed in Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
However, In terms of Paragraph 3.4 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, prudential norms except para 31 shall not apply to the Company as the Company is non-banking financial company having asset size of less than Rs.500 crores and further it does not accept/hold any public funds. Accordingly provisioning norms are not applicable to the company.

3. All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

# THANK YOU

AVON MERCANTILE LIMITED