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# ANNUAL REPORT 2018



**AVON MOLDPLAST LTD.**

[www.avonmpl.com](http://www.avonmpl.com)

**3 YEARS  
GUARANTEE\***



# REFERENCE INFORMATION

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## **BOARD OF DIRECTORS**

<b>Mr. Sushil Kumar Aggarwal</b>	Chairman & Whole Time Director
<b>Mr. Sahil Aggarwal</b>	Managing Director
<b>Ms. Anita Aggarwal</b>	Non-Executive Director
<b>Ms. Vandna Gupta</b>	Independent Director
<b>Mr. Naubahar Singh</b>	Independent Director
<b>Ms. Prachika Agarwal</b>	Independent Director

## **STATUTORY AUDITOR**

### **Sushil Lal & Associates Chartered Accountants**

203, 301-302, Plot No. 7, 2nd & 3rd Floor Aggarwal Plaza, LSC-1 Mixed Housing Complex, Mayur Vihar – III, Delhi –110096

## **REGISTRAR & SHARE TRANSFER AGENT**

### **Mas Services Limited.**

T-34, IIInd Floor, Okhla Industrial Area  
Phase-II, New Delhi 110020

## **REGISTERED OFFICE**

A-7/36-39, South of G.T. Road Industrial Area Electrosteel Casting Compound Ghaziabad Ghaziabad – 201009 (UP)

## **SHARES LISTED AT**

NSE EMERGE

## **BANKERS TO THE COMPANY**

### **IDFC Bank**

G-61 & G-62, Sector – 18  
Noida - 201301

### **Punjab National Bank,**

K.M Trade Tower Near Hotel Radisson, Kaushambi  
Ghaziabad - 201010

## **E-MAIL**

cs@avonmpl.com

## **WEBSITE**

www.avonmpl.com

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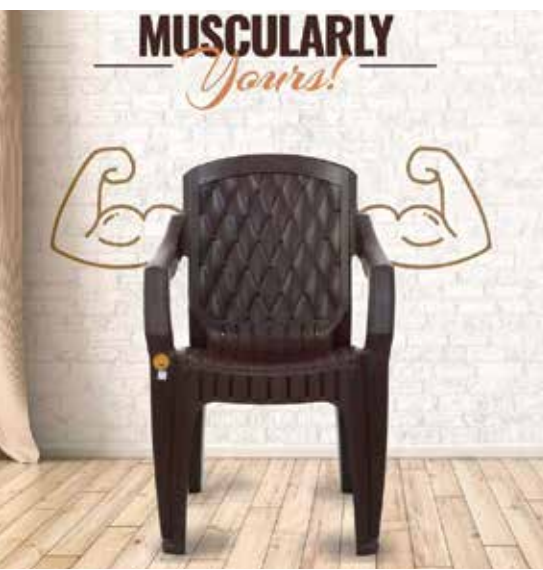
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## LETTER FROM THE CHAIRMAN'S DESK

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Today India is a major economic growth centre with growth potential of 8-10% per annum. Further the country is set to become the most populated nation overtaking china in the next decade, and India would be home to many mega cities, with urbanization rising from 33% at present to 50% in the year 2030. This would provide growth opportunities for Avon Moldplast. The investment climate in the country is also improving with various initiatives and reforms addressing the ease of doing business. The overall global economy continues to be robust and there is a broad consensus on acceleration of global GDP growth in the current year. India's GDP growth in 2018-19 is expected to accelerate to 7.4%, driven by improving global demand, investment revival, rejuvenation of rural demand, and reduction of internal barriers.

Avon Moldplast is one of India's fastest growing companies known for its excellence, skills and expertise in the field of Plastics and is all poised to take advantage of the growth in the Indian economy.

We live in a world of continuous transformation where it is not the strongest but the most agile that will thrive.

Avon Moldplast Limited a highly successful company was set up in the year 1996 and is engaged in the sale and distribution of high quality plastic molded furniture which includes tables, chairs, stools, baby chairs etc at its state of the art facility located at Ghaziabad, Uttar Pradesh since 2002. The company has set up an all India distribution network to market its products to a stable customer base of Indian companies and multinationals under the brand name 'AVON'

I am happy to announce the completion of 16 years of relentless service to the plastic molded furniture industry by offering latest updated designs and models, quality at astounding price, which remains a benchmark in the industry

What have helped your company sustain its journey have been its strong value systems, its ability to always put the customer at the center of its strategy and a never ending desire to collaborate and learn.. What also stand out are our employees who have made this possible with their strong customer focus, agile mindset and strong performance ethic. Avon has invested in the right capabilities, at the right time and scale helping it to stay relevant to customers. With our feet firmly planted in today, we envision a bigger, brighter tomorrow.

Dreaming big is not enough. It is necessary to convert these dreams into real actionable plans and challenge oneself to seek excellence and to innovate, to continuously connect vision, strategy and execution. That is what makes a company great and go beyond mere growth.

I take this opportunity to thank our team and express our gratitude to all our stake holders for their unrelenting commitment and belief in Avon vision, thus helping us shape Avon Plast story for the future.

**Sushil Kumar Aggarwal**  
Chairman

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# NOTICE

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NOTICE is hereby given that the 22nd Annual General Meeting of the members of Avon Molplast Limited will be held on Saturday, 29th day of September 2018 at 10:00 A.M at the Registered office of the Company at A-7/36-39, South of G.T. Road, Industrial Area, Electrosteel Casting Compound, Ghaziabad – 201009 (UP) to transact the following businesses:

## **ORDINARY BUSINESS:**

### **• Adoption of Financial Statements**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended on 31st March, 2018 including the audited Balance Sheet as on 31st March, 2018, Profit & Loss Statement for the Financial Year ended on that date together with the Reports of Board of Directors and Auditors thereon.

### **• Re-appointment of Mr. Sushil Kumar Aggarwal (DIN: 00248707) as a Director liable to Retire by Rotation.**

To appoint a Director in place of Mr. Sushil Kumar Aggarwal (DIN: 00248707) who retires by rotation and is eligible for Re-appointment.

### **• Appointment of Statutory Auditors**

To Consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of section 139(2) and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Sushil Lal & Associates, Chartered Accountants (Firm Registration No. 021758N) be and is hereby appointed as Statutory Auditor of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Seventh A.G.M. of the Company to be held in the year 2023, at a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor plus applicable taxes thereon and reimbursement expenses, if any, incurred by them in connection with the Audit."

Date: 05/09/2018

Place: Ghaziabad

By order of the Board of Directors  
For Avon Moldplast Limited

(Sushil Kumar Aggarwal)  
Chairman & Whole Time Director  
(DIN: 00248707)  
Add: D-48, Sector – 47, Noida – 201301

## NOTES

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- A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXY FORMS DULY COMPLETED IN ALL RESPECTS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person(s) or shareholder(s).
- Corporate Members intending to send their authorized representative to attend this General Meeting to the provisions of Section 113 of Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at this Annual General Meeting.
- Relevant documents as referred to in the accompanying Notice along with the Statements are open for inspection by members at Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
- Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 29/09/2018 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) forms part of the notice.
- Pursuant to the requirement of SEBI (Listing Obligation and Disclosure Requirements) 2015 the company declares that its equity shares are listed on NSE SME platform.
- The shares of the Company are presently listed on NSE SME platform.
- The Board of Directors of the company has appointed Mr. Priyam Gupta, Practicing Company Secretary (C. P. No. 18567), as Scrutinizer for conducting the conducting voting process for the Annual General Meeting in a fair and transparent manner.
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the General Meeting, i.e. 29/09/2018
- The company fixed 21st September, 2018 as the cut-off date/entitlement date for identifying shareholders for determining the eligibility to vote in the meeting.  
Note: A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the General Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2018 to 29th September 2018 (both days inclusive).
- With reference to the Companies (Management and Administration) Rules, 2014 Companies covered under Chapter XB and Chapter XC as per SEBI (Issue of Capital Disclosure Requirements), 2009 is exempted from e-voting provisions. Company is covered under Chapter XB as it is listed on SME platform of National Stock Exchange of India Limited. Therefore company is not providing e-voting facility to its shareholders.
- Members who want to cast their vote by ballot form prior to the meeting may also send attend the meeting but shall not be entitled to cast their vote again.
- Only registered members carrying the attendance slips and the holders of valid proxies registered with the company will be permitted to attend the meeting.
- Any member requiring further information on the Annual Report at the meeting is requested to send the queries at [cs@avonmpl.com](mailto:cs@avonmpl.com)

## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to the provisions of Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), 2015 and Secretarial Standards on General Meeting (SS-2) issued by Institute of Company Secretaries of India)

Name of Director	Sushil Kumar Aggarwal (DIN: 00248707)
Date of Birth	28/03/1961
Date of Appointment	He is the promoter and director of the Company, he was appointed as Whole Time Director of the Company w.e.f. 22nd March, 2018
Expertise in Specific Functional Area	Having experience more than 30 years in the field of Plastic mold furniture industry. He is an avid traveler, tech savvy and has a magnetic personality.
No. of Equity Shares held as on 31st March, 2018	780000
Disclosure of relationship between directors inter se	He is husband of Mrs. Anita Aggarwal, Director of the Company and father of Mr. Sahil Aggarwal, Managing Director
Remuneration Last drawn by such person, if any	Rs. 2,00,000 p.m
No. of Meeting of the Board attended during the year	15
List of Directorship in other entities	Nil
Chairman/Member of the Committee of the Board of Directors of other companies.	Nil

# DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present to the valued stakeholders, the 22nd Annual Report of Avon Moldplast Limited along with the Audited Financial Statements of the Company for the Year ended March 31st, 2018.

## 1. FINANCIAL HIGHLIGHTS

PARTICULARS	Amount (In Rupees)	
	Standalone	
	2017-18	2016-17
Revenue from Business Operations	268,928,038.00	137,921,517.00
Revenue from other operations	581,459.00	584,734.00
<b>Total Revenue</b>	<b>269,509,497.00</b>	<b>138,506,251.00</b>
Less: Expenditure except interest & Depreciation	242,775,254.00	123,592,804.00
<b>Profit/Loss before Interest, Depreciation and Tax</b>	<b>26,734,243.00</b>	<b>14,913,447.00</b>
Less: Interest and other Financial Charge(s)	3,015,916.00	3,818,754.00
<b>Earning before Depreciation and Tax</b>	<b>23,718,327.00</b>	<b>11,094,693.00</b>
Less: Depreciation	11,911,998.00	9,563,743.00
<b>Earning before Tax</b>	<b>11,806,329.00</b>	<b>1,530,950.00</b>
Less: Tax Expense	3,470,537.00	306,684.00
Add: Deferred Tax Asset	188,377.00	142,048.00
<b>Earning after Tax</b>	<b>8,524,169.00</b>	<b>1,366,314.00</b>
Earnings per share:		
Basic	3.60	1.44
Diluted	3.60	1.44

## 2. STATE OF COMPANY'S FINANCIAL AFFAIR

The Total revenue of the company for the year ended March 31, 2018 was 268,928,038.00 as against the total revenue of Rs. 137,921,517.00 for the previous year ended March 31, 2017.

The Company has earned a Net Profit after Tax of Rs. 8,524,169.00 for the year under review as compared to Net Profit of Rs. 1,366,314.00 in the previous year.

## 3. DIVIDEND

Your Directors are having view of conserving the resources of company, and for that reason the directors are not recommending any dividend.

## 4. CHANGE IN THE NATURE OF BUSINESS

There is no material changes in the nature of business during the year.

## 5. RESERVES

The Board of the Company has decided to carry Rs. 1,366,314.00 to the Reserves of the Company.

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

The company came out of public issue of 884,000 shares at a price of Rs.51/- per equity shares (including a share premium of Rs. 41/- per equity share) which was opened on July 12, 2018 and closed on July 18, 2018 and the shares have been allotted on July 24, 2018. Initial Public offer was a huge success to the company and shares of the company got listed on NSE Emerge on July 26, 2018 and widely traded all over India.

## **7. DEPOSITS**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. There were no unclaimed deposits at the end of Financial Year i.e. 31st March, 2018.

## **8. FINANCE**

Cash and cash equivalents as on March 31, 2018 were Rs 3,096,241.00. The company continues to focus on judicious management of its working capital, receivables and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

## **9. SHARE CAPITAL**

Following are the changes in the Share Capital of the Company during the Financial year 2017-18.

### **A. CHANGES IN AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

A) The Company has sub divided its Authorised Capital from 2,50,000 equity shares of Rs. 100/- each to 25,00,000 equity shares to Rs. 10/- each. Paid-up Share Capital as well from 1,58,000 equity shares of Rs. 100 each to 15,80,000 equity shares of Rs. 10/- each pursuant to the Shareholder's Resolution passed by the Shareholders in their meeting held on Saturday, January 27, 2018.

