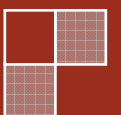


2015-16

ANNUAL REPORT

AVRO COMMERCIAL CO LTD



CORPORATE INFORMATION

| | | |
|---------------------------|--|---|
| BOARD OF DIRECTORS | Mr. Vivek Mundra Mrs. Alpana Mundra Mr. Vikram Kr. Purohit Mr. Sunil Kumar Dalmia Mr. Girish Agarwal Mr. Vaibhav Khandelwal | Managing Director Director Director Director Independent Director Independent Director |
|---------------------------|--|---|

CHIEF FINANCIAL OFFICER Mr. Vijay Choudhary

COMPANY SECRETARY Ms. Namrata Modi

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

**REGISTRAR & SHARE
TRANSFER AGENTS** Karvy Computershare Pvt. Ltd.
Plot no. 17 to 24, Vithalrao Nagar, Madhapur,
Hyderabad – 500 081
Phone : (040) 2342 0815 – 24
Fax : (040) 2342 0814
Email : varghese@karvy.com

BANKERS HDFC Bank Limited
The Karnataka Bank Limited

REGISTERED OFFICE 906, “Shubham” 9th Floor
1, Sarojini Naidu Sarani,
Kolkata- 700 017
Phone : (033) 2283 1865
Fax : (033) 2283 1597
Website : www.avro.co.in
Email : info@avro.co.in

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-Third Annual General Meeting of the Company will be held on Friday, the 08th July, 2016 at 11:00 am at its registered office, 906 "Shubham", 9th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017, to transact following business: -

As Ordinary Business

1. To consider passing the following resolution as **ordinary** resolution:
"**RESOLVED THAT** the Audited Balance Sheet as at 31st March, 2016, 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. To consider passing the following resolution as an **ordinary** resolution:
"**RESOLVED THAT** Mrs. Alpana Mundra (holding DIN 00193044), Director who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company."
3. To consider and if thought fit, to pass with or without modification, the following Resolution as an **ordinary** resolution.
"**RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, 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) M/s. ARSK & Associates, Chartered Accountants, Kolkata having Firm Registration No. 315082E, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM, at a remuneration as may be mutually agreed upon by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out-of-pocket expenses incurred by them for the purpose of audit."

Kolkata, May 27, 2016

Registered Office:

1, Sarojini Naidu Sarani, 9th Floor,
Kolkata-700017
CIN: L51433WB1983PLC035882
Email: cs@avro.co.in

By order of the Board

Namrata Modi
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.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 2nd July, 2016 (Saturday) to 8th July, 2016 (Friday), both days inclusive.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. 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.
5. Notice of the 33rd Annual General Meeting along with the Annual Report 2016 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.
6. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report 2016 will also be available on company's website: www.avro.co.in for download.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays.
8. 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.
9. **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/it discretion, subject to compliance with the instructions prescribed.
10. **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 June 10, 2016, (Friday) 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 July 5, 2016 (Tuesday) to 5.00 P.M. on July 7, 2016 (Thursday).**
- (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, who in the opinion of the Board is a duly qualified person, 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 July 01, 2016, (Friday).**
- (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 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, with a copy marked to 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, May 27, 2016

Registered Office:

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

By order of the Board

Namrata Modi
Company Secretary

DIRECTORS' REPORT**To The Members,**

The Directors presents the thirty-third Annual Report together with the Audited Accounts of the Company for the financial year ended **31st March 2016**.

1. FINANCIAL HIGHLIGHTS

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

(Rs. In Lacs)

| S. No | Particulars | 2015-2016 | 2014-2015 |
|--------------|---|------------------|------------------|
| 1 | Gross Income | 148.92 | 143.10 |
| 2 | Profit Before Interest and Depreciation | 116.16 | 124.33 |
| 3 | Finance Charges | 3.76 | 1.13 |
| 4 | Gross Profit | 145.17 | 141.97 |
| 5 | Depreciation for the year | 8.05 | 9.44 |
| 6 | Provision for Standard & Doubtful Asset | (1.20) | (0.34) |
| 7 | Profit Before Tax | 105.54 | 114.10 |
| 8 | Tax Expense for the year | 29.74 | 38.83 |
| 9 | Net Profit After Tax | 75.80 | 75.27 |
| 10 | Transfer to Statutory Reserve | 15.16 | 15.05 |
| 11 | Surplus Profit for the year | 60.64 | 60.22 |
| 12 | Balance of Profit brought forward | 452.38 | 402.16 |
| 13 | Balance available for appropriation | 513.02 | 462.38 |
| 14 | Transfer to General Reserve | 10.00 | 10.00 |
| 15 | Surplus carried to Balance Sheet | 503.02 | 452.38 |

2. APPROPRIATIONS AND TRANSFER TO RESERVE

The Board of 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 31st March, 2016.

4. 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.

5. OPERATIONS

For the Financial Year ended March 31st 2016, your Company earned Profit before Tax of Rs. 1.06 crores as against Rs.1.14 crores in the previous financial year and the Profit after Tax of Rs. 0.76 crores as against Rs. 0.75 crores in the previous financial year. The total Income for the year under consideration was Rs. 1.49 crores and total expenditure was Rs. 0.43 crores.

6. 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.

7. 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.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Independent Directors (IDs)

All ID's have declared that they met all the criteria of independence as provided under Section 149(6) of the Act 2013 and clause 49 of the Listing Agreement.

The detailed terms of appointment of ID's are disclosed on the Company's website with following link 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 21st March, 2016 and the ID's reviewed the performance of:

- i) Non-ID's viz., Mr. Vivek Mundra, Managing Director Alpana Mundra, Non-Executive Director Vikram Kumar Purohit, Executive Director and 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)

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. Namrata Modi | 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.

Mrs. Alpana Mundra, Director, who is liable to retire by rotation at the AGM and being eligible, offer herself for re-appointment.

Number of Board Meetings held

The number of board meetings held during the financial year 2015-16 is provided as part of Corporate Governance Report.

9. AUDITORS' REPORT

The Auditors' report for the Financial Year 2015-16 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.

10. AUDITORS**i) Statutory Auditors**

The Company re-appointed M/s. ARSK & Associates, Chartered Accountants, Kolkata having Firm Registration No. 315082E, as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM, subject to ratification of appointment of members at every AGM.

