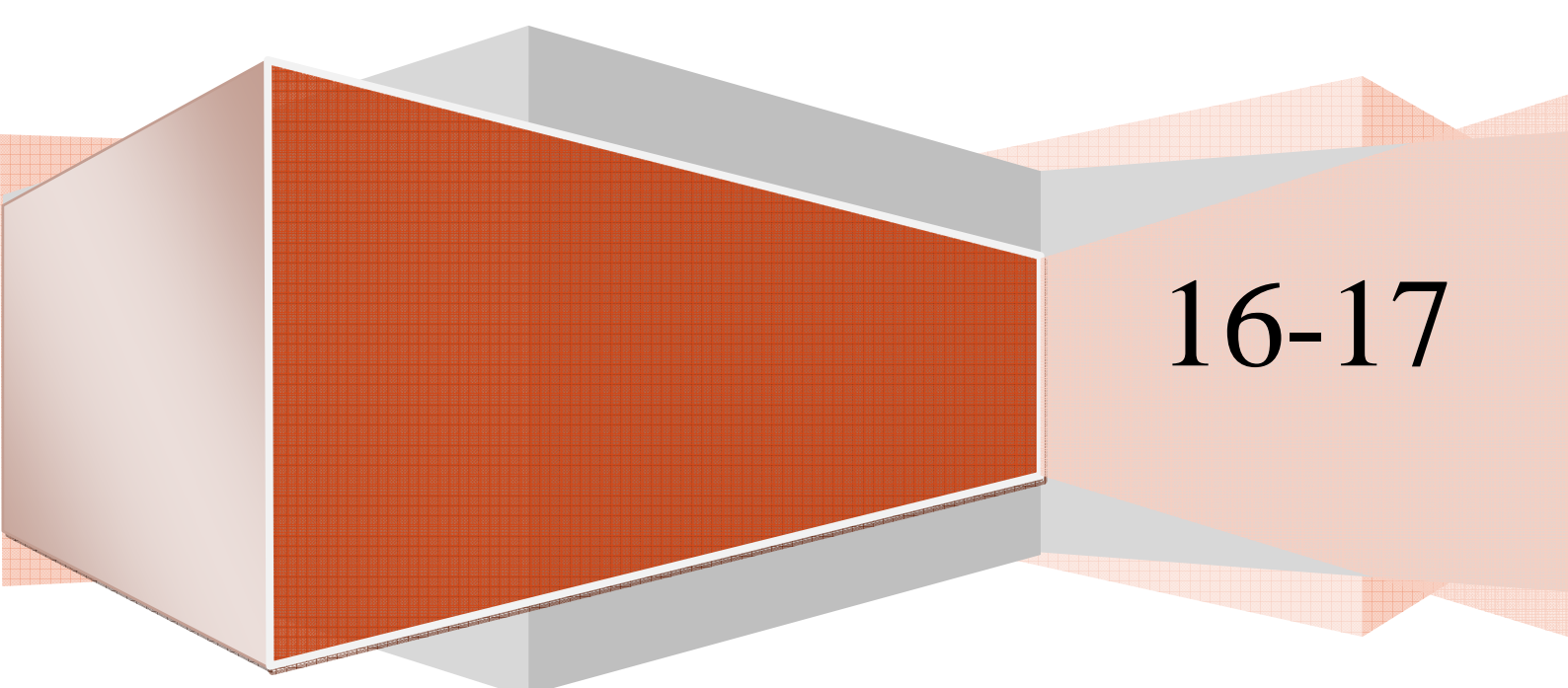


# ANNUAL REPORT

AVRO COMMERCIAL CO LTD



16-17

## **CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	Mr. Vivek Mundra Mrs. Alpana Mundra Mr. Vikram Purohit Mr. Sunil Kumar Dalmia Mr. Girish Agarwal Mr. Vaibhav Khandelwal	Managing Director Director Director Director Independent Director Independent Director
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**CHIEF FINANCIAL OFFICER** Mr. Vijay Choudhary

**COMPANY SECRETARY** Ms. Sneha Sharma

**AUDITORS** **ARSK & Associates**  
Chartered Accountants  
22, R. N. Mukherjee Road  
3<sup>rd</sup> Floor Kolkata - 700 001  
Phone : (033) 4006-3380  
Fax : (033) 4006-3385  
Email : [info@arsk.in](mailto:info@arsk.in)

**REGISTRAR & SHARE  
TRANSFER AGENTS** Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot No 31 & 32,  
Nanakramguda, Serilingampally,  
Gachibowli, Financial district  
Hyderabad - 500 032  
Phone : (040) 6716 1500  
Email - [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**BANKERS** HDFC Bank Limited  
The Karnataka Bank Limited

**REGISTERED OFFICE** 906, "Shubham" 9<sup>th</sup> Floor  
1, Sarojini Naidu Sarani,  
Kolkata- 700 017  
Phone : (033) 2283 1865  
Fax : (033) 2283 1597  
Website : [www.avro.co.in](http://www.avro.co.in)  
Email : [info@avro.co.in](mailto:info@avro.co.in)

<b>CONTENTS</b>	<b>Page No.</b>
Notice to Shareholders	2
Director Reports to the Shareholders	7
Report on Corporate Governance	25
Independent Auditor's Report to the Shareholders	31
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes on financial statement	41

**NOTICE**

**NOTICE** is hereby given that the Thirty-Fourth Annual General Meeting of the Company will be held on Saturday, the 23rd September, 2017 at 11:00 am at its registered office, 906 "Shubham", 9<sup>th</sup> Floor, 1, Sarojini Naidu Sarani, Kolkata-700017, to transact following business: -

**As Ordinary Business**

1. Approve and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2017 together with the Reports of the Directors and the Auditors thereon, and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **ordinary** resolution:

**"RESOLVED THAT** the Audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, notes forming part thereof, the Cash Flow Statement for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted".

2. Appoint a Director in place of Mr. Sunil Kumar Dalmia (holding DIN 01624580), who retires by rotation and being eligible seeks re-appointment, and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **ordinary** resolution:

**"RESOLVED THAT** Mr. Sunil Kumar Dalmia (holding DIN 01624580), Director who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

3. Appointment of Statutory Auditors of the Company and fixation of their remuneration, and in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an **ordinary** resolution.

**"RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) rules, 2014, M/s. M.R. Singhwi & Co., Chartered Accountants, Kolkata having Firm Registration No. 312121E, who have offered themselves for appointment as Auditors be and are hereby appointed as Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of this AGM till the conclusion of the 39<sup>th</sup> AGM with ratification of their appointment by members at every AGM at such remuneration as may be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of out-of-pocket expenses incurred for the purpose of audit."

**Kolkata, August 5, 2017**

**Registered Office:**

906 "Shubham", 9<sup>th</sup> Floor,  
1, Sarojini Naidu Sarani,  
Kolkata-700017  
CIN: L51433WB1983PLC035882  
Email: [cs@avro.co.in](mailto:cs@avro.co.in)

**By order of the Board**

**Sneha Sharma**  
**Company Secretary**

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form, in order to be effective, must be duly completed, stamped and lodged with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act, as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2017 (Saturday) to 23<sup>rd</sup> September, 2017 (Saturday), both days inclusive.
3. Members / Proxies / Authorized Representative are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
6. Notice of the 34<sup>th</sup> Annual General Meeting along with the Annual Report 2017 of the Company is being sent to all the members in the electronic mode, whose email address is registered with the Depository Participants/Company, unless any member has requested for a hard copy of the same and for members who have not registered their email address, physical copy of above documents is being sent.
7. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report 2017 will also be available on company's website: [www.avro.co.in](http://www.avro.co.in) for download.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance of the meeting, to enable the Company to keep the information ready.
11. **Voting through electronic means:**  
Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the Annual General Meeting (AGM) by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting. It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility, and a member may avail the facility at his/her/its discretion, subject to compliance with the instructions prescribed.