B) The company increased its Authorised Share capital of the Company from Rs. 2,50,00,000/- divided in to 25,00,000 Equity shares of Rs. 10/- each to Rs. 5,00,00,000/- divided into 50,00,000 Equity shares of Rs. 10/- each pursuant to the Shareholder's Resolution passed by the Shareholders in their meeting held on Saturday, January 27, 2018.

C) The Company has increased its paid up share capital from Rs. 1,58,00,000/- divided into 15,80,000 equity shares of Rs. 10/- each to Rs. 3,25,40,000 divided into 32,54,000 equity shares of Rs. 10 each.

- Company issued Bonus shares 7,90,000 Equity shares in proportion to 1 (one) Equity share for Every 2 (Two) Equity shares pursuant to the Shareholder's Resolution passed by the Shareholders in their meeting held on Saturday, January 27, 2018 and Allotted on Monday, January 29, 2018 by way of Board resolution.

- Company has came out with an Initial Public offer of 8,84,000 shares of Rs. 10/- each at a premium of Rs. 41/-

### **B. LISTING OF EQUITY SHARES**

The Company came out with a Initial Public offer of 8,84,000 equity shares of Rs.10/- per share with a premium of Rs. 41/- per share which was opened on July 12, 2018 to July 18, 2018 and the shares has been allotted on July 24, 2018. This IPO is huge success the resulting share have been listed on NSE SME platform.

## **10. MATERIAL CHANGES DURING THE YEAR**

1. The Company after obtaining necessary approvals of the members at the Extra ordinary General Meeting held on February 23, 2018 adopted new set of Memorandum & Articles of Association accordance with the provisions applicable to Public Company.

2. Company has been converted from Private Company to Public Company pursuant to the Shareholder's Resolution passed by the Shareholders in their meeting held on Saturday, February 27, 2018 and got Fresh certificate of Incorporation dated March 01, 2018.

## **11. SUBSIDIARY / ASSOCIATE/ JOINT VENTURES COMPANIES**

During the Financial year, Company didn't have any Subsidiary or Associate or Joint venture.

## **12. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section of this Annual Report as "Annexure – 3".

## **13. CHANGE IN NATURE OF BUSINESS**

During the year under review, there was no change in nature of business of the Company.

## **14. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Director Retire by Rotation**

Pursuant to Section 152 of Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Sushil Kumar Aggarwal, Chairman & Whole Time director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment.

### **Independent Director**

Board of Directors has appointed Mr. Naubahar Singh (DIN: 07377882), Ms. Vandana Gupta (DIN: 00013488) and Ms. Prachika Agarwal (DIN: 08092194) on March 21, 2018 and later shareholder has approved their appointment by way of ordinary resolution passed on March 22, 2018 for a term of 5 year till 2023.

### **Executive Director**

Board of Directors in their meeting held on March 21, 2018 passed resolutions for appointment of Mr. Sushil Kumar Aggarwal, Director as Chairman & Whole Time Director and Mr. Sahil Aggarwal, Managing Director for reappointment of another term of 5 years as Managing Director and later shareholders agreed and passed above resolution on March 22, 2018 in General Meeting.

### **Non-Executive Director**

Board of Directors had appointed Mrs. Anita Aggarwal as Additional Director in their meeting held on December 26, 2017 and later the shareholders has also approved her appointment in their meeting dated March 22, 2018.

### **Change in Designation**

During the financial year 2017-18 the following changes in the designation of the Directors were affected:

Designation of Mr. Sushil Kumar Aggarwal, changed from Director to Chairman & Whole Time Director in the Board Meeting dated March 21, 2018 which was approved by the shareholders in their meeting held on March 22, 2018 for a period of 5 years commencing from March 21, 2018 to March 20, 2023.

Re-appointment of Mr. Sahil Aggarwal as Managing Director of the Company for another period of 5 years commencing from March 21, 2018 to March 20, 2023.

Designation of Mrs. Anita Aggarwal who was appointed on December 26, 2017 from Additional Director to Non-Executive director and Mr. Naubahar Singh, Mrs. Vandana Gupta & Ms. Prachika Agarwal were appointed on March 21, 2018 from Additional Independent Director to Independent director in the meeting of Shareholder held on March 22, 2018.

### **Key Managerial Personnel**

Board have appointed following Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.

Mr. Umesh Kumar Gupta and Mr. Shikhar Agarwal were appointed as Chief financial officer and Company Secretary and Compliance officer of the Company in the Board Meeting held on January 05, 2018. However Mr. Umesh Kumar Gupta resigned from his post w.e.f 31/08/2018 and Mr. Saurabh Khanna appointed as Chief financial officer in the Board Meeting held on September 05, 2018

## **15. NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors met 15 times during the financial year ended March 31, 2018 in accordance with the provisions of Companies Act 2013 and rules made thereunder. The intervening gap between two board meetings was within the period as prescribed under Companies Act 2013 and Secretarial Standard – 1. The prescribed quorum was presented for all the meetings and Directors have actively participated in the meetings and contributed valuable inputs on the matters brought before the board of Directors from time to time.

Date of Board meetings i.e. 23/05/2017, 29/06/2017, 30/06/2017, 15/07/2017, 30/08/2017, 01/11/2017, 21/11/2017, 26/12/2017, 02/01/2018, 05/01/2018, 17/01/2018, 29/01/2018, 05/03/2018 and rest two meetings on 21/03/2018.

Attendance of Board of Directors in the meeting.

S. No	Name of Directors	No. of Board Meetings	
		Held	Attended
1.	Sushil Kumar Aggarwal	15	15
2.	Sahil Aggarwal	15	15
3.	Anita Aggarwal	7	7
4.	Naubahar Singh	1	1
5.	Vandana Gupta	1	1
6.	Prachika Agarwal	1	1

## 16. COMMITTEES OF THE BOARD

Company have 4 (Four) Committees viz. Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and IPO Committee which has been established as a part of the better corporate practices and its compliance with the requirements of the relevant provisions of applicable laws and statutes.

### 1. Composition of Audit Committee

The board of Directors in their meeting held on March 21, 2018 constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act 2013.

During the year under review there is no meeting held during the financial year 2017-2018, Following are the members of Audit Committee.

Naubahar Singh	-	Chairman
Sahil Aggarwal	-	Member
Vandana Gupta	-	Member

### 2. Composition of Stakeholder Relationship Committee

The Board of Directors in their meeting held on March 21, 2018 constituted a Stakeholder Relationship Committee with the provisions of Section 178 of Companies Act 2013

During the year under review there is no meeting held during the financial year 2017-2018, Following are the members of Stakeholder Relationship Committee.

Vandana Gupta	-	Chairperson
Sushil Kumar Aggarwal	-	Member
Naubahar Singh	-	Member

### 3. Composition of Nomination & Remuneration Committee

The Board of Directors in their meeting held on March 21, 2018 constituted a Nomination & Remuneration Committee with the provisions of Section 178 of Companies Act 2013.

During the year under review there is no meeting held during the financial year 2017-2018, following are the members of Nomination & Remuneration Committee.

Sushil Kumar Aggarwal	-	Chairperson
Sahil Aggarwal	-	Member
Anita Aggarwal	-	Member

The Policy of Nomination & Remuneration Committee has been placed on the website of the Company [www.avonmpl.com](http://www.avonmpl.com) and the salient features of the same has been disclosed under "Annexure 4"

### 4. Composition of IPO Committee

The Board of Directors in their meeting held on March 21, 2018 constituted Initial Public offer Committee.

During the year under review, meeting of Initial Public offer Committee were held on March 21, 2018 following are the members of Committee:

Sushil Kumar Aggarwal	-	Chairman
Sahil Aggarwal	-	Member
Anita Aggarwal	-	Member



## **17. BOARD ANNUAL EVALUATION**

The provisions section 134(3) (p) of the Companies Act, 2013 to be read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated. The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination & Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to judge the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement & contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

The performance evaluation of the Independent Directors was carried out by the entire Board except the participation of concerned Independent Director whose evaluation was to be done. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and approved the evaluation results there of.

## **18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013, hence the same are not applicable to the company for the period under review.

## **19. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company have established a vigil mechanism, through a whistle Blower Policy, where Directors and employees can voice their genuine concerns & grievances about any unethical or unacceptable business practice. A whistle Blower mechanism not only helps the Company in detection of fraud, but is also used as Corporate Governance tool leading to prevention and deterrence of misconduct.

It provides direct access to the employees of the Company to approach the Compliance officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization.

The Whistle Blower is disclosed on the website of the Company at [www.avonmpl.com](http://www.avonmpl.com)

## **20. RISK MANAGEMENT**

The Board of Directors of the Company has evaluated a risk management to monitor the risk management plan for the Company. The audit Committee has additional oversight in the area of financial risks and control. Major risks identified by the business and functions are systematically address mitigating actions on a continuing basis.

The development and implementation of risk management has been convened in the Management Discussion and Analysis, which form part of Annual Report.

## **21. PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the financial year ended March 31, 2018, company didn't made any investments and not provided any loans pursuant to Section 186 of Companies Act, 2013 and rules made thereunder, However company gave guarantee to IDFC Bank on behalf of M/s. Bonita Furniture Private Limited as disclosed in AOC- 2.

## **22. AUDITORS**

### **A. STATUTORY AUDITOR**

The office of the Statutory Auditor for the Financial Year 2017-18 was vacated due to resignation by M/s Vinay Satya & Co., Chartered Accountants (Firm Reg. No. 010322C) vide their letter dated 31.10.2017 and in place of them M/s Sushil Lal & Associates, Chartered Accountants (Firm Reg. No. 021758N), a Firm peer reviewed by ICAI, were appointed as Statutory Auditor for the Financial Year 2017-18 by the Board of Directors in their Meeting held on 01.11.2017 and was subsequently approved by the shareholders in their Extra-ordinary General Meeting held on 30.11.2017, who shall hold office of auditor till the conclusion of ensuing Annual General Meeting.

A written consent/certificate regarding eligibility for their appointment as Statutory Auditor in accordance with

the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of section 139(2) of the Companies Act, 2013 has been received by the company.

The Board on recommendation of the Audit Committee has proposed appointment of **M/s Sushil Lal & Associates, Chartered Accountants**, as the Statutory Auditors of the Company for a period of 5 years to hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of 27th Annual General Meeting to be held in the financial Year ended 2023.

**Qualification(s) and Directors' comments on the report of Statutory Auditor:**

The Notes on Accounts and observations of the Auditors in their Report on the Accounts of the Company are self-explanatory and in the opinion of the Directors, do not call for any further clarification(s). However company is in process to update Fixed Assets register. Also, The report submitted by the Auditors is non qualified

**B. SECRETARIAL AUDITOR**

Pursuant to provision of section 204 of the Companies act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the provisions applicable on the date of Listing of equity shares of company i.e. July 26, 2018, company ensure that they will sooner appoint Secretarial Auditor under the provision.

**C. INTERNAL AUDITOR**

Pursuant to provision of section 138 of the Companies act, 2013 and rules framed thereunder, the provisions applicable on the date of Listing of equity shares of company i.e. July 26, 2018, company ensure that they will sooner appoint Internal Auditor under the provision.

**23. COMPLIANCE WITH SECRETARIAL STANDARD**

The Company has complied with all the applicable Secretarial Standard in the financial year 2017-18

**24. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

As per the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013" and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) at its workplaces. During the year, no complaints were filed with the Company.

**25. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company is well equipped with the adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organization to maintain the same standards of the control system and help them in managing defaults, if any, on timely basis because of strong reporting mechanism followed by the Company.

**26. EXTRACT OF ANNUAL RETURN**

The details forming part of extract of Annual Return under sub section 3 of Section 92 of the Companies Act, 2013 in Form MGT-9 is annexed herewith as "Annexure 1".

**27. PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

The particulars of contracts or arrangement, if any entered by the company with related parties under section 188 of the Companies Act, 2013 are shown in the annexure to this report and marked as "Annexure-2".

**28. PARTICULARS OF EMPLOYEES**

There is no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. Hence company is not required to give information as required under the provisions of Rule 5(2) & (3) of the Companies ((Appointment and Remuneration of Managerial Personnel) Rules 2014 are set out in Director's Report.