The Company has obtained necessary certificate under Section 141 of the Act 2013 from them conveying their eligibility for being statutory auditors of the Company for the year 2016-17.

ii) Secretarial Auditors

As required by Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2015-16, given by M/s V. Gulgulia & Co, Company Secretaries, Kolkata for auditing the secretarial and related records is attached to this report as **Annexure I**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. Therefore, the board does not have any explanation or comment.

11. SHARE CAPITAL

The paid up Equity Share Capital as on March 31st, 2015 was Rs. 24,00,000. During the year under review, the Company issued and allotted 28,80,000 equity share capital of Rs 10 each as Bonus Shares. Presently, the paid up Equity Share Capital as on March 31st, 2016 is Rs. 3,12,00,000

The Authorized Share Capital of the Company has been increased from Rs. 24,00,000 consisting of 2,40,000 shares of Rs.10/- each to Rs. 3,50,00,000 consisting of 35,00,000 shares of Rs.10/- each.

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 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. 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

16. 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 31st March 2016.

17. 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 2015-16.

Details of related party transactions

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.

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.

18. 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: 27th May, 2016

Vivek Mundra
Managing Director
DIN: 00383479

Vikram Kr Purohit
Director
DIN: 05273554

ANNEXURE I TO DIRECTORS' REPORT**FORM MR-3****SECRETARIAL AUDIT REPORT**

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,
The Members,
Avro Commercial Co. Ltd

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avro Commercial Co Ltd. (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i.** The Companies Act, 2013 (the Act) and the rules made there under;
- ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv.** The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- v.** The Company being a Non Banking Financial Company ("NBFC") the guidelines made by the Reserve Bank of India (under the Reserve Bank Act 1934) were directly applicable to the working of the Company and the audit was carried out for the same.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement.

Adequate Notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period,

The Company has obtained approval of the members under section 180(1)(c) of the Companies Act, 2013 by way of Special Resolution on 22nd January, 2016 for increasing the limit of borrowing up to Rs. 500 Crore over and above the aggregate of the paid up share capital and free reserves of the Company.

The Company has obtained approval by the members under Section 180(1)(a) of the Companies Act, 2013 by way of Special Resolution passed on 22nd January, 2016 for creation of mortgage, charges and hypothecation as may be necessary on such assets of the Company, both present and future in such manner as the Board may determine.

The Company has allotted 1000 Redeemable Non-Principal Protected Non-Convertible Debentures of a face value of Rs 10,00,000 (Rupees Ten Lakh) each aggregating upto Rs 1,00,00,00,000 (Rupees one billion) on Private Placement basis to MGM Realtors Pvt. Ltd on 4th December, 2015, to raise financing for investments in stressed/distressed assets at lower than their face value to restructure the same and generate returns through recoveries which are expected to be higher than the invested amount.

**For V. Gulgulia & Co
Company Secretaries**

**Vineeta Gulgulia
(Proprietor)**

**Place: Kolkata
Date: May 10, 2016**

ACS No.: 36867; CP No.:13743

ANNEXURE II TO DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS

| | | |
|-------------|---|---|
| i. | CIN | 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/ No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Pvt. Ltd. Add: Plot No. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, Tel. No.: (040) 4465 5000, Email- id: support@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 (01.04.2015) | | | | No. of Shares held at the end of the year (31.03.2016) | | | | % Change |
|--|--|----------|--------------|-------------------|--|----------|----------------|-------------------|----------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| <i>1) Indian</i> | | | | | | | | | |
| a) Individual/ HUF | 85000 | - | 85000 | 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 |
| Sub-total(A)(1):- | 85000 | - | 85000 | 35.42 | 1105000 | - | 1105000 | 35.42 | 0 |
| <i>2) Foreign</i> | | | | | | | | | |
| g) NRIs-Individuals | 35000 | - | 35000 | 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 |
| Sub-total(A)(2):- | 35000 | - | 35000 | 14.58 | 455000 | - | 455000 | 14.58 | 0 |
| B. Public Shareholding | | | | | | | | | |
| <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(s) | 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 |
| Sub-total (B)(1) | 0 | - | 0 | 0 | 0 | - | 0 | 0 | 0 |
| <i>2. Non Institutions</i> | | | | | | | | | |
| a) Bodies Corp. (i) Indian (ii) Overseas | 105500 | - | 105500 | 43.96 | 1222000 | - | 1222000 | 39.17 | 0 |
| b) Individuals (i) Individual | 14500 | - | 14500 | 6.04 | 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 | 0 | - | 0 | 0 | 299000 | - | 299000 | 9.58 | 0 |
| c) Others(Specify) | 0 | - | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Sub-total(B)(2) | 120000 | - | 120000 | 50 | 1560000 | - | 1560000 | 50 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 120000 | - | 120000 | 50 | 1560000 | - | 1560000 | 50 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | - | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Grand Total (A+B+C) | 240000 | - | 240000 | 100 | 3120000 | | 3120000 | 100 | 0 |

ii. Shareholding of Promoter

| Name of Shareholders | Shareholding at the beginning of the year (01.04.2015) | | Cumulative Shareholding during the year (31.03.2016) | |
|----------------------|--|----------------------------------|--|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| Alpana Mundra | 55,000 | 22.92 | 7,15,000 | 22.92 |
| Aniruddh Mundra | 35,000 | 14.58 | 4,55,000 | 14.58 |
| Pritha Mundra | 30,000 | 12.50 | 3,90,000 | 12.50 |
| Total | 1,20,000 | 50.00 | 15,60,000 | 50.00 |

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 | 1,20,000 | 50.00 | 1,20,000 | 50.00 |
| | 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): | 14,40,000 (Bonus Shares) Allotment on 09.04.2015 | 50.00 | 15,60,000 | 50.00 |
| | At the end of the year | 15,60,000 | 50.00 | 15,60,000 | 50.00 |