**12. The Instructions for e-voting are as under:**

- (a) To use the following URL for remote e-voting:  
From Karvy website : <https://evoting.karvy.com>
- (b) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- (c) Enter the login credentials [i.e., user id and password mentioned in the Notice of the AGM]. Your Folio No/DP ID Client ID will be your user ID.
- (d) After entering the details appropriately, click on LOGIN.
- (e) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (f) You need to login again with the new credentials.
- (g) **On successful login, the system will prompt you to select the EVENT i.e., Avro Commercial Co Ltd.**
- (h) **On the voting page, the number of shares as held by the shareholder as on August 18, 2017 will appear.** If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click FOR / AGAINST as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting
- (i) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- (j) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- (k) Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (l) The Portal will be open for voting from: **9 A.M. on September 20, 2017 (Wednesday) to 5.00 P.M. on September 22, 2017 (Friday).**
- (m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese P.A of Karvy Computershare Pvt Ltd at 040-67161500 OR at Tel No. 1800 345 4001 (toll free).
- (n) The Company has appointed M/s Shyamsukha Associates, Chartered Accountant, to act as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner provided that the scrutinizer so appointed may take assistance of a person who is not in employment of the Company and who is well-versed with the electronic voting system.
- (o) **The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of September 16, 2017, (Saturday).**
- (p) The scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three (3) days of conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

- (q) The results declared along with the report of the scrutinizer shall be placed on the website of the Company [www.avro.co.in](http://www.avro.co.in) and on <https://evoting.karvy.com> immediately after the result is declared by the Chairman. The Company shall, simultaneously, forward the results to the stock Exchanges where the shares are listed.
- (r) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.  
Institutional members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., to the Scrutinizer through e-mail at [sshyamsukha@vsnl.com](mailto:sshyamsukha@vsnl.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). File naming convention should be 'Corporate Name EVSN.'
- (s) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy) in the permitted mode:
- (i) Initial password as below is given in the attendance slip for the AGM:

<u>EVSN</u> <u>(Electronic Voting</u> <u>Sequence Number)</u>	<u>USER ID</u>	<u>PASSWORD</u>
<u>XXXXXXXX</u>	<u>XXXXXXXX</u>	<u>XXXXXXXXXX</u>

- (ii) Please follow all steps from Sl. No. (10)(c) to (10)(j) above to cast your vote.

**Kolkata, August 5, 2017**

**Registered Office:**

906 "Shubham", 9th Floor,  
1, Sarojini Naidu Sarani,  
Kolkata-700017,

**By order of the Board**

**Sneha Sharma**  
**Company Secretary**

**ROUTE MAP FOR THE VENUE OF 34<sup>TH</sup> ANNUAL GENERAL MEETING**



**Source:** Google Maps

**Venue:** 906 "Shubham", 9th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017

**DIRECTORS' REPORT****To The Members,**

Your Directors are pleased to presents their thirty-fourth Annual Report together with the Audited Accounts of the Company for the financial year ended **31<sup>st</sup> March 2017**.

**1. FINANCIAL HIGHLIGHTS**

The performance during the period ended 31<sup>st</sup> March, 2016 has been as under:

(Rs. In Lacs)

S. No	Particulars	2016-2017	2015-2016
1	Gross Income	332.91	148.92
2	Profit Before Interest and Depreciation	83.26	116.16
3	Finance Charges	62.38	3.76
4	Gross Profit	20.88	145.17
5	Depreciation for the year	8.90	8.05
6	Provision for Standard & Doubtful Asset	1.84	(1.20)
7	Profit Before Tax	10.14	105.54
8	Tax Expense for the year	27.80	29.74
9	Net Profit After Tax	(17.66)	75.80
10	Transfer to Statutory Reserve	00.00	15.16
11	Surplus Profit for the year	(17.66)	60.64
12	Balance of Profit brought forward	503.02	452.38
13	Balance available for appropriation	485.36	513.02
14	Transfer to General Reserve	10.00	10.00
15	Surplus carried to Balance Sheet	475.36	503.02

**2. APPROPRIATIONS AND TRANSFER TO RESERVE**

Your Directors proposes to transfer amounts as mentioned in the above table stating financial results to different reserve in compliance with the requirements of Reserve Bank of India ("RBI") regulations and the Companies Act, 2013.

**3. DIVIDEND**

Your Directors have considered it financially prudent in the long term interest of the Company to reinvest the profits to build a strong reserve base and grow the business of the Company. No dividend has, therefore, been recommended for the year ended 31<sup>st</sup> March, 2017.

**4. SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2017 was Rs. 3,12,00,000. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options or sweat equity.

**5. CHANGE IN NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business of the company, during the year under review.

**6. OPERATIONS**

For the Financial Year ended March 31<sup>st</sup> 2017, your Company earned Profit before Tax of Rs. 10.14 lacs as against Rs.105.54 lacs in the previous financial year and the Loss after Tax of Rs. (17.66) lacs as against Rs. 60.64 lacs in the previous financial year. The total Income for the year under consideration was Rs. 332.91 lacs and total expenditure was Rs.320.93 lacs.



**7. CORPORATE GOVERNANCE**

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. A separate section on Corporate Governance forms a part of this Annual Report.

**8. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL****Independent Directors (IDs)**

The Independent Directors (IDs) have submitted a declaration of independence, as required pursuant to section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the board, these IDs fulfill the conditions specified in the Act and the rules made thereunder for appointment as IDs and confirm that they are independent of the management.

The detailed terms of appointment of ID's are disclosed on the Company's website with following link [www.avro.co.in](http://www.avro.co.in)

**Separate meeting of Independent Directors**

The ID's were fully kept informed of the Company's activities in all its spheres.

During the year under review, a Separate Meeting of ID's was held on 27<sup>th</sup> March, 2017 and the ID's reviewed the performance of:

- i) Non-ID's viz., Mr. Vivek Mundra, Managing Director Mrs. Alpana Mundra, Non-Executive Director Mr. Vikram Purohit, Executive Director and Mr. Sunil Kumar Dalmia, Non-Executive Director; and
- ii) The board as a whole.

They assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform their duties.

All the ID's were present at the meeting.

#### **Key Managerial Personnel (KMP)**

At the board meeting held on 8<sup>th</sup> July, 2016, Ms. Sneha Sharma, Company Secretary was designated as 'Key Managerial Personnel' of the Company in terms of Section 203 of the Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The following are the Key Managerial Personnel of the Company:

1.	Mr. Vivek Mundra	Managing Director
2.	Mr. Vijay Choudhary	Chief Financial Officer
3.	Ms. Sneha Sharma	Company Secretary and Compliance Officer

#### **Non-Executive and Non-Independent Directors (NE-Non IDs)**

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act 2013 two-thirds of the total number of directors i.e., excluding IDs, are liable to retire by rotation and out of which, one-third are liable to retire by rotation at every AGM.

Mr. Sunil Kumar Dalmia, Director, who is liable to retire by rotation at the AGM and being eligible, offer himself for re-appointment.

#### **Number of Board Meetings held**

The number of board meetings held during the financial year 2016-17 is provided as part of Corporate Governance Report.

### **10. AUDITORS' REPORT**

The Auditors' report for the Financial Year 2016-17 does not contain any qualification, reservations or adverse remark and the same is attached with the annual report. Therefore, the board does not have any explanation or comment.

### **11. AUDITORS**

#### **i) Statutory Auditors**

The members appointed M/s. ARSK & Associates, Chartered Accountants, as Statutory Auditors of the company in the Thirtieth Annual General Meeting for a period of 5 years commencing from the conclusion of the Thirtieth Annual General Meeting till the conclusion of the Thirty Fourth Annual General Meeting subject to ratification by members at every AGM. The term of office of the existing auditors is getting expired in this Annual General Meeting, M/s. ARSK & Associates, has been the auditors of the Company from past 10 years and cannot be re-appointed in accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force.

The Board of Directors has proposed appointment of M/s. M.R. Singhwi & Co (Firm Registration No. 312121E) to hold office as the statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company, subject to approval of members. Your Company has received a written consent from M/s. M.R. Singhwi & Co to act as the statutory auditors of the Company for abovementioned period along with a certificate

confirming the appointment, if made, shall be in accordance with the provisions mentioned above. Further, M/s. M.R. Singhwi & Co are not disqualified to become the auditors of the Company under Section 141 of the Act.

**ii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act, 2013 and the rules framed thereunder the Company has appointed, M/s. M Shahnawaz & Associates, Company Secretaries to undertake the Secretarial Audit of the company for FY 2016-17. The audit report as **Annexure I** is attached and forms part of this report and does not contain any qualification, the board does not have any explanation or comment.

**12. SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary/ Associate.

**13. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

Pursuant to Section 186(11) (a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report.

**14. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Board has adopted policies and procedures 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 disclosures.