Further, the following details form part of Annexure 5 & 6 to the board Report

-Pursuant to Rule 5(2) of Companies ( Appointment & Remuneration of Managerial Personnel) Rule 2014 statement containing the names and other particulars of top ten employees in terms of Remuneration drawn by them in "Annexure – 5"

-Disclosure under Rule 5 of Companies (Appointment and Remuneration of Personnel) 2014 as "Annexure 6"

**29. FRAUD REPORTING**

There was no fraud disclosed during the financial year ended 2018.

### **30. CODE OF CONDUCT**

The Board of Directors has laid down the code of conduct for all Board Members and members of the Senior Management of the Company. Additionally, all Independent Directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 to be read with SEBI Listing Regulations, 2015.

All Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct.

### **31. CORPORATE GOVERNANCE REPORT**

Company is Listed on SME platform of National Stock Exchange of India Limited, by virtue of Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D & E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of its Board Report.

### **32. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF COMPANIES ACT, 2013**

All Independent Directors have given declarations under section 149(7) that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Rules made thereunder to be read with SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015.

### **33. POLICY OF PRESERVATION OF DOCUMENTS**

Pursuant to the Regulation 9 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 the company has maintained the policy of preservation of documents to keep the documents preserve as per Regulation 9(a) & 9(b) of SEBI (LODR) Regulations, 2015 and the same has been uploaded on the website of the Company on website of the Company.

### **34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

To the best of the Management's knowledge, no significant and material order(s) were passed by any regulator(s) or courts or tribunals which could impact the going concern status and company's operation in future.

### **35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO**

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are mentioned below:

#### **A) Conservation of Energy:**

The Company already using high end imported machines in manufacturing of plastic furniture hence the consumption of energy is at minimal level. However, the Company takes necessary steps in order to reduce the consumption of energy as much as it can and reduce the damage to the environment.

#### **B) Technology Absorption:**

i. The Company operates in an industry where the technology plays a major role in its output. We try to adopt the advance technology as per the need of the hour and teach the employees to implement it in the operations of the Company to increase the output and accuracy of its services.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution: Improvement in overall productivity, quality of the services and reduced process scrap and cost.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) The details of technology imported: Machinery for production unit

(b) The date of import: 02/02/2015

(c) Whether the technology been fully absorbed: Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable

#### **C) Foreign Exchange Earnings and Outgo:**

(a) The foreign exchange earned in terms of actual inflows during the year: Nil

(b) The foreign exchange outgo during the year in terms of actual outflow: Rs. 98,80,472.35

### **36. DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134(3) of the Companies Act 2013, the Directors, would like to state as follows:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have 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 & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the Company for that period ;
- (c) The Directors had taken proper & 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 & detecting fraud & other irregularities;
- (d) The Directors had prepared the Annual Accounts on a going concern basis;
- (e) The Directors had laid down Internal Financial Controls to be followed by the Company and such controls are adequate and are 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.

### **37. ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including Financial Institutions, Banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review. Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued stakeholders.

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707**

**Sahil Aggarwal  
Managing Director  
DIN: 02515025**

**Date: 05/09/2018  
Place: Ghaziabad**

<b>EXTRACT OF ANNUAL RETURN</b>	
As on financial year ended on 31.03.2018	
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014	

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>	
1	CIN U25200UP1996PLC101013
2	Registration Date 01/07/1996
3	Name of the Company <b>AVON MOLDPLAST LIMITED</b>
4	Category of the Company Company Limited by Shares
5	Sub-category of the Company Indian Non-Government Company
6	Address of the Registered office & contact details A-7/36-39, South of G.T.Road Industrial Area Electrosteel Casting Compound Ghaziabad Ghaziabad - 201009 UP Contact: 0120-4376091
7	Whether listed company NSE EMERGE
8	Name, Address & contact details of the Registrar & Transfer Agent, if any. Name: Mas Services Ltd Add: T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi-110020 Ph.: 011 - 26387281/82/83

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture & Trading of Plastic Molded Furniture	36103	86.24%
2	Manufacture & Trading of Granules (polymer/others)	25209	13.76%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	-	-	-	-	-

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	10,80,000	10,80,000	68.35%	-	22,20,000	22,20,000	93.67%	
b) <del>State Govt</del> <del>Govt</del>	=	=	=	0.00%	=	=	=	0.00%	
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	
f) Any other	-	-	-	0.00%	-	-	-	0.00%	
<b>Sub Total (A) (1)</b>	-	<b>10,80,000</b>	<b>10,80,000</b>	<b>68.35%</b>	-	<b>22,20,000</b>	<b>22,20,000</b>	<b>93.67%</b>	
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	
d) Any other	-	-	-	0.00%	-	-	-	0.00%	
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	
<b>TOTAL (A)</b>	-	<b>10,80,000</b>	<b>10,80,000</b>	<b>68.35%</b>	-	<b>22,20,000</b>	<b>22,20,000</b>	<b>93.67%</b>	
<b>B. Public</b>									
<b>Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	

i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>0.00%</b>
<b>2. Non-Institutions</b>																			
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
i) Indian	-	5,00,000	5,00,000	5,00,000	31.65%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
ii) Overseas	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
b) Individuals	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	0.00%	-	-	1,50,000	-	-	-	-	-	-	-	-	1,50,000	-	6.33%
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Overseas Corporate Bodies	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Foreign Nationals	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Clearing Members	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Trusts	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Foreign Bodies - D R	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
<b>Sub-total (B)(2):-</b>	-	5,00,000	5,00,000	5,00,000	31.65%	-	-	1,50,000	-	-	-	-	-	-	-	-	1,50,000	-	<b>6.33%</b>
<b>Total Public (B)</b>	-	5,00,000	5,00,000	5,00,000	31.65%	-	-	1,50,000	-	-	-	-	-	-	-	-	1,50,000	-	<b>6.33%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>																			
	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
<b>Grand Total (A+B+C)</b>	-	15,80,000	15,80,000	15,80,000	100.00%	-	-	23,70,000	-	-	-	-	-	-	-	-	23,70,000	-	<b>100.00%</b>

**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SUSHIL KUMAR AGGARWAL	4,20,000	26.58%	0	7,80,000	32.91%	0	6.33%
2	SAHIL AGGARWAL	2,50,000	15.82%	0	4,50,000	18.99%	0	3.16%
3	ANITA AGGARWAL	4,10,000	25.95%	0	6,90,000	29.11%	0	3.16%

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Sushil Kumar Aggarwal</b>				
	At the beginning of the year	420000	26.58	420000	26.58
	Acquisition of Shares by transfer of Shares dated November 01, 2017			100000	6.33
	Allotment of Shares by way of bonus shares dated January 29, 2018			260000	10.97
	At the end of the year			780000	32.91
2	<b>Sahil Aggarwal</b>				
	At the beginning of the year	250000	15.82	250000	15.82
	Acquisition of Shares by transfer of Shares dated November 01, 2017			50000	3.16
	Allotment of Shares by way of bonus shares dated January 29, 2018			150000	6.33
	At the end of the year			450000	18.99



3	<b>Anita Aggarwal</b>				
	At the beginning of the year	410000	25.95	410000	25.95
	Acquisition of Shares by transfer of Shares dated November 01, 2017			50000	3.16
	Allotment of Shares by way of bonus shares dated January 29, 2018			230000	9.7
	At the end of the year			690000	29.11

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

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Net Changes during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	M/s. Antriksh Commerce pvt ltd	50000	3.16	-	-	-3.16
2	M/s. Prism Commercial Pvt Ltd	50000	3.16	-	-	-3.16
3	M/s. JLB Mercantile Pvt Ltd	100000	6.33	-	-	-3.16
4	M/s. Mirania Mercantiles Pvt Ltd	50000	3.16	-	-	-3.16
5	M/s. Navictive Traders Pvt Ltd	50000	3.16	-	-	-3.16
6	M/s. Navifast commercial Pvt Ltd	50000	3.16	-	-	-3.16
7	M/s. Navilene Commodities Pvt Ltd	50000	3.16	-	-	-3.16
8	M/s. Nipu Commercial Pvt Ltd	50000	3.16	-	-	-3.16
9	M/s. Purna Marketing Pvt Ltd	50000	3.16	-	-	-3.16
10	Kundita Aggarwal	-	-	75000	3.16	3.16
11	Nikhil Aggarwal	-	-	75000	3.16	3.16
12	Sushil Aggarwal HUF	-	-	75000	3.16	3.16
13	Sahil Aggarwal HUF	-	-	75000	3.16	3.16
14	Yash Khandelwal	-	-	75000	3.16	3.16
15	Manju Khandelwal	-	-	75000	3.16	3.16

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>	
		<b>No. of shares</b>	<b>% of total shares</b>
<b>1</b>	<b>Sushil Kumar Aggarwal (Chairman &amp; Whole Time Director)</b>		
	At the beginning of the year	420000	26.58
	Acquisition of Shares by transfer of Shares dated November 01, 2017	100000	6.33
	Allotment of Shares by way of bonus shares dated January 29, 2018	260000	10.97
	At the end of the year	780000	32.91
<b>2</b>	<b>Sahil Aggarwal (Managing Director)</b>		
	At the beginning of the year	250000	15.82
	Acquisition of Shares by transfer of Shares dated November 01, 2017	50000	3.16
	Allotment of Shares by way of bonus shares dated January 29, 2018	150000	6.33
	At the end of the year	450000	18.99
<b>3</b>	<b>Anita Aggarwal (Director)</b>		
	At the beginning of the year	410000	25.95
	Acquisition of Shares by transfer of Shares dated November 01, 2017	50000	3.16
	Allotment of Shares by way of bonus shares dated January 29, 2018	230000	9.7
	At the end of the year	690000	29.11
<b>4</b>	<b>Naubahar Singh (Independent Director)</b>		
	At the beginning of the year	0	-
	Changes (if any)	0	-
	At the end of the year	0	-
<b>5</b>	<b>Vandana Gupta (Independent Director)</b>		
	At the beginning of the year	0	-
	Changes (if any)	0	-
	At the end of the year	0	-
<b>6</b>	<b>Prachika Agarwal (Independent Director)</b>		
	At the beginning of the year	0	-
	Changes (if any)	0	-

	At the end of the year	0	-
7	<b>Umesh Kumar Gupta (Chief Financial Officer)</b>		
	At the beginning of the year	0	-
	Changes (if any)	0	-
	At the end of the year	0	-
8	<b>Shikhar Agarwal (Company Secretary)</b>		
	At the beginning of the year	0	-
	Changes (if any)	0	-
	At the end of the year	0	-

<b>V. INDEBTEDNESS</b>					
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. Rupees)	
				Total Indebtedness	
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	3,33,93,226.00	58,14,000.00	-	3,92,07,226.00	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	<b>3,33,93,226.00</b>	<b>58,14,000.00</b>	<b>-</b>	<b>3,92,07,226.00</b>	
<b>Change in Indebtedness during the financial year</b>					
* Addition				-	
* Reduction	16,56,462.00	12,70,931.00		29,27,393.00	
<b>Net Change</b>	<b>16,56,462.00</b>	<b>12,70,931.00</b>	<b>-</b>	<b>29,27,393.00</b>	
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	2,87,24,821.00	45,43,069.00	-	3,32,67,890.00	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	91,115.00	-	-	-	
<b>Total (i+ii+iii)</b>	<b>2,88,15,936.00</b>	<b>45,43,069.00</b>	<b>-</b>	<b>3,32,67,890.00</b>	

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>					
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>					
S. No.	Particulars of Remuneration			Total Amount (Rupees)	
	Name	Designation	Name of MD/WTD/ Manager		
1	Gross salary		Sushil Kumar Aggarwal Managing Director	Whole Time Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,38,000.00	2,88,000.00	5,26,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
			2,38,000.00	2,88,000.00	5,26,000.00
			Total (A)		
			Ceiling as per the Act		

### B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees)
1	Independent Directors	NAUBAHAR SINGH	VANDANA GUPTA	PRACHIKA AGARWAL	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	ANIT AGGARWAL	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	1,16,000.00	-	-	1,16,000.00
	Total (2)	-	-	-	1,16,000.00
	Total (B)=(1+2)	-	-	-	1,16,000.00
	Total Managerial Remuneration	-	-	-	1,16,000.00
	Overall Ceiling as per the Act	-	-	-	1,16,000.00

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rupees)
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary	-	UMESH KUMAR GUPTA	SHIKHAR AGARWAL	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,34,400.00	1,01,250.00	5,35,650.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-

5	Others, please specify	-	-	-	-	-
	<b>Total</b>			<b>4,34,400.00</b>	<b>1,01,250.00</b>	<b>5,35,650.00</b>

<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
<b>A. COMPANY</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>B. DIRECTORS</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-