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 (01.04.2015) | | Reason | Cumulative Shareholding during the year(31.03.2016) | |
|--------|-------------------------------------|------------|--|----------------------------------|-----------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1 | Triton Securities Pvt. Ltd | 01.04.2015 | 17,700 | 7.38 | Bonus | 17,700 | 7.38 |
| | | 31.03.2016 | 2,30,100 | 7.38 | Allotment | 2,30,100 | 7.38 |
| 2 | Pearl Dealers Pvt. Ltd. | 01.04.2015 | 9,000 | 3.75 | Bonus | 9,000 | 3.75 |
| | | 31.03.2016 | 1,50,000 | 4.81 | Allotment | 1,50,000 | 4.81 |
| 3 | Mani Tradelink Pvt. Ltd. | 01.04.2015 | 9,000 | 3.75 | Bonus | 9,000 | 3.75 |
| | | 31.03.2016 | 1,50,000 | 4.81 | Allotment | 1,50,000 | 4.81 |
| 4 | Stuti Hardware Pvt Ltd | 01.04.2015 | 1,50,000 | 4.81 | Sold | 1,50,000 | 4.81 |
| | | 31.03.2016 | - | - | | - | - |
| 5 | Pilot Consultants Pvt. Ltd. | 01.04.2015 | 1,49,500 | 4.79 | Sold | 1,49,500 | 4.79 |
| | | 31.03.2016 | - | - | | - | - |
| 6 | Wizards Textiles Private Limited | 01.04.2015 | - | - | Bought | - | - |
| | | 31.03.2016 | - | - | | 1,50,000 | 4.81 |
| 7 | Shreekant Varun Phumbhra | 01.04.2015 | - | - | Bought | - | - |
| | | 31.03.2016 | - | - | | 149,500 | 4.79 |
| 8 | Krsma Estates Pvt. Ltd. | 01.04.2015 | 8,300 | 3.46 | Bonus | 8,300 | 3.46 |
| | | 31.03.2016 | 1,07,900 | 3.46 | Allotment | 1,07,900 | 3.46 |
| 9 | Bonzem Health Line & Exim Pvt. Ltd. | 01.04.2015 | 8,000 | 3.33 | Bonus | 8,000 | 3.33 |
| | | 31.03.2016 | 1,04,000 | 3.33 | Allotment | 1,04,000 | 3.33 |
| 10 | Khushi Dealcom Pvt. Ltd. | 01.04.2015 | 8,000 | 3.33 | Bonus | 8,000 | 3.33 |
| | | 31.03.2016 | 1,04,000 | 3.33 | Allotment | 1,04,000 | 3.33 |
| 11 | Xersus Sales Pvt. Ltd. | 01.04.2015 | 8,000 | 3.33 | Bonus | 8,000 | 3.33 |
| | | 31.03.2016 | 1,04,000 | 3.33 | Allotment | 1,04,000 | 3.33 |
| 12 | C P Gopal Krishnan | 01.04.2015 | 7,900 | 3.29 | Bonus | 7,900 | 3.29 |
| | | 31.03.2016 | 1,02,700 | 3.29 | Allotment | 1,02,700 | 3.29 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. no | Name | Date | Shareholding | | Reason | Cumulative Shareholding during the year | |
|----------|--|--------------------------|--------------------|----------------------------------|-------------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| A | Directors : | | | | Bonus | | |
| 1 | Alpana Mundra Non-Executive Director | 01.04.2015 31.03.2016 | 55,000 7,15,000 | 22.92 22.92 | Allotment on 09.04.2015 | 55,000 7,15,000 | 22.92 22.92 |
| 2 | Vikram Kumar Purohit Executive Director | 01.04.2015 31.03.2016 | 1,000 13,000 | 0.42 0.42 | Bonus Allotment on 09.04.2015 | 1,000 13,000 | 0.42 0.42 |
| 3 | Girish Agarwal Non-Executive Director | 01.04.2015 31.03.2016 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 4 | Vaibhav Khandelwal Non-Executive Director | 01.04.2015 31.03.2016 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 5 | Sunil Kumar Dalmia Non-Executive Director | 01.04.2015 31.03.2016 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| B | KMP: | | | | | | |
| 6 | Vivek Mundra Managing Director | 01.04.2015 31.03.2016 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 7 | Vijay Choudhary Chief Financial Officer | 01.04.2015 31.03.2016 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 8 | Namrata Modi Company Secretary | 01.04.2015 31.03.2016 | Nil Nil | 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 |
|--|-------------------------------------|--------------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | |
| i) Principal Amount | 10,08,062 | | 10,08,062 |
| ii) Interest due but not paid | - | - | - |
| iii) Interest accrued but not due | 1,874 | | 1,874 |
| Total (i+ii+iii) | 10,09,936 | - | 10,09,936 |
| Change in Indebtedness during the financial year | | | |
| - Addition | - | 4,00,00,000 | 4,00,00,000 |
| - Reduction | 8,48,266 | - | 8,48,266 |
| Net Change | 8,48,266 | 4,00,00,000 | 4,08,48,266 |
| Indebtedness at the end of the financial year | | | |
| i) Principal Amount | 1,61,670 | 4,00,00,000 | 4,01,61,670 |
| ii) Interest due but not paid | - | - | - |
| iii) Interest accrued but not due | - | - | - |
| Total (i+ii+iii) | 1,61,670 | 4,00,00,000 | 4,01,61,670 |

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 | | | NA | | |
| 3. | Sweat Equity | | | | | |
| 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 | 0.57 | 0.64 | 1.21 |
| | Total(1) | 0.57 | 0.64 | 1.21 |
| | <u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify | - | - | - |
| | Total(2) | - | - | - |
| | Total(B)=(1+2) | 0.57 | 0.64 | 1.21 |
| | Total Managerial Remuneration | 0.57 | 0.64 | 1.21 |

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

| SI No | Particulars of Remuneration | Key Managerial Personnel | | |
|-------|--|----------------------------|---------------------------------------|--------------------|
| | | Mr. Vijay Choudhary CFO | Ms. Namrata Modi 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 | 3,90,188 - - | 4,95,432 - - | 8,85,620 - - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify | - - | - - | - - |
| 5. | Others, please specify | - | - | - |
| 6. | Total | 3,90,188 | 4,95,432 | 8,85,620 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. Other Officers In Default | | | | | |
| 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 includes 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 |
| Total | 6 | 100.00 |

ii. Number of Board Meetings Held

The Board of Directors duly met 10 times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

9th April, 2015, 11th May, 2015, 20th May, 2015, 20th July, 2015, 2nd November, 2015, 13th November, 2015, 4th December, 2015, 22nd December, 2015, 23rd January, 2016 and 28th March, 2016.

iii. Attendance of each Director at the Board Meetings and last AGM held on 07.09.2015:

| 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) | 7 | Yes | - | - | 8 | - | - | - | - |
| Alpana Mundra (NED) | 7 | Yes | - | - | 1 | - | - | - | - |
| Vikram Kr Purohit(ED) | 10 | Yes | - | - | 1 | 1 | - | - | - |
| Sunil Kumar Dalmia (NED) | 10 | Yes | 1 | - | - | - | 1 | - | - |
| Girish Agarwal (NEID) | 6 | Yes | - | - | 1 | 1 | - | - | 1 |
| Vaibhav Khandelwal (NEID) | 7 | Yes | - | 3 | 2 | - | 1 | 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 21st March, 2016 as required under Clause - 49 (II) (B) (6) of the Listing Agreement 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 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

20th May, 2015, 20th July, 2015, 2nd November, 2015 and 23rd January, 2016.