**15. RELATED PARTY TRANSACTIONS**

The company has in place a policy on related party transactions as approved by the board and the same is available on the website of the company as per Regulation 46(2) (g) of LODR.

There are no materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the company's interest at large.

**16. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to report genuine concern and grievances. The Whistle Blower Policy has been has been uploaded on the website of the Company at [www.avro.co.in](http://www.avro.co.in).

**17. PUBLIC DEPOSITS**

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Act 2013, for the year ended 31<sup>st</sup> March 2017.

**18. DISCLOSURES**

**Reserve Bank of India (RBI) Guidelines**

During the year under review, your Company has complied with all the applicable regulations, and directions of the Reserve Bank of India.

**Information on Conservation of energy, technology absorption, foreign exchange, etc**

The information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is as follows:

1. The Company has no activity involving conservation of energy or technology absorption.
2. Foreign Exchange Earnings and Outgo: There were no foreign exchange earnings and outgo during the Financial Year 2016-17.

**Extract of Annual Return**

Extract of Annual Return in the prescribed form is given as **Annexure II** to this Report, in terms of the requirement of Section 134(3)(a) of Act 2013 read with the Companies Act (Accounts) Rules, 2014.

**Employees Remuneration**

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Remuneration is stated in Corporate Governance Report.

**19. ACKNOWLEDGEMENT**

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by the Shareholders.

**On Behalf of the Board of Directors**

Place: Kolkata

**Date: May 15, 2017**

**Vivek Mundra**  
**Managing Director**  
**DIN: 00383479**

**Vikram Purohit**  
**Director**  
**DIN: 05273554**

**ANNEXURE I TO DIRECTORS' REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[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  
**AVRO COMMERCIAL CO. LIMITED**  
CIN: L51433WB1983PLC035882  
906, Shubham, 9th Floor, 1, Sarojini Naidu Sarani,  
Kolkata - 700017

I have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avro Commercial Co. Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and Companies Act, 1956, to the extent not repealed;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations, 2009);- **Not Applicable to the Company during the Audit Period**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period;**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (herewith referred as Listing Regulations); and
- (j) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking NBFC/Core Investment Company which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. There is no change in the composition of the Board of Directors of the Company during the Audit Period.

Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda 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 by the directors.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period, there was no other event/action having major bearing on the Company's affairs.

SD/-

**CS Md. Shahnawaz**

ACS No. 21427

C P No: 15076

Kolkata, May 15, 2017

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

**'ANNEXURE A'**

To,  
The Members  
**AVRO COMMERCIAL CO. LIMITED**  
CIN: L51433WB1983PLC035882  
906, Shubham, 9th Floor, 1, Sarojini Naidu Sarani,  
Kolkata - 700017

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our 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 our 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-  
**CS Md. Shahnawaz**  
ACS No. 21427  
C P No: 15076

Kolkata, May 15, 2017



**ANNEXURE II TO DIRECTORS' REPORT**

**Form No.MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule12(1) of  
The Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L51433WB1983PLC035882
ii.	Registration Date	19/02/1983
iii.	Name of the Company	Avro Commercial Co. Ltd
iv.	Category/Sub-Category of the Company	Non-Banking Financial Institution (NBFC)
v.	Address of the Registered office and contact details	906, Shubham, 9th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017, Tel No:(033) 2283-1865
vi.	Whether listed company	Yes/ <del>Ne</del>
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32, Nanakramguda, Serilingampally, Gachibowli, Financial district Hyderabad - 500 032 Tel. No.: (040) 6716 1500 Email - einward.ris@karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Financing & Investment in securities	64920 other credit granting	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<i>1) Indian</i>									
a) Individual/ HUF	1105000	-	1105000	35.42	1105000	-	1105000	35.42	0
b) Central Govt	0	-	0	0	0	-	0	0	0
c) State Govt(s)	0	-	0	0	0	-	0	0	0
d) Bodies Corp	0	-	0	0	0	-	0	0	0
e) Banks / FI	0	-	0	0	0	-	0	0	0
f) Any Other	0	-	0	0	0	-	0	0	0
<b>Sub-total(A)(1):-</b>	<b>1105000</b>	<b>-</b>	<b>1105000</b>	<b>35.42</b>	<b>1105000</b>	<b>-</b>	<b>1105000</b>	<b>35.42</b>	<b>0</b>
<i>2) Foreign</i>									
g) NRIs- Individuals	455000	-	455000	14.58	455000	-	455000	14.58	0
h) Other- Individuals	0	-	0	0	0	-	0	0	0
i) Bodies Corp.	0	-	0	0	0	-	0	0	0
j) Banks / FI	0	-	0	0	0	-	0	0	0
k) Any Other	0	-	0	0	0	-	0	0	0
<b>Sub-total(A)(2):-</b>	<b>455000</b>	<b>-</b>	<b>455000</b>	<b>14.58</b>	<b>455000</b>	<b>-</b>	<b>455000</b>	<b>14.58</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<i>1. Institutions</i>									
a) Mutual Funds	0	-	0	0	0	-	0	0	0
b) Banks / FI	0	-	0	0	0	-	0	0	0
c) Central Govt	0	-	0	0	0	-	0	0	0
d) State Govt	0	-	0	0	0	-	0	0	0
e) Venture Capital Funds	0	-	0	0	0	-	0	0	0
f) Insurance Companies	0	-	0	0	0	-	0	0	0
g) FIIs	0	-	0	0	0	-	0	0	0
h) Foreign Venture Capital Funds	0	-	0	0	0	-	0	0	0
i) Others (specify)	0	-	0	0	0	-	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>2. Non Institutions</i>									
a) Bodies Corp. (i) Indian (ii) Overseas	1222000	-	1222000	39.17	1222000	-	1222000	39.17	0
b) Individuals (i) Individual	39000	-	39000	1.25	39000	-	39000	1.25	0

shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	299000	-	299000	9.58	299000	-	299000	9.58	0
c) Others	0	-	0	0	0	-	0	0	0
<b>Sub-total(B)(2)</b>	<b>1560000</b>	<b>-</b>	<b>1560000</b>	<b>50</b>	<b>1560000</b>	<b>-</b>	<b>1560000</b>	<b>50</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1560000	-	1560000	50	1560000	-	1560000	50	0
C. Shares held by Custodian for GDRs & ADRs	0	-	0	0	0	-	0	0	0
<b>Grand Total (A+B+C)</b>	<b>3120000</b>		<b>3120000</b>	<b>100</b>	<b>3120000</b>		<b>3120000</b>	<b>100</b>	<b>0</b>

#### ii. Shareholding of Promoter

Name of Shareholders	Shareholding at the beginning of the year(01.04.2016)		Cumulative Shareholding during the year(31.03.2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Alpana Mundra	7,15,000	22.92	7,15,000	22.92
Aniruddh Mundra	4,55,000	14.58	4,55,000	14.58
Pritha Mundra	3,90,000	12.50	3,90,000	12.50
<b>Total</b>	<b>15,60,000</b>	<b>50.00</b>	<b>15,60,000</b>	<b>50.00</b>

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No changes in Promoters shareholding during the year			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes in Promoters shareholding during the year			
	At the end of the year	No changes in Promoters shareholding during the year			

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

Sr. no	Top ten Shareholders	Date	Shareholding at the beginning of the year (01.04.2016)		Reason	Cumulative Shareholding during the year(31.03.2017)	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Triton Securities Pvt. Ltd	-	2,30,100	7.38	-	2,30,100	7.38
2	Pearl Dealers Pvt. Ltd.	29/10/2016	1,50,000	4.81	Sold	1,50,000 -	4.81
3	Uttam Tradelink Private Limited	-	1,50,000	4.81	Bought	1,50,000	4.81
4	Wizards Textiles Private Limited	-	1,50,000	4.81	-	1,50,000	4.81
5	Shreekant Varun Phumbhra	-	149,500	4.79	-	149,500	4.79
6	Krsma Estates Pvt. Ltd.	-	1,07,900	3.46	-	1,07,900	3.46
7	Bonzem Health Line & Exim Pvt. Ltd.	-	1,04,000	3.33	-	1,04,000	3.33
8	Khushi Dealcom Pvt. Ltd.	-	1,04,000	3.33	-	1,04,000	3.33
9	Xersus Sales Pvt. Ltd.	-	1,04,000	3.33	-	1,04,000	3.33
10	C P Gopal Krishnan	-	1,02,700	3.29	-	1,02,700	3.29
11	Krsma Vineyards Pvt. Ltd.	-	78,000	2.50	-	78,000	2.50