**"On Behalf of the Board of Directors  
For AVON MOLPLAST LIMITED"**

"SUSHIL KUMAR AGGARWAL  
Chairman & Whole Time Director  
DIN:00248707  
Add: D-48, Sector - 47 Noida 201301"

"SAHIL AGGARWAL  
Managing Director  
DIN:02515025  
Add: D-48, Sector - 47 Noida 201301"

Date: 05/09/2018  
Place: Ghaziabad

## FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

Details of contracts or arrangements or transactions not at Arm's Length basis			
1	a)	Name(s) of the related party and nature of relationship	-
	b)	Nature of contracts/arrangements/ transactions	-
	c)	Duration of the contracts/ arrangements/ transactions	-
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
	e)	Justification for entering into such contracts or arrangements or transactions.	-
	f)	Date(s) of approval by the Board	-
	g)	Amount paid as advances, if any	-
	h)	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188.	-

Detail of material contracts or arrangement or transactions at Arm's Length basis			
2	a)	Name(s) of the related party and nature of relationship	As per annexure
	b)	Nature of contracts/arrangements /transactions	As per annexure
	c)	Duration of the contracts/arrangements/ transactions	Going concern
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per annexure
	e)	Date(s) of approval by the Board, if any	02/01/2017
	f)	Amount paid as advances, if any	As per annexure

### List of Related Parties

**a) Individuals owning an interest in the voting power of the reporting enterprise that gives them significant influence over the enterprise:**

- i) Mr. Sushil Kumar Aggarwal
- ii) Mr. Sahil Aggarwal
- iii) Mrs. Anita Aggarwal

**b) Key Managerial Personnel**

None

**c) Enterprises over which (a) & (b) above, are able to exercise significant influence**

	<b><u>NAME</u></b>	<b><u>RELATIONSHIP</u></b>
1	Bonita Furniture Private Limited	Significant Influence

**Following are the transactions with the entities in which the members of Board of directors are interested**

S. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	6,42,000 (1,92,000)	Nil (Nil)	Nil (Nil)
2	Purchase of Furniture	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	4,65,68,405 (Nil)
3	Loan Taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	72,35,069 (1,89,20,000)	Nil (Nil)	Nil (Nil)
4	Purchase of Capital Items	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Repayment of Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	85,06,000 (1,50,57,157)	Nil (Nil)	Nil (Nil)
6	Job Work Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	16,30,624 (Nil)
7	Rent of Moulds	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,96,240 (Nil)
8	Sales	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	30,18,440 (Nil)
9	<b>Outstanding as on 31.03.2018</b>						
	a) Amount Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)



	b) Amount Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	45,43,069 (58,14,000)	Nil (Nil)	Nil (Nil)
	d) Guarantee given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,14,60,000 (1,64,00,000)

**Note:**

a) Figures in bracket represent previous year amounts.

b) No amount has been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

On behalf of the Board of Directors  
For Avon Moldplast Limited

Date: 05/09/2018  
Place: Ghaziabad

SUSHIL KUMAR AGGARWAL  
Whole Time Director  
DIN: 00248707

SAHIL AGGARWAL  
Managing Director  
DIN: 02515025

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENT

The Company maintains its view that there is ample growth opportunity for plastic business due to continued focus of the government on Swachh Bharat Abhiyan, infrastructure development and ease of doing business in the country.

The Company is investing in machineries to increase its production capacities and mould to add newer products range and enter into pallets and waste management products. The Company recognize the opportunity and take appropriate steps. The Company is also expanding its territory and focusing on Pan India networking. The Management is confident that the efforts taken by the Company will fetch good results.

### Opportunities

Looking at continuous focus of Indian Government on various scheme such as focus on infrastructure development, Swachh Bharat Abhiyan, plastic industry is bound to get benefit. Further the outlook for the monsoon appears encouraging which should provide the much needed support to the rural economy. This is also expected to lead to improved consumer demand.

Consumption of plastic is increasing and your Company is determined to emerge as a major player with quality product. Your Company is also focusing on growing in international market specially in under-developed countries to export its products in future.

### Challenges

Any major upward movement in the Crude Prices could change the inflationary scenario impacting on input prices and the margin of the Company. Further the frequent changes in regulatory laws, may create additional compliance burden on the Company.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal financial control procedures commensurate with its size and nature of business. The Company has appropriate management who time to time give suggestions for improvements and handles all internal control in the company effectively. The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls.

As a matter of proactive planning, the Board has also constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records. The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors and the Audit Committee of the Board of Directors.

## RISK MANAGEMENT

Your Company is exposed to business risk which may be internal or external risk, requiring quick adaptability to tackle different business risks. To ensure our long term corporate success, it is essential to identify, analyze and mitigate risk by appropriate control measures. The Company has laid down procedures and informed the Board & Audit Committee about risk assessment and minimization procedures.

The identified risks are reviewed and evaluated on continues basis and suitable steps are timely taken to mitigate the same. The implementation of various strategies to control the said risk is monitored regularly. The Board reviews the Risk Management process periodically.

The Company has exposure to foreign currency required to make payment in foreign currency for import of machinery and molds. The change in the exchange rate between the US Dollar and the Indian Rupee may have negative impact on the Company's result and financial condition. The Company many times don't hedge the currency exposure and takes advantage of its natural hedge by exports of moulded articles.

The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods. The Company apart from passing the cost to end user also manages these risks in inventory management etc.

The Company developed new products to meet the growing demand and customer needs. Although the competition in the market may be increasing, your Company is able to control the same by strategic planning and improved manufacturing process.

## **HUMAN RESOURCES**

Intellectual capital is one of the key resources for the Company to ensure business sustainability and growth. The Company recognizes the importance and contribution of its human resources for its growth & development and values their talent, integrity and dedication. The Company offers a highly entrepreneurial culture with a team based approach that we believe encourages growth and motivates its employees. The Company has been successful in attracting and retaining key professionals and intends to continue to seek fresh talent to further enhance and grow its business. The management believes that the key factor behind all achievements is the trust the Management placed in its employees.

## **CAUTIONARY STATEMENT**

Certain statements in the reports of the Board of Directors and Management's Discussions and Analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**Sushil Kumar Aggarwal  
Chairman & Whole Time Director  
DIN: 00248707**

**Date: 05/09/2018  
Place: Ghaziabad**

## **Annexure - 4**

# **GIST OF POLICY OF NOMINATION & REMUNERATION COMMITTEE OF THE COMPANY**

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Criteria for identifying persons who are qualified to be appointed as Director/KMP/ Management Personnel / Other Employees of the Company:

i. The committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, SEBI (Listing Regulations and Disclosure Requirements), Regulations, 2015 or any other enactment for the time being in force.

Tenure

### **i. Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **ii. Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

### **iii. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

### **iv. Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

### **Remuneration**

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **i. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force within the limits as approved by the members.

### **ii. Non-Executive Directors**

The Non-Executive Independent Director will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option.

### **iii. Senior Management Personnel / KMPs**

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel shall be decided by the Managing Director & Whole Time Director of the Company.

### **iv. Other Employees**

The power to decide structure of remuneration for other employees has been delegated to the Managing Director & Whole Time Director of the Company or any other employee that the Managing Director & Whole Time Director may deem fit.

#### **Diversity**

The Board shall at all times promote and welcome diversity, equal opportunities and gender mix in its composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.

#### **Amendment(s)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

## Annexure - 5

### PARTICULARS OF EMPLOYEES AS PER RULES 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF PERSONNEL) RULES, 2014

Sr. No	Name & Designation of employee	Remuneration Received	Nature of Employment	Qualification	Commence of Employment	Age	Relative of any Director/ Manager of the Company
1	Umesh Kumar Gupta (Chief Financial officer)	456000	Non-Contractual	MBA	06/04/2009	34	NA
2	Ghanshyam Singh (Manager Accounts)	324000	Non-Contractual	MBA	08/08/2011	31	NA
3.	Sushil Kumar Aggarwal (Chairman & Whole Time Director)	288000	Non-Contractual	Graduation	28/09/2002	57	Father of Mr. Sahil Aggarwal, Managing Director & Husband of Mrs. Anita Aggarwal, Director
4	Rakesh Kumar (Marketing head)	264000	Non-Contractual	MBA - Marketing	25/05/2008	34	NA
5	Vikas Bhatia (Marketing head)	264000	Non-Contractual	MBA - Marketing	29/08/2013	43	NA
6	Jitendra Sharma (Manager Accounts)	264000	Non-Contractual	Graduation	06/07/2016	34	NA
7	Arun Tripathy (Accounts officer)	264000	Non-Contractual	Graduation	01/11/2016	33	NA
8	Sahil Aggarwal (Managing Director)	238000	Non-Contractual	Alumni of Signapore	02/12/2009	29	Son of Mr. Sushil Kumar Aggarwal, Chairman and Mrs. Anita Aggarwal, Director
9	Prakash Manjrekar (V.P Marketing)	200000	Non-Contractual	MBA - Marketing	01/12/2017	49	NA
10	Avinash Srivastava (H.R - Head)	154000	Non-Contractual	MBA - HR	01/07/2017	34	NA

## ANNEXURE - 6

### DISCLOSURES UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the Remuneration of each director to the median remuneration of the employees 2017-18:

Sr. No	Name of Director	Remuneration	Median Remuneration	Ratio
1	Sushil Kumar Aggarwal	288,000	88,800	3.24
2	Sahil Aggarwal	238,000	88,800	2.68
3	Anita Aggarwal	116,000	88,800	1.31

2. The percentage increase in remuneration of each director, chief financial officer, Chief Executive officer or Manager, if any, in the Financial Year 2017-18:

Sr. No	Name of Director	Designation	Ratio
1	Sushil Kumar Aggarwal	Chairman & Whole Time Director	2.16
2	Sahil Aggarwal	Managing Director	1.71
3	Anita Aggarwal	Non-Executive Director	NA
4	Umesh Kumar Gupta	Chief Financial Officer	NA
5	Shikhar Agarwal	Company Secretary	NA

3. The percentage increase in the median remuneration of employees in the Financial year 2017-18 is 34

4. The number of permanent employees in the median remuneration on the rolls of company in the financial year. The Company has 34 employees on its roll.

5. Average Remuneration increase already made in the salaries of Employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase circumstances for increase in the managerial remuneration and justification and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Remuneration increase of non-managerial personnel of the Company during the Financial Year was 11% and average remuneration increase in the managerial personnel was nil. Increase in remuneration is dependent on the Company's performance as a whole, individual performance level and also market benchmarks.

6. Affirmation that remuneration is as per the remuneration policy of the Company. It is affirmed that the remuneration paid is as per the remuneration policy of the company.

# CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

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We, Sahil Aggarwal, Managing Director and Umesh Kumar Gupta, Chief Financial officer, of Avon Moldplast Limited do hereby confirm and certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year and that to the best of my knowledge and belief:

A) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

B) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violation of the listed entity's code of conduct.

3. We accept responsibility for establishing and maintaining internal control for financial reporting and have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and have disclosed to the auditor along with the audit committee, deficiencies in the design or operation of such internal control(s), if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

4. During the year under reference:

A) there were no significant changes in internal control system over financial reporting;

B) there were no significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements; and

C) there were no instance(s) of significant fraud involved therein, if any, of which the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**Umesh Kumar Gupta  
Chief Financial Officer**

**Sahil Aggarwal  
Managing Director**

**Date: 23/08/2018**

**Place: Ghaziabad**



# INDEPENDENT AUDITOR'S REPORT

To the members of  
M/s. Avon Moldplast Ltd. (Formerly known as Avon Moldplast Private Ltd.)

## Report on the Financial Statements

We have audited the accompanying financial statements of Avon Moldplast Ltd. ("the Company") which comprise the Balance Sheet as on March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date 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 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 thereunder and the Order under Section 143 (11) of the Act.

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 misstatements.

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 statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit;

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

C) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

D) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

E) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.

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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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:

1. The Company does not have any pending litigation which would impact its financial position.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government 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 paragraph 3 and 4 of the Order, to the extent applicable.

**For Sushil Lal & Associates**  
**Chartered Accountants**  
**FRN No.: 021758N**

**Rajib Kumar Karn**  
**Partner**  
**Membership No.: 304483**

**Date: 23/08/2018**  
**Place: Ghaziabad**

# **“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT FOR THE YEAR ENDED MARCH 31, 2018**

(Referred to in Paragraph 1 under the Heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

1. In respect of fixed assets:

A) The Company’s fixed asset register, showing full particulars including quantitative details and situation remained pending for updation during the year. However, the Company is in process of updating the Fixed Assets Register.