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 Kr 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, independent 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 1st April, 2015 to 31st March, 2016, the Committee had 1 meeting i.e. on 21st March, 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 |

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

| Year | Date | Venue | Time | Special Resolution |
|---------|------------|--|-----------|-------------------------------------|
| 2012-13 | 30.09.2013 | 1, Sarojini Naidu Sarani, 9 th Floor, Kolkata 700 017 | 01.00 P.M | Nil |
| 2013-14 | 26.09.2014 | 1, Sarojini Naidu Sarani, 9 th Floor, Kolkata 700 017 | 11.00 A.M | Nil |
| 2014-15 | 07.09.2015 | 1, Sarojini Naidu Sarani, 9 th Floor, Kolkata 700 017 | 11.00 A.M | Re-appointment of Managing Director |

No Postal Ballot was conducted during the year.

The Company held an Extraordinary General Meeting on 22nd January, 2016 at 1, Sarojini Naidu Sarani, 9th Floor, Kolkata 700017 at 11 a.m. for creation of charge on assets of the Company to secure its borrowing and to increase the borrowing limits of the Company.

5) Means of Communication to shareholders

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

Quarterly results

The unaudited quarterly financial results of the Company were published in English and regional newspapers. These are not sent individually to the shareholders.

Newspapers wherein results are normally published

The results are normally published in English Newspapers viz. Business Standards and Regional Newspaper viz. Kalantar.

Website

The Company has in place a website addressed as 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 for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

6) General Shareholder Information

| | |
|----------------------------|---|
| AGM date, time and venue | Friday, 8 th July, 2016 At 11:00 A.M. at 906 "Shubham", 9 th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017 |
| Financial Year | 1st April, 2015 to 31st March, 2016 |
| Book Closure date | 02.07.2016 to 08.07.2016 (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 |

7) Market Price Data

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

8) 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, 2016.

9) 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% |
| TOTAL | | 20 | 100.00% | 3,12,00,000 | 100.00% |

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

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

11) Plant Location: NA

12) 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.

Share Transfer Agent

Plot no. 17 to 24, Vithalrao Nagar, Madhapur,

Hyderabad – 500-081

(ii) Investor correspondence may also be addressed to:

Ms. Namrata Modi

Company Secretary & Compliance Officer

1, Sarojini Naidu Sarani, 9th Floor, Kolkata-700017,

Tel No: (033) 2283-1865

Email: cs@avro.co.in, info@avro.co.in

13) 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.

14) Corporate Identity Number (CIN)

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

15) 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: 27th May, 2016

Vivek Mundra
Managing Director
DIN: 00383479

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016**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 31st March, 2016, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls

system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit 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 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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.
 - iv. There are no such amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA. Ajoy K. Mohta
Partner

Membership No. 052262

Place: Kolkata
Date: 27.05.2016

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 31st March 2016.

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 March 2016 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 has applied the term loans for the purpose for which the loans have been obtained.
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 give to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. 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: 27.05.2016

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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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: 27.05.2016

AVRO COMMERCIAL COMPANY LIMITED

Balance Sheet as at 31st March, 2016

| Particulars | | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------|---------------------------------|----------|------------------------|------------------------|
| | | | Rs. | Rs. |
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | Share capital | 2 | 3,12,00,000 | 24,00,000 |
| | Reserves and Surplus | 3 | 14,66,59,264 | 16,78,79,128 |
| 2 | Current liabilities | | | |
| | Short-term borrowings | 4 | 4,01,61,670 | 5,77,885 |
| | Other current liabilities | 5 | 75,565 | 5,19,710 |
| | Short term provisions | 6 | 1,34,445 | 2,54,358 |
| | TOTAL | | 21,82,30,944 | 17,16,31,081 |
| II. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | Fixed assets | | | |
| | - Tangible assets | 7 | 26,11,306 | 17,67,910 |
| | Non Current Investments | 8 | 4,01,14,118 | 4,59,85,118 |
| | Deferred tax assets (net) | 9 | 2,73,117 | 11,54,787 |
| | Long-term loans and Advances | 10 | 81,65,287 | 76,38,091 |
| 2 | Current assets | | | |
| | Current investments | 11 | 10,02,90,914 | - |
| | Cash and Cash equivalents | 12 | 1,00,57,489 | 1,00,19,250 |
| | Short-term loans and Advances | 13 | 5,66,89,573 | 10,46,23,910 |
| | Other current asset | 14 | 29,140 | 4,42,015 |
| | TOTAL | | 21,82,30,944 | 17,16,31,081 |
| | Significant accounting policies | 1 | | |
| | Notes on financial statements | 2 to 30 | | |

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 Kumar Purohit
Director
DIN: 05273554

CA. Ajoy K. Mohta
Partner
Membership No. 052262

Place : Kolkata
Date: 27th May, 2016

Namrata Modi
Company Secretary

Vijay Choudhary
Chief Financial Officer

AVRO COMMERCIAL COMPANY LIMITED
Statement of Profit & Loss for the year ended 31st March, 2016

| Particulars | Note No. | For the Year Ended | |
|--|----------|--------------------|--------------------|
| | | 31st March, 2016 | 31st March, 2015 |
| | | Rs. | Rs. |
| I. Revenue | | | |
| Revenue from operations | 15 | 91,96,710 | 1,04,56,475 |
| Other income | 16 | 56,95,676 | 38,53,686 |
| Total Revenue | | 1,48,92,386 | 1,43,10,161 |
| II. Expenses: | | | |
| Employee benefit expenses | 17 | 19,28,873 | 7,06,173 |
| Finance cost | 18 | 3,75,831 | 1,13,092 |
| Depreciation expense | 7 | 8,05,400 | 9,43,762 |
| Other expenses | 19 | 13,47,911 | 11,71,245 |
| Total Expenses | | 44,58,015 | 29,34,272 |
| III. Profit before tax & provision | | 1,04,34,371 | 1,13,75,889 |
| Provision for standard assets | | (1,19,913) | (34,392) |
| IV. Profit before tax | | 1,05,54,284 | 1,14,10,281 |
| Tax expense: | | | |
| (1) Current tax | | 21,27,449 | 25,67,830 |
| (2) Deferred tax | | 8,81,670 | 9,53,215 |
| (3) Short/ (Excess) Provision for tax relating to prior year | | (2,50,416) | 70,326 |
| (4) MAT credit utilised u/s 115JAA | | 2,15,445 | 2,91,771 |
| Profit after tax | | 75,80,136 | 75,27,139 |
| Special reserve (as per RBI guidelines) | | 15,16,027 | 15,05,428 |
| Balance Carried to balance sheet | | 60,64,109 | 60,21,711 |
| Earnings per equity share: | | | |
| Basic and diluted | 21 | 2.43 | 2.41 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 30 | | |