**v.Shareholding of Directors and Key Managerial Personnel:**

Sr. no	For each of the Directors & KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A.</b>	<b>Shareholding of Directors :</b>				
1	Mrs. Alpana Mundra Non-Executive Director At the beginning of the year At the end of the year	7,15,000 7,15,000	22.92 22.92	7,15,000 7,15,000	22.92 22.92
2	Mr. Vikram Purohit Executive Director At the beginning of the year At the end of the year	13,000 13,000	0.42 0.42	13,000 13,000	0.42 0.42
3	Mr. Girish Agarwal Non-Executive Director At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
4	Mr. Vaibhav Khandelwal Non-Executive Director At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5	Mr. Sunil Kumar Dalmia Non-Executive Director At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>B.</b>	<b>Shareholding of KMP:</b>				
6	Mr. Vivek Mundra Managing Director At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
7	Mr. Vijay Choudhary Chief Financial Officer At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
8	Ms. Sneha Sharma Company Secretary At the beginning of the year At the end of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount	1,61,670		4,01,61,670
ii) Interest due but not paid	-	4,00,00,000	-
iii) Interest accrued but not due	-		-
<b>Total (i+ii+iii)</b>	<b>1,61,670</b>	<b>4,00,00,000</b>	<b>4,01,61,670</b>
<b>Change in Indebtedness during the financial year</b>			
- Addition	-	10,00,000	10,00,000
- Reduction	1,61,670	10,00,000	10,00,000
<b>Net Change</b>	<b>1,61,670</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	-	4,00,00,000	4,00,00,000
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity			NA		
4.	Commission - as % of profit - others, specify					
5.	Others, please specify					
6.	Total(A)					

**B. Remuneration to other directors:****(Rs. In Lacs)**

Sl. No.	Particulars of Remuneration	Girish Agrawal	Vaibhav Khandelwal	Total
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	0.475	0.475	0.95
	<b>Total(1)</b>	<b>0.475</b>	<b>0.475</b>	<b>0.95</b>
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-
	<b>Total(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total(B)=(1+2)</b>	<b>0.475</b>	<b>0.475</b>	<b>0.95</b>
	Total Managerial Remuneration	<b>0.475</b>	<b>0.475</b>	<b>0.95</b>



**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

SI No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vijay Choudhary CFO	Ms. Sneha Sharma Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	5,87,684	2,94,532	8,82,216
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- - -	- - -	- - -
5.	Others, please specify	-	-	-
6.	<b>Total</b>	<b>5,87,684</b>	<b>2,94,532</b>	<b>8,82,216</b>

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

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

**REPORT ON CORPORATE GOVERNANCE**

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavor to improve on these aspects:

**1. The Company's Philosophy on Corporate Governance is aimed at:**

- a) Enhancing long term Shareholder value through
  - Assisting the top management in taking sound business decisions; and
  - Prudent financial management.
- b) Achieving transparency and professionalism in all decisions and activities of the Company.
- c) Achieving excellence in Corporate Governance by
  - Conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible.
  - Reviewing periodically the existing systems and controls for further improvements.

**2. Board of Directors**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises six Directors that include one Women Director.

**i. Composition and Category of Directors:**

Category	No. of Directors	%
Executive Directors	2	33.33
Non-Executive & Independent Directors	2	33.33
Non-Executive & Non-Independent Directors	2	33.33
<b>Total</b>	<b>6</b>	<b>100.00</b>

**ii. Number of Board Meetings Held**

The Board of Directors duly met 6 times during the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. The dates on which the meetings were held are as follows:

13<sup>th</sup> April, 2016, 27<sup>th</sup> May, 2016, 10<sup>th</sup> June, 2016, 8<sup>th</sup> July, 2016, 28<sup>th</sup> October, 2016, and 30<sup>th</sup> January, 2017.

**iii. Attendance of each Director at the Board Meetings and last AGM held on 08.07.2016:**

Name	Attendance		Directorships in other Companies			Total no of Membership of Committees		Total no of Chairmanship of Committees	
	Board Meeting	Last AGM	Listed	Public	Private	Audit Committee	NRC	Audit Committee	NRC
Vivek Mundra (MD)	6	Yes	-	-	8	-	-	-	-
Alpana Mundra (NED)	6	Yes	-	-	1	-	-	-	-
Vikram Purohit(ED)	6	Yes	-	-	1	1	-	-	-
Sunil Kumar Dalmia(NED)	6	Yes	1	-	-	-	1	-	-
Girish Agarwal(NEID)	5	Yes	-	-	1	1	-	-	1
Vaibhav Khandelwal (NEID)	5	Yes	-	3	2	2	2	2	1

**ED:** Executive Director, **NEID:** Non-Executive Independent Director, **MD:** Managing Director, **NED:** Non-Executive Director, **AC:** Audit Committee, **NRC:** Nomination & Remuneration Committee.

#### iv. Meeting of Independent Directors

During the year a meeting of Independent Directors was held on 27<sup>th</sup> March, 2017 as required under SEBI (Listing Obligation & Disclosure Requirements), 2015 and Schedule IV of the Act to discuss the matters specified therein. All Independent Directors strived to be present in the meeting. The attendance of the Independent Directors in the meeting is as under.

Name of the Director	Position	No of meetings held	No of meetings attended
Girish Agarwal	Member	1	1
Vaibhav Khandelwal	Member	1	1

### 3. Committees of Directors

The board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory, committees, viz., Audit Committee and Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the board and their performance reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent board meetings.

#### 1. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

##### **Terms of reference**

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013.

##### **Composition**

The Audit Committee of the Company consists of 2 Independent Directors and 1 Executive Director. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

##### **Number of meetings held during the year**

The Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. The dates on which the meetings were held are as follows:

27<sup>th</sup> May, 2016, 7<sup>th</sup> July, 2016, 28<sup>th</sup> October, 2016, 30<sup>th</sup> January, 2017.

**Particulars of meetings and attendance during the year**

Name of Directors	Position	No of Meetings held	No. of Meetings Attended
Vaibhav Khandelwal	Chairman	4	4
Girish Agarwal	Member	4	4
Vikram Purohit	Member	4	4

The Chairman of Audit Committee was present at the last Annual General Meeting.

**2. Nomination and Remuneration Committee****Terms of reference**

This Committee shall identify the persons, who are qualified to become Directors of the Company/ who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel.

**Number of meetings held during the year**

During the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, the Committee had 1 meeting i.e. on 7<sup>th</sup> July, 2016.

**Particulars of meetings and attendance during the year:**

Name of Directors	Position	No. of Meetings held	No. of Meetings Attended
Girish Agarwal	Chairman	1	1
Sunil Kumar Dalmia	Member	1	1
Vaibhav Khandelwal	Member	1	1

**3. General Body Meetings****Location and time where the annual general meetings were held during the last three years:**

Year	Date	Venue	Time	Special Resolution
2013-14	26.09.2014	1, Sarojini Naidu Sarani, 9 <sup>th</sup> Floor, Kolkata 700 017	11.00 A.M	Nil
2014-15	07.09.2015	1, Sarojini Naidu Sarani, 9 <sup>th</sup> Floor, Kolkata 700 017	11.00 A.M	Re-appointment of Managing Director
2015-16	08.07.2016	1, Sarojini Naidu Sarani, 9 <sup>th</sup> Floor, Kolkata 700 017	11.00 A.M	Nil

**4. Means of Communication to shareholders**

The board believes that effective communication of information is an essential component of corporate governance.

**Financial results**

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Standard and Regional Newspaper viz. Kalantar (Kolkata editions). These are not sent individually to the shareholders.

All the financial results are provided to the Stock Exchanges.

**Website**

The Company has in place a website addressed as [www.avro.co.in](http://www.avro.co.in). This website contains the basic information about the company, e.g. details of its business, financial information, shareholding pattern, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under regulation 46 of the New Listing Regulation. The Company ensures that the contents of this website are periodically updated.