B) The Company has a program of physical verification of fixed assets. Major fixed assets have been physically verified by the management during the year. The management foresees no significant discrepancies even in the absence of complete physical verification and pending updation of fixed assets register.

C) According to the information and explanations given to us, the record examined by us and based on the examination of the title deeds, the immovable properties of land and building are held in the name of the Company as at the Balance Sheet date.

2. The inventory, except goods-in-transit and stocks lying with the third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmation has been obtained and in respect of goods-in-transit, subsequent goods receipt have been verified or confirmations have been obtained from those parties. The discrepancies noticed on verification between the physical stocks and the book records were adjusted in the books of accounts.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Though the Company has granted guarantee to the Associate Company and has accordingly maintained the register.

4. According to the information and explanations given to us, the Company has granted guarantee to the Associate Company and the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

6. In our opinion and according to the information and explanations given to us, during the year reporting under clause(vi) maintenance of cost records, of the Order is not applicable to the Company.

7. In respect of statutory dues:

A) According to the information and explanations given to us and on the basis of our examination of the records of the Company amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State insurance, Income-tax, Sales-Tax, Wealth Tax, Service tax, Duty of Custom, Duty of Excise, value added tax, cess, Goods and Services Tax (GST) and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

B) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State insurance, Income-tax, Sales-Tax, Wealth Tax, Service tax, Duty of Custom, Duty of Excise, value added tax, cess, Goods and Service Tax (GST) and any other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they become payable.

8. According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

9. According to the information and explanations given to us, and based on the records of the Company, the

Company has not defaulted in the payment of loans or borrowings to financial institutions, Banks, Government and debenture holders.

10. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company has not been noticed or reported during the year nor have we been informed of such case by the management.

11. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

12. 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 to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act, and where applicable the details have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given 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.

16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Sushil Lal & Associates**  
**Chartered Accountants**  
**FRN No.: 021758N**

**Rajib Kumar Karn**  
**Partner**  
**Membership No.: 304483**

**Date: 23/08/2018**  
**Place: Ghaziabad**

# **“Annexure B” to Independent Auditors’ Report for the year ended March 31, 2018**

(Referred to in Paragraph 2(f) under the Heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

## **Report on the Internal Financial Controls Over Financial Reporting 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 Avon Moldplast Ltd. (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, however, internal control needs to be strengthened, 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 Sushil Lal & Associates**  
**Chartered Accountants**  
**FRN No.: 021758N**

**Rajib Kumar Karn**  
**Partner**  
**Membership No.: 304483**

**Date: 23/08/2018**  
**Place: Ghaziabad**

# BALANCE SHEET AS ON MARCH 31, 2018

	Note No.	Figures as at March 31, 2018	Figures as at March 31, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	23,700,000	15,800,000
(b) Reserves and surplus	3	44,094,766	11,066,966
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	16,810,923	18,467,385
(b) Deferred tax liabilities (net)	5	-	305,635
(c) Long-term provisions	6	443,579	-
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	16,548,082	20,739,841
(b) Trade payables	8	44,230,887	27,984,357
(c) Other current liabilities	9	8,183,642	6,850,494
(d) Short-term provisions	10	3,126,893	306,684
<b>TOTAL</b>		<b>157,138,772</b>	<b>101,521,361</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	11	76,113,877	39,233,044
(ii) Intangible assets		-	-
(b) Deferred tax assets (net)	5	8,020	-
(c) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	12	15,645,227	15,518,927
(b) Trade receivables	13	52,166,649	32,219,703
(c) Cash and cash equivalents	14	3,096,241	3,027,080
(d) Short-term loans and advances		-	-
(e) Other current assets	15	10,108,758	11,522,608
<b>TOTAL</b>		<b>157,138,772</b>	<b>101,521,361</b>
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1-23		

As per our Report of even date attached

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**For Sushil Lal & Associates  
Chartered Accountants  
FRN No.: 021758N**

**For Sushil Lal & Associates  
Chartered Accountants  
FRN No.: 021758N**

**Sahil Aggarwal  
Managing Director  
DIN: 02515025**

**Rajib Kumar Karn  
Partner  
Membership No.: 304483**

**Shikhar Agarwal  
Company Secretary  
PAN-BDUPA5568F**

**Umesh Kumar Gupta  
Chief Financial Officer  
PAN-AIFPG9737M**

**Date: 23/08/2018  
Place: Ghaziabad**

# PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations	16	268,928,038	137,921,517
II. Other Income	17	581,459	584,734
<b>III. Total Revenue (I +II)</b>		<b>269,509,497</b>	<b>138,506,251</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	18	161,253,763	100,578,721
Purchases of Stock-in-trade		38,768,500	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(4,422,779)	(968,272)
Employee benefits expense	20	4,582,284	2,499,808
Finance costs	21	3,015,916	3,818,754
Depreciation and amortization expense	11	11,911,998	9,563,743
Other expenses	22	42,593,486	21,482,547
<b>Total Expenses</b>		<b>257,703,168</b>	<b>136,975,301</b>
V. Profit before exceptional items and tax (III - IV)		11,806,329	1,530,950
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>11,806,329</b>	<b>1,530,950</b>
VIII. Extraordinary items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>11,806,329</b>	<b>1,530,950</b>
X. Tax expense:			
(1) Current tax		3,470,537	306,684
(2) Deferred tax		(188,377)	(142,048)
<b>XI. Profit(Loss) for the year from continuing operations (IX-X)</b>		<b>8,524,169</b>	<b>1,366,314</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinued operations		-	-
XIV. Profit/(Loss) from Discontinued operations after tax (XII-XIII)		-	-
<b>XV. Profit/(Loss) for the year (XI + XIV)</b>		<b>8,524,169</b>	<b>1,366,314</b>
XVI. Earning per equity share: (equity share of Rs. 10/- each)			
(1) Basic ( )		3.60	1.44
(2) Diluted ( )		3.60	1.44
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1-23		

As per our Report of even date attached

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**For Sushil Lal & Associates  
Chartered Accountants  
FRN No.: 021758N**

**Sushil Kumar Aggarwal  
Chairman  
DIN: 00248707**

**Sahil Aggarwal  
Managing Director  
DIN: 02515025**

**Rajib Kumar Karn  
Partner  
Membership No.: 304483**

**Shikhar Agarwal  
Company Secretary  
PAN-BDUPA5568F**

**Umesh Kumar Gupta  
Chief Financial Officer  
PAN-AIFPG9737M**

**Date: 23/08/2018  
Place: Ghaziabad**



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation from continuing operations	11,806,329	1,530,950
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	11,911,998	9,563,743
Finance Costs	3,015,916	3,818,754
(Profit)/Loss on sale of Fixed Assets/ Adjustment	(183,569)	(14,683)
<b>Operating profit before working capital changes</b>	<b>26,550,674</b>	<b>14,898,764</b>
<b>Movements in Working Capital</b>		
Adjustments for (Increase )/Decrease in Operating Assets		
(Increase)/Decrease in Trade receivables	(19,946,946)	(14,586,725)
(Increase)/Decrease in Inventories	(126,300)	317,573
(Increase)/Decrease Deferred Tax Assets	(8,020)	-
(Increase)/Decrease Other Current Assets	1,413,850	(888,661)
(Increase)/Decrease in Operating Activities due to adjustment	486,567	-
Adjustments for Increase /(Decrease) in Operating Liabilities		
Increase/(Decrease) in Trade Payables	16,246,530	15,991,525
Increase/(Decrease) in Other Current Liabilities	1,333,148	3,858,170
Increase/(Decrease) in deferred tax Liabilities	(305,635)	-
Increase/(Decrease)in Long Term Provisions	443,579	-
Increase/(Decrease) in Short- Term Provisions	2,820,209	109,101
Increase/(Decrease) in Operating Activities due to adjustment	(405,422)	-
<b>Cash flow from operations</b>	<b>1,951,559</b>	<b>4,800,983</b>
Taxes	(3,470,537)	(306,684)
Deferred Tax	188,377	-
<b>Net Cash generated from operating activities(A)</b>	<b>25,220,074</b>	<b>19,393,063</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed (tangible) assets	(17,286,775)	(14,897,460)
Proceeds from Sale of Fixed (tangible) Assets	1,000,000	1,708,501
<b>Net cash used in investing activities</b>	<b>(16,286,775)</b>	<b>(13,188,959)</b>
<b>C. CASH FLOW FROM /FINANCING ACTIVITIES</b>		
Proceeds of Long Term Borrowings	(1,656,462)	(4,588,383)
Proceeds of Short Term Borrowings	(4,191,759)	4,891,335
Finance Costs	(3,015,916)	(3,818,754)
<b>Net cash generated from/(used in) financing activities</b>	<b>(8,864,138)</b>	<b>(3,515,802)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A + B + C )</b>	<b>69,161</b>	<b>2,688,302</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,027,080</b>	<b>338,778</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,096,241</b>	<b>3,027,080</b>

**By Order of the Board of Directors  
For Avon Moldplast Limited**

**For Sushil Lal & Associates  
Chartered Accountants  
FRN No.: 021758N**

**Sushil Kumar Aggarwal  
Chairman  
DIN: 00248707**

**Sahil Aggarwal  
Managing Director  
DIN: 02515025**

**Rajib Kumar Karn  
Partner  
Membership No.: 304483**

**Shikhar Agarwal  
Company Secretary  
PAN-BDUPA5568F**

**Umesh Kumar Gupta  
Chief Financial Officer  
PAN-AIFPG9737M**

**Date: 23rd August, 2018  
Place: Ghaziabad**

## NOTES TO FINANCIAL STATEMENTS (BS NOTES\_LIAB)

	As at March 31, 2018	As at March 31, 2017
<b>Note 2 : Share Capital</b>		
<b>Authorised Share Capital</b>		
50,00,000 (P/Y 2,50,000 ) Equity Shares of Rs.10/-(P/Y 100/-) each	5,00,00,000	2,50,00,000
<b>Issued, Subscribed &amp; Fully paid up</b>		
23,70,000 (P/Y 1,58,000) Equity Shares of Rs.10/- (P/Y 100/-) each	2,37,00,000	1,58,00,000
<b>Total</b>	<b>2,37,00,000</b>	<b>1,58,00,000</b>

### A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	March 31, 2018		March 31, 2017	
	No. of Shares		No. of Shares	
At the beginning of the period	1,58,000	1,58,00,000	1,58,000	1,58,00,000
Adjustment due to reduction in share price	14,22,000	-	-	-
Add: Bonus shares issued during the period	7,90,000	79,00,000	-	-
<b>Outstanding at the end of the period</b>	<b>23,70,000</b>	<b>2,37,00,000</b>	<b>1,58,000</b>	<b>1,58,00,000</b>

The company has allotted fully paid up shares by way of bonus shares and reduction in share price of Rs.100 to Rs. 10 due to that the number of shares of the company has increased during the current period.

### B. Terms/ Right attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/-(Previous year Rs.100/-) per share. Each holder of equity shares is entitled to one vote per share. When the company declares and pays interim and final dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### C. Details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Anita Aggarwal	6,90,000	29.11%	41,000	25.95%
Sahil Aggarwal	4,50,000	18.99%	25,000	15.82%
Sushil Kumar Aggarwal	7,80,000	32.91%	42,000	26.58%
JLB Mercantile Pvt. Ltd.	-	-	10,000	6.33%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

As at  
March 31, 2018      As at  
March 31, 2017

<b>Note 3 : Reserves and surplus</b>		
<b>a) General Reserve</b>		
Opening Balance	25,00,652	15,50,357
Less : Bonus Share Issued	7,00,000	-
Add: Transferred from statement of Profit & Loss	13,66,314	9,50,295
Add: Adjustment for earlier years	81,144	-
Closing Balance	<b>32,48,110</b>	<b>25,00,652</b>
<b>b) Securities Premium Account</b>		
Opening Balance	72,00,000	72,00,000
Less : Bonus Share Issued	72,00,000	-
Closing Balance	-	<b>72,00,000</b>
<b>c) Revaluation Reserve Account</b>		
Opening Balance	-	-
Add: Addition during the year	3,23,22,487	-
Closing Balance	<b>3,23,22,487</b>	-
<b>d) Surplus/(deficit) in the statement of Profit &amp; Loss</b>		
Opening Balance	13,66,314	9,50,295
Add: Profit for the year	85,24,169	13,66,314
Less: Transferred to General Reserve	13,66,314	9,50,295
Closing Balance	<b>85,24,169</b>	<b>13,66,314</b>
<b>Total</b>	<b>4,40,94,766</b>	<b>1,10,66,966</b>

**Note 4 : Long Term Borrowings**

<b>Secured</b>		
HDFC Bank	8,76,281	12,50,000
IDFC Bank	-	1,37,694
IDFC Bank	53,82,740	67,88,246
Kotak Mahindra Bank	10,84,649	-
ICICI Bank	94,67,253	1,02,91,445
<b>Total</b>	<b>1,68,10,923</b>	<b>1,84,67,385</b>

**\* Principal terms of Term Loans are:**

- 1) All Term Loans are secured by securities which are given below.
- 2) Principal and interest are payable on monthly Installment basis.
- 3) Rate of interest of term loans are given below.
- 4) The Company does not have any Long Term Borrowings from promoters/group companies/ subsidiaries/ associate companies/related parties as per Accounting Standard-18.