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 Kumar Purohit
Director
DIN: 05273554

CA. Ajoy K. Mohta
Partner
Membership No. 052262

Place : Kolkata
Date: 27th May, 2016

Namrata Modi
Company Secretary

Vijay Choudhary
Chief Financial Officer

AVRO COMMERCIAL COMPANY LIMITED
Cash Flow Statement for the year ended 31st March, 2016

| Particulars | For the Year Ended | |
|---|--------------------|--------------------|
| | 31st March, 2016 | 31st March, 2015 |
| | Rs. | Rs. |
| A. Cash flows from operating activities | | |
| Profit before taxation and after exceptional items | 1,05,54,284 | 1,14,10,281 |
| Adjustments for : | | |
| Depreciation/amortization | 8,05,400 | 9,43,762 |
| Fixed assets written off | 11,328 | - |
| Contingent provision against Standard assets | (1,19,913) | (34,392) |
| Profit on redemption of mutual funds | (19,03,694) | (35,03,826) |
| Profit on sale of debentures | (37,91,476) | - |
| Operating profit before working capital changes | 55,55,929 | 88,15,825 |
| Adjustments for : | | |
| (Increase) / Decrease in loans and advances | 4,79,34,337 | 1,23,17,680 |
| (Increase) / Decrease in other current assets | 4,12,875 | (4,14,896) |
| Increase / (Decrease) in trade and other payables | (4,44,066) | (3,37,318) |
| Cash generated from Operations | 5,34,59,075 | 2,03,81,291 |
| Direct taxes paid | 26,19,674 | 13,50,000 |
| Net cash from operating activities | 5,08,39,401 | 1,90,31,291 |
| B. Cash flows from investing activities | | |
| Purchase / sale of fixed assets | (16,60,124) | (2,37,275) |
| Purchase / sale of investments | (9,44,19,914) | (2,24,80,855) |
| Profit on sale of investment | 19,03,694 | 35,03,826 |
| Profit on sale of debentures | 37,91,476 | - |
| Net cash (used) in investing activities | (9,03,84,868) | (1,92,14,304) |
| C. Cash flows from financing activities | | |
| Repayment of borrowings | 4,00,00,000 | (4,30,178) |
| Net cash from/(used) in financing activities | 4,00,00,000 | (4,30,178) |
| Net decrease in cash and cash equivalents | 4,54,533 | (6,13,191) |
| Cash and cash equivalents at the beginning of the year | 1,00,19,250 | 1,00,54,477 |
| Add: Overdraft facility from bank | (4,16,215) | 5,77,885 |
| Add: Temporary overdrawn bank balance | (79) | 79 |
| Cash and cash equivalents at the end of the year | 1,00,57,489 | 1,00,19,250 |

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 Kumar Purohit
Director
DIN: 05273554

CA. Ajoy K. Mohta
Partner
Membership No. 052262

Place : Kolkata
Date: 27th May, 2016

Namrata Modi
Company Secretary

Vijay Choudhary
Chief Financial Officer

AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2016

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, 2016

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 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 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, 2016

| 2 | Share Capital | As at 31st March 2016 | | As at 31st March 2015 | |
|---|---|-----------------------|--------------------|-----------------------|------------------|
| | | Number | Amount (Rs) | Number | Amount (Rs) |
| | Authorised Equity Shares of Rs 10 each | 35,00,000 | 3,50,00,000 | 2,40,000 | 24,00,000 |
| | Issued, Subscribed & Paid up Equity Shares of Rs 10 each fully paid # | 31,20,000 | 3,12,00,000 | 2,40,000 | 24,00,000 |
| | Total | 31,20,000 | 3,12,00,000 | 2,40,000 | 24,00,000 |

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 2016 | | As at 31st March 2015 | |
|------------------------------------|-----------------------|--------------------|-----------------------|------------------|
| | Number | Amount (Rs) | Number | Amount (Rs) |
| Number of shares at the beginning | 2,40,000 | 24,00,000 | 2,40,000 | 24,00,000 |
| Add: Bonus shares issued | 28,80,000 | 2,88,00,000 | - | - |
| Number of shares at the end | 31,20,000 | 3,12,00,000 | 2,40,000 | 24,00,000 |

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 2016 | | As at 31st March 2015 | |
|---------------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Alpana Mundra | 7,15,000 | 22.92 | 55,000 | 22.92 |
| Aniruddh Mundra | 4,55,000 | 14.58 | 35,000 | 14.58 |
| Pritha Mundra | 3,90,000 | 12.50 | 30,000 | 12.50 |
| Triton Securities Pvt.Ltd | 2,30,100 | 7.38 | 17,700 | 7.38 |
| Total | 17,90,100 | 57.38 | 1,37,700 | 57.38 |

AVRO COMMERCIAL COMPANY LIMITED
Notes forming part of financial statement for the year ended 31st March, 2016

| 3 | Reserves & Surplus | As at 31st March 2016 | As at 31st March 2015 |
|---|--------------------|--------------------------|--------------------------|
| | | Amount (Rs) | Amount (Rs) |
| General Reserve | | | |
| Opening Balance | | 9,48,00,000 | 9,38,00,000 |
| 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 | | 6,70,00,000 | 9,48,00,000 |
| Surplus in the statement of Profit & Loss | | | |
| Opening balance | | 4,52,37,998 | 4,02,16,287 |
| Add: Net Profit for the current year | | 60,64,109 | 60,21,711 |
| Less: Transfer to General Reserve | | (10,00,000) | (10,00,000) |
| Closing balance | | 5,03,02,107 | 4,52,37,998 |
| Special Reserve as per RBI guidelines | | | |
| Opening Balance | | 2,78,41,130 | 2,63,35,702 |
| Add: Additions during the year | | 15,16,027 | 15,05,428 |
| | | 2,93,57,157 | 2,78,41,130 |
| Total | | 14,66,59,264 | 16,78,79,128 |

| 4 | Short Term Borrowings | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|--------------------------|--------------------------|
| | | Amount (Rs) | Amount (Rs) |
| Secured | | | |
| Overdraft from a Scheduled bank | | 1,61,670 | 5,77,885 |
| Explanation: Secured by pledge of Fixed Deposit of Rs. 1 crore | | | |
| Unsecured | | | |
| Loan from a body corporate # | | 4,00,00,000 | - |
| Total | | 4,01,61,670 | 5,77,885 |