The Company has designated the following e-mail id namely [info@avro.co.in](mailto:info@avro.co.in) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

**5. General Shareholder Information**

AGM date, time and venue	Saturday, 23 <sup>rd</sup> September, 2017 At 10:00 A.M. at 906 "Shubham", 9 <sup>th</sup> Floor, 1, Sarojini Naidu Sarani, Kolkata-700017
Financial Year	1st April, 2016 to 31st March, 2017
Book Closure date	16.09.2017 to 23.09.2017(Both days inclusive)
Listing on Stock Exchanges	Calcutta Stock Exchange (CSE) Metropolitan Stock Exchange of India Limited (MSEI)
Stock Code/Symbol	CSE : 11585 MSEI : AVROCOM
ISIN	INE719N01010

**6. Market Price Data**

The shares of the Company were not traded at the stock exchange during the year.

**7. Dematerialization of Shares**

The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

100% equity shares of the Company have been dematerialised as on March 31, 2017.

**8. Distribution of Share Holdings**

Category		Shareholders		Share Amount	
		Number	% of Total Nos.	Shares (Rs.)	% of Total Amount
1	5000	-	-	-	-
5001	10000	-	-	-	-
10001	20000	-	-	-	-
20001	30000	-	-	-	-
30001	40000	-	-	-	-
40001	50000	-	-	-	-
50001	100000	-	-	-	-
100001	And above	20	100.00%	3,12,00,000	100.00%
<b>TOTAL</b>		<b>20</b>	<b>100.00%</b>	<b>3,12,00,000</b>	<b>100.00%</b>

Class of Shareholders	No of Shares	% of Share Capital
<b>A. Promoters/Promoters Group</b>		
i. Indian Promoter	11,05,000	35.42%
ii. Foreign Promoter	4,55,000	14.58%
<b>Total for Promoter Group (A)</b>	<b>15,60,000</b>	<b>50.00%</b>
<b>B. Public Shareholding</b>		
i. Institutional	Nil	0.00%
ii. Non institutional		
Bodies Corporate	12,22,000	39.17%
Individuals	3,38,000	10.83%
<b>Total Public Shareholding (B)</b>	<b>15,60,000</b>	<b>50.00%</b>
<b>Grand Total (A) + (B)</b>	<b>31,20,000</b>	<b>100.00%</b>

9. The Company has not issued any GDRs/ADRs/warrants or any convertible instruments, which is likely to have impact on the Company's equity.

10. Plant Location: NA

#### 11. Registrar and Transfer Agents

(i) M/s. Karvy Computershare Pvt. Ltd is Registrar and Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

**Karvy Computershare Pvt. Ltd.**

Karvy Selenium Tower B, Plot No 31 & 32,  
Nanakramguda, Serilingampally,  
Gachibowli, Financial district Hyderabad - 500 032  
Tel. No.: (040) 6716 1500  
Email - [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Investor correspondence may also be addressed to:

(ii) **Ms. Sneha Sharma**

Company Secretary & Compliance Officer  
1, Sarojini Naidu Sarani, 9th Floor, Kolkata-700017,  
Tel No: (033) 2283-1865  
Email: [cs@avro.co.in](mailto:cs@avro.co.in), [info@avro.co.in](mailto:info@avro.co.in)

#### 12. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

#### 13. Corporate Identity Number (CIN)

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L51433WB1983PLC035882.

**14. Green Initiative in the Corporate Governance**

As a part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

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

Place: Kolkata  
Date: May 15, 2017

**Vivek Mundra**  
**Managing Director**  
**DIN: 00383479**

## **Independent Auditor's Report**

### **To the Members of Avro Commercial Company Limited**

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

We have audited the accompanying financial statements of **AVRO COMMERCIAL COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid 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 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
- iii. There are no such amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note 27 to the financial statements.

For **ARSK & ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 315082E

CA. Ajoy K. Mohta  
Partner  
Membership No. 052262

Place: Kolkata  
Date: May 15, 2017

**Annexure -A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the **AVRO COMMERCIAL COMPANY LIMITED** on the financial statements for the year ended 31<sup>st</sup> March 2017. On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.  
  
(c) The Company did not have any immovable property at any time during the year, hence paragraph 3(i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
2. The Company did not have any inventory at any time during the year, hence paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
3. According to the information and explanation given to us & in our opinion, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly paragraph 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service Tax, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it, which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
9. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer and term loans during the year. Accordingly paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration during the year. Accordingly paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. All transactions with the related parties held in the Company are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has already been obtained by the Company.

For **ARSK & ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 315082E

CA.Ajoy K. Mohta  
Partner  
Membership No. 052262

Place: Kolkata  
Date: May 15, 2017

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

We have audited the internal financial controls over financial reporting of Avro Commercial Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **ARSK & ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 315082E

CA. Ajoy K. Mohta  
Partner  
Membership No. 052262

Place: Kolkata  
Date: May 15, 2017

**AVRO COMMERCIAL COMPANY LIMITED**

Balance Sheet as at 31st March, 2017

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016
			Rs.	Rs.
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	2	3,12,00,000	3,12,00,000
	Reserves and Surplus	3	14,48,93,503	14,66,59,264
<b>2</b>	<b>Non-current liabilities</b>			
	Long-term provisions	4	2,19,53,979	-
<b>3</b>	<b>Current liabilities</b>			
	Short-term borrowings	5	4,00,00,000	4,01,61,670
	Other current liabilities	6	1,04,981	75,565
	Short term provisions	7	9,61,815	1,34,445
	<b>TOTAL</b>		<b>23,91,14,278</b>	<b>21,82,30,944</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets			
	- Tangible assets	8	18,33,990	26,11,306
	Non Current Investments	9	8,85,86,274	4,01,14,118
	Deferred tax assets (net)	10	11,55,489	2,73,117
	Long-term loans and Advances	11	67,05,462	81,65,287
<b>2</b>	<b>Current assets</b>			
	Current investments	12	-	10,02,90,914
	Cash and Bank balances	13	1,06,00,243	1,00,57,489
	Short-term loans and Advances	14	13,02,04,217	5,66,89,573
	Other current assets	15	28,603	29,140
	<b>TOTAL</b>		<b>23,91,14,278</b>	<b>21,82,30,944</b>
	Significant accounting policies	1		
	Notes on financial statements	2 to 32		

As per our report on even date

For and on behalf of the Board of Directors

**For ARSK & Associates**

Firm Registration No. 315082E

Vivek Mundra  
Managing Director  
DIN: 00383479

Vikram Purohit  
Director  
DIN: 05273554

CA. Ajoy K. Mohta  
Partner  
Membership No. 052262

Place : Kolkata  
Date: 15th May, 2017

Sneha Sharma  
Company Secretary

Vijay Choudhary  
Chief Financial Officer

**AVRO COMMERCIAL COMPANY LIMITED**  
Statement Of Profit & Loss for the year ended 31<sup>st</sup> March, 2017

Particulars	Note No.	For the Year	For the Year
		Ended 31st March, 2017	Ended 31st March, 2016
		Rs.	Rs.
<b>I. Revenue</b>			
Revenue from operations	16	1,45,89,545	91,96,710
Other income	17	1,87,01,117	56,95,676
<b>Total Revenue</b>		<b>3,32,90,662</b>	<b>1,48,92,386</b>
<b>II. Expenses:</b>			
Employee benefit expenses	18	18,69,395	19,28,873
Finance cost	19	62,37,935	3,75,831
Depreciation expense	8	8,90,005	8,05,400
Provision for dimunition in value of investments		2,19,53,979	-
Other expenses	20	11,41,331	13,47,911
<b>Total Expenses</b>		<b>3,20,92,645</b>	<b>44,58,015</b>
<b>III. Profit before tax &amp; provision</b>		<b>11,98,017</b>	<b>1,04,34,371</b>
Provision for standard assets		1,84,177	(1,19,913)
<b>IV. Profit before tax</b>		<b>10,13,840</b>	<b>1,05,54,284</b>
Tax expense:			
(1) Current tax		3,36,320	21,27,449
(2) Deferred tax		(8,82,372)	8,81,670
(3) Short/ (Excess) Provision for tax relating to prior years		10,22,644	(2,50,416)
(4) MAT credit utilisation for earlier year		12,00,192	-
(5) MAT credit utilised u/s 115JAA		11,02,817	2,15,445
<b>V. Profit/(Loss) for the year</b>		<b>(17,65,761)</b>	<b>75,80,136</b>
<b>Earnings per equity share:</b>			
Basic and diluted	22	(0.57)	2.43
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 32		