As at                      As at  
March 31, 2018    March 31, 2017

**Details regarding nature of securities and rate of interest**

Particular	As at March 31, 2018		As at March 31, 2017	
	Amount	Interest rate	Amount	Interest rate
<b>Term Loans</b>				
HDFC, Noida (Secured against Hyundai Creta car)	8,76,281	9.25%	12,50,000	9.25%
IDFC Bank, Sector-18, Noida (U.P.) (Secured against-Hypothecation of Fixed Asset)	-	-	1,37,694	10.05%
IDFC Bank, Sector-18, Noida (U.P.) (Secured against-Hypothecation of Fixed Asset)	53,82,740	9.70%	67,88,246	10.05%
Kotak Mahindra Prime Ltd.(Secured against-Honda City Car)	10,84,649	8.30%	-	8.30%
ICICI Bank-Sec-50,Noida,U.P (Secured against House property of Director Mr. Sushil Aggarwal)	94,67,253	10.00%	1,02,91,445	10.00%
<b>Total</b>	<b>1,68,10,923</b>		<b>1,84,67,385</b>	

**Note 5 : Deferred Tax (Assets)/Liabilities (net)**

Opening Balance	3,05,635	4,47,683
Deferred Tax (Assets)/Liabilities for the year	(1,88,377)	(1,42,048)
Adjustment for earlier years	(1,25,278)	-
<b>Total</b>	<b>(8,020)</b>	<b>3,05,635</b>

**Note 6 : Long Term Provisions**

Provision for Employee Benefit	4,43,579	-
<b>Total</b>	<b>4,43,579</b>	<b>-</b>

**Note 7 : Short Term Borrowings**

<b>Secured</b>		
Working Capital Loan from Bank	1,20,05,013	1,49,25,841
<b>Unsecured</b>		
Loan from Directors	45,43,069	58,14,000
<b>Total</b>	<b>1,65,48,082</b>	<b>2,07,39,841</b>

Working Capital Loan from IDFC bank is secured by hypothecation of inventories & receivables @ 9.55% (P/Y 9.90%) p.a. Loan from directors are repayable on demand with nil rate of interest.

As at  
March 31, 2018      As at  
March 31, 2017

<b>Note 8 : Trade Payables</b>		
Micro, Small and Medium Enterprises	-	-
Others	4,42,30,887	2,79,84,357
<b>Total</b>	<b>4,42,30,887</b>	<b>2,79,84,357</b>

The information as required to be disclosed under The Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as under section 22 of the Act, is as under:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
a) Principal amount due at the year end	-	-
b) Interest due on the principal amount unpaid at the year end	-	-
c) Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with the amount of payment made to the supplier beyond the appointed year during the accounting year	-	-
d) Amount of interest due and payable for the period of delay in making payment which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

<b>Note 9 : Other Current Liabilities</b>		
Advance from customers	40,22,986	40,86,546
Audit Fees Payable	1,12,500	20,125
Statutory dues	28,96,687	23,89,760
Expenses Payable	1,69,967	-
Salary, Wages and Bonus Payable	6,63,665	3,54,063
Other Payable	3,17,837	-
<b>Total</b>	<b>81,83,642</b>	<b>68,50,494</b>

<b>Note 10 : Short-term Provisions</b>		
Provision for Income Tax (Net of MAT)	31,09,246	3,06,684
Provision for Employee Benefit (Gratuity)	17,647	-
<b>Total</b>	<b>31,26,893</b>	<b>3,06,684</b>

# NOTES TO FINANCIAL STATEMENTS (NOTE 11\_FA)

**Note 11 : Tangible Assets**

Particulars	Leasehold Land	Building	Plant & Machinery	Moulds	Furniture & Fixture	Vehicles	Computers	Total
<b>Gross Block</b>								
At 1st April 2016	17,90,393	37,83,777	4,19,47,120	1,93,51,810	-	16,21,241	3,42,300	6,88,36,641
Additions during the year	-	-	25,77,005	1,07,62,628	-	14,48,716	1,09,111	1,48,97,460
Adjustments/Deletions during the year	-	-	25,95,282	-	-	-	1,33,393	27,28,675
<b>At March 31, 2017</b>	17,90,393	37,83,777	4,19,28,843	3,01,14,438	-	30,69,957	3,18,018	8,10,05,426
Additions/Revaluation during the year	3,23,22,487	-	25,13,886	1,27,96,257	1,87,995	14,43,311	3,45,326	4,96,09,262
Adjustments/Deletions during the year	-	-	-	23,32,108	-	-	-	23,32,108
<b>At March 31, 2018 (A)</b>	3,41,12,880	37,83,777	4,44,42,729	4,05,78,587	1,87,995	45,13,268	6,63,344	<b>12,82,82,580</b>
<b>Depreciation</b>								
At 1st April 2016	-	22,42,751	2,39,66,760	57,72,494	-	9,85,577	2,75,913	3,32,43,495
For the year	-	1,44,716	35,08,264	55,97,822	-	2,49,310	63,631	95,63,743
Adjustments during the year	-	-	9,03,695	-	-	-	1,31,161	10,34,856
<b>At March 31, 2017</b>	-	23,87,467	2,65,71,329	1,13,70,316	-	12,34,887	2,08,383	4,17,72,382
For the year	-	1,31,123	30,06,014	78,54,704	16,545	7,60,231	1,43,381	<b>1,19,11,998</b>
Adjustments during the year	-	-	-	15,15,677	-	-	-	15,15,677
<b>At March 31, 2018 (B)</b>	-	25,18,590	2,95,77,343	1,77,09,343	16,545	19,95,118	3,51,764	<b>5,21,68,703</b>
<b>Net Block (A-B)</b>	3,41,12,880	12,65,187	1,48,65,386	2,28,69,244	1,71,450	25,18,150	3,11,580	<b>7,61,13,877</b>
<b>Previous Year</b>	17,90,393	13,96,310	1,53,57,514	1,87,44,122	-	18,35,070	1,09,635	3,92,33,044

## NOTES TO FINANCIAL STATEMENTS (BS NOTES \_ASSETS)

	As at March 31, 2018	As at March 31, 2017
<b>Note 12 : Inventories</b>		
<b>(As taken, valued &amp; certified by the Management)</b>		
Raw Materials	31,59,288	62,94,915
Stores, Spares and Packing Materials	12,54,479	24,15,331
Finished Goods	1,12,31,460	68,08,681
<b>Total</b>	<b>1,56,45,227</b>	<b>1,55,18,927</b>
<b>Note 13 : Trade Receivables</b>		
<b>(Unsecured, considered good)</b>		
Outstanding for a period exceeding six months	26,21,061	37,09,236
Others	4,95,45,588	2,85,10,467
<b>Total</b>	<b>5,21,66,649</b>	<b>3,22,19,703</b>
<b>Note 14 : Cash and Cash equivalents</b>		
Cash on hand	1,30,624	99,747
INR Value of Foreign Currency in hand	2,50,865	2,81,924
<b>Balance with Bank</b>		
-In Current Account	8,31,165	9,95,593
-Fixed Deposit (including interest accrued)	18,83,587	16,49,816
<b>Total</b>	<b>30,96,241</b>	<b>30,27,080</b>
<b>Note 15 : Other Current Assets</b>		
CENVAT Credit	-	10,60,437
Advance to Suppliers	7,92,611	31,93,703
GST input balance	1,36,401	-
Deposit with UPSEB	35,35,182	32,49,382
Security Deposit	3,53,000	24,000
Insurance Claim Recoverable	27,41,727	27,41,727
PNB Claim dt. 09.11.2011	-	4,57,000
Prepaid Expenses	33,776	34,268
Prepaid Insurance	1,48,866	2,08,707
Prepaid Pollution Fees	15,000	35,000
Sales Tax on Capital Goods Claimable	-	27,917
Deposit against UPVAT (2010-11)	79,550	79,550
Deposit against CST (2010-11)	6,316	6,316
Deposit against Entry Tax (2010-11)	5,000	5,000
Deposit Against U.P. VAT (2012-13)	60,562	1,75,004
TDS & TCS	30,767	24,597
Advance Income Tax	21,70,000	2,00,000
<b>Total</b>	<b>1,01,08,758</b>	<b>1,15,22,608</b>

## NOTES TO FINANCIAL STATEMENTS (P&L NOTES)

For the Year ended    For the Year ended  
March 31, 2018        March 31, 2017

<b>Note 16 : Revenue from Operations</b>		
Sale of Products	23,19,18,102	15,32,33,066
Other operating revenues		
- Sale of Granules	3,70,01,500	18,77,500
- Sale of Scrap	8,436	-
Less: Excise Duty/GST on Sales	-	(1,71,89,049)
<b>Total</b>	<b>26,89,28,038</b>	<b>13,79,21,517</b>

<b>Note 17 : Other Income</b>		
Interest on Fixed Deposits	1,31,890	1,22,280
Other Income/ Discount Received	-	4,32,772
Other Non-Operating Income		
- Profit on Sale of Fixed Assets	1,83,569	14,682
- Rent from Chair Mold	2,66,000	15,000
<b>Total</b>	<b>5,81,459</b>	<b>5,84,734</b>

<b>Note 18 : Cost of Material Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock of Raw Material	87,10,246	99,96,091
Add : Purchases	15,69,57,284	9,92,92,876
Less : Closing Stock	44,13,767	87,10,246
<b>Total</b>	<b>16,12,53,763</b>	<b>10,05,78,721</b>

<b>Note 19 : Changes in Inventories of Finished Goods</b>		
Inventories at the beginning of the year	68,08,681	58,40,409
Inventories at the end of the year	1,12,31,460	68,08,681
<b>Total</b>	<b>(44,22,779)</b>	<b>(9,68,272)</b>

<b>Note 20 : Employee benefit expenses</b>		
Salaries, Wages & Bonus	41,23,226	22,36,407
Contribution to Provident and Other Funds	3,39,505	2,58,092
Gratuity	55,803	-
Staff welfare Expenses	63,750	5,309
<b>Total</b>	<b>45,82,284</b>	<b>24,99,808</b>

<b>Note 21 : Finance Costs</b>		
Interest on Borrowings	30,27,691	35,95,820
Interest Others	13,663	70,277
Bank charges	40,902	1,38,149
Exchange Fluctuation (Gain)/Loss	(66,339)	14,508
<b>Total</b>	<b>30,15,916</b>	<b>38,18,754</b>



For the Year ended    For the Year ended  
March 31, 2018        March 31, 2017

<b>Note 22 : Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Freight Inward	8,47,483	3,26,958
Power & Fuel	1,65,77,069	1,62,38,845
Repair Plant & Machinery	15,77,830	12,77,304
Job Work Charges	46,59,509	11,65,843
	<b>2,36,61,891</b>	<b>1,90,08,950</b>
<b>Selling and Distribution Expenses</b>		
Business Promotion	15,03,000	91,784
Freight outward	8,51,714	87,417
Annual Turnover Discount	16,07,738	-
Rent (Depot)	2,93,000	-
Advertisement Expenses	72,47,527	4,05,153
	<b>1,15,02,979</b>	<b>5,84,354</b>
<b>Other Expenses</b>		
Director's Remuneration	6,42,000	1,92,000
Auditor's Remuneration	1,25,000	20,125
CST paid for C form not received (F.Y. 2015-16)	20,939	-
Fees, Subscription & others taxes	54,439	70,031
Fire Fighting and Safety Expenses	48,160	4,717
House Tax / Municipal Tax	38,808	38,808
Insurance	2,84,149	2,14,411
Legal & Professional Charges	30,28,320	1,42,160
Pollution Fees	20,000	20,000
Miscellaneous Expenses	1,51,305	1,04,229
Telephone Exp.	34,760	26,731
Printing & Stationery	20,981	14,925
Misc. Assets write off	-	1,82,944
Travelling & Conveyance	1,50,392	47,995
Foreign Travelling Exp.	2,06,306	3,39,656
Postal & Courier Charges	25,841	4,010
Bad Debts	7,24,368	-
Interest on Income Tax and TDS	5,901	32,037
Repair & Maintenance-Building	54,873	-
Repair & Maintenance Others	1,46,153	42,704
Recruitment & Placement Expenses	-	32,835
Diwali Expense	1,79,500	50,985
Donation expense	1,76,000	1,76,000
Fuel Expense Car (Diesel)	61,000	19,250
Rates & Taxes	1,79,250	50,000
Office expense	-	56,200
Website/Email Renewal Exp.	2,71,700	6,490
Sales tax demand F/Y 2010-11	4,60,634	-
Interest on Sales Tax Demand F/Y 2010-11	3,17,837	-
	<b>74,28,616</b>	<b>18,89,243</b>
<b>Total</b>	<b>4,25,93,486</b>	<b>2,14,82,547</b>

# AVON MOLDPLAST LIMITED (FORMERLY KNOWN AVON MOLDPLAST PRIVATE LIMITED)

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### Corporate Information

Avon Moldplast Limited was originally formed as a private limited company in the name and style of M/s. Avon Moldplast Private Limited. The company was converted from private limited company to public limited company with the name of M/s. Avon Moldplast Limited on March 1, 2018 vide CIN U25200UP1996PLC101013 The company is engaged in manufacturing and selling of plastic molded furniture and granules and have established the brand name "AVON FURNITURE" and "AVON LIFESTYLE" besides host of other brands. The products are sold in U.P., Punjab, Haryana, Delhi, Rajasthan, Gujarat, across north India and major distributors are located in the state of Uttar Pradesh.