These are in the nature of demand loan

| 5 | Other Current Liabilities | As at 31st March 2016 | As at 31st March 2015 |
|--|---------------------------|--------------------------|--------------------------|
| | | Amount (Rs) | Amount (Rs) |
| Due to micro, small and medium entities | | - | - |
| Current maturities of long term debt | | - | 4,30,177 |
| Payable for expenses | | 71,400 | 79,693 |
| Interest accrued but not due on borrowings | | - | 1,874 |
| Statutory Dues | | 4,165 | 7,887 |
| Temporary overdrawn bank balances | | - | 79 |
| Total | | 75,565 | 5,19,710 |

| 6 | Short Term Provisions | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|--------------------------|--------------------------|
| | | Amount (Rs) | Amount (Rs) |
| Contingent provision against standard assets | | 1,34,445 | 2,54,358 |
| Total | | 1,34,445 | 2,54,358 |

AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2016

Note 7 : Fixed assets

| 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 for the year | On disposals | Balance as at 31st March 2016 | Balance as at 31st March 2016 | Balance as at 1st April 2015 | |
| | | | | | | | | | | | |
| Tangible Assets | | | | | | | | | | | |
| 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 | |
| Total | 34,26,453 | 16,60,124 | 20,200 | 50,66,377 | 16,58,543 | 8,05,400 | 8,872 | 24,55,071 | 26,11,306 | 17,67,910 | |

| Fixed Assets | Gross Block | | | | | | Accumulated Depreciation | | | Net Block | |
|------------------------|------------------------------|-----------------|-----------|-------------------------------|------------------------------|---------------------------|--------------------------|-------------------------------|-------------------------------|------------------------------|--|
| | Balance as at 1st April 2014 | Additions | Disposals | Balance as at 31st March 2015 | Balance as at 1st April 2014 | Depreciation for the year | On disposals | Balance as at 31st March 2015 | Balance as at 31st March 2015 | Balance as at 1st April 2014 | |
| | Amt(Rs) | Amt(Rs) | | Amt(Rs) | Amt(Rs) | Amt(Rs) | | Amt(Rs) | Amt(Rs) | Amt(Rs) | |
| Tangible Assets | | | | | | | | | | | |
| Motor Car | 29,26,388 | - | - | 29,26,388 | 7,12,941 | 7,08,108 | - | 14,21,049 | 15,05,339 | 22,13,447 | |
| Mobile | 10,400 | 1,64,300 | - | 1,74,700 | 309 | 59,980 | - | 60,289 | 1,14,411 | 10,091 | |
| Computer | 2,52,390 | 63,000 | - | 3,15,390 | 1,531 | 1,73,706 | - | 1,75,237 | 1,40,153 | 2,50,859 | |
| Printer | - | 9,975 | - | 9,975 | - | 1,968 | - | 1,968 | 8,007 | - | |
| Total | 31,89,178 | 2,37,275 | - | 34,26,453 | 7,14,781 | 9,43,762 | - | 16,58,543 | 17,67,910 | 24,74,397 | |

AVRO COMMERCIAL COMPANY LIMITED
Notes forming part of financial statement for the year ended 31st March, 2016
**8 Non Current Investment
(Non-trade at cost)**

| | Particulars | No. of Shares / Units | | Amount (Rs) | |
|-------------|--|-----------------------|-----------------|--------------------|--------------------|
| | | 2016 | 2015 | 2016 | 2015 |
| (A) | Investment in Equity Shares of Rs 10/- each (unless otherwise stated) | | | | |
| (I) | Quoted, fully paid up | | | | |
| | Vardhman Special Steels Ltd. | 2,740 | 2,740 | 2,86,618 | 2,86,618 |
| | Total (I) | 2,740 | 2,740 | 2,86,618 | 2,86,618 |
| (II) | Unquoted, fully paid up | | | | |
| | Jet Age Finance Pvt. Ltd | 5,29,300 | 5,29,300 | 96,98,500 | 96,98,500 |
| | Zoom Exports Ltd | 50,000 | 50,000 | 15,00,000 | 15,00,000 |
| | Prolifics Corporation Limited | 85,000 | 85,000 | 1,45,00,000 | 1,45,00,000 |
| | Hinshitsu Manufacturing Pvt. Ltd. | 12,900 | - | 1,29,000 | - |
| | Speck Systems Ltd. | 14,00,000 | - | 1,40,00,000 | - |
| | Total (II) | 20,77,200 | 6,64,300 | 3,98,27,500 | 2,56,98,500 |
| | Total (A) | 20,79,940 | 6,67,040 | 4,01,14,118 | 2,59,85,118 |
| (B) | Investment in Mutual fund | | | | |
| | Unquoted, fully paid up | | | | |
| | Reliance Liquid fund | - | 5,921 | - | 2,00,00,000 |
| | Total (B) | - | 5,921 | - | 2,00,00,000 |
| | Grand Total (A+B) | | | 4,01,14,118 | 4,59,85,118 |

Note:

Market value of Investment in Equity Shares (quoted) of Rs. 10/- each at the end of current year is Rs. 1,44,124 (Previous year Rs. 88,913).