As per our report on even date

For and on behalf of the Board of Directors

**For ARSK & Associates**

Chartered Accountants

Firm Registration No. 315082E

Vivek Mundra  
Managing Director  
DIN: 00383479

Vikram Purohit  
Director  
DIN: 05273554

CA. Ajoy K. Mohta  
Partner  
Membership No. 052262

Place : Kolkata  
Date: 15th May, 2017

Sneha Sharma  
Company Secretary

Vijay Choudhary  
Chief Financial Officer



**AVRO COMMERCIAL COMPANY LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2017**

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
	Rs.	Rs.
<b>A. Cash flows from operating activities</b>		
Profit before taxation and after exceptional items	10,13,840	1,05,54,284
Adjustments for :		
Depreciation/amortization	8,90,005	8,05,400
Fixed assets written off	-	11,328
Contingent provision against Standard assets	1,84,177	(1,19,913)
Provision for diminution in the value of investments	2,19,53,979	-
Profit on redemption of mutual funds	(10,04,605)	(19,03,694)
Profit on sale of shares	(1,62,05,297)	-
Profit on sale of debentures	(14,89,831)	(37,91,476)
Operating profit before working capital changes	53,42,268	55,55,929
Adjustments for :		
(Increase) / Decrease in loans and advances	(7,41,57,837)	4,79,34,337
(Increase) / Decrease in other current assets	537	4,12,875
Increase / (Decrease) in trade, other payables & provisions	6,72,609	(4,44,066)
Cash generated from Operations	(6,81,42,423)	5,34,59,075
Direct taxes paid	15,58,955	26,19,674
Net cash from operating activities	(6,97,01,378)	5,08,39,401
<b>B. Cash flows from investing activities</b>		
Purchase / sale of fixed assets	(1,12,689)	(16,60,124)
Purchase / sale of investments	5,18,18,758	(9,44,19,914)
Profit on sale of mutual fund units	10,04,605	19,03,694
Profit on sale of shares	1,62,05,297	-
Profit on sale of debentures	14,89,831	37,91,476
Net cash (used) in investing activities	7,04,05,802	(9,03,84,868)
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	-	4,00,00,000
Repayment of overdraft facility availed from a bank	(1,61,670)	(4,16,215)
Net cash from/(used) in financing activities	(1,61,670)	3,95,83,785
Net decrease in cash and cash equivalents	5,42,754	38,318
Cash and cash equivalents at the beginning of the year	1,00,57,489	1,00,19,250
Add: Temporary overdrawn bank balance	-	(79)
<b>Cash and cash equivalents at the end of the year</b>	<b>1,06,00,243</b>	<b>1,00,57,489</b>

As per our report on even date

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

**For ARSK & Associates**

Chartered Accountants

Firm Registration No. 315082E

Vivek Mundra  
Managing Director  
DIN: 00383479

Vikram Purohit  
Director  
DIN: 05273554

CA. Ajoy K. Mohta  
Partner  
Membership No. 052262

Place : Kolkata  
Date: 15th May, 2017

Sneha Sharma  
Company Secretary

Vijay Choudhary  
Chief Financial Officer

# AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2017

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## 1 Significant accounting policies

### 1.01 Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### 1.02 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 disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 1.03 Fixed assets

#### Tangible assets

Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

Fixed assets retired from active use are valued at net realisable value.

### 1.04 Depreciation

Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule II of the Companies Act, 2013 or at rates determined based on the useful life of the assets, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

### 1.05 Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

# AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2017

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## 1.06 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

## 1.07 Revenue recognition

Revenue (income) is recognised to the extent it is probable that the economic benefits will flow to the company and when there is no significant uncertainty as to determination/realisation.

### Interest

Income from loans is recognised in the Statement of Profit & Loss Account on accrual basis as stated therein below, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to Non-Banking Financial Companies.

Interest/liquidated damages on delayed redemption of debentures is recognised upon realisation as per the Prudential Norms/Directions of Reserve Bank of India, applicable to Non-Banking Finance Companies.

Interest income on fixed deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

### Dividend

Income from dividend of shares of corporate bodies is accounted when the right to receive the payment is established.

### Sale of investments

Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.

### Sale Of Inventory

Revenue is recognised on accrual basis

All other operating income is accounted for on accrual basis.

## 1.08 Taxation

Tax expense comprises of current and deferred tax.

Current income-tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognized on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

# AVRO COMMERCIAL COMPANY LIMITED

## Notes forming part of financial statement for the year ended 31st March, 2017

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MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit & loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 1.09 Earning per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all diluted potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues.

### 1.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 1.11 Provisioning / Write-off of assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance date and adjusted to reflect the current best estimates.

The company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time.

### 1.12 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the company is predominantly engaged in a single reportable segment of 'Financial Services' during the year.

## AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2017

2	Share Capital	As at 31st March 2017		As at 31st March 2016	
		Number	Amount (Rs)	Number	Amount (Rs)
	<b>Authorised</b> Equity Shares of Rs 10 each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
	<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of Rs 10 each fully paid up	31,20,000	3,12,00,000	31,20,000	3,12,00,000
	<b>Total</b>	<b>31,20,000</b>	<b>3,12,00,000</b>	<b>31,20,000</b>	<b>3,12,00,000</b>

### 2.1 Rights, preferences and restrictions attached to shares

The Company has only one class of issued shares i.e. Equity Shares having face value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

### 2.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Amount (Rs)	Number	Amount (Rs)
Number of shares at the beginning of the year	31,20,000	3,12,00,000	2,40,000	24,00,000
Add: Bonus shares issued during the year	-	-	28,80,000	2,88,00,000
<b>Number of shares at the end</b>	<b>31,20,000</b>	<b>3,12,00,000</b>	<b>31,20,000</b>	<b>3,12,00,000</b>

2.3 During the year ended 31st March, 2016 a sum of Rs. 2.88 crores was capitalized from general reserve account for issuance of 28,80,000 bonus shares of Rs. 10/- each fully paid-up and these bonus shares were allotted by the Company on 9th April, 2015. The said bonus shares were issued in the proportion of 12 equity share for every 1 equity share of Rs. 10/- each held by the equity shareholders of the Company on the record date of 8th April, 2015.

### 2.4 Details of shareholders holding more than 5% shares in the company:

Name of shareholders	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Alpana Mundra	7,15,000	22.92	7,15,000	22.92
Aniruddh Mundra	4,55,000	14.58	4,55,000	14.58
Pritha Mundra	3,90,000	12.50	3,90,000	12.50
Triton Securities Pvt.Ltd	2,30,100	7.38	2,30,100	7.38
<b>Total</b>	<b>17,90,100</b>	<b>57.38</b>	<b>17,90,100</b>	<b>57.38</b>

**AVRO COMMERCIAL COMPANY LIMITED**
**Notes forming part of financial statement for the year ended 31st March, 2017**

3	<b>Reserves &amp; Surplus</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
<b>General Reserve</b>			
Opening Balance		6,70,00,000	9,48,00,000
Add: Additions during the year		10,00,000	10,00,000
Less: Amount utilized for issuance of fully paid up bonus shares (Refer note 2.3)		-	(2,88,00,000)
Closing Balance		<b>6,80,00,000</b>	<b>6,70,00,000</b>
<b>Surplus in the statement of Profit &amp; Loss</b>			
Opening balance		5,03,02,107	4,52,37,998
Add: Profit/(Loss) for the year		(17,65,761)	75,80,136
Less: Transfer to general reserve		(10,00,000)	(10,00,000)
Less: Transfer to special reserve as per RBI guidelines		-	(15,16,027)
Closing balance		<b>4,75,36,346</b>	<b>5,03,02,107</b>
<b>Special Reserve as per RBI guidelines</b>			
Opening Balance		2,93,57,157	2,78,41,130
Add: Additions during the year		-	15,16,027
Closing balance		<b>2,93,57,157</b>	<b>2,93,57,157</b>
<b>Total</b>		<b>14,48,93,503</b>	<b>14,66,59,264</b>
4	<b>Long term provisions</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Provision for dimunition in value of investments		2,19,53,979	-
<b>Total</b>		<b>2,19,53,979</b>	<b>-</b>
5	<b>Short term borrowings</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
<b>Secured</b>			
Overdraft from a Scheduled bank		-	1,61,670
<b>Explanation:</b>			
Secured by pledge of Fixed Deposit of Rs. 1 crore			
<b>Unsecured</b>			
Loan from a body corporate #		4,00,00,000	4,00,00,000
<b>Total</b>		<b>4,00,00,000</b>	<b>4,01,61,670</b>
# Repayable on demand			
6	<b>Other current liabilities</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Payable for expenses		1,04,981	71,400
Statutory dues		-	4,165
<b>Total</b>		<b>1,04,981</b>	<b>75,565</b>
7	<b>Short term provisions</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Contingent provision against standard assets		3,18,622	1,34,445
Provision for income tax		6,43,193	-
<b>Total</b>		<b>9,61,815</b>	<b>1,34,445</b>