The purchase of raw material is made from M/s Kailashpati Polyplast Pvt. Ltd. - GZB. , M/s Polo Enterprises Pvt. Ltd. - Ghaziabad and M/s Pine Polymers P. Ltd., GZB., besides other reputed manufacturers of plastic compound in India.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of preparation of financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, Companies (Accounts) Rules, 2014 and amended till date and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). These financial statements have been prepared to comply with all the material aspects with the accounting standards notified under Companies Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently applied.

### b. Uses of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

### c. Tangible and Intangible Fixed Assets

Tangible Fixed Assets are stated at cost less depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any other directly attributable cost of bringing the assets to its working condition for its intended use.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as part of the cost of such asset, up to the date of acquisition / completion of construction.

Tangible Fixed Assets which are not yet ready for their intended use i.e. capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or Losses arising from de-recognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognized in the statement of profit and loss when the asset is derecognized. Intangible Assets acquired separately are measured on

initial recognition at cost. Following the initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from de-recognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the Asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **d. Depreciation and Amortization**

Depreciation on tangible assets is provided on "Written down Value Method" over the useful lives specified in Schedule II of Companies Act, 2013.

Depreciation/amortization in respect to additions to/ deletions from the fixed assets is charged on pro-rata basis with reference to the date of addition/ deletion of the assets.

Intangible assets are to be amortized on straight line basis over a period of five years.

#### **e. Impairment of tangible and intangible assets**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors or an annual impairment testing for an asset is required. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

#### **f. Inventories**

Inventories includes raw material, work-in-progress, finished goods, store & spare, packing material are valued at lower of cost and net realizable value.

Raw material and components: Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using first in first out (FIFO) basis.

Finished Goods: Cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overhead allocated based on the normal operating capacity but excluding borrowing cost. Cost is determined on weighted average cost basis. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods.

Store, spare parts, packing material etc.: Cost is determined on FIFO basis.

Inter divisional transfers are valued at works/factory costs of the transferor unit/division, plus transport and other charges.

#### **g. Investments**

##### **Recognition and Measurement**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

##### **Presentation and disclosures**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as Non-Current investments.

#### **h. Revenue Recognition**

##### **Income from sale of goods**

Revenue from sales is recognised when significant risks and rewards of ownership have been transferred to the buyer which is normally on delivery of goods (inclusive of excise duty/GST) & when there is reasonable certainty and reliability of ultimate realisation.

## **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

## **Dividend**

Dividends are recorded when the right to receive payment is established.

The Company adopts the mercantile method in the preparation of the accounts. Claims/ refunds not ascertainable with reasonable certainty are accounted for, on final settlement.

## **i.Foreign Currency Transactions**

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction.

As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## **j.Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## **k.Earnings Per Share (EPS)**

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

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

## **l.Employee Benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

## **Post-Employment Benefits**

**Defined Contribution Plan:** The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Defined Benefit Plan:** For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

## **Long Term Employee Benefits**

Entitlements to earned leave are recognized when they accrue to the employees. An employee who has a right to accumulate and carry forward his leave to a future period can either avail these leaves in future or en-cash, as per the company's leave encashment policy.

## **m.Taxes on Income**

Tax expense comprises both current and deferred taxes. Current tax is the amount of tax payable on

the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

## **n. PROVISIONS AND CONTINGENT LIABILITIES**

### **a. Provisions**

A Provision is recognized, if as a result of past event the company has a present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **b. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company has provided requisite disclosure related to contingent liabilities in its restated financial statements.

### **o. Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, INR Value of Foreign Currency in hand, fixed deposits with banks, which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **p. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

# NOTES TO FINANCIAL STATEMENTS

Note 23: Notes to Accounts

## 1. Contingent Liabilities

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Corporate Guarantees given to M/s. Bonita Furniture Pvt. Ltd.	2,14,60,000	1,64,00,000
Claim against the Company not acknowledged as debt	Nil	Nil

2.Capital Commitment (net of advances) ` 205.60 Lac (Previous year ` nil).

3.(a) UPVAT assessment has been completed upto the assessment year 2015-16, liability if any, arising out of remaining UPVAT assessments upto June 30, 2017, will be provided only on the final assessment. However, management foresees no significant liability for the period starting from April 1, 2016 to June 30, 2017.

(b) Excise and Service tax audit has been completed upto September 30, 2015, liability if any, arising out of remaining Excise and Service tax audit upto June 30, 2017, will be provided only on the final audit. However, management foresees no significant liability for the period starting from October 1, 2015 to June 30, 2017.

(c) An enquiry is being conducted by superintendent, Central Intelligent Unit (CIU) under the provisions of Central Goods and Service Tax Act, 2017 and rules made applicable vide section 174 of Central Goods and Service Tax Act, 2017 on the erstwhile central excise and service tax matters. For this purpose inspection has been conducted at factory, registered office and godown in Ghaziabad by officers of Central Intelligence Unit, Central Goods and Service Tax Department, Meerut Zone on March 28, 2018. Enquiries are in progress at various stages, liability if any arising out of this enquiry will be provided on the final assessment. However, on the basis of legal opinion management foresees some liability in this case.

4.On March 31, 2018, the company has got the perpetual leasehold land revalued by independent professional valuers. Accordingly, the leasehold land has been revalued and revaluation reserve has been created by ` 3,23,22,487/-.

5.During the year, the company has capitalized the borrowing cost of ` Nil (previous year ` Nil), incurred on acquisition of property, plant & equipment. The allocation of interest on borrowing for the purpose of capitalization in respect of funds borrowed and used for the purpose of obtaining a qualifying asset has been done on the basis of use of funds as per the best possible estimates.

6.The balances of trade payables and trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

7.Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provision of the Income Tax Act, 1961.

## 8. Minimum Alternate Tax (MAT)

During the year the company has utilized a sum of ` 3,61,291/- ( previous year 2,95,226) from the MAT Credit entitlement available with the company.

## 9. Employee Benefits

The company has adopted Revised Accounting Standard-15 'Employee Benefits' and the required disclosure are given hereunder.

### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as an expense for the year is as under:

Employer's contribution to Provident Fund and Employees State Insurance ` 3,39,505/- (Previous year ` 2,58,092/-).

### Defined Benefit Plan

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. During the year, long term employee benefit has been measured by actuarial and AS-15 has been adopted for employee benefits, the difference between the liabilities in respect of employee benefit has been adjusted against opening balance of revenue reserves and surplus.

### Reconciliation of defined benefit obligation

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Obligation at the beginning of the year	4,05,423	Nil
Current Service Cost	1,24,595	Nil
Interest Cost	28,675	Nil
Loss/(Gain) on Curtailment	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Actuarial Losses/(Gains)	(1,16,003)	Nil
Past service cost	30,060	Nil
Benefits paid	Nil	Nil
<b>Closing Defined Benefit Obligation</b>	<b>4,72,750</b>	<b>Nil</b>

### Reconciliation of Plan Assets

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Plan Asset as at the beginning of the year	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Actuarial Gains/(Losses)	Nil	Nil
Assets distributed on settlements	Nil	Nil
Contributions by employer	Nil	Nil
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits Paid	Nil	Nil
<b>Closing Value of Plan Assets</b>	<b>Nil</b>	<b>Nil</b>

**Reconciliation of net defined benefit liabilities:**

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Net opening provision in books of accounts	4,05,423	Nil
Transfer in/(out) obligation	Nil	Nil
Transfer (in)/out plan assets	Nil	Nil
Charge to P&L	55,803	Nil
Benefits paid by the Company	Nil	Nil
Contributions to plan assets	Nil	Nil
<b>Closing provision in books of accounts</b>	<b>4,61,226</b>	<b>Nil</b>

**Funded status of the plan:**

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Present value of unfunded obligations	4,72,750	Nil
Present value of unfunded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Unrecognised past service cost	(11,524)	Nil
Net Liability (Asset)	4,61,226	Nil

**Profit and loss account for the year ended:**

Particular	Gratuity	
	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	1,24,595	Nil
Interest on obligation	28,675	Nil
Expected return on Plan Assets	Nil	Nil
Past Service Cost	Nil	Nil
Actuarial Losses/ (Gains)	(1,16,003)	Nil
Recognised past service cost-vested	18,536	
Total included in 'Employee Benefit Expense'	55,803	Nil
Prior year charge	Nil	Nil
Total Charge to P&L	<b>55,803</b>	<b>Nil</b>



**Principle actuarial assumptions:**

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Discount Rate	7.65%	7.20%
Expected Return on Plan Assets	N/A	N/A
Salary Growth Rate	10%	10%
Retirement Age	60 years	60 years
Withdrawal Rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages

**Composition of the plan assets:**

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Policy of insurance	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Bank Balance	0%	0%
Others Investment	0%	0%

**Table of experience adjustments:**

Particular	Gratuity	
	March 31, 2018	March 31, 2017
Defined Benefit Obligation	4,72,750	Nil
Plan Assets	Nil	Nil
Surplus/(Deficit)	(4,72,750)	Nil
Experience Adjustment on Plan Liabilities	(88,049)	Nil
Actuarial loss/(gain) due to change in financial assumptions	(27,954)	Nil
Actuarial loss/(gain) due to change in demographic assumptions	Nil	Nil
Experience adjustments on plan assets	Nil	Nil
<b>Net actuarial loss/ (gain) for the year</b>	<b>(1,16,003)</b>	<b>Nil</b>

**10. Provisions (Accounting Standard -29)**

Particulars	Balance as on March 31, 2017	Utilize/adjustment during the year	Provision made during the year	Balance as on March 31, 2018
Provision for Income Tax	3,06,684	3,06,684	34,70,537	34,70,537
Provision for Employee Benefits	5,46,043	1,40,620	2,48,810	6,54,233

### 11. Segment Reporting

Contribution to Defined Contribution Plan, recognized as an expense for the year is as under:  
Employer's contribution to Provident Fund and Employees State Insurance ` 3,39,505/- (Previous year ` 2,58,092/-).

### 12. Accounting for Taxes on Income

Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the year is reported as under.

(C)

Item of Deferred Tax	March 31, 2018	March 31, 2017
<b>Deferred Tax assets</b>		
Related to Fixed (Tangible) Assets	Nil	Nil
Related to carry forward loss and unabsorbed depreciation	Nil	Nil
Related to Employee Benefit	1,93,831	Nil
<b>Total (a)</b>	<b>1,93,831</b>	<b>Nil</b>
<b>Deferred Tax Liability</b>		
Related to Fixed (Tangible) Assets	1,85,811	3,05,635
<b>Total (b)</b>	<b>1,85,811</b>	<b>3,05,635</b>
<b>Net Deferred Tax Liability/(Assets)</b>	<b>(8,020)</b>	<b>3,05,635</b>

### Movement of Deferred Tax

Particulars	Opening as at April 1, 2017	Deferred tax charged/credited during the year	Amount adjusted to opening reserve	Closing balance as at March 31, 2018
Deferred Tax Liabilities	3,05,635	1,88,377	1,25,278	8,020

### 13. Remuneration to Auditors

Particulars	March 31, 2018	March 31, 2017
Audit Fees	1,25,000	20,125
Other Matters	1,25,000	Nil

### 14. Licensed & Installed Capacity (\*)

Class of Goods	March 31, 2018		March 31, 2017	
	Licensed Capacity	Installed Capacity	Licensed capacity	Installed Capacity
	Nos.	Nos.	Nos.	Nos.
Plastic Molded Furniture	N.A.	N.A.	N.A.	N.A.

(\*) Licensed and Installed capacity certified by the management.

N.A. denotes not applicable

Nos. denotes number

#### 15. Plastic Molded Furniture

Year	Qty.	Opening Stock	Purchases /sales return	Produced /Job work	Trans. To other FG head	Sold	Closing Stock
Mach 31, 2018	Nos.	29,610	1,69,526	8,24,863	Nil	9,83,340	37,043
Mach 31, 2017	Nos.	32,478	Nil	6,49,933	Nil	6,52,801	29,610

#### 16. Granules / Scrap / -- Purchased/ Consumed for Production

Year	Qty.	Opening Stock	Purchases /Produced	Consumed/ Sold	Closing Stock
Mach 31, 2018	MT	145.020	2195.405	2259.187	81.238
Mach 31, 2017	MT	181.533	1686.875	1723.388	145.020

MT denotes metric tonne

#### 17. Granules/ Scrap/ Filler / Master Batch - Purchased for trading

Year	Qty.	Opening Stock	Purchase	Sold	Closing Stock
Mach 31, 2018	MT	Nil	434.383	434.383	Nil
Mach 31, 2017	MT	Nil	Nil	Nil	Nil

#### 18. Value of Raw Material, Stores & Spares Consumed

Year	Class of Goods				
		Raw Material		Stores & Spares	
		Imported	Indigenous	Imported	Indigenous
Mach 31, 2018	Value (₹)	Nil	15,02,22,268	Nil	1,10,31,495
	% of Total	Nil	100%	Nil	100%
Mach 31, 2017	Value (₹)	Nil	10,74,59,409	Nil	43,29,324
	% of Total	Nil	100%	Nil	100%

#### 19. Earnings in Foreign Exchange

Particulars	March 31, 2018	March 31, 2017
F.O.B. value of sales	Nil	Nil
Reimbursements of Expenditure	Nil	Nil

#### 20. Expenditure in Foreign Exchange

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Foreign Traveling	2,06,306	3,39,656
Import of Mold	1,11,98,722	99,82,260
Import of Machine & Spare Part	10,17,460	10,80,391

## 21. Earning per shares

Particulars	Year ended March 31, 2018	Year Ended March 31, 2017
Net Profit after Tax (₹)	85,24,169	13,66,314
Weighted average number of equity shares outstanding during the year (including Bonus shares)	2370000	948000
Basic earnings per share (₹)	3.60	1.44
Diluted earnings per share (₹)	3.60	1.44
Face value per equity shares (₹)	10	100

## 22. Related Party Disclosure

Related party transactions are reported as per Accounting Standard-18 of Companies (Accounts) Rules, 2014, as amended, are given below:

### (a) List of related parties & relationships, where control exists

S. No.	Nature of Relationship	Name of Parties
1	Holding Company	Nil
2	Subsidiary Company	Nil
3	Associates	Nil
4	Key Management Personnel	Sh. Sushil Kumar Aggarwal Sh. Sahil Aggarwal Sh. Anita Aggarwal
5	Relatives of Key Management Personnel	Nil
6	Enterprises where Significant Influence exist by Key Management Personnel	M/s. Bonita Furniture Pvt. Ltd.

### Related Party Disclosure

S. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	6,42,000 (1,92,000)	Nil (Nil)	Nil (Nil)
2	Purchase of Furniture	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	4,65,68,405 (Nil)
3	Loan Taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	72,35,069 (1,89,20,000)	Nil (Nil)	Nil (Nil)
4	Purchase of Capital Items	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Repayment of Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	85,06,000 (1,50,57,157)	Nil (Nil)	Nil (Nil)

6	Job Work Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	16,30,624 (Nil)
7	Rent of Moulds	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,96,240 (Nil)
8	Sales	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	30,18,440 (Nil)
9	<b>Outstanding as on 31.03.2018</b>						
	a) Amount Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	b) Amount Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	45,43,069 (58,14,000)	Nil (Nil)	Nil (Nil)
	d) Guarantee given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2,14,60,000 (1,64,00,000)

**Note:** a) Figures in bracket represent previous year amounts.

b) No amount has been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

23. Previous year figures have been regrouped /rearranged wherever considered necessary.

As per our Report of even date attached  
**For Sushil Lal & Associates**  
**Chartered Accountants**  
FRN -021758N

**For Avon Moldplast Limited**

**Rajib Kumar Karn**  
Partner  
M. No. 304483

**Sahil Aggarwal**  
Managing Director  
DIN -02515025

**Sushil Kumar Aggarwal**  
Chairman  
DIN -00248707

Place: Ghaziabad  
Date: 23.08.2018

**Umesh Kumar Gupta**  
Chief Financial Officer  
PAN -AIFPG9737M

**Shikhar Agarwal**  
Company Secretary  
PAN -BDUPA5568F

# PROXY FORM

**Form No. MGT-11**

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

CIN **U25200UP1996PLC101013**  
 Name of the Company **AVON MOLDPLAST LIMITED**  
 Registered Office **A-7/36-39, SOUTH OF G.T.ROAD INDUSTRIAL AREA  
 ELECTROSTEEL CASTING COMPOUND GHAZIABAD – 201009**

Name of the Member(s)	
Registered address	
E-mail I. d.	
Folio no./Client Id*	
DP ID	

I/We, being the member(s) of AVON MOLDPLAST LIMITED holding \_\_\_\_\_ shares hereby appoint:

1. Name .....  
 Address .....  
 .....  
 E-Mail I.D. ....  
 Signature ..... **or failing him**

2. Name .....  
 Address .....  
 .....  
 E-Mail I.D. ....  
 Signature ..... **or failing him**

3. Name .....  
 Address .....  
 .....  
 E-Mail I.D. ....  
 Signature ..... **or failing him**

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on Saturday, 29th September, 2018 at 10:00 A.M. at the Registered Office of the company at A-7/36-39, South of G.T.Road Industrial Area, Electrosteel Casting Compound, Ghaziabad - 201009 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors' thereon.		
2.	To re-appoint <b>Mr. Sushil Kumar Aggarwal (DIN: 00248707)</b> , Whole Time Director of the Company, who is liable to retire by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint <b>M/s Sushil Lal &amp; Associates, Chartered Accountants</b> , as the Statutory Auditor of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix Revenue  
Stamp of Rs. 1/-

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- (1) This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
- (2) For the resolutions, statement setting out material facts, notes and instructions please refer to the notice of Annual General Meeting.
- (3) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (4) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Please complete all details including details of member(s) and proxy(ies) in the above box before submission.

# BALLOT PAPER

## Form No. MGT-12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

### BALLOT PAPER

22<sup>nd</sup> Annual General Meeting of the members of **Avon Moldplast Limited** to be held on Saturday, 29<sup>th</sup> day of September 2018 at 10:00 A.M. at Registered office of the company situated at A-7/36-39, South of G.T. Road Industrial Area Electrosteel Casting Compound Ghaziabad - 201009:-

Name of First Named Shareholder \_\_\_\_\_  
(In Block Letters)  
Postal Address \_\_\_\_\_  
\_\_\_\_\_

Folio No./DP ID & Client ID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Class of Shares \_\_\_\_\_

I hereby exercise my vote in respect of Ordinary Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No.	Brief of Resolutions	In favor of Resolutions	Against the Resolutions
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors' thereon.		
2.	To re-appoint <b>Mr. Sushil Kumar Aggarwal (DIN: 00248707)</b> , Whole Time Director of the Company, who is liable to retire by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint <b>M/s Sushil Lal &amp; Associates, Chartered Accountants</b> , as the Statutory Auditor of the Company.		

Date:

Signature of Shareholder

Place:

\* Please tick in the appropriate column



# ATTENDANCE SLIP

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

**22nd Annual General Meeting, on Saturday, 29th day of September, 2018 at 10.00 A.M**

Name of the Member  
(In Block Letters) \_\_\_\_\_

Folio No./DP ID & Client ID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Name of Proxy  
(To be filled in, if the proxy  
attends instead of the member) \_\_\_\_\_

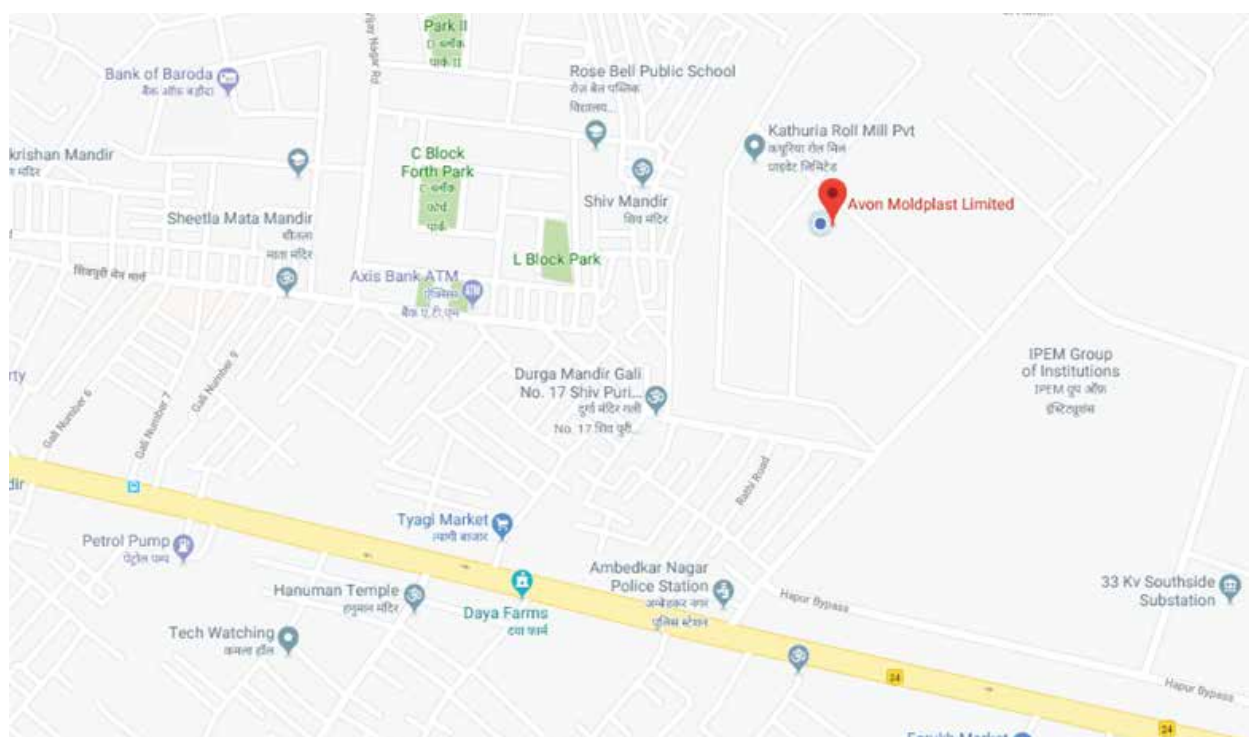
I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 22nd Annual General Meeting of the Company on **Saturday, 29th day of September, 2018 at 10.00 A.M.** at **A-7/36-39, South of G.T.Road Industrial Area Electros-teel Casting Compound Ghaziabad - 201009.**

## 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 distributed at the meeting venue

## ROUTE MAP



# AVON

Furniture

## India's Most Durable Plastic Furniture

### REGISTERED OFFICE

A-7/36-39, South of G.T. Road, Industrial Area  
(Opp. Rathi Udyog Ltd.), Electrosteel Casting Compound  
Ghaziabad - 201009 (UP), INDIA

0120-4376091 | 99100 39125 | info@avonmpl.com | www.avonmpl.com

### BRANCH OFFICES

**PATNA DEPOT :** Ground Floor, Plot No.04, Pratap Nagar,  
Krishna Niketan School, Ramkrishna Nagar,  
Patna, Bihar - 800001

**BHIWANDI :** H.No.877/6, Building No.D/2, Jai Shree  
Ram Complex, Dapode Village, Bhiwandi,  
Thane, Maharashtra - 421302

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SUPPORTS GIRL  
CHILD THROUGH  
SMILE FOUNDATION