9 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 :

| Particulars | As at 31st March 2016 | As at 31st March 2015 |
|--|-----------------------|-----------------------|
| | Amount (Rs) | Amount (Rs) |
| Deferred tax liability | | |
| Difference between book and tax depreciation | 2,73,117 | 1,86,383 |
| Sub Total (A) | | |
| Deferred tax assets | | |
| Short term capital loss | - | 9,68,404 |
| Sub Total (B) | | |
| Net Deferred Tax Asset | 2,73,117 | 11,54,787 |

AVRO COMMERCIAL COMPANY LIMITED
Notes forming part of financial statement for the year ended 31st March, 2016

| | | | |
|---|---|---------------------|---------------------|
| 10 | Long-term loans and advances | As at 31st | As at 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | Advances (Unsecured, considered good) Advance Payment of taxes (Net of Provisions) Mat credit entitlement | | |
| | | 8,71,676 | 1,29,035 |
| | | 72,93,611 | 75,09,056 |
| | Total | 81,65,287 | 76,38,091 |
| 11 | Current Investments | As at 31st | As at 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | (At lower of cost or fair market value) Investment in debentures (unquoted) Amtek Auto Limited | | |
| | | 10,02,90,914 | - |
| | Total | 10,02,90,914 | - |
| 12 | Cash and cash equivalents | As at 31st | As at 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | Cash and cash equivalents - Balances with bank on current account - Cash on hand | | |
| | | 20,818 | - |
| | | 36,671 | 19,250 |
| | Other bank balances - In deposit accounts with original maturity between 3 to 12 months* | | |
| | | 1,00,00,000 | 1,00,00,000 |
| | Total | 1,00,57,489 | 1,00,19,250 |
| * Fixed Deposit with HDFC Bank Ltd. pledged against bank overdraft limit of Rs. 90,00,000/- | | | |
| 13 | Short-term loans and advances | As at 31st | As at 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | Loan (Unsecured, Considered good, unless otherwise stated) - to bodies corporate | | |
| | | 5,37,78,164 | 10,17,43,454 |
| | Other advances | 27,08,426 | 27,88,751 |
| | Prepaid expenses | 2,02,983 | 91,705 |
| | Total | 5,66,89,573 | 10,46,23,910 |
| 14 | Other Current Assets | As at 31st | As at 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | Accrued interest on fixed deposit Other receivables | | |
| | | 29,140 | 4,40,343 |
| | | - | 1,672 |
| | Total | 29,140 | 4,42,015 |
| 15 | Revenue from Operations | For the year | For the year |
| | | ended 31st | ended 31st |
| | | March 2016 | March 2015 |
| | | Amount (Rs) | Amount (Rs) |
| | Interest on loans Interest on fixed deposit | | |
| | | 83,32,426 | 95,73,643 |
| | | 8,64,284 | 8,82,832 |
| | Total | 91,96,710 | 1,04,56,475 |

AVRO COMMERCIAL COMPANY LIMITED
Notes forming part of financial statement for the year ended 31st March, 2016

| 16 | Other Income | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----|---|------------------------------------|------------------------------------|
| | | Amount (Rs) | Amount (Rs) |
| | Interest on income tax refund | - | 3,49,105 |
| | Misc.receipts | 506 | 755 |
| | Profit on redemption of units of mutual funds | 19,03,694 | 35,03,826 |
| | Profit on sale of debentures | 37,91,476 | - |
| | Total | 56,95,676 | 38,53,686 |

| 17 | Employee Benefit Expenses | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----|---------------------------|------------------------------------|------------------------------------|
| | | Amount (Rs) | Amount (Rs) |
| | Salaries and bonus | 17,18,210 | 7,06,173 |
| | Staff welfare expense | 1,25,566 | - |
| | Stipend | 85,097 | - |
| | Total | 19,28,873 | 7,06,173 |

| 18 | Finance Costs | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----|--|------------------------------------|------------------------------------|
| | | Amount (Rs) | Amount (Rs) |
| | Interest on overdraft facility from bank | 85,042 | 25,801 |
| | Interest on car loan | 11,337 | 87,291 |
| | Interest on unsecured loan | 2,79,452 | - |
| | Total | 3,75,831 | 1,13,092 |

| 19 | Other Expenses | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----|-----------------------------------|------------------------------------|------------------------------------|
| | | Amount (Rs) | Amount (Rs) |
| | Accounting charges | 25,000 | - |
| | Adjustment in value of investment | - | 19,145 |
| | Advertisement | 23,660 | 39,730 |
| | Auditor's remuneration | 70,949 | 69,663 |
| | Bank charges | 434 | 993 |
| | Car insurance | 1,24,549 | 1,03,104 |
| | Car maintenance | 1,47,982 | 2,47,541 |
| | Computer Maintenance | - | 26,285 |
| | Custody fee | - | 13,482 |
| | Depository charges | 5,361 | 3,460 |
| | Debenture trust expense | 1,94,650 | - |
| | Directors sitting fees | 1,21,000 | - |
| | Filing fee | 3,40,932 | 7,389 |
| | Fixed assets written off | 11,328 | - |
| | General expenses | 20,472 | 5,293 |
| | Legal and Professional charges | 92,624 | 79,325 |
| | Membership and Subscription | - | 5,618 |
| | Postage & Stamp | 1,190 | 1,352 |
| | Printing and Stationery | 7,473 | 1,000 |
| | Rates and Taxes | 27,417 | 4,350 |
| | Share transfer and Agent charges | 21,434 | 24,158 |
| | Share transfer stamp charges | - | 36,250 |
| | Stock exchange charges | 64,430 | 3,01,330 |
| | Telephone and Internet charges | 6,728 | 37,529 |
| | Travelling and Conveyance | 40,298 | 1,44,248 |
| | Total | 13,47,911 | 11,71,245 |

AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2016

| 20 | Payments to auditor | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----|---------------------|------------------------------------|------------------------------------|
| | | Amount (Rs) | Amount (Rs) |
| | For statutory audit | 34,500 | 33,708 |
| | For tax audit | 13,800 | 13,483 |
| | For other matters | 22,649 | 22,472 |
| | Total | 70,949 | 69,663 |

21 Earning per share (EPS)

| Particulars | | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|--|------|------------------------------------|------------------------------------|
| Net profit as per statement of profit and loss | Rs. | 75,80,136 | 75,27,139 |
| 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. | 2.43 | 2.41 |

Adjusted for bonus issue.