**AVRO COMMERCIAL COMPANY LIMITED**

Notes forming part of financial statement for the year ended 31st March, 2017

Note 8 : Fixed assets

(Amount in Rs.)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	On disposals	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 1st April 2016
<b>Tangible Assets</b>										
Motor Car	45,72,191	-	-	45,72,191	20,80,966	7,85,791	-	28,66,757	17,05,434	24,91,225
Mobile	1,68,821	34,189	-	2,03,010	1,03,242	36,073	-	1,39,315	63,695	65,579
Computer	3,15,390	78,500	-	3,93,890	2,63,838	66,278	-	3,30,116	63,774	51,552
Printer	9,975	-	-	9,975	7,025	1,863	-	8,888	1,087	2,950
<b>Total</b>	<b>50,66,377</b>	<b>1,12,689</b>	<b>-</b>	<b>51,79,066</b>	<b>24,55,071</b>	<b>8,90,005</b>	<b>-</b>	<b>33,45,076</b>	<b>18,33,990</b>	<b>26,11,306</b>

(Amount in Rs.)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1st April 2015	Additions	Disposals	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation charge for the year	On disposals	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 1st April 2015
<b>Tangible Assets</b>										
Motor Car	29,26,388	16,45,803	-	45,72,191	14,21,049	6,59,917	-	20,80,966	24,91,225	15,05,339
Mobile	1,74,700	14,321	20,200	1,68,821	60,289	51,825	8,872	1,03,242	65,579	1,14,411
Computer	3,15,390	-	-	3,15,390	1,75,237	88,601	-	2,63,838	51,552	1,40,153
Printer	9,975	-	-	9,975	1,968	5,057	-	7,025	2,950	8,007
<b>Total</b>	<b>34,26,453</b>	<b>16,60,124</b>	<b>20,200</b>	<b>50,66,377</b>	<b>16,58,543</b>	<b>8,05,400</b>	<b>8,872</b>	<b>24,55,071</b>	<b>26,11,306</b>	<b>17,67,910</b>

# AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2017

## 9 Non Current Investments (Other investments, at cost)

	Particulars	No. of Shares / Units		Amount (Rs)	
		2017	2016	2017	2016
<b>(A)</b>	<b>Investment in Equity Shares of Rs 10/- each (unless otherwise stated)</b>				
<b>(I)</b>	<b>Quoted, fully paid up</b>				
	Vardhman Special Steels Limited	-	2,740	-	2,86,618
	Kridhan Infra Limited (FV Rs. 2)	5,27,996	-	3,35,13,774	-
	Sub total (I)	5,27,996	2,740	3,35,13,774	2,86,618
	<b>Total (I)</b>	<b>5,27,996</b>	<b>2,740</b>	<b>3,35,13,774</b>	<b>2,86,618</b>
	Aggregate market value of quoted investments			2,70,59,795	1,44,124
<b>(II)</b>	<b>Unquoted, fully paid up</b>				
	Hinshitsu Manufacturing Pvt. Ltd.	12,900	12,900	1,29,000	1,29,000
	Jet Age Finance Pvt.Ltd	3,55,300	5,29,300	79,43,500	96,98,500
	Prolifics Corporation Limited	85,000	85,000	1,45,00,000	1,45,00,000
	Sahrudaya Healthcare Pvt Ltd	6,50,000	-	1,30,00,000	-
	Speck Systems Ltd.	14,00,000	14,00,000	1,40,00,000	1,40,00,000
	Zoom Exports Ltd	50,000	50,000	15,00,000	15,00,000
	Sub total (II)	25,53,200	20,77,200	5,10,72,500	3,98,27,500
	<b>Total (II)</b>	<b>25,53,200</b>	<b>20,77,200</b>	<b>5,10,72,500</b>	<b>3,98,27,500</b>
	<b>Total (A)</b>	<b>30,81,196</b>	<b>20,79,940</b>	<b>8,45,86,274</b>	<b>4,01,14,118</b>
<b>(B)</b>	<b>Investment in units of Mutual fund</b>				
	<b>Quoted, fully paid up</b>				
	Kotak Liquid Direct Plan Growth	1,213.66	-	40,00,000	-
	<b>Total (B)</b>	<b>1,213.66</b>	<b>-</b>	<b>40,00,000</b>	<b>-</b>
	Net asset value of units of mutual fund			40,00,876	
	<b>Grand Total (A+B)</b>			<b>8,85,86,274</b>	<b>4,01,14,118</b>

## 10 Disclosure under AS 22 for Deferred tax (liability) / asset

In accordance with AS-22 on 'Accounting for taxes on Income' by the Institute of Chartered Accountants of India, net deferred tax, has been accounted for, as detailed below :

Deferred tax assets	As at 31st March 2017	As at 31st March 2016
	Amount (Rs)	Amount (Rs)
Difference between book and tax depreciation	3,64,009	2,73,117
Carried forward losses	7,91,480	-
<b>Net Deferred Tax Asset</b>	<b>11,55,489</b>	<b>2,73,117</b>

11 Long-term Loans and Advances	As at 31st March 2017	As at 31st March 2016
	Amount (Rs)	Amount (Rs)
(Unsecured, considered good)		
Advance Payment of taxes (Net of provisions)	17,14,860	8,71,676
Mat credit entitlement	49,90,602	72,93,611
<b>Total</b>	<b>67,05,462</b>	<b>81,65,287</b>



# AVRO COMMERCIAL COMPANY LIMITED

## Notes forming part of financial statement for the year ended 31st March, 2017

12	<b>Current Investments</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
(At lower of cost or fair market value)			
<b>Investment in debentures (unquoted)</b>			
Amtek Auto Limited		-	10,02,90,914
<b>Total</b>		<b>-</b>	<b>10,02,90,914</b>

13	<b>Cash and Bank balances</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Cash and cash equivalents			
- Balances with bank in current account		5,652	20,818
- Balances with bank in overdraft account		4,67,603	-
- Cash in hand		1,26,988	36,671
Other bank balances			
- Bank deposits* (Due to mature within 12 months of the reporting date)		1,00,00,000	1,00,00,000
<b>Total</b>		<b>1,06,00,243</b>	<b>1,00,57,489</b>

\* Fixed deposit with HDFC Bank Ltd. pledged against bank overdraft limit of Rs. 90,00,000/-

14	<b>Short-term loans and Advances</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
(Unsecured, Considered good)			
Loan to bodies corporate		12,74,48,933	5,37,78,164
Other advances		25,71,421	27,08,426
Prepaid expenses		1,83,863	2,02,983
<b>Total</b>		<b>13,02,04,217</b>	<b>5,66,89,573</b>

15	<b>Other current assets</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Accrued interest on fixed deposit		28,603	29,140
<b>Total</b>		<b>28,603</b>	<b>29,140</b>

16	<b>Revenue from operations</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Interest on loans		1,38,32,963	83,32,426
Interest on fixed deposit		7,56,582	8,64,284
<b>Total</b>		<b>1,45,89,545</b>	<b>91,96,710</b>

17	<b>Other Income</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
		<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Profit on sale of Investments		1,62,05,297	-
Profit on redemption of units of mutual fund		10,04,605	19,03,694
Profit on sale of debentures		14,89,831	37,91,476
Miscellaneous receipts		1,384	506
<b>Total</b>		<b>1,87,01,117</b>	<b>56,95,676</b>

# AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2017

18	Employee benefit expenses	For the year ended 31st March 2017	For the year ended 31st March 2016
		Amount (Rs)	Amount (Rs)
	Salaries and bonus	17,21,866	17,18,210
	Staff welfare expense	1,00,863	1,25,566
	Stipend	46,666	85,097
	<b>Total</b>	<b>18,69,395</b>	<b>19,28,873</b>
19	Finance costs	For the year ended 31st March 2017	For the year ended 31st March 2016
		Amount (Rs)	Amount (Rs)
	Interest on overdraft facility from bank	2,35,962	85,042
	Interest on car loan	-	11,337
	Interest on unsecured loan	60,01,973	2,79,452
	<b>Total</b>	<b>62,37,935</b>	<b>3,75,831</b>
20	Other expenses	For the year ended 31st March 2017	For the year ended 31st March 2016
		Amount (Rs)	Amount (Rs)
	Accounting charges	35,000	25,000
	Bank charges	230	434
	Car insurance	1,44,724	1,24,549
	Car maintenance	3,84,965	1,47,982
	Debenture trust expense	-	1,94,650
	Depository charges	32,491	5,361
	Directors sitting fees	95,000	1,21,000
	Filing fee	7,287	3,40,932
	Fixed assets written off	-	11,328
	General expenses	5,466	20,472
	Legal and Professional charges	78,500	92,624
	Membership and Subscription	5,725	-
	Payments to auditor	76,475	70,949
	Postage & Stamp	309	1,190
	Printing and Stationery	3,050	7,473
	Rates and Taxes	90,155	27,417
	Share transfer and Agent charges	19,475	21,434
	Software expenses	18,360	-
	Stock exchange charges	99,843	88,090
	Telephone and Internet charges	8,448	6,728
	Travelling and Conveyance	35,828	40,298
	<b>Total</b>	<b>11,41,331</b>	<b>13,47,911</b>
21	Payments to auditor	For the year ended 31st March 2017	For the year ended 31st March 2016
		Amount (Rs)	Amount (Rs)
	For statutory audit	40,250	34,500
	For tax audit	16,100	13,800
	For other matters	20,125	22,649
	<b>Total</b>	<b>76,475</b>	<b>70,949</b>

# AVRO COMMERCIAL COMPANY LIMITED

## Notes forming part of financial statement for the year ended 31st March, 2017

### 22 Earning per share (EPS)

Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
Net profit as per statement of profit and loss	Rs.	-17,65,761	75,80,136
Weighted average number of equity shares outstanding during the year	Nos.	31,20,000	31,20,000
Nominal value of equity per share	Rs.	10	10
Basic/diluted earning per share (EPS)	Rs.	-0.57	2.43

### 23 Disclosure of related party transactions (as identified & certified by the management):

As per Accounting Standard - 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below :

#### 23.1 Disclosure of related party transactions:

##### i Key Management Personnel:

Vivek Mundra	Managing Director
Vikram Purohit	Director
Sunil Kumar Dalmia	Director
Alpana Mundra	Director
Vaibhav Khandelwal	Director
Girish Agarwal	Director

##### ii Enterprise owned or significantly influenced by Key Management Personnel and their relatives:

Jet Age Securities Private Limited  
Jet Age Finance Private Limited

#### 23.2 Transactions with related parties during the year :

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Amount in Rs.	
			Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Total
Share Purchase	-	-	5,50,67,124	5,50,67,124
	(-)	(-)	(-)	(-)
Share sale	-	-	1,66,03,293	1,66,03,293
	(-)	(-)	(-)	(-)
Investments Sold	-	-	2,31,42,000	2,31,42,000
	(-)	(-)	(-)	(-)

#### Note:

- (a) The above transactions do not include reimbursement of expenses made / received during the year.  
(b) Figures in bracket relate to previous year.

#### 23.3 Disclosure in respect of material related party transactions during the year:

Particulars	2016-17	2015-16
<b>Share Purchase</b>		
Jet Age Securities Private Limited	5,50,67,124	-
<b>Share sale</b>		
Jet Age Securities Private Limited	1,66,03,293	-
<b>Investments Sold</b>		
Jet Age Finance Private Limited	2,31,42,000	-

# AVRO COMMERCIAL COMPANY LIMITED

## Notes forming part of financial statement for the year ended 31st March, 2017

### 24 Provisioning / Write-off of assets

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. Additional provision of 0.25% on Standard assets has also been made during the year, as per a new stipulation of RBI on Standard Assets.

The company also makes additional provision towards loan assets, based on the management's best estimate.

Details of provision towards loan assets is as stated below:

Particulars	As on 31.03.2016	Charged to Profit & Loss Account during the year	As on 31.03.2017
Provision on standard assets	1,34,445	1,84,177	3,18,622

### 25 Gratuity and post-employment benefits plans

As the number of employee is less than 10, and as such no employee benefits are payable under any statute or otherwise and as such the disclosure requirements under AS - 15 (revised) are not applicable.

### 26 Disclosure of details as required in terms of Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs.in lacs)

	Liabilities side	Amount outstanding	Amount overdue
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a)	Debentures : -		
	Secured	NIL	NIL
	Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits)		
(b)	Deferred Credits	NIL	NIL
(c)	Terms Loans	NIL	NIL
(d)	Inter-corporate loans and borrowing	400	NIL
(e)	Commercial Paper	NIL	NIL
(f)	Other loans	NIL	NIL
(g)	Bank Overdraft	NIL	NIL
(h)	Loan from Directors & Shareholders	NIL	NIL
	<b>Total</b>	<b>400</b>	<b>NIL</b>

	Assets side	Amount outstanding
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
	(a) Secured	NIL
	(b) Unsecured	1,274.49
3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	Lease assets including lease rentals under sundry debtors	
	(a) Financial lease	NIL
	(b) Operating lease	NIL
	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	NIL
	(b) Repossessed Assets	NIL
	Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	NIL
	(b) Loans other than (a) above	NIL

# AVRO COMMERCIAL COMPANY LIMITED

## Notes forming part of financial statement for the year ended 31st March, 2017

4	Break-up of Investments:	
	Current Investments	
	Quoted:	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please specify)	NIL
	Unquoted:	
	(i) Shares : (a) Equity	
	(b) Preference	NIL
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please specify)	NIL
	Long Term investments:	
	Quoted:	
	(i) Shares : (a) Equity	335.14
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	40.00
	(iv) Government Securities	NIL
	(v) Others (Please specify)	NIL
	Unquoted:	
	(i) Shares : (a) Equity	510.73
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Investments in partnership firm	NIL

5	Borrower group-wise classification of all leased assets financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	Related Parties			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	Other than related parties	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

6	Investor group-wise classification of all investments(current and long-term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/Breakup or fair value or NAV	Book Value (Net of Provisions)
	Related Parties		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NA	79.44
	(c) Other related parties	NIL	NIL
	(d) Other than related parties	270.60	766.43
	<b>Total</b>	<b>270.60</b>	<b>845.87</b>

\* For unquoted investments in shares break up value is not available. Hence not considered for reporting.

**AVRO COMMERCIAL COMPANY LIMITED****Notes forming part of financial statement for the year ended 31st March, 2017**

7	Other Information	
	Particulars	Amount
	Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	Assets acquired in satisfaction of debt	NIL

27 Disclosure relating to specified bank notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required in notification no. GSR 308(E) [ F.No. 17/62/2015-CL-V-VOL.1]], dated 30th March, 2017.

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash-in-hand as on 08-11-2016	1,10,000	8,517	1,18,517
Add: Permitted Receipts	-	20,000	20,000
Less: Permitted Payments	-	540	540
Less: Amount deposited in banks	1,10,000	-	1,10,000
Closing cash-in-hand as on 30-12-2016	-	27,977	<b>27,977</b>

28 Balances of some of the loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however, is of the view that there will be no material discrepancies in this regard.

29 Historically, the company's investment in unquoted shares has been done with a view to hold them for long term and thereby earn capital gains, since dividend payout on such investments has generally been NIL. The aforesaid policy has been taken into consideration while computing the provision for income-tax as applicable.

30 As per information available with the Company there are no amounts payable or paid during the period which are required to be disclosed as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

31 Figures in the bracket relate to previous year.

32 Figures have been rounded off to nearest rupee.

As per our report on even date

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

**For ARSK & Associates**

Chartered Accountants

Firm Registration No. 315082E

CA. Ajoy K. Mohta

Partner

Membership No. 052262

Place : Kolkata

Date: 15th May, 2017

Vivek Mundra  
Managing Director  
DIN: 00383479

Vikram Purohit  
Director  
DIN: 05273554

Sneha Sharma  
Company Secretary

Vijay Choudhary  
Chief Financial Officer



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**Registered Office:**

906 "Shubham", 9<sup>th</sup> Floor, 1, Sarojini Naidu Sarani, Kolkata-700017