22 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 :

22.1 Disclosure of related party transactions:

i Key Management Personnel:

| | |
|----------------------|-------------------------|
| Vivek Mundra | Managing Director |
| Vikram Kumar Purohit | Director |
| Sunil Kumar Dalmia | Director |
| Alpana Mundra | Director |
| Namrata Modi | Company Secretary |
| Vijay Choudhary | Chief Financial Officer |

ii Relatives of Key Management Personnel:

Harendra Choudhary

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

Jet Age Securities Private Limited
Jet Age Finance Private Limited

22.2 Transactions with related Parties during the year :

Amount in Rs.

| Nature of Transactions | Key Management Personnel | Relatives of Key Management Personnel | Enterprise owned or significantly influenced by Key Management Personnel and their relatives | Total |
|------------------------|--------------------------|---------------------------------------|--|-----------|
| Salary | 10,15,872 | 1,47,638 | - | 11,63,510 |
| | (-) | (-) | (-) | (-) |
| Advance given | 20,000 | - | - | 20,000 |
| | (-) | (-) | (-) | (-) |
| Advance received back | 45,000 | - | - | 45,000 |
| | (-) | (-) | (-) | (-) |

Note:

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

AVRO COMMERCIAL COMPANY LIMITED

Notes forming part of financial statement for the year ended 31st March, 2016

22.3 Year end outstanding balances thereof, are as follows:- Amount in Rs.

| Nature of Transactions | Key Management Personnel | Relatives of Key Management Personnel | Enterprise owned or significantly influenced by Key Management Personnel and their relatives | Total |
|------------------------|--------------------------|---------------------------------------|--|-----------|
| Amount receivable | 7,40,000 | 8,50,000 | - | 15,90,000 |
| | (-) | (-) | (-) | (-) |

22.4 Disclosure in respect of material related party transactions during the year: Amount in Rs.

| Particulars | 2015-16 | 2014-15 |
|------------------------------|----------|---------|
| Salary Paid | | |
| Vijay Choudhary | 4,26,188 | - |
| Namrata Modi | 5,89,684 | - |
| Harendra Choudhary | 1,47,638 | - |
| Advance given | | |
| Vijay Choudhary | 20,000 | - |
| Advance received back | | |
| Vijay Choudhary | 45,000 | - |

23 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 31.03.2015 | Charged to Profit & Loss Account during the year | As on 31.03.2016 |
|------------------------------|------------------|--|------------------|
| Provision on standard assets | 2,54,358 | (1,19,913) | 1,34,445 |

24 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.

25 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 | 400.00 | NIL |
| (e) | Commercial Paper | NIL | NIL |
| (f) | Other loans | NIL | NIL |
| (g) | Bank Overdraft | 1.62 | NIL |
| (h) | Loan from Directors & Shareholders | NIL | NIL |
| | Total | 401.62 | NIL |

AVRO COMMERCIAL COMPANY LIMITED
Notes forming part of financial statement for the year ended 31st March, 2016

| | 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 | 537.78 |
| 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 |
| 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 | 1,002.91 |
| | (iii) Units of mutual funds | NIL |
| | (iv) Government Securities | NIL |
| | (v) Others (Please specify) | NIL |
| | Long Term investments: | |
| | Quoted: | |
| | (i) Shares : (a) Equity | 2.87 |
| | (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 | 398.28 |
| | (b) Preference | NIL |
| | (ii) Debentures and Bonds | NIL |
| | (iii) Units of mutual funds | NIL |
| | (iv) Government Securities | NIL |
| | (v) Investments in partnership firm | NIL |

AVRO COMMERCIAL COMPANY LIMITED**Notes forming part of financial statement for the year ended 31st March, 2016**

| 5 | Borrower group-wise classification of all leased assets financed as in (2) and (3) above : | Amount net of provisions | | |
|---|--|--------------------------|------------|------------|
| | | Secured | Unsecured | Total |
| | Category | | | |
| | 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 |
| | Total | NIL | NIL | NIL |

| 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 | NIL | 96.99 | |
| | (c) Other related parties | NIL | NIL | |
| | (d) Other than related parties | 1.44 | 304.16 | |
| | Total | 1.44 | 401.15 | |

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

| 7 | Other Information | Amount |
|---|---|--------|
| | Particulars | |
| | 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 |

26 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.

27 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 irregular. The aforesaid policy has been taken into consideration while computing the provision for income-tax as applicable.

28 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.

29 Figures in the bracket relate to previous year.

30 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

Vivek Mundra
Managing Director
DIN: 00383479

Vikram Kumar Purohit
Director
DIN: 05273554

Place : Kolkata
Date: 27th May, 2016

Namrata Modi
Company Secretary

Vijay Choudhary
Chief Financial Officer

AVRO COMMERCIAL CO LTD
(CIN: L51433WB1983PLC035882)

Registered Office: "Shubham" 906, 1, Sarojini Naidu Sarani, Kolkata- 700 017
Email: info@avro.co.in, Website: www.avro.co.in

Form MGT-11
Proxy Form

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

| | |
|----------------------------------|--|
| Name of the member(s) | |
| Registered Address | |
| E-mail Id | |
| Regd. Folio No./Client ID | |
| DP ID | |

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

1. Name & Address: _____
E-mail ID: _____ Signature _____ or failing him/her
 2. Name & Address: _____
E-mail ID: _____ Signature _____ or failing him/her
 3. Name & Address: _____
E-mail ID: _____ Signature _____ or failing him/her
- as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty Third Annual General Meeting of the Company, to be held Friday, the 8th July, 2016 at 11:00 A.M. at its registered office, 906, "Shubham", 9th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017 and at any adjournment thereof in respect of resolutions are indicated below:

| Sl No | Resolution(s) | Vote | |
|-------|--|------|---------|
| | | For | Against |
| 1 | Adoption of Statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the Financial Year 31 st March, 2016. | | |
| 2 | To re-appoint Mrs. Alpana Mundra, Director of the Company who retires by rotation. | | |
| 3 | Re-appointment of M/s. ARSK & Associates, Chartered Accountants as Statutory Auditors. | | |

Signed _____ this day of _____ 2016

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix Re.
1/
Revenue
Stamp

Signature of the shareholder
across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

AVRO COMMERCIAL CO LTD
(CIN: L51433WB1983PLC035882)

Registered Office: "Shubham" 906, 1, Sarojini Naidu Sarani, Kolkata- 700 017
Email : info@avro.co.in, Website: www.avro.co.in

ATTENDANCE SLIP

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

Full name of the member attending _____

Member's Folio No/ Client ID: _____ and DP ID: _____

No. of shares held: _____

Name of Proxy _____

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

I hereby record my presence at the 33rd Annual General Meeting of the Company, to be held Friday, the 8th July, 2016 at 11:00 A.M. at its registered office, 906 "Shubham", 9th Floor, 1, Sarojini Naidu Sarani, Kolkata-700017.

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Member's / Proxy's Signature

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHTHOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Registered Office:

